

# Module-01

## Introduction to Digital Marketing

**1.1 Motivation:** Digital marketing helps the business to reach wider audience, scale up the business and generate more revenue

**1.2 Learning Objective:** Understand the concept of Digital Marketing and learn the basics of Digital marketing

### 1.3 Syllabus

Prerequisites	Syllabus	Duration	Self-Study
Introduction of E-commerce	Digital Marketing Skills empowered by AI :SEO	1 Hr	1 Hr
	Search Engine Marketing, Social Media Marketing,	1 Hr	1 Hr
	Email Marketing, Content Marketing, Influencer Marketing,	1 Hr	1 Hr
	Conversion Rate Optimization	1 Hr	1 Hr
	Web Analytics	1 Hr	2 Hr
	Tools Based Marketing	1 Hr	2 Hr
	Lifecycle Marketing Automation.	1 Hr	1 Hr

### 1.4 DEFINITIONS:

- Digital Marketing:** Digital Marketing refers to advertising delivered through numerous digital channels such as search engines, websites, social media, email, and mobile apps.
- Search engine optimization (SEO):** Search engine optimization (SEO) is the process of getting traffic from the “free,” “organic,” “editorial” or “natural” listings on search engines.
- Social media marketing (SMM):** Social media marketing (SMM) is a form of Internet marketing that utilizes social networking websites as a marketing tool.
- Web analytics:** Web analytics is the study of visitor, navigation, and traffic patterns to determine the success of a given web site.
- Google Analytics:** It is a free Web analytics service that provides statistics and basic analytical tools for search engine optimization (SEO) and marketing purposes.

6. **Content writer:** A website content writer or web content writer is a person who specializes in providing relevant content for websites.

### **1.5 Key Definition:**

1. **SEO:** Search engine optimization
2. **SEM:** Search engine marketing
3. **ROI:** Return on Investment
4. **SMM:** Social media marketing
5. **PPC:** Pay per click
6. **ROI:** Rate of investment
7. **CRO:** Conversion Rate Optimization
8. **KPI:** Key Performance Indicators

### **1.6 Theory:**

#### **1.6.1 Introduction:**

Digital marketing is an umbrella term for the marketing of products or services using digital technologies, mainly on the Internet, but also including mobile phones, display advertising, and any other digital medium.

At a high level, digital marketing refers to advertising delivered through digital channels such as search engines, websites, social media, email, and mobile apps. Using these online media channels, digital marketing is the method by which companies endorse goods, services, and brands. Consumers heavily rely on digital means to research products. For example, Think with Google marketing insights found that 48% of consumers start their inquiries on search engines, while 33% look to brand websites and 26% search within mobile applications.

While modern day digital marketing is an enormous system of channels to which marketers simply must onboard their brands, advertising online is much more complex than the channels alone. In order to achieve the true potential of digital marketing, marketers have to dig deep into today's vast and intricate cross-channel world to discover strategies that make an impact through engagement marketing. Engagement marketing is the method of forming meaningful interactions with potential and returning customers based on the data you collect over time. By engaging customers in a digital landscape, you build brand awareness, set yourself as an industry thought leader, and place your business at the forefront when the customer is ready to buy.

#### **Benefits of Digital Marketing**

- Saves the time and effort
- Economical
- Has a greater impact on the masses

- Flexible
- Real time analysis
- Instant feedback

### **Objectives of Digital Marketing**

- Reach the correct audience
- Engage your audience
- Motivate your audience to take action
- Maximize the return on investment(ROI)

#### **1.6.2 Digital Marketing Skills empowered by AI: SEO**

SEO stands for “search engine optimization.” In simple terms, it means the process of improving your site to increase its visibility for relevant searches. The better visibility your pages have in search results, the more likely you are to garner attention and attract prospective and existing customers to your business.

Search engine optimization is the process of getting traffic from the “free,” “organic,” “editorial” or “natural” listings on search engines. For example, whenever you enter a query in a search engine and hit 'enter' you get a list of web results that contain that query term. Users normally tend to visit websites that are at the top of this list as they perceive those to be more relevant to the query.

If you have ever wondered why some of these websites rank better than the others then you must know that it is because of a powerful web marketing technique called Search Engine Optimization (SEO). SEO helps to ensure that a site is accessible to a search engine and improves the chances that the site will be found by the search engine. It is a common practice for Internet users to not click through pages and pages of search results, so where a site ranks in a search is essential for directing more traffic toward the site.

The higher a website naturally ranks in organic results of a search, the greater the chance that the site will be visited by a user.

#### **How does SEO work?**

Search engines such as Google and Bing use bots to crawl pages on the web, going from site to site, collecting information about those pages and putting them in an index. Next, algorithms analyze pages in the index, taking into account hundreds of ranking factors or signals, to determine the order pages should appear in the search results for a given query.

Search ranking factors can be considered proxies for aspects of the user experience. Our Periodic Table of SEO Factors organizes the factors into six main categories and weights each based on its overall importance to SEO. For example, content quality and keyword research are key factors of content optimization, and crawlability and mobile-friendliness are important site architecture factors.

The search algorithms are designed to surface relevant, authoritative pages and provide users with an efficient search experience. Optimizing your site and

content with these factors in mind can help your pages rank higher in the search results.

Unlike paid search ads, you can't pay search engines to get higher organic search rankings.

### **Why is SEO important for marketing?**

SEO is a fundamental part of digital marketing because people conduct trillions of searches every year, often with commercial intent to find information about products and services. Search is often the primary source of digital traffic for brands and complements other marketing channels. Greater visibility and ranking higher in search results than your competition can have a material impact on your bottom line. However, the search results have been evolving over the past few years to give users more direct answers and information that is more likely to keep users on the results page instead of driving them to other websites. Also, features like rich results and Knowledge Panels in the search results can increase visibility and provide users more information about your company directly in the results.

#### **1.6.3 Search Engine Marketing:**

Search engine marketing (SEM) is a form of Internet marketing that involves the promotion of websites by increasing their visibility in search engine results pages (SERPs) primarily through paid advertising. SEM may incorporate search engine optimization (SEO), which adjusts or rewrites website content and site architecture to achieve a higher ranking in search engine results pages to enhance pay per click (PPC) listings.

Search engine marketing is a way to create and edit a website so that search engines rank it higher than other pages. It should be also focused on keyword marketing or pay-per-click advertising (PPC). The technology enables advertisers to bid on specific keywords or phrases and ensures ads appear with the results of search engines.

Search engine marketing is the practice of marketing a business using paid advertisements that appear on search engine results pages (or SERPs). Advertisers bid on keywords that users of services such as Google and Bing might enter when looking for certain products or services, which gives the advertiser the opportunity for their ads to appear alongside results for those search queries. These ads, often known by the term pay-per-click ads, come in a variety of formats. Some are small, text-based ads, whereas others, such as product listing ads (PLAs, also known as Shopping ads) are more visual, product-based advertisements that allow consumers to see important information at-a-glance, such as price and reviews.

Search engine marketing's greatest strength is that it offers advertisers the opportunity to put their ads in front of motivated customers who are ready to buy at the precise moment they're ready to make a purchase. No other advertising

medium can do this, which is why search engine marketing is so effective and such an amazingly powerful way to grow your business.

With the development of this system, the price is growing under a high level of competition. Many advertisers prefer to expand their activities, including increasing search engines and adding more keywords (fig 1.1) . The more advertisers are willing to pay for clicks, the higher the ranking for advertising, which leads to higher traffic. PPC comes at a cost. The higher position is likely to cost \$5 for a given keyword, and \$4.50 for a third location. A third advertiser earns 10% less than the top advertiser while reducing traffic by 50%.

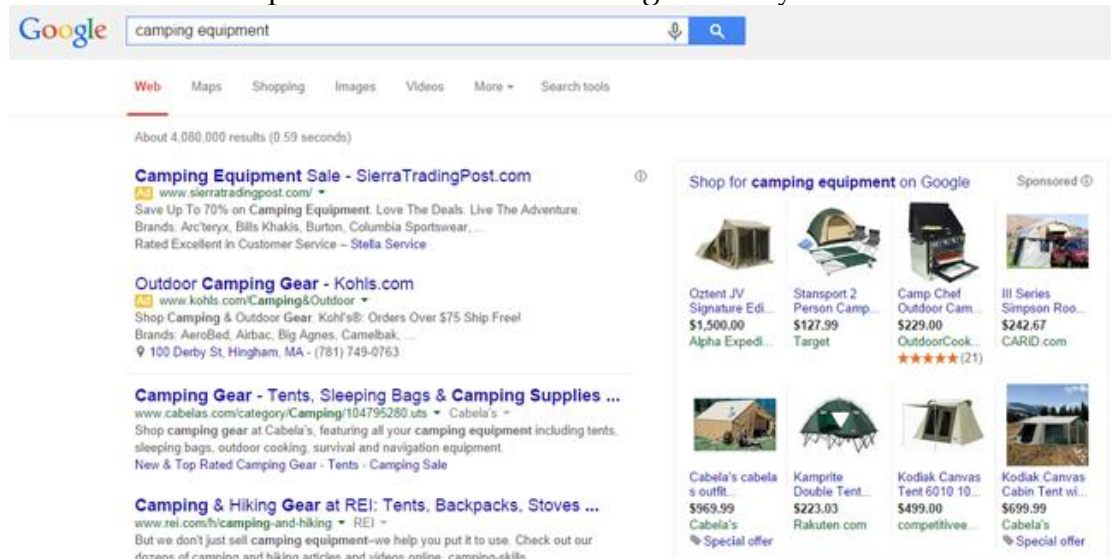


Fig 1.1 Search engine result and adding keywords

Investors must consider their Return on Investment (ROI) when engaging in PPC campaigns. Buying traffic via PPC will deliver a positive ROI when the total cost-per-click for a single conversion remains below the profit margin. That way the amount of money spent to generate revenue is below the actual revenue generated.

There are many reasons explaining why advertisers choose the SEM strategy. First, creating a SEM account is easy and can build traffic quickly based on the degree of competition. The shopper who uses the search engine to find information tends to trust and focus on the links showed in the results pages. However, a large number of online sellers do not buy search engine optimization to obtain higher ranking lists of search results but prefer paid links. A growing number of online publishers are allowing search engines such as Google to crawl content on their pages and place relevant ads on it. From an online seller's point of view, this is an extension of the payment settlement and an additional incentive to invest in paid advertising projects. Therefore, it is virtually impossible for advertisers with limited budgets to maintain the highest rankings in the increasingly competitive search market.

Google's search engine marketing is one of the western world's marketing leaders, while its search engine marketing is its biggest source of profit. Google's search engine providers are clearly ahead of the Yahoo and Bing network. The display of unknown search results is free, while advertisers are willing to pay for each click of the ad in the sponsored search results.

### **Comparison with SEO**

SEM is the wider discipline that incorporates SEO. SEM includes both paid search results (using tools like Google Adwords or Bing Ads, formerly known as Microsoft adCenter) and organic search results (SEO). SEM uses paid advertising with AdWords or Bing Ads, pay per click (particularly beneficial for local providers as it enables potential consumers to contact a company directly with one click), article submissions, advertising and making sure SEO has been done. A keyword analysis is performed for both SEO and SEM, but not necessarily at the same time. SEM and SEO both need to be monitored and updated frequently to reflect evolving best practices.

In some contexts, the term SEM is used exclusively to mean pay per click advertising, particularly in the commercial advertising and marketing communities which have a vested interest in this narrow definition. Such usage excludes the wider search marketing community that is engaged in other forms of SEM such as search engine optimization and search retargeting.

Creating the link between SEO and PPC represents an integral part of the SEM concept. Sometimes, especially when separate teams work on SEO and PPC and the efforts are not synced, positive results of aligning their strategies can be lost. The aim of both SEO and PPC is maximizing the visibility in search and thus, their actions to achieve it should be centrally coordinated. Both teams can benefit from setting shared goals and combined metrics, evaluating data together to determine future strategy or discuss which of the tools works better to get the traffic for selected keywords in the national and local search results. Thanks to this, the search visibility can be increased along with optimizing both conversions and costs.

Another part of SEM is social media marketing (SMM). SMM is a type of marketing that involves exploiting social media to influence consumers that one company's products and/or services are valuable. Some of the latest theoretical advances include search engine marketing management (SEMM). SEMM relates to activities including SEO but focuses on return on investment (ROI) management instead of relevant traffic building (as is the case of mainstream SEO). SEMM also integrates organic SEO, trying to achieve top ranking without using paid means to achieve it, and pay per click SEO. For example, some of the attention is placed on the web page layout design and how content and information is displayed to the website visitor. SEO & SEM are two pillars of one marketing job and they both run side by side to produce much better results than focusing on only one pillar.

### **Examples**

**AdWords** is recognized as a web-based advertising utensil since it adopts keywords that can deliver adverts explicitly to web users looking for information in respect to a certain product or service. It is flexible and provides customizable options like Ad Extensions, access to non-search sites, leveraging the display network to help increase brand awareness. The project hinges on cost per click (CPC) pricing where the maximum cost per day for the campaign can be chosen, thus the payment of the service only applies if the advert has been clicked. SEM companies have embarked on AdWords projects as a way to publicize their SEM and SEO services. One of the most successful approaches to the strategy of this project was to focus on making sure that PPC advertising funds were prudently invested. Moreover, SEM companies have described AdWords as a practical tool for increasing a consumer's investment earnings on Internet advertising. The use of conversion tracking and Google Analytics tools was deemed to be practical for presenting to clients the performance of their canvas from click to conversion. AdWords project has enabled SEM companies to train their clients on the utensil and delivers better performance to the canvass. The assistance of AdWord canvass could contribute to the growth of web traffic for a number of its consumer's websites, by as much as 250% in only nine months.

Another way search engine marketing is managed is by **contextual advertising**. Here marketers place ads on other sites or portals that carry information relevant to their products so that the ads jump into the circle of vision of browsers who are seeking information from those sites. A successful SEM plan is the approach to capture the relationships amongst information searchers, businesses, and search engines. Search engines were not important to some industries in the past, but over the past years the use of search engines for accessing information has become vital to increase business opportunities. The use of SEM strategic tools for businesses such as tourism can attract potential consumers to view their products, but it could also pose various challenges. These challenges could be the competition that companies face amongst their industry and other sources of information that could draw the attention of online consumers. To assist the combat of challenges, the main objective for businesses applying SEM is to improve and maintain their ranking as high as possible on SERPs so that they can gain visibility. Therefore, search engines are adjusting and developing algorithms and the shifting criteria by which web pages are ranked sequentially to combat against search engine misuse and spamming, and to supply the most relevant information to searchers. This could enhance the relationship amongst information searchers, businesses, and search engines by understanding the strategies of marketing to attract business.

### 1.6.4 Social Media Marketing:

**Social Media Marketing:** Social media marketing, or SMM, is a form of internet marketing that involves creating and sharing content on social media networks in order to achieve your marketing and branding goals. Social media marketing includes activities like posting text and image updates, videos, and other content that drives audience engagement, as well as paid social media advertising.

Social media marketing can help with a number of goals, such as:

- Increasing website traffic
- Building conversions
- Raising brand awareness
- Creating a brand identity and positive brand association
- Improving communication and interaction with key audiences

The bigger and more engaged your audience is on social media networks, the easier it will be for you to achieve every other marketing goal on your list.

#### 1.6.4.1. Best Social Media Marketing Tips

Here are a few social media marketing tips to kick off your social media campaigns.

**Social Media Content Planning** – Building a social media marketing plan is essential. Consider keyword research and competitive research to help brainstorm content ideas that will interest target audience. What are other businesses in your industry doing to drive engagement on social media?

**Great Social Content** – Consistent with other areas of online marketing, content controls supreme when it comes to social media marketing. Make sure information must be posted regularly so that ideal customers will find helpful and interesting. The content shared on social networks can include social media images, videos, info graphics, how-to guides and more.

**A Consistent Brand Image** – Using social media for marketing enables your business to project your brand image across a variety of different social media platforms. While each platform has its own unique environment and voice, your business's core identity, whether it's friendly, fun, or trustworthy, should stay consistent.

**Social Media for Content Promotion** – Social media marketing is a perfect channel for sharing your best site and blog content with readers. Once you build a loyal following on social media, you'll be able to post all your new content and make sure your readers can find new stuff right away. Plus, great blog content will help you build more followers. It's a surprising way that content marketing and social media marketing benefit each other.

**Sharing Curated Links** – While using social media for marketing is a great way to leverage your own unique, original content to gain followers, fans, and devotees, it's also an opportunity to link to outside articles as well. If other sources



provide great, valuable information you think your target audience will enjoy, don't be shy about linking to them. Curating and linking to outside sources improves trust and reliability, and you may even get some links in return.

**Tracking Competitors** – It's always important to keep an eye on competitors – they can provide valuable data for keyword research and other social media marketing insight. If your competitors are using a certain social media marketing channel or technique that seems to be working for them, considering doing the same thing, but do it better!

**Measuring Success with Analytics** – You can't determine the success of your social media marketing strategies without tracking data. Google Analytics can be used as a great social media marketing tool that will help you measure your most triumphant social media marketing techniques, as well as determine which strategies are better off abandoned. Attach tracking tags to your social media marketing campaigns so that you can properly monitor them. And be sure to use the analytics within each social platform for even more insight into which of your social content is performing best with your audience.

**Social Media Crisis Management** – Things don't always go swimmingly for brands on social media. It's best to have a playbook in place so your employees know how to handle a chaos.

#### 1.6.4.2 Choose the Best Social Media Platforms for Marketing:

Some of the best social media platform for marketing are listed, but the list doesn't ends here.(Fig 1.2)

##### **Facebook:**

Facebook is a place people go to relax and chat with friends, so keep your tone light and friendly. And remember, organic reach on Facebook can be extremely limited, so consider a cost-effective Facebook ad strategy, which can have a big impact on your organic Facebook presence as well.



Fig 1.2 Social media marketing

## **Google+**

On Google+ you can upload and share photos, videos, links, and view all your +1s. Also take advantage of Google+ circles, which allow you to segment your followers into smaller groups, enabling you to share information with some followers while barring others. For example, you might try creating a “super-fan” circle, and share special discounts and exclusive offers only with that group.

## **Pinterest**

Pinterest’s image-centered platform is ideal for retail, but anyone can benefit from using Pinterest for social media purposes or sales-driving ads. Pinterest allows businesses to showcase their product offerings while also developing brand personality with eye-catching, unique pinboards. When developing your Pinterest strategy, remember that the social network's primary audience is female. If that's your demographic, you need a presence on Pinterest.

## **Twitter**

Twitter is the social media marketing tool that lets you broadcast your updates across the web. Follow tweeters in your industry or related fields, and you should gain a steady stream of followers in return. Mix up your official tweets about specials, discounts, and news with fun, brand-building tweets. Be sure to retweet when a customer has something nice to say about you, and don’t forget to answer people’s questions when possible. Using Twitter as a social media marketing tool revolves around dialog and communication, so be sure to interact as much as possible to nurture and build your following.

## **LinkedIn**

LinkedIn is one of the more professional social media marketing sites. LinkedIn Groups is a great venue for entering into a professional dialog with people in similar industries and provides a place to share content with like-minded individuals. It's also great for posting jobs and general employee networking. Encourage customers or clients to give your business a recommendation on your LinkedIn profile. Recommendations makes your business appear more credible and reliable for new customers. Also browse the Questions section of LinkedIn; providing answers helps you get established as a thought leader and earns trust.

## **YouTube**

YouTube is the number one place for creating and sharing video content, and it can also be an incredibly powerful social media marketing tool. Many businesses try to create video content with the aim of having their video “go viral,” but in reality those chances are pretty slim. Instead, focus on creating useful, instructive “how-to” videos. These how-to videos also have the added benefit of ranking on the video search results of Google.

### **1.6.5 Email Marketing:**

Email marketing is the act of sending a commercial message, typically to a group of people, using email. In its broadest sense, every email sent to a potential or current customer could be considered email marketing. It involves using email to send advertisements, request business, or solicit sales or donations. Email marketing strategies commonly seek to achieve one or more of three primary objectives, to build loyalty, trust, or brand awareness. The term usually refers to sending email messages with the purpose of enhancing a merchant's relationship with current or previous customers, encouraging customer loyalty and repeat business, acquiring new customers or convincing current customers to purchase something immediately, and sharing third-party ads.

#### **1.6.5.1 Types of Email marketing:**

Email marketing can be carried out through different types of emails:

- **Transactional emails**

Transactional emails are usually triggered based on a customer's action with a company. To be qualified as transactional or relationship messages, these communications' primary purpose must be "to facilitate, complete, or confirm a commercial transaction that the recipient has previously agreed to enter into with the sender" along with a few other narrow definitions of transactional messaging. Triggered transactional messages include dropped basket messages, password reset emails, purchase or order confirmation emails, order status emails, reorder emails, and email receipts.

The primary purpose of a transactional email is to convey information regarding the action that triggered it. But, due to their high open rates (51.3% compared to 36.6% for email newsletters), transactional emails are an opportunity to introduce or extend the email relationship with customers or subscribers; to anticipate and answer questions; or to cross-sell or up-sell products or services.

Many email newsletter software vendors offer transactional email support, which gives companies the ability to include promotional messages within the body of transactional emails. There are also software vendors that offer specialized transactional email marketing services, which include providing targeted and personalized transactional email messages and running specific marketing campaigns.

- **Direct emails**

Direct email involves sending an email solely to communicate a promotional message (for example, a special offer or a product catalog). Companies usually

collect a list of customer or prospect email addresses to send direct promotional messages to, or they rent a list of email addresses from service companies.

#### **1.6.5.2 Advantages:**

Email marketing is popular with companies for several reasons:

- Email marketing is significantly cheaper and faster than traditional mail, mainly because with email, most of the cost falls on the recipient.
- Businesses and organizations who send a high volume of emails can use an ESP (email service provider) to gather information about the behavior of the recipients. The insights provided by consumer response to email marketing help businesses and organizations understand and make use of consumer behavior.
- Almost half of American Internet users check or send email on a typical day, with emails delivered between 1 am and 5 am local time outperforming those sent at other times in open and click rates.

#### **1.6.5.3 Disadvantages**

- As of mid-2016 email deliverability is still an issue for legitimate marketers. According to the report, legitimate email servers averaged a delivery rate of 73% in the U.S.; six percent were filtered as spam, and 22% were missing. This lags behind other countries: Australia delivers at 90%, Canada at 89%, Britain at 88%, France at 84%, Germany at 80% and Brazil at 79%.
- Consumers receive on average about 90 emails per day.
- Companies considering the use of an email marketing program must make sure that their program does not violate spam laws such as the United States' Controlling the Assault of Non-Solicited Pornography and Marketing Act (CAN-SPAM), the European Privacy and Electronic Communications Regulations 2003, or their Internet service provider's acceptable use policy.

#### **1.6.5.4 Email marketing tips to get you started**

##### **1.6.5.4.1 Create an email marketing plan.**

To make the planning part easier consider following best practices when devising a strategy for your email marketing.

- **Define your audience**

No matter what you sell, you need to have a clear idea of who your audience is in order to effectively communicate with them. A little deeper to segment users within your audience so you can send them personalized and targeted emails that help increase engagement, build trustful relationships and generate greater ROI.

- **Signup sources**

Some of the most valuable data your signup form has to offer is how and where subscribers sign up for your list. If you're an e-commerce business

with your store connected to, knowing where your customers joined your list can give you a better idea of how to communicate with them and where you might want to focus your marketing efforts going forward.

- Segments and groups

Once you've identified smaller collections of people within your larger audience, you'll be able to create groups and segments to send more relevant and personalized emails to your recipients – and the more relevant the campaign, the better the results.

- Decide what to write

Now that you know who you're writing to, it's time to think about your content. What do you want to say to your audience? What is your content marketing strategy? You'll want to send emails with purpose that really speak to your subscribers, so always keep in mind what they signed up for.

- Establish your sending frequency and goals

There's nothing set in stone about how often you should email your customers, but if you send too often, your subscribers are likely to tune out what you have to say or unsubscribe altogether. Some users that run a blog or news website might choose to send daily updates to their subscribers, while other users only send twice a month so subscribers stay excited about their emails. Choose to send your email campaign at your own pace, and check the unsubscribe rates and the click through rates to adjust the frequency if needed.

- Make a schedule

One way to make sure you're staying on track is to create a content calendar to schedule your campaigns, blog posts, social media posts, and more.

Your email marketing schedule will depend on your industry, the types of content you send (content marketing strategy), and your sending frequency.

#### 1.6.5.4.2. Design your emails

##### Design tips

When designing email campaigns, focus on your message and keep your design straightforward. We suggest laying out all the elements for your

campaign in a hierarchy, putting your most important information or the main takeaway toward the top so people can quickly scan your email if they're short on time.

Code your own templates

Code your own HTML template and import it.

#### 1.6.5.4.3. Test your emails

- Test in different email clients and ISPs

All email clients are created differently, which means that the campaign you designed might look slightly different in your subscribers' inboxes. Be sure to check the emails on mobile devices as well as they can look different in responsive designs.

- Send test emails to friends and coworkers

If you have any friends or coworkers who can check your email for typos and give you some feedback on the layout, you can send them a test email so they can preview the campaign directly in their inbox.

#### 1.6.5.4.4. What you can do with marketing automation

Unlike regular campaigns, an automation is a targeted email or series of emails that you can set and forget. From a welcome email series to follow up emails after a purchase to rewarding your customers with a special incentive, automation helps you streamline your communications with customers so you have more time to focus on creating content and increasing return on investment (ROI). Plus, you can design, send, and track order notifications to update customers on purchases they made from your store.

#### 1.6.5.4.5. Measure your performance

- Opens and clicks

These are the most obvious statistics for measuring campaign engagement, as they indicate how well your subject lines and campaign content resonates with a particular list. But it's important to consider how your open and click through rates compare to other companies in your industry – otherwise you're looking at your statistics in a vacuum.

- Website traffic

The campaigns you send can help you direct more traffic to your website or online store.

### **1.6.6 Content Marketing**

Content marketing is the creation and distribution of digital marketing collateral with the goal of increasing brand awareness, improving search engine rankings and generating audience interest. Businesses use content marketing to nurture leads and enable sales by using site analytics, keyword research and targeted strategy recommendations.

Creating a strategy that's suited to your specific business and target audience is how you stay true to your brand and make marketing materials as effective as possible. It's important to evaluate every asset for the value it adds to the strategy as a whole, and then make adjustments as needed. A 360-degree content marketing strategy educates customers, nurtures prospects and closes sales.

#### **1.6.6.1 Content Marketing and SEO**

In a practical sense, search engine optimization (SEO) and content marketing are one in the same.

To rank highly in search engine results pages (SERPs), you need high-quality organic content. To know which keywords to target in your copy, you need SEO. SEO is a foundational component of content marketing in that it is often the centerpiece of all strategies and campaigns. Optimizing your content allows you the opportunity to update your brand messaging for a modern audience, outrank competitors for high-value keywords and keep your web pages aligned with Google's sitemap preferences.

To achieve your content marketing goals, SEO is often the best tactic to start with.

- **Ranking factors**

Within the practice of SEO, there are specific ranking factors to consider. According to Google, there are more than 200 criteria the search engine weighs when it crawls and indexes your web pages. Based on how your site and your content fares in these assessments, an algorithm will serve your pages to searchers.

Some ranking signals are stronger than others, and Google doesn't often reveal the exact weight of each one. What we do know is that the top factors include:

1. Links.

2. Content.
3. RankBrain.
4. Direct web traffic.
5. Mobile responsive design.
6. HTTPS.
7. Anchor text keywords.
8. User behavior signals

In layman's terms, everything you publish on the web needs to 1) generate reputable backlinks, 2) be useful to readers and 3) have a strong click-through rate and dwell time.

You can't do content without SEO, and you can't do SEO without content – they are inseparable.

#### **1.6.6.2 Benefits of Content marketing**

- Cheaper conversation
- Faster sales
- Reduced marketing and sales overhead
- Low barrier to market entry
- Stronger lead, generation and qualification
- Measurable, actionable result
- Thought leadership
- More traffic
- Mind share
- Higher search engine ranking
- Reputation management
- Email list building

#### **1.6.7 Influencer Marketing:**

Influencer Marketing is like a hybrid of old and new marketing tools, taking the idea of the celebrity endorsement and placing it into a modern day content-driven marketing campaign. According to Adweek, Marketers received \$6.85 in earned media value for every \$1 spent on influencer marketing

##### **1.6.7.1 What works in Influencer Marketing?**

##### **Carefully consider your approach in influencer marketing**

- Be organized, put together a strategy, plan and budget, spend time on research
- Be patient and be human – people talking to people, not companies talking to companies

##### **Develop a schedule**



- Does the influencer prefer monthly/ quarterly/biannual calls or newsletters?
- Integrate with your PR schedule, product release schedule, etc.
- Send emails on behalf of key executives. Plan travel schedules for exec and arrange face-to-face meetings

#### 1.6.7.2 Challenges in influencer marketing

- Identify right influencer
- Finding right engagement tactics
- Measuring performance of campaigns
- Keeping track of influencer's activity

### 1.6.8 Conversion Rate Optimization

Conversion rate optimization (CRO) is the process of optimizing your site or landing page experience based on website visitor behavior to help improve the probability of the visitor taking desired actions (conversions) on the said page.

In today's world, online traffic is highly inconsistent. If you're unable to get visitors to enter your conversion funnel in the first go, the chances of them coming back and performing the desired action are quite low.

This is nothing but an opportunity lost for your business.

The best way to improve your chances and get more conversions is by running effective conversion rate optimization campaigns. A good conversion rate optimization campaign not only means saving high on your time, money, and efforts but also exploring new growth strategies that were unknown in the past.

In other words, conversion rate optimization helps you in understanding your website's usability better while giving customer behavior insights and tips on how to make your UX better to meet your goals. At a strategic level, conversion rate optimization or CRO is an ongoing process of learning and optimizing.

#### 1.6.8.1 Importance of Conversion Rate Optimization

- **Free customers** - It draws your customers free of cost. You don't need to spend so much on advertising like AdWords. Cost per click is rising with a steep rise in the cut-throat competition in every area. Marketing channels like AdWords sway away your budget quickly.
- **Winner take it all** - To compete with your customer, you don't need to strive hard. You only need to perform better than them. Conversion rate optimization lets you understand your brighter side.

- **Assist you financially** - An increase in conversion rate adds up to 10% increment in profit and that too without any extra spending.
- **No scope of loss** - Conversion rate optimization gives you no loss. You can try it without hassles.
- **Robust business** - With CRO you can spend more on other marketing channels. This makes your business stand out. It helps you get ahead in competition.
- **Customers' short attention span** - With rising social media, the number of page views increase, but simultaneously the consumers have a short attention span that did not prevail earlier. Now when you have listed yourself, you need to differentiate to stand out. For this, you need thorough conversion rate optimization to make customers place attention on your product.
- **Customer ease** - CRO helps you legitimize and streamline your business. It carves a clear path from the landing page to the buy button. A customer expects a purchase in a single click and easy access. It actually improves the layout of your marketing store or what-so-ever you are into. CRO reduces friction and customers' anxiety.
- **Immediate results** - It gives you immediate results unlike search engines. You can see a higher rate of conversion. It gets your ball rolling for a long term. The only thing required here is consistency.

#### 1.6.8.2 Components of CRO

There are basically four components of CRO. (Fig 1. 3 )

- **Message:** What message your platform is trying to convey should be relevant in terms of context. Your content, style option, color schemes should be appealing, informative and meaningful.
- **Usability:** You need to make sure a customer converts without any hassle. Accomplishing goals should be easy and just have to be few clicks away. The layout, links and buttons should be tap-friendly and enabled.
- **Flow:** The path to accomplish goal should be easy to traverse. There should be flow in navigation and checkouts.
- **Context:** It is about providing your customer a tailored experience. Like their geography, languages, history of purchases, their device, operating systems, etc. You can offer promotions on the basis of it.



**Fig 1.3 Component of CRO**

### 1.6.9 Web Analytics

Web analytics is the collection, reporting, and analysis of website data. The focus is on identifying measures based on your organizational and user goals and using the website data to determine the success or failure of those goals and to drive strategy and improve the user's experience.

#### Measuring Content

Critical to developing relevant and effective web analysis is creating objectives and calls-to-action from your organizational and site visitors goals, and identifying key performance indicators (KPIs) to measure the success or failures for those objectives and calls-to-action. Here are some examples (table 1.1) for building a measurement framework for an informational website:

Table 1.1 Building measurement framework example

Framework Item	What is it?	Examples
Goals	Your site's major goals should essentially outline why you have a website.	<ul style="list-style-type: none"> <li>To educate the public about safe handling of food.</li> </ul>
Objectives	Objectives help outline what it takes to achieve your goals.	<ul style="list-style-type: none"> <li>To reach as many online users looking for information on food safety and convert them into site visitors.</li> </ul>
Calls-to-Action	Calls-to-action are tasks that site visitors must complete as part of your sites' goals and objectives.	<ul style="list-style-type: none"> <li>Online users come to the website because it was listed on search engines as a credible source for food safety content.</li> </ul>
Key Performance Indicators (KPIs)	Key performance indicators are metrics in which we can measure each CTA.	<ul style="list-style-type: none"> <li>Website's search clickthrough rate for keywords related to food safety</li> <li>Search visits to the website for keywords related to food safety</li> </ul>
Targets	Targets are thresholds that determine whether	<ul style="list-style-type: none"> <li>Search clickthrough rate in queries for food safety should be no less than 10%.</li> <li>Search visits show an increasing trend.</li> </ul>

### 1.6.10 Tools Based Marketing

It is a strategy that revolves around prospecting target companies and creating campaigns designed specifically to capture them as leads and, ultimately, turn them into customers.

#### **Characteristics of tool-based marketing**

- Accurate customer profiling, typically using your existing customer data and available third-party data.
- Data-driven prospecting to ensure you identify valuable and relevant accounts for your campaigns.
- Prioritizing high-value accounts in order to maximize ROI.
- Personalizing campaigns and content to address the unique needs of each target account.
- Aligning sales and marketing activities to ensure prospects navigate the entire sales funnel.
- Automating marketing and sales processes so you can handle more leads while both teams focus their efforts on tasks that can't be automated.
- Integration with traditional inbound marketing to capture leads that your ABM strategy misses – and vice versa.

### 1.6.11 Lifecycle Marketing Automation.

Lifecycle marketing is the process of providing your audience the kinds of communications and experiences they need, want, or like as they move from prospects to customers then, ideally, to advocates. To be a master of customer lifecycle marketing, one must possess a genuine understanding of their target audience and be ready to work toward retaining and growing customer value over the long term.

Generally, a lifecycle marketing plan is a three-phase framework, Collect, Convert and Create (Fig 1.4). Each phase consists of three stages that include basic strategies and tactics that coalesce into a single, self-sustaining process. Rolling out a customer lifecycle marketing plan is a lot easier when done in these phases and can be done quickly and affordably with easy-to-use automation technology.

- **The collect phase**

The goal of the Collect Phase is to get the attention of the consumers you want to buy your products or service. The stages include Target, Attract and Capture Leads.

# Lifecycle Marketing

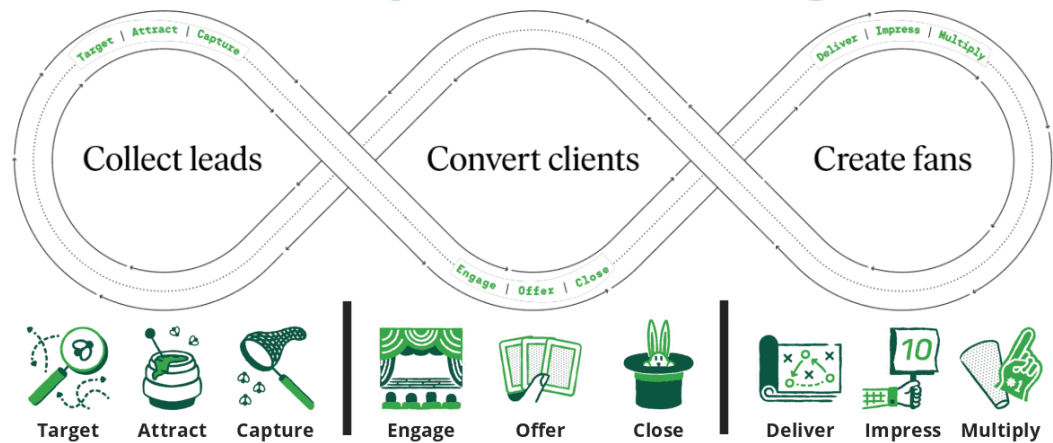


Fig 1.4 Lifecycle marketing

**Target** – Targeting is when you identify specific types of individuals then address them directly with your marketing. Most common ways to target an audience are by interests, behavior, demographics, location, context, (targeting by topic on the page, which is matched with the corresponding message of your ad to reach and connect to an audience with an interest in your product or service), device, etc.

**Attract**– Attract visitors to your website with great content like ebooks, infographics, research reports, webinars, social media and blog posts.

**Capture** – Use a web form that includes offers, free consultations or premium content to encourage visitors to sign up for your email list.

- **The convert phase**

Convert is the second phase of the Lifecycle Marketing model. This is your unique strategy that makes your product or service the obvious choice when those you've attracted are ready to buy. Convert Phase stages are Engage, Offer and Close.

**Engage** – Create a consistent campaign of useful information with automated, personalized follow-up messages.

**Offer** – The best way to craft an offer is to observe past customer actions and create a buying process map, then provide an irresistible offer.

**Close** – Closing the sale is more than the transaction. The close involves clear communication, good presence and written documentation.

- **The create phase**

Getting to create involves three key stages: Deliver and Offer More and Referral.

**Deliver** – Fulfill your commitments on time, follow through when and where it is required. Offer to provide additional value that surprises and delights customers.

**Impress** – Always be developing strategies, tactics, products, and services to help generate additional sales and recurring revenue.

**Multiply** – Encourage referrals by creating incentives for customers and partners.

## 1.6 Multiple choice Questions

1. Digital marketing is often referred to as\_\_\_\_\_.
  - A. online marketing
  - B. internet marketing
  - C. web marketing
  - D. All of the above
2. Which of the following is a type of digital marketing activity?
  - A. Email marketing.
  - B. Social web marketing.
  - C. Viral marketing.
  - D. All of the above
3. Which of the following is not a traditional forms of digital marketing?
  - A. radio
  - B. TV
  - C. billboard
  - D. All of the above
4. What is not true about digital marketing?
  - A. Digital marketing is any form of marketing products or services that involves electronic devices.
  - B. Digital marketing can be done online
  - C. Digital marketing cannot be done online
  - D. Digital marketing is often referred to as online marketing, internet marketing or web marketing.
5. What are the key considerations for people in sales while they use social media for selling (Social Selling)?

- A. Check if their clients are on social media and then connect with them on the relevant social networks
  - B. Avoid using social media to sell
  - C. Build their professional brand and then position themselves as subject matter experts in their field to build credibility
  - D. Connect with their clients and prospects on LinkedIn and then start liking/commenting/sharing their posts
6. Which one of the following statements is true?
- A. LinkedIn works best for B2B organizations
  - B. Pinterest is great for driving traffic to your product catalog on your website
  - C. Facebook is excellent for businesses that operate in the consumer market
  - D. All of the above
7. Why did Internet Service providers clamp down on personal emails being used for mailing purposes?
- A. Because it would use excessive server resources
  - B. Because they couldn't check who was opening the email
  - C. Because it would slow down the network
  - D. Because it was against the email user guidelines
8. What are the two types of targeting that can be done with PPC advertising?
- A. Reaching people by demography and reaching people by interest
  - B. Reaching new prospects and reaching prior visitors (Remarketing)
  - C. Reaching people who search and people who visit websites
  - D. Reaching people through Retargeting and reaching people through Remarketing
9. What is the best way to promote a business with social media?
- A. Choose the Right Platforms
  - B. Encourage Engagement
  - C. Provide Value & Don't Over-Promote
  - D. All of the above
10. . Digital marketing is any form of marketing products or services that involves \_\_\_\_.
- A. electronic devices
  - B. pen
  - C. money
  - D. book



### **1.7 Short answer Questions**

1. Explain search engine optimization in marketing.
2. What is email marketing? List advantages and disadvantages of email marketing.
3. List and explain content marketing ranking factors.
4. List and explain challenges faced in influencer marketing.
5. Compare search engine marketing with search engine optimization.

### **1.8 Long Answer Questions**

1. Explain conversion rate optimization. List and explain components and importance of CRO.
2. Explain social media marketing. Which are different platforms can be used for social media marketing. List social media marketing goals and advantages.
3. Explain different web analysis measuring contents.
4. Explain in detail what tools based marketing is.
5. Explain in detail lifecycle marketing automation.

### **1.9 References**

- The Art of Digital Marketing, Ian Dodson · 2016
- Understanding Digital Marketing: Marketing Strategies for Engaging the Digital Generation, Damian Ryan, Calvin Jones

## Module-02

### Full Funnel Marketing

**2.1 Motivation:** This module will help the learner to understand how full funnel marketing concept is used in digital marketing domain. Various stages of Full-funnel marketing are explained in detail in this module.

**2.2 Learning Objective:** Understand the concept of Digital Marketing and learn the basics of Digital marketing

#### 2.3 Syllabus

Prerequisites	Syllabus	Duration	Self Study
Basics of digital marketing	<b>Acquisition:</b> Content marketing, landing page testing, campaign optimization, conversion rate optimization, lead scoring, competition and trend analysis, predict sales, optimize product pricing, programmatic media buying, segmentation and clustering for targeting, personalization.	3 Hrs	5 Hrs
	<b>Activation</b> Personalization, psychographic segmentation, behavioral segmentation	1 Hr	1 Hr
	<b>Retention</b> Predict churn, customer care chatbot, sentiment analysis, visual social listening, personalization	1 Hr	1 Hr
	<b>Referral</b> Predict whether user recommend your product	1 Hr	1 Hr
	<b>Revenue</b> Predict and maximize customer lifetime value, recommender systems, market basket analysis	2 Hr	3 Hr

#### 2.4 DEFINITIONS:

- **Keyword:** Keywords are single words or phrases that are used to target user search queries on search engines like Bing.

- **Lead scoring:** Lead scoring is the process of assigning values, often in the form of numerical "points," to each lead you generate for the business.
- **Competitive Analysis:** A competitive analysis is a strategy where you identify major competitors and research their products, sales, and marketing strategies.
- **Sales Forecast:** A sales forecast is a prediction of future sales revenue.
- **Programmatic Advertising:** Programmatic advertising is the use of automated technology for media buying, as opposed to traditional (often manual) methods of digital advertising.
- **Market segmentation:** Market segmentation is the process of dividing a target market into smaller, more defined categories.
- **Cluster:** A cluster is a group of similar things or people positioned or occurring closely together.

## 2.5 Keywords:

**MVT:** Multivariate Testing

**CRO:** Conversion rate optimization

**RRP:** Requests For Proposals

**RTB:** Real-time bidding

**PMP:** Private Marketplace

**CPM:** Cost per Mile

**SSP:** Sell-Side Platform

**DSP:** Demand-Side Platform

## 2.6 Theory:

### Full-funnel marketing approach:

A full-funnel marketing approach reaches potential consumers based on where they fall within the funnel. Because customers require a different approach at every stage of the funnel (and therefore different messaging, creative, etc.) it's important to adjust marketing strategies accordingly. This strategic approach also carries over to the marketing tactics you use for your campaign, as each tactic has a different objective and goal. Following fig 2.1 shows full funnel marketing approach stages.



Fig 2.1 Full Funnel marketing approach

1. The Awareness Stage (“top of the funnel”)
  - This is first stage in the marketing funnel.
  - Consumer mindset: “I want to travel to Hawaii for holiday.”
  - Search queries: Generic (i.e. holiday in Hawaii, travel ideas when visiting Hawaii)
  - The goal of this stage is introducing your brand to the potential customer, who may not have known about your business or offerings.
2. The Consideration Stage (“middle of the funnel”)
  - If the awareness stage was successful in pulling the potential customer further down the funnel, then they will make it to the second stage in the marketing funnel, the consideration stage.
  - Consumer mindset: “Maui could be a great place to spend my holiday.”
  - Search queries: Generic (i.e. hotels in Maui, beachside accommodations in Maui)
  - This stage of the funnel means that the potential customer is interested in learning more about your brand’s story or your business’s offerings.
3. The Conversion Stage (“bottom of the funnel”)
  - This is the final stage of the marketing funnel.
  - Consumer mindset: “The Marriott property ‘Wailea Beach Resort’ in Maui is breathtaking. I’m booking my vacation there.”
  - Search queries: Brand terms (i.e. Marriott Maui)
  - This is the decision stage, where the consumer has finished researching and learning all about your brand and is ready to contemplate purchasing.

#### Benefits of full-funnel marketing

- Reach new audiences - up to 21% more new-to-brand sales. ...
- Increase consideration - up to 2.5x more ad-attributed detail page views. ...
- Drive sales - up to 8% higher sales growth. ...
- Build loyalty - up to 1.9x more Subscribe & Save customers.

Stages in marketing Funnel

Dave McClure's suggested Pirate Metric explaining stages in marketing funnel shown in fig 2.2.

Following are five stages of pirate metric abbreviated as AARRR.

- Acquisition
- Activation
- Retention
- Revenue
- Referral



### 2.6.1. Acquisition

There is a simple explanation for Acquisition: Users hear about you and land on your site from different channels. It doesn't stand merely for that though; it also refers to the users' first impression of your product.

Along with measuring how many people you acquire in a given time, you will also have to measure how many of them subscribed for a free trial. Also how many got converted into paying customers. There are several acquisition channels; you need to track and find out which one is best in terms of volume, price, and quality. This will help you in understanding where you need to place a greater focus on optimizing exposure and engagement.

Example: You are running a handbag brand, and your target audience spends their maximum time on Instagram and Facebook.

Instead of wasting time on Twitter or creating long videos on YouTube, you should try posting on Instagram and Facebook using engaging campaigns. For

instance, Lululemon, a yoga, and sports apparel company from Canada. The brand used Instagram to bring more users on board by posting impressive yoga poses and preaching inspirational wisdom. According to Simply Measured, Lululemon doesn't post every day, still, its Instagram results are phenomenal. Their account has an average of 9.4% engagement rate, more than 27,000 likes and 250 comments per photo. Instead of casting your net wide, spend your budget and efforts on only a few channels that are effective.

The acquisition logic you must follow

The few things that you need to keep in mind-

- Market your product efficiently by identifying the right channel and persona
- Measure each step of your sales funnel
- Test various channels and eliminate the ones that don't work
- Emphasize on channel segmentation and the type of customers you acquire

Let's assume you have designed a product that makes a certain process/task easier. Customers would like it and willing to pay for it. However, the challenge is to identify the acquisition channel for bringing in those buyers.

For this, you need to create an impactful strategy from scratch. Research and explore various tactics then start experimenting with each to see which one works the best.

Acquisition techniques you should start testing

Over the years, companies have tried a wide spectrum of techniques to attract the ideal prospect. The acquisition techniques differ per industry.

SaaS and e-commerce companies might use the same technique, but their approaches will be different. One focuses on acquiring business while the other on the customer.

Before moving to the techniques, it would be wiser to look at some statistics that provide major lead generation insights:

- 64% of B2B marketers generate leads via LinkedIn, 49% via Facebook, and 36% via Twitter.
- 67% of B2B marketers say their primary goal in measuring efforts is better quality leads. — Formstack
- 37% of B2B marketers are using marketing automation to generate leads
- Verifying business leads before passing it to the sales team is conducted by only 56% of B2B companies

Three easy steps to get you started using digital marketing for customer acquisition.

### **Step 1: Know your audience:**

This may seem obvious – how can you market at someone you do not know? – but when you consider how many businesses do not have a strategy in place, it is not a big stretch to imagine how little research they do into the purchasing behavior of their customers.

How you define your audience is essentially the foundation of any good digital marketing strategy, so it is now time to become your customer's best friend and confidant.

Customers use digital channels for a whole range of different aims, and each category can be given three or four broad characteristics.

Take customers in search of furniture online as an example. Research from AudienceSCAN reveals some compelling statistics about this particular group:

- They are 35 percent more likely to have a Pinterest account
- Sixty-one percent have used their smartphones to compare prices online
- Two-thirds already have a business or brand in mind

This shows us that a customer looking to make big purchases relies on digital marketing predominantly for inspiration and value. If you are not on creative channels such as Pinterest, you might be missing out on a lot of customers.

Take action: Create a well-defined profile for your typical customer. Once you know where they go, and why they go there, you can begin to craft a personalized strategy.

## **Step 2: Identify your customers' channels:**

The temptation to be everywhere when marketing your business is high, and the logic is sound.

If you are on every channel that must increase the amount of potential customers seeing your products, right? Probably not, actually. Based on the customer profile that you created in the last step, identify the top three or four platforms that your customers are most likely to frequent. For example, if you sell stair lifts, Facebook – with its relatively young audience – probably is not your best marketing channel. By limiting yourself to just a few choice channels, you will be able to pour your energy and resources into those platforms. This means you avoid spreading yourself too thin and having a poor presence on all the channels.

This strategy allows you to hone in on what marketing strategy will make customers not only find your product but also want to buy your products.

Take action: Identify three top channels based on your customer profile. Different channels need slightly different strategies, but your customer profiles will steer you in the right direction.

## **Step 3: Collect data:**

Without data, you will not be able to assess anything when it comes to your acquisition strategies. Which campaigns did well? Which channel brings the most new customers?

Fortunately, these all-important questions can be answered if you have a little bit of a data and a whole lot of analysis.

Using tools such as Google Analytics, SproutSocial or MailChimp can give you fantastic insights into the behavior of your customers, enabling you to fine-tune your acquisition strategy even further.

Take action: Link all of your marketing materials to an analytics engine.

When you next send out a newsletter or post to your social media account, link it up to a reporting system and take the time to examine the data and draw conclusions that influence your future marketing efforts.

The main aim connecting all three of these steps is linking your brand to your customers' buying intent.

Know who your customers are and where they go to find what they want, meet them there with the most compelling and persuasive message you can muster, and then analyze the results.

With this simple formula – along with some persuasive flair – your customer acquisition strategy should be well on the way to connecting you with new consumers.

2.6.1.1 Content Marketing: discussed in module 1

2.6.1.2 Landing page testing,

A landing page, like an elevator pitch, gives a crisp introduction to your brand, the products or services you offer, and the problems that you solve. Also, they have a common goal—to convert the visitor into a customer.

Just as a good elevator pitch takes multiple rounds of refinement, a landing page also benefits from continuous testing and optimization.

Test a Landing Page

To begin with, it's imperative to talk about the process of experimentation. Testing anything is typically better than testing nothing, but a structured program will bring predictability and long term gains to landing page conversion rates, rather than ad-hoc wins here and there.

A comprehensive landing page testing methodology would look something like the one below irrespective of what testing methodology, i.e., A/B, Multivariate, or Split, is used:

- A set of data-driven hypotheses with clear prioritization.
- Well-defined and important measurable conversion goals.
- Proper testing tools with a variety of testing options.
- Calculate the time and traffic required to run the tests.
- Create variations of different test elements and document them.
- Quality check and deploy tests.



- Analyze test results and findings.
- Deploy winning variations and discard the losing ones.
- Document learnings from the tests

Mature experimentation teams thoroughly analyze their test results across multiple segments to uncover instances where the losing variation outperforms the winner to extract more juice out of their testing and increase conversions.

Let's get into some depth and analyze how landing page testing can help you achieve your focused conversion goals.

## Importance of Testing Your Landing Page

Fig 2.3 is explains why it is so important for your business to test your landing pages:



Fig 2.3 infographic on the importance of landing page testing

## Types of Landing Page Testing

- A/B Testing

A/B Testing (also known as Split Testing) for landing pages is the most straightforward and most robust approach to compare two versions of a landing page. The changes between the two variants could be small (incremental) or big (radical) depending on the goals of the test. A/B tests help to zero in on elements and changes that impact a user's behavior and continuously iterate towards the most effective version of the landing page.

As an example, a common use case for A/B Testing on Landing Pages is to swap web forms with chatbots. Most web forms are just repackaged versions of old paper forms. New age businesses are continually experimenting with chatbots to replace web forms to determine which among the two help increase conversion rates.

- Multivariate Testing

Multivariate Testing (MVT) builds on the core mechanism of A/B testing to test for a higher number of variables on a web page as compared to A/B testing. As testing for multiple variations requires more traffic to reach statistical significance, multivariate tests are recommended for websites with high traffic.

Multivariate tests are a powerful weapon for landing pages that are seen by the maximum visitors on your website, such as those coming from search engines. Testing multiple elements such as hero image, headline, and website copy simultaneously becomes a child's play with multivariate testing, as you don't have to create separate versions of the same webpage for all possible combinations. Also, you can expedite the testing and optimization process.

Hyundai used MVT to achieve a 208% increase in the CTR from the landing page for one of their cars. Since Hyundai's car landing pages had a lot of different elements (car headline, car visuals, description, testimonials, and others), an MVT helped understand which elements influenced a visitor's decision to request a test drive or download a brochure.

### 2.6.1.3 Campaign Optimization

Your campaign is now up and running, and you are ready to make adjustments as necessary to improve its performance. This fine-tuning process is called **campaign optimization**.

After reading this Study Guide, you will understand the basics of how to:

- Optimize PPC campaigns with keyword research, use of negative keywords and segmentation into ad groups.
- Use ad extensions and adhere to ad writing best practices.
- Take advantage of audience targeting and dynamic search ads.
- Utilise the Microsoft Audience Network for search.
- Optimise for business success using Universal Event Tracking and conversion goals.

### Keyword optimization

Keywords are single words or phrases that are used to target user search queries on search engines like Bing. When a customer's search query matches your keyword, this triggers your ads to be displayed. The most important tool at your disposal for building a quality keyword list is brainstorming. Who knows your business better than you? Start with what you know:

- Your brand.
- Your products.

- Your services.
- Review your competitors' websites.

From here, shift your brainstorming to questions like these:

- Why do consumers need your products and services?
- Why would a consumer choose you over your competitors?
- What types of questions might a consumer ask to find your products and services?

The end result of this brainstorming exercise should be a seed keyword list. These seed keywords will help you plug into actual tools to take your keyword research to the next level.

#### 2.6.1.4 Conversion Rate Optimization

Conversion rate optimization (CRO) is the process of optimizing your site or landing page experience based on website visitor behavior to help improve the probability of the visitor taking desired actions (conversions) on the said page. In today's world, online traffic is highly inconsistent. If you're unable to get visitors to enter your conversion funnel in the first go, the chances of them coming back and performing the desired action are quite low.

This is nothing but an opportunity lost for your business. The best way to improve your chances and get more conversions is by running effective conversion rate optimization campaigns. A good conversion rate optimization campaign not only means saving high on your time, money, and efforts but also exploring new growth strategies that were unknown in the past.

In other words, conversion rate optimization helps you in understanding your website's usability better while giving customer behavior insights and tips on how to make your UX better to meet your goals. At a strategic level, conversion rate optimization or CRO is an ongoing process of learning and optimizing. Unfortunately, the "ongoing" aspect often gets ignored while discussing conversion rate optimization and its elements.

#### Benefits of Conversion Rate Optimization:

CRO enables you to optimize your website's functionality while helping you understand the whys and how's of visitor behavior. The fact is, your site never reaches its maximum potential until it's rigorously experimented with. Broadly the benefits of a CRO program can be categorized into two:

##### 1. Improving Marketing ROI

A well-structured and well-thought-out CRO program based on strong analysis can go a long way in improving return on almost all your marketing activities by:

- **Improving the quality/speed of experiments run on your website:** CRO allows you to analyze the performance of your site by running tests and look for the best possible variations which promise conversions. By experimenting with different elements

on your landing pages, you can not only check the areas which are giving the best results but also use the gathered data as a fundamental benchmark for your next round of tests/experimentations.

- **B. Better revenue with the same traffic/incremental business returns:** One of the prime benefits of running a CRO campaign is that every change you implement on your site, which eventually increases your conversions, is an incremental win for your business. For instance, an online eCommerce company planning to enhance its customer experience in a way that it makes purchasing products easy and convenient for its customers can immensely benefit from CRO. How? By running an A/B test, if it's able to enhance its conversion rate even by 3%, it means that it's getting 3% extra revenue day in and day out. Meanwhile, if it has a high volume of sales, 3% improvement can effectively translate its sales into hundreds and thousands of extra dollars for its business. Australian based eCommerce company ShowPo saw a 6.09% increase in its revenue by running a series of A/B tests and introducing new improved variants on its product pages!

## 2. Enhancing UX

Benefits of a CRO program spread well across just marketing ROI to give an improved user experience across all lifecycle stages of a visitor whether they're a first time visitor or they're a customer through:

- **Personalizing Experience for Your Site Visitors:** In today's time, visitors are too impatient. Unless you're offering them a site that's easy to navigate with fewer clicks and make the entire process an easy breeze, they won't stick around and will eventually look for alternative options. By helping personalize sections of your site based on the visitors' geography, device, local time or past browsing history, you can make the website that much more relevant to them.
- **Better Insights into Your Visitor Behavior:** The CRO process begins with understanding customer behavior through tools like heatmaps and clickmaps. Such tools tell you which site sections visitors spend more time on. Other CRO tools, such as user session recordings and session replays, help understand their overall experience. They shed light on the exact journey visitors took to accomplish a set goal on your website and even highlight the friction areas that caused them to drop off and abandon your site. Meanwhile, form analytics and website surveys also help understand a visitor's overall site-wide experience. Such qualitative data is enough to create a good UX, further pave the way for conversions.

### 2.6.1.5 Lead Scoring

Lead scoring is the process of assigning values, often in the form of numerical "points," to each lead you generate for the business. You can score your leads based on multiple

attributes, including the professional information they've submitted to you and how they've engaged with your website and brand across the internet. This process helps sales and marketing teams prioritize leads, respond to them appropriately, and increase the rate at which those leads become customers.

Every company has a different model for assigning points to score their leads, but one of the most common ways is using data from past leads to create the value system. How? First, you'll take a look at your contacts who became customers to see what they have in common. Next, you'll look at the attributes of your contacts who didn't become customers. Once you've looked at the historical data from both sides, you can decide which attributes should be weighted heavily based on how likely they are to indicate someone's a good fit for your product.

### 2.6.1.6 Competitive Analysis

A competitive analysis is a strategy where you identify major competitors and research their products, sales, and marketing strategies. By doing this, you can create solid business strategies that improve upon your competitor's. A competitive analysis can help you learn the ins and outs of how your competition works, and identify potential opportunities where you can out-perform them. It also enables you to stay atop of industry trends and ensure your product is consistently meeting – and exceeding – industry standards.

Let's dive into a few more benefits of conducting competitive analyses:

- Helps you identify your product's unique **value proposition** and what makes your product different from competitors', which can inform future marketing efforts.
- Enables you to identify what your competitor is doing *right*. This information is critical for staying relevant and ensuring both your product and your marketing campaigns are outperforming industry standards.
- Tells you where your competitors are falling short – which helps you identify areas of opportunities in the marketplace, and test out new, unique marketing strategies they haven't taken advantage of.
- Learn through customer reviews what's missing in a competitor's product, and consider how you might add features to your own product to meet those needs.
- Provides you with a benchmark against which you can measure your own growth.

### Competitive Analysis in Marketing

Every brand can benefit from regular competitor analysis. By performing a competitor analysis, you'll be able to:

- Identify gaps in the market
- Develop new products and services

- Uncover market trends
- Market and sell more effectively

### **2.6.1.7 Predict Sale**

A sales forecast is a prediction of future sales revenue. Sales forecasts are usually based on historical data, industry trends, and the status of the current sales pipeline. Businesses use the sales forecast to estimate weekly, monthly, quarterly, and annual sales totals. Just like a weather forecast, your team should view your sales forecast as a plan to work from, not a firm prediction.

Sales forecasting is also different from sales goal-setting. While a sales goal describes what you want to happen, a sales forecast estimates what will happen, regardless of your goal.

### **Need For Accurate Sales Forecasts**

Good data is the most important requirement for a good sales forecast. That means that getting hold of good data is crucial.

New businesses that don't have much data about their own sales process may need to rely on industry averages or even educated guesses. On the other hand, more established companies can use their historical data to model future performance.

Before you begin to think about how to forecast sales, here's what you need to do, step by step:

#### **1. Document your sales process**

Without a clearly documented sales process describing the actions and steps it takes to close a deal, you'll have difficulty predicting whether any single deal will close.

#### **2. Set your sales goals or quotas**

While your forecast may be different from your goals, you won't know if your forecast is good or bad unless you first have a target. So each rep needs an individual quota, as does the entire sales team. Read more about setting sales goals or quotas [here](#).

#### **3. Set a benchmark or a current average of some basic sales metrics**

Having easily accessible measures of the following basic sales metrics will make forecasting much easier:

- The time it takes the customer to express interest
- How long it takes to close a deal
- The average price of a deal
- The duration of the customer on-boarding process

- Average renewal or rates, or how frequently you get repeat business
- Conversion rates at each stage of the sales process

Essentially, you want to define the average duration and performance of your sales process.

#### **4. Understand your current sales pipeline**

Make sure you understand what's in your current pipeline, and that your CRM is accurate and up-to-date. If you don't have a CRM, forecasting is more difficult, but not impossible.

### **2.6.1.8 Price Optimization**

Price optimization uses data analysis techniques to pursue **two main objectives**:

1. Understanding how customers will react to different pricing strategies for products and services, i.e., understanding the elasticity of the demand.
2. Finding the best prices for a given company, considering its goals.

Pricing systems have evolved since the early 1970s until now, from applying very simple strategies, such as a standard markup to base cost, to being capable of predicting the demand of products or services and finding the best price to achieve the set KPI.

Price optimization techniques can help retailers **evaluate the potential impact of sales promotions** or **estimate the right price** for each product if they want to **sell it in a certain period of time**.

Current state-of-the-art techniques in price optimization allow retailers to **consider factors such as**:

- Competition
- Weather
- Season
- Special events / holidays
- Macroeconomic variables
- Operating costs
- Warehouse information

To **determine**:

- The initial price
- The best price
- The discount price
- The promotional price

### **2.6.1.9 Programmatic Media Buying**

Programmatic advertising is the use of automated technology for media buying (the process of buying advertising space), as opposed to traditional (often manual) methods

of digital advertising. Programmatic media buying utilizes data insights and algorithms to serve ads to the right user at the right time, and at the right price.

To understand programmatic media buying, you must know the terminology related to this process. Firstly, programmatic media buying can be categorized into three different types:

- Real-time bidding (RTB): Also known as open auction, RTB is when inventory prices are decided through an auction in real time. As the name suggests, this is open to any advertiser or publisher. RTB is considered to be a cost effective way to buy media with a large audience.
- Private Marketplace (PMP): These are similar to open auctions, but PMPs have restrictions on who can participate. Only selected advertisers have access to PMPs on an invite-only basis. However, in some cases publishers may have a selection process which allows advertisers to apply for an invitation.
- Programmatic Direct: This is when a publisher bypasses auctions, selling media inventory at a fixed cost per mile (CPM) to an advertiser (or multiple advertisers).

The programmatic ecosystem also involves three main components:

- Sell-Side Platform (SSP): This is software that allows publishers to sell display, mobile and video ad impressions to potential buyers automatically in real time. This includes ad exchanges, networks and DSPs (see below). This gives publishers greater control of their inventory and CPMs.
- Demand-Side Platform (DSP): This is software that enables agencies and advertisers to buy ad inventory cross-platform.
- Ad Exchanger: This is how the supply-side feeds inventory into the ad exchange. The DSP connects to the ad exchange, enabling advertisers, agencies, networks and publishers to buy and sell ad space. Inventory prices can then be agreed upon through the bidding process.

Ad inventory is usually bought via a real-time auction. Using programmatic channels, advertisers can buy per impression, thereby targeting the right audience. Since the process is automated, programmatic media buying guarantees speed and efficiency that is not matched in the traditional media buying

### **Importance of programmatic media buying:**

The traditional media buying process involves a lot of manual work, typically with several requests for proposals (RFPs), human negotiations and manual insertions of the orders (IOs), which makes it slow and inefficient. Additionally, ads are purchased in bulk and advertisers have little control over the inventory and placement.



## **Benefits of programmatic media buying**

- Precise audience targeting
- Automated processes
- Greater media Buying transparency
- Real time insights
- Campaign reporting & optimization

### **2.6.1.10 Segmentation And Clustering For Targeting**

In Predictive Marketing the term 'clustering' gets thrown around quite a lot. It's the predictive marketing version of segmenting. Instead of grouping people, clustering simply identifies what people do most of the time. This allows us to predict what customers are likely to do without boxing them into rigid groups.

Segmenting is the process of putting customers into groups based on similarities, and clustering is the process of finding similarities in customers so that they can be grouped, and therefore segmented. They seem quite similar, but they are not quite the same.

#### **2.6.1.10.1 Segmentation**

Market segmentation is the process of dividing a target market into smaller, more defined categories. It segments customers and audiences into groups that share similar characteristics such as demographics, interests, needs, or location.

The importance of market segmentation is that it makes it easier to focus marketing efforts and resources on reaching the most valuable audiences and achieving business goals. Market segmentation allows you to get to know your customers, identify what is needed in your market segment, and determine how you can best meet those needs with your product or service. This helps you design and execute better marketing strategies from top to bottom.

### **Eight Benefits of Market Segmentation**

1. Create stronger marketing messages

When you know whom you're talking to, you can develop stronger marketing messages. You can avoid generic, vague language that speaks to a broad audience. Instead, you can use direct messaging that speaks to the needs, wants, and unique characteristics of your target audience.

2. Identify the most effective marketing tactics

With dozens of marketing tactics available, it can be difficult to know what will attract your ideal audience. Using different types of market segmentation guides you toward the marketing strategies that will work best. When you know the audience you are targeting, you can determine the best solutions and methods for reaching them.

### 3. Design hyper-targeted ads

On digital ad services, you can target audiences by their age, location, purchasing habits, interests, and more. When you use market segmentation to define your audience, you know these detailed characteristics and can use them to create more effective, targeted digital ad campaigns.

### 4. Attract (and convert) quality leads

When your marketing messages are clear, direct, and targeted they attract the right people. You draw in ideal prospects and are more likely to convert potential customers into buyers.

### 5. Differentiate your brand from competitors

Being more specific about your value propositions and messaging also allows you to stand out from competitors. Instead of blending in with other brands, you can differentiate your brand by focusing on specific customer needs and characteristics.

### 6. Build deeper customer affinity

When you know what your customers want and need, you can deliver and communicate offerings that uniquely serve and resonate with them. This distinct value and messaging leads to stronger bonds between brands and customers and creates lasting brand affinity.

### 7. Identify niche market opportunities

Niche marketing is the process of identifying segments of industries and verticals that have a large audience that can be served in new ways. When you segment your target market, you can find underserved niche markets that you can develop new products and services for.

### 8. Stay focused

Targeting in marketing keeps your messaging and marketing objectives on track. It helps you identify new marketing opportunities and avoid distractions that will lead you away from your target market.

#### **2.6.1.10.2 Clustering**

In its most general definition, a cluster is a group of similar things or people positioned or occurring closely together. In market research, a cluster is a collection of data objects that are similar and dissimilar to each other. The primary objective of cluster analysis is to classify objects into relatively homogeneous groups based on a set of variables considered. These variables (demographics, psychographics, buying behaviors, attitudes, preferences, etc.) can be chosen according to the market research objectives; which problems are needing to be solved and which hypotheses need to be proven or debunked.

The clusters are not predefined, but rather naturally suggested by the data, revealing any similarities or dissimilarities. Therefore, it is important that the researcher has a thorough understanding of the objectives so that all pertinent data is collected and various cluster analyses can be conducted to see what patterns emerge.

#### **Applications for Cluster Analysis**

**Market Segmentation:** Companies can't connect with all of their customers, but by dividing markets into groups of consumers with similar needs and wants, they can position themselves to appeal to these unique segments. Consumers may be clustered on the basis of benefits sought from the purchase of a product. Each cluster would consist of consumers who are relatively homogeneous in terms of the benefits they seek, thus allowing companies to deploy targeted marketing campaigns that promote the most alluring benefits and products to this consumer segment.

**Understanding Buyer Behaviors:** Cluster analysis can be used to identify homogeneous groups of buyers. Then, the buying behavior of each group can be examined separately on measures such as favorite stores, brand loyalty, price willing to pay, frequency of purchase, etc.

**Identifying New Product Opportunities:** By clustering brands and products, competitive sets within the market can be determined. Brands in the same cluster compete more fiercely with each other than with brands in other clusters. A company can examine its current offerings compared to those of its competitors to identify potential new product opportunities.

**Selecting Test Markets:** By grouping cities into homogeneous clusters, it is possible to select comparable cities to test various marketing strategies.

**Data Reduction:** A researcher may be faced with a large number of observations that can be meaningless unless they are classified into meaningful groups. Cluster analysis can help by reducing the information from an entire population of sample to information about specific groups.

**Hypothesis Generations:** Cluster Analysis is also useful when a researcher wishes to develop hypotheses concerning the nature of the data or to examine previously stated hypotheses.

## 2.6.2 Activation

Activation in the sales funnel framework is all about providing your potential prospects an excellent first experience when they land on your website.

96% of visitors that come to your website are not ready to buy. The initial few moments need to be impressive enough for creating a lasting impact on the prospect so that they purchase or return to your site.

Activation is a chance to display your product's value proposition and acquaint them with the top features. Like, SaaS companies offer 15 to 30 days free trial to give their prospect the first-hand experience for understanding how they will benefit from the product. Potential prospects can actually see what they are getting into before committing to it. This increases the chances of conversions. As per a survey, 60% of SaaS companies are deriving revenue from free trial "Try before you buy". If your activation techniques are right, then you won't only convert them into active users but also get a chance to reach their network through word of mouth. Acquisition and activation almost seem like twin sisters so it is often confusing.

However, in the acquisition stage, you are attracting your target audience by displaying the solution to their problems. While in activation, you are providing a sample of your solution.

**Example:** Kissmetrics, a marketing analytics platform has a very alluring layout with a simple yet catchy tagline "Get, keep and grow more customers" that says it all. Moreover, with a CTA (Call to Action) like "Request a Demo" they are motivating the visitor to take an action.

So basically, the interesting homepage layout comes under the acquisition stage, where Kissmetrics is trying to capture the attention of the right target audience.

When the visitor clicks on "Request a Demo" and explores the software then he enters the activation stage.

Smart tips and tricks for activation

There are many tricks that can help you succeed in the activation stage of the sales funnel.

Below are the most successful ones that you can consider to give your new users more reasons to stay with you for a longer time:

### 1. Effective drip campaign

- Don't stretch and annoy your users with too many emails.
- Five to six emails are enough to provide the necessary information for generating interest in your product.
- Avoid sending random emails, instead systematically plan your email strategy.

### 2. Exit-intent pop-ups

This is the best way to engage the visitors and increase their average time spent on your website.

An exit-intent pop-up appears as soon as a user tries to leave your site. It reduces the bounce rate and gives you one more chance to impress your visitors. With exit-intent pop-up, you can –

- Provide special offers and discounts. Use the scarcity strategy to activate the users by presenting an offer that won't last for long. (Fig2.4 a)
- Build your email list by encouraging them to subscribe for a newsletter. (Fig2.4 b)

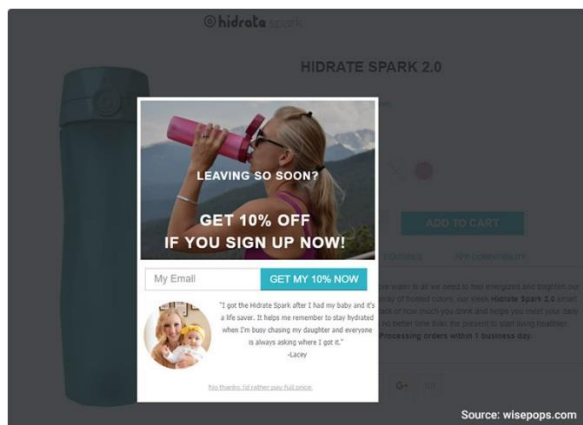


Fig 2.4.a

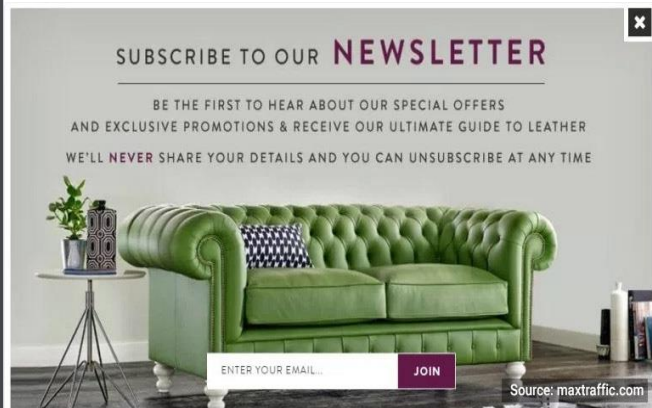


Fig 2.4 b

- Promote an intriguing piece of content. (Fig 2.5)



**Fig 2.5**

### **3. Live chat for excellent user experience**

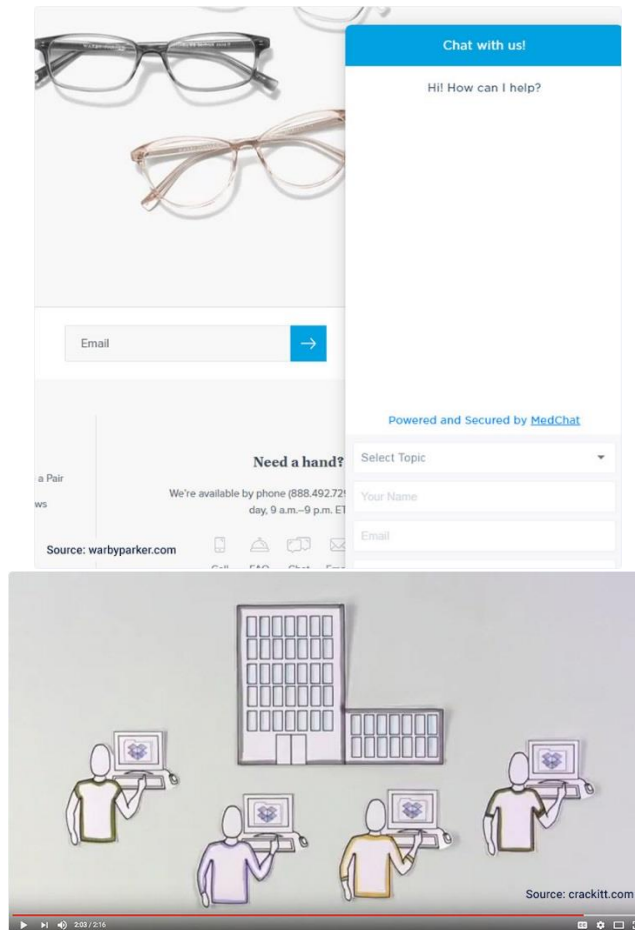
Potential prospect expects instant assistance or they will leave the website. With live chat messages, you can connect with them instantly and solve all their queries in real-time. With auto-triggers, send an automatic chat invitation to the visitor to interact with them and provide more insights about your solution. (Fig 2.6. a)

### **4. Explainer videos**

It is the most effective way to explain the value of your product. For instance, SaaS products appear as a complex maze for many new users.

With an explainer video, they will know how the product functions and gain a better understanding of the solution without getting lost.(Fig 2.6 b)

In just a few minutes, you can tell your website visitors who you are. What is your product about, and how will your product help them. The explainer video of Dropbox contributed 10% increase in conversion rate, leading to 10 million additional customers and \$48,000,000 in extra revenue.



(Fig 2.6. a)

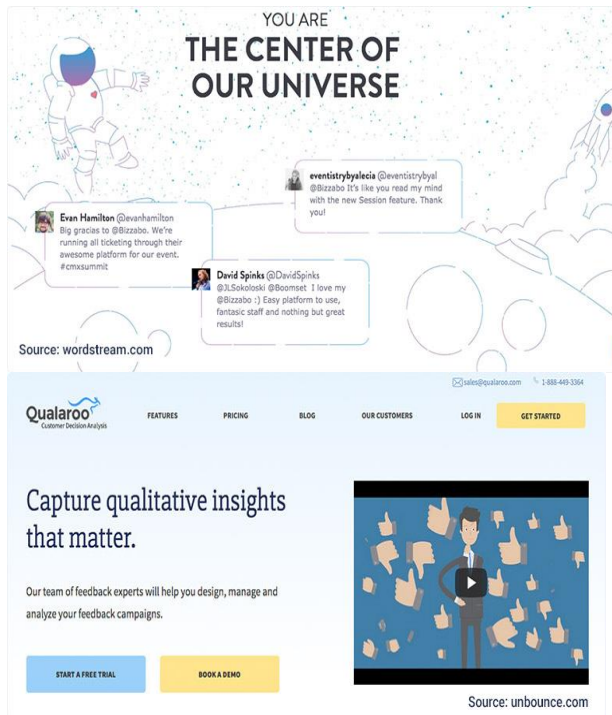
(Fig 2.6. b)

## 5. Testimonials from your customers

Find the best spot on your website and highlight the testimonials of your satisfied customers. Testimonials have the power to influence a buyer's decision; they tell your prospect how well you are doing. Build trust and credibility by displaying the positive experience your existing customers had with your product. 85% of consumers said they read up to 10 reviews before feeling they can trust a business. (Fig 2.7 a)

## 6. Freebies and free trial

A free product or service is the most widely used business strategy to attract the target audience. If used wisely it can be very beneficial for your business. This strategy can be played around in many ways. For example, offer a free plan for a limited period like 15 to 30 days. The free trial to paid conversion rates goes as high as 50 percent. (Fig 2.7 b)



(Fig 2.7 b)

(Fig 2.7 b)

The idea is to make users comfortable and give a chance to learn about your product to see how it can be beneficial for their business. People prefer to purchase from those they know, like and trust.

## 7. Optimized landing page

To keep your activation metric high you need to ensure your landing page is optimized and performing well.(Fig 2.8)

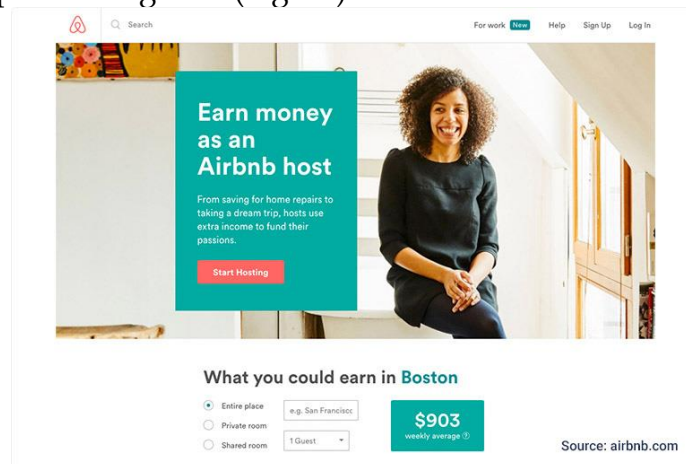


Fig 2.8

For reducing bounce rate and increasing conversions, you will have to pay attention to your landing page and optimize it by –

- Using the right keywords
- Minimizing loading time
- Adding compelling CTA's



- Having attractive design and engaging content
- Using complementary color schemes and easy-to-read bullet points
- Including social share buttons
- Using relevant meta tags
- Adding images and videos
- Testing your page with A/B test

## **8. Anything else that is required**

Unfortunately, there aren't many playbooks that can introduce you to extraordinary activation techniques to increase your conversions.

However, none of them know your product better than you. All the popular blogs, books, and how-to guides will just show you a general path taken by most of the entrepreneurs in various industries.

Ultimately, it is you who has to complete the journey by identifying and showcasing the USPs of your product. Step into your customers' shoes and find what will they like. Think out of the box and experiment with different things to succeed.

### **2.6.2.1 Personalization**

Marketing personalization, also known as personalized marketing or one-to-one marketing, is the practice of using data to deliver brand messages targeted to an individual prospect. This method differs from traditional marketing, which mostly relied on casting a wide net to earn a small number of customers. With billboards, cold calls, mailings, and more, traditional marketing emphasized quantity of messages over their relevance. Later, analytics became more sophisticated and data on individual prospects grew. Today, marketers take advantage of both to deliver prospects the most relevant message at the ideal time.

#### **Need of personalized marketing**

If you're a traditional marketing mind, you may wonder why businesses are out with the old and in with the new. In plain terms, it started with consumers, who, after years of bombardment with irrelevant marketing messages, began tuning out. They hung up on the telemarketer, they flipped the channel as meaningless ads permeated their lives: in cars, offices, even homes. Soon, they couldn't escape the feeling that businesses didn't really want to help solve their problems. Businesses wanted to make money, even if it meant interrupting a family dinner or the Super Bowl. That perception lingers today. Research shows that 63% of consumers are highly annoyed with the way brands continue to blast generic advertising messages repeatedly.

What customers want, instead, is marketing personalization. According to an Epsilon survey of 1,000 consumers aged 18-64:

- 80% say they are more likely to do business with a company if it offers personalized experiences.
- 90% claim they find personalization appealing.

More than half of consumers even say they're willing to hand over their personal information, so long as you use it to benefit them. So, how do you use it to benefit them?

## Marketing personalization strategies

It's not easy to determine the benefits your customers are seeking at any moment. The reason, primarily, is that those specific benefits vary from situation to situation, business to business. However, there are three common strategies that every brand can build off of to ensure they create a strong personalized marketing plan:

- **Know their needs.** Every customer expects you to know their needs. When they punch a long-tail query into your search bar, they expect content that answers it. If they're shopping in a brick-and-mortar location of yours, they probably want details on a product. At every touchpoint throughout the funnel, ask yourself, "What does the customer want here? What are they looking for?" Or, even better, ask them. Surveys and user testing are an easy way to discover these answers.
- **Remember who they are and what they've done, on any channel or device.** On the list of things that frustrates consumers, siloed communication is near the top. If they've coordinated a date and time for a demo of your product via phone, and the next day, they get an email aiming for a demo sign-up, that's a bad user experience. Not only is it annoying, but it has the potential to confuse the prospect. He or she may think: "Did something go wrong? Was my demo canceled? Are they trying to reschedule?" Or, another example: They download an ebook, and later that week, get an email attempting to get them to download that same ebook. Again, this is bad user experience.

Your personalization strategy should span every device and channel, and your CRM should reflect anything you've learned about your prospect along the way. Avoid scenarios like those above, and instead, aim to know exactly what your prospects have done, the kind of messaging they've responded to, the type of content they like, their communication preferences, and more.

- **Anticipate their future needs.** If you have the advantage of knowing their personal details and browsing behavior, you have the power to predict what's coming next. Think of when you book a flight somewhere. Airlines don't stop after selling you a ticket. They ask if you want travel insurance; they ask if you want to book a hotel room; they ask if you'll need to rent a car, etc. They know

you're traveling, and they also know the experience is more than just flying. The same goes for your product or service. What add-ons might they need? What upgraded versions might they consider? And this extends before and after the buying stage, too.

If you know they read a lot of your content on social media marketing, send them more content about social media marketing. Send them blog posts, podcasts, ebooks, and tip sheets. If they've already bought your product, make them aware of newer versions, bug fixes, use cases that help them take advantage of its full potential. Successful personalization in the funnel is like playing chess. You have to think several moves ahead.

### **Benefits of personalized marketing**

The preceding are strategies, and when you start perfecting them, tweaking them with more data, your customers start to see the following benefits, which apply to all businesses:

- **They get relevant content.** Consumers don't hate advertising; they hate bad advertising. They hate irrelevant brand messaging. Since personalized content is based on past behavior, it's more likely the consumer will respond favorably to its message.
- **They're reminded of recent browsing history.** Remarketing is creepier in theory than in practice. Data has shown that, up to a point, the more you remarket your products, the more likely your prospects are to buy them. The reality is, people are distracted even when they're buying. Their boss will walk in; they'll get phone calls. Maybe they realized, at checkout, that they didn't have the funds they thought. Whatever the reason, remarketing is a good way to combat it. When done right, it's not annoying or creepy — it's simply a reminder that says: "Hey, don't forget, you were looking at this earlier. Maybe you're ready to buy it now."
- **They receive valuable suggestions.** Consumers don't just benefit from reminders of products they've already seen, but of new ones they may not have realized exist. These could be add-ons, upgraded versions, or related content. Once you've anticipated your prospects' needs, the next step is showing them what they need before they need it, with emails, ads, blog posts, etc.
- **They get information when they need it.** Content relevance is crucial, but delivering it at the right time is even more so. Don't just think "what?" Think "when" too.

On a broad scale, this could be blog posts optimized for popular keyword search terms throughout each stage of the marketing funnel. On a more granular level, it may look like a chat module that allows your business to respond to customer issues immediately. The sooner you make yourself available, the better, research has

found. According to a study on lead response time, the chance of converting a lead is 100x greater if contacted within five minutes. The more data you gather, and the deeper you dig, the more you'll discover what your leads are looking for when they make contact. And once you've done that, you can serve them what they need the moment they need it.

#### **2.6.2.2 Psychographic segmentation**

Psychographic segmentation capitalizes on this by dividing customers based on psychological factors, which include behaviors, personalities, lifestyles, and beliefs. These factors are then analyzed to predict how you, the customer, will respond to focused marketing campaigns.

Segmenting consumers into these subgroups based on conscious and unconscious decision-making processes was first proposed as an argument against traditional behavioral and demographic segmentation. The question became: do age, gender, and education level provide enough information to formulate a valuable targeted marketing campaign? The answer may be yes.

In fact, early experiments in engaging customers segmented by psychographics have seen an increase in conversions by a factor of five when compared to engaging customers with no context. If you are wondering how you can implement a more sophisticated method for market segmentation in your business, continue reading or jump to our infographic at the bottom of the page.

#### **Psychographic Segmentation Factors to Consider**

The factors that marketing researchers take into account when implementing psychographic segmentation can vary across industries and marketing teams. Below are a few of the most common factors:

- **Lifestyle**

How a person chooses to spend his or her time and money on activities, goods, or services combine to become one's lifestyle. Lifestyle is the most concrete insight into what customers actually value, compared to a customer questionnaire or survey, which doesn't always represent reality.

- **Attitudes and Values**

How an individual has been raised and the experiences they have been exposed to mold their values. One's attitude toward a certain event, product, or advertisement will likely be a result of those values.

For example, if a person was raised to value frugality and conservatism, a mobile brokerage firm launching a campaign to market risky investment vehicles to this segment will likely perform poorly and reflect in the subsequent conversion rate.

- **Personality**

Knowing your user's personality and character are important factors when segmenting psychographically. Does a particular user have a sense of humor or are they more straight-faced? Is your user analytical and numbers-based or do

they prefer the human elements of a story? Insights into personality types are important especially when considering the voice of marketing and advertising copy.

- **Social Status**

When we marketers think of the class hierarchy in today's society, we are mainly concerned with purchasing power. This purchasing power is directly tied to your marketing efforts since the goal is to reach and convince the decision maker to buy your product or service.

This can also be applied to the power structure within the hierarchy of a company. For example, if the marketing team of an enterprise software company needs to reach C-suite level executives, they will need to segment based on higher authority employees.

- **Activities and Interests**

Everyone has varying interests and hobbies, and being aware of them can bolster your marketing efforts. If, for example, you plan to market your food delivery app, then users who exercise regularly, use health-conscious meal plans, and have dietary restrictions will likely be an important segment to target.

- **Priorities and Motivations**

While lifestyle is a good indication of what people actually prioritize, understanding what people are motivated to prioritize is equally as important. If you can paint a picture for your user that aligns with their priorities, it will likely trigger a desired action.

Continuing with our food delivery app example, if a particular psychographic segment is motivated to spend more time with family, marketing this delivery service as a way to gain quality time with loved ones would be a win for the marketing team

### 2.6.2.3 Behavioral segmentation

Behavioral segmentation is a form of marketing segmentation that divides people into different groups who have a specific behavioral pattern in common. Users may share the same lifecycle stage, previously purchased particular products, or have similar reactions to your messages.

#### Benefits of Behavioral Segmentation

- **Improves targeting accuracy.** Behavioral segmentation allows companies to take advantage of behavioral differences, optimizing their marketing messages based on that data. For instance, it helps to pick up the right approach for loyal customers or newly subscribed users. It also clarifies groups of people that make up your audience: adults from 20-34, people keen on sports, or those who love traveling.

- **Helps provide better-personalized experience.** Mass emails with the same message for everyone are outdated practice today. Instead, you need to deeply analyze your audience and meet people's demands in a personalized approach based on social groups they belong to.
- **Sifts engaged users from uninterested.** Marketers filter the target audience to work with by identifying the user's level of engagement. It increases the chances that your products will be found by people who need them.
- **Saves money.** Behavioral segmentation helps prioritize campaigns to make your marketing more cost-effective. It allows you to spend less time and fewer resources to warm up leads or trying to communicate with an uninterested audience.
- **Makes it easier to track success.** You can track metrics inside each segment and improve your results.
- **Helps build loyalty to your brand.** Behavioral segmentation helps you realize how to support users along their customer journey and keep them engaged all the time. People that are treated personally are more likely to become loyal to your brand and be converted into brand advocates.

### 2.6.3 Retention

It isn't enough to attract new users and give them reasons to use the product. For steady business growth, you need to hold them for a long time by creating a long-term relationship.

In fact, it costs more to acquire a new customer. 70% companies say it's cheaper to retain a customer than acquire a new one.

Going through the same process all over again is a cumbersome task. Besides, it's time-consuming; why not put in efforts on the customers who already know your product.

As per a research, increasing customer retention rates by 5% increases profits by 25%.

Would you purchase a new car if the one that you bought a year back isn't working?

Any sensible person would try to fix it, rather than investing in a new one. Similarly, work on your retention strategies for reducing churn instead of hunting for new customers.

55% of SaaS companies rate customer retention cost as the key metric to measure. Proactive customer retention is especially crucial for a SaaS company, as users won't take time to unsubscribe and turn towards the competitors if they are not getting the desired results. Like, if you are disappointed with the streaming content of Hulu, you will instantly switch to Netflix. As it has the best collection of movies and it also streams a complete series unlike Hulu that only offers a selected number of episodes from any given series.

### 2.6.3.1 Predict churn

Churn prediction is one of the most popular Big Data use cases in business. It consists of detecting customers who are likely to cancel a subscription to a service.

Although originally a telcom giant thing, this concerns businesses of all sizes, including startups. Now, thanks to prediction services and APIs, predictive analytics are no longer exclusive to big players that can afford to hire teams of data scientists.

As an example of how to use churn prediction to improve your business, let's consider businesses that sell subscriptions. This can be telecom companies, SaaS companies, and any other company that sells a service for a monthly fee.

There are three possible strategies those businesses can use to generate more revenue: **acquire more customers**, **upsell existing customers**, or **increase customer retention**. All the efforts made as part of one of the strategies have a cost, and what we're ultimately interested in is the return on investment: the ratio between the extra revenue that results from these efforts and their cost.

There are a number of things you can do to improve customer retention overall. But *individualized* customer retention is difficult because businesses usually have a lot of customers and cannot afford to spend much time on one. The costs would be too high and would outweigh the extra revenue. However, if you could predict in advance which customers are at risk of leaving, you could reduce customer retention efforts by directing them solely toward such customers.

Churn prediction consists of detecting which customers are likely to cancel a subscription to a service based on how they use the service. We want to predict the answer to the following question, asked for each current customer: "Is this customer going to leave us within the next X months?" There are only two possible answers, yes or no, and it is what we call a *binary classification task*. Here, the *input* of the task is a customer and the *output* is the answer to the question (yes or no).

Being able to predict churn based on customer data has proven extremely valuable to big telecom companies. Now, thanks to prediction services such as BigML, it's accessible to businesses of all sizes.

#### Steps to predict churn.

The process is as follows:

1. Gather historical customer data that you save to a CSV file.
2. Upload that data to a prediction service that automatically creates a "predictive model."

3. Use the model on each current customer to predict whether they are at risk of leaving.

#### **2.6.3.2 Customer care chatbot,**

Chatbots are programmed to sift chunks of data to provide you with quick answers in nanoseconds. Hence, they are great for repetitive jobs that demand simple tasks and questions. The game-changer, consequently, is the rare ability to be in a continuous phase of work and availing businesses the advantage of efficiency and productivity.

In a customer interaction platform, for example, chatbots eliminate redundancy without pleading for a raise. Meanwhile, if your business invests huge capital on customer service already, acquiring AI chatbots or customer service chatbots can reduce operational costs, improve sales funnel, and encourage seamless interaction with customers. More precisely, chatbots can improve response rates, improve customer service, automate online purchases, and provide better communication.

##### **Benefits of using customer chatbots**

1. Better customer communication
2. Round-the clock customer support
3. Everyone likes to save money
4. The right agent gets the right message
5. Getting rid of language barriers

#### **2.6.3.3 Sentiment analysis**

Sentiment analysis is the kind of tool a marketer dreams about. By gauging the public's opinion of an event or product through analysis of data on a scale no human could achieve, it gives your team the ability to figure out what people really think. Backed by a growing body of innovative research, sentiment-analysis tools have the ability to dramatically improve your ROI – yet many companies are overlooking it.

Sentiment analysis is a unique metric that provides a plethora of factual information, oftentimes revealing the motivations behind customers' purchasing decisions or the intent behind their searches.

Although sentiment analysis gives us a closer look at past behaviors it can also steer future strategies in the right direction. Perhaps the packaging isn't up to par or customer service is holding a brand back – both of these situations can be identified and corrected with sentiment analysis. Moreover, sentiment analysis discloses strategic information about competitor insights, which can be a game-changer when formulating a plan to distinguish your brand from competitors.

Ultimately, sentiment analysis provides you with data-based insights on which you can use to bring your marketing strategy to the next level. It's nearly impossible to succeed in business without fully understanding who your



customers are. Audience perception tells us who we're speaking to and what kind of content is valuable for their needs.

Luckily, sentiment analysis focuses largely on how to target the right demographics and monitor the overall tone of the conversation. This way, sentiment analysis will help you get the most out of the content you post.

#### 2.6.3.4 Visual Social Listening,

Visual listening is essentially social listening, but for images.

Brands and agencies can use visual listening to quantify and analyze the images online that are important to them.

With 3.2 billion images shared each day, visual listening is essential to anyone who cares about understanding their online conversation. And you won't find images important to your brand by just using text searches. In fact, 80% of the images online that includes a brand's logo don't mention the brand in the accompanying text.

Here's an example: Fig 2.9



Fig 2.9

This tweet includes the Coca-Cola logo and an interesting looking hamburger, but it doesn't reference Coca-Cola in the tweet. Without visual listening, Coke would miss this mention.

For brands, this is important because it helps them answer questions like *'what food do our customers drink cola with'*.

And yes, one image won't answer this question. But Coca-Cola generates 230,000 'visual mentions' a month, meaning they miss 184,000 images containing their brand.

Or in other words, they miss 200 'visual mentions' an hour.

#### 2.6.4. Revenue

This is an important stage of the funnel where you start generating the revenue. For a consultant, this would be when you get the signature on the contract, and for a SaaS company, this would be when your customers make their first payment for the subscription. Whatever it is, but it is surely not the end of the customer journey. Don't stop here; you are only 4/6th of the way through the funnel.

Be very careful at this stage as it can have an impact on the bottom line of your business.

You need to continue delighting your customers by offering attractive annual plans and best-in-class support. 86% of customers will pay more for better customer experience.

Once someone makes the payment, your job gets much more comfortable as you know who your customers are and what they need. It is cheaper to drive a repeat purchase from a present satisfied customer than acquiring a new one.

Businesses have a 60 to 70% higher chance of selling to an existing customer while the probability of selling to a new prospect is only 5% to 20%. Few mistakes and you will get demoted to the acquisition stage of the funnel where you will have to start it all over again with a new prospect. 33% of Americans say they'll consider switching companies after just a single instance of poor service.

##### 2.6.4.1 Predict and maximize customer lifetime value

###### **Customer Lifetime Value:**

*Customer value* or *Customer Lifetime Value (CLV)* is the total monetary value of transactions/purchases made by a customer with your business over his entire lifetime. Here the lifetime means the time period till your customer purchases with you before moving to your competitors.

Now let's look at the general formula for calculating the *Customer Lifetime Value*:

$$\text{CLV} = ((\text{Average Sales} \times \text{Purchase Frequency}) / \text{Churn}) \times \text{Profit Margin}$$

Where,

**Average Sales** = (TotalSales) / (Total no. of orders)

**Purchase Frequency** = (Total no. of orders) / (Total unique customers)

**Retention rate** = (Total no. of orders greater than 1) / (Total unique customers)

**Churn** = 1 - Retention rate

**Profit Margin** = Based on business context

In this example case, I am assuming the Profit margin for each transaction to be roughly 5%.

Here's the simplest customer lifetime value definition – it's a metric that shows **how much net profit your company can make of one customer over time**. Fig2.10

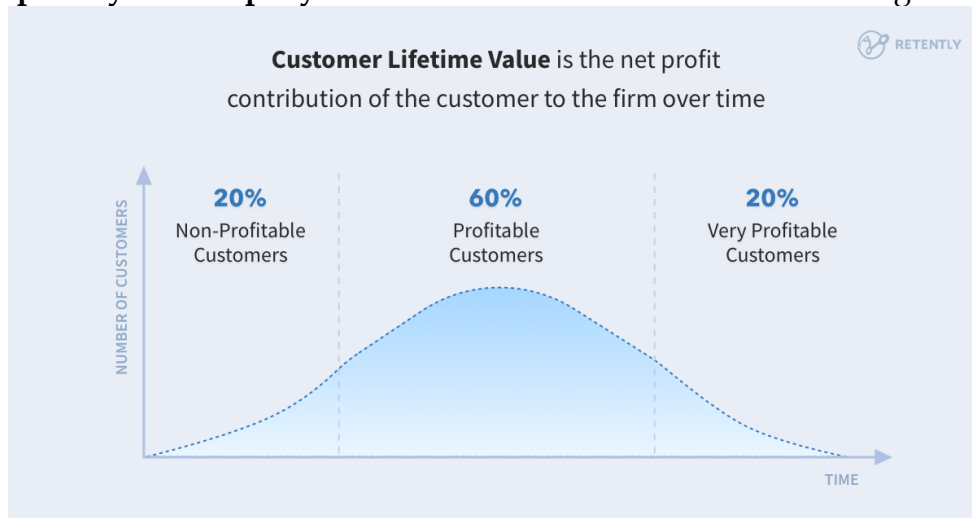


Fig2.10 Customer Lifetime Value

So, a high CLV means each customer will bring in more revenue for your company. Since each client becomes more valuable, it means your company can afford to spend more to acquire new users and retain the existing ones. Let's say you run a classic, pure-play SaaS service with monthly billing. We're going to be using a single customer as an example, one who stays with your business for 2 years, and who got a subscription plan priced at \$100/month.

**The average customer lifetime value of that client would be \$2,400** (\$100 times 24 – the number of months that person has been a customer). That number only gets higher as the client gets to pay more over time, the expansion revenue from existing customers exceeding the churn.

In general, there are two broad approaches to modeling the CLV problem:

### Historical Approach:

1. **Aggregate Model** — calculating the CLV by using the average revenue per customer based on past transactions. This method gives us a single value for the CLV.
2. **Cohort Model** — grouping the customers into different cohorts based on the transaction date, etc., and calculate the average revenue per cohort. This method gives CLV value for each cohort.

### Predictive Approach:

1. **Machine Learning Model** — using regression techniques to fit on past data to predict the CLV.
2. **Probabilistic Model** — it tries to fit a probability distribution to the data and estimates the future count of transactions and monetary value for each transaction.

#### 2.6.4.2 Recommender Systems

Recommender systems aim to predict users' interests and recommend product items that quite likely are interesting for them. They are among the most powerful machine learning systems that online retailers implement in order to drive sales.

Data required for recommender systems stems from explicit user ratings after watching a movie or listening to a song, from implicit search engine queries and purchase histories, or from other knowledge about the users/items themselves. Sites like Spotify, YouTube or Netflix use that data in order to suggest playlists, so-called **Daily mixes**, or to make **video recommendations**, respectively.

#### Need of recommender systems

- Companies using recommender systems focus on increasing sales as a result of very personalized offers and an enhanced customer experience.
- Recommendations typically speed up searches and make it easier for users to access content they're interested in, and surprise them with offers they would have never searched for.
- What is more, companies are able to gain and retain customers by sending out emails with links to new offers that meet the recipients' interests, or suggestions of films and TV shows that suit their profiles.
- The user starts to feel known and understood and is more likely to buy additional products or consume more content. By knowing what a user

wants, the company gains competitive advantage and the threat of losing a customer to a competitor decreases.

- Providing that added value to users by including recommendations in systems and products is appealing. Furthermore, it allows companies to position ahead of their competitors and eventually increase their earnings.

#### Recommender system's Function

Recommender systems function with two kinds of information:

- *Characteristic information.* This is information about items (keywords, categories, etc.) and users (preferences, profiles, etc.).
- *User-item interactions.* This is information such as ratings, number of purchases, likes, etc.

Based on this, we can distinguish between three algorithms used in recommender systems:

- *Content-based systems*, which use characteristic information.
- *Collaborative filtering systems*, which are based on user-item interactions.
- *Hybrid systems*, which combine both types of information with the aim of avoiding problems that are generated when working with just one kind.

#### 2.6.4.3 Market basket analysis

Market Basket Analysis is a technique which identifies the strength of association between pairs of products purchased together and identify patterns of co-occurrence. A co-occurrence is when two or more things take place together.

Market Basket Analysis creates If-Then scenario rules, for example, if item A is purchased then item B is likely to be purchased. The rules are probabilistic in nature or, in other words, they are derived from the frequencies of co-occurrence in the observations. Frequency is the proportion of baskets that contain the items of interest. The rules can be used in pricing strategies, product placement, and various types of cross-selling strategies.

Association Rules are widely used to analyze retail basket or transaction data, and are intended to identify strong rules discovered in transaction data using measures of interestingness, based on the concept of strong rules.

#### An example of Association Rules

- Assume there are 100 customers
- 10 of them bought milk, 8 bought butter and 6 bought both of them.
- bought milk => bought butter
- support =  $P(\text{Milk} \ \& \ \text{Butter}) = 6/100 = 0.06$
- confidence =  $\text{support}/P(\text{Butter}) = 0.06/0.08 = 0.75$
- lift =  $\text{confidence}/P(\text{Milk}) = 0.75/0.10 = 7.5$

This example is extremely small. In practice, a rule needs the support of several hundred transactions, before it can be considered statistically significant, and datasets often contain thousands or millions of transactions.

### 2.6.5 Referral

Referral is when someone refers your product or services to others, who might get interested and take action. They don't need to be a customer to do the referral, and the action is not necessarily a purchase.

Why are referrals so powerful?

Referral is the best medium to reach new customers.

A message conveyed through an advertisement won't be as impactful as the one passed by a current user. Human referral is more trusted, especially when they are in your networks. 92% of people trust recommendations from friends and family over any other type of advertising.

Referral between two known people increases the chances of lead conversion.

Don't you purchase a product if you get a good review from your friend? Similarly, people prefer investing in a tried and tested product.

Referral often happens spontaneously when a customer is impressed by the features or benefits of a solution, but businesses can also influence it by using the right strategies. Customers referred by other customers have a 37% higher retention rate.

Two metrics that need your attention to referrals are:

#### 1. Net Promoter Score (NPS) -

With NPS score, you can find out how willing users are to recommend your products or services. The score comes from the Net Promoter Score question, which is-

"On a scale of 0 to 10, how likely is that you would recommend our organization to a friend or business associate?"

Based on the number the client selects, they are placed into one of the below categories:

#### Score breakdown

- 0-6: Detractors (unsatisfied customers who can influence others negatively)
- 7-8: Passives (might not recommend but won't even create a negative image of your product)
- 9-10: Promoters (happy customers who fuel growth by spreading positive information about your product)

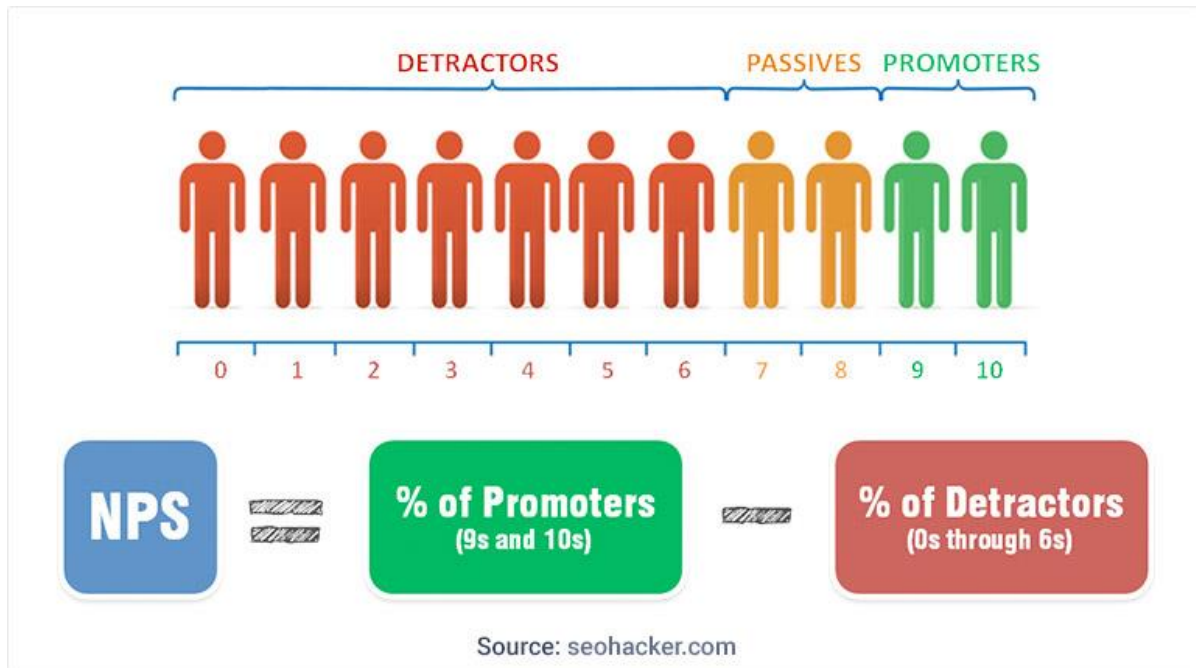


Fig 2.11

## 2. Viral coefficient –

It is the number of new users a current referrer generates. For calculating the viral coefficient of your products or services, you require three numbers:

- Number of existing users,
- Number of invitations sent (shares, referral, etc.) and
- Average conversion rate of those invitations.

Then multiply those three metrics and divide it by the number of existing users for getting the viral coefficient. Your viral coefficient needs to be more than one to experience growth.

### How to calculate Viral Coefficient:

$$\text{Invitation rate} = \frac{\text{\#invites}}{\text{\#installs (users)}}$$

$$\text{Acceptance rate} = \frac{\text{\#invitee signups}}{\text{\#invites}}$$

$$\text{Viral Coefficient} = \text{invitation rate} * \text{acceptance rate}$$

To get more referral customers, you need to keep your existing clients happy. They can save you from the tiresome task of hunting new prospects.

Besides a referred customer's lifetime value is 16% higher when compared to non-referred customers. Positive word of mouth is the best, but sometimes negative word of mouth can spread like wildfire.

So, make sure they share anything wrong about their experience with you first before sharing with someone else.

Be cautious about the below point as they can create a negative impression on your customers:

- Long wait time – as per a survey, 41% of customers expect a response from the support team within six hours, but only 36% of businesses responded within that time frame.
- Too many follow-up emails.
- Poor product performance (missing features, fewer benefits, etc.).
- Made a commitment and didn't fulfill it.
- Being transferred from one sales rep/support agent to another – as per a study that asked customers what annoyed them the most, saw 37% of respondents mentioning "being passed around".
- Complex website layout – researchers asked participants in an eye-tracking study to use a website to locate the USA's current population, and 87% of them failed to find it even when it was presented in large red numbers

Don't give them a reason to speak anything negative about you. Find the glitches in your solution and fix it in real-time. Technologies can help you in identifying the problem. Using the right software, you can track emails you sent and listen to the conversation you had during the buying process to discover the problematic areas. Ensure you build a consistent customer relationship by providing an exceptional user experience for boosting referrals.

### **2.6.5.1 Predict whether user recommend your product**

#### **2.7 Multiple choice questions**

1. What is a sales funnel?
  - a. A way to see where consumers are in the buying process
  - b. A way to generate leads
  - c. A way to calculate how much revenue a company will make
  - d. A way to market new homes
2. What happens during the awareness stage of the sales funnel?
  - a. Consumers learn about an item
  - b. Consumers purchase an item
  - c. Consumers request a return from customer service
  - d. Consumers decide to buy a product
3. What is the buying process?
  - a. The steps that lead from learning about an item to buying it



- b. The steps that lead from thinking of an item to making it available for sale
  - c. The steps that lead from studying real estate to getting a license
  - d. None of these answers are correct.
- 4. \_\_\_\_\_ refers to the processes of building strong customer loyalty using a variety of methods.
  - a. Customer Service
  - b. Retention
  - c. Money
  - d. Customer Loyalty
- 5. A restaurant offers a lunch card where every 10th lunch is free. This is an example of a \_\_\_\_\_.
  - a. Loyalty Program
  - b. Contract Agreement
  - c. Quality of Service
  - d. Mixed Program
- 6. What is customer retention?
  - a. Acquiring a new customer.
  - b. The loyalty of a customer based on return business.
  - c. Stealing customers from competitors.
  - d. The loyalty of a customer based on how much they spend.
- 7. What is the customer retention rate?
  - a. The number of new customers you gain during a specified amount of time.
  - b. The amount of money new customers spend over a specified amount of time.
  - c. The number of customers you manage to keep during a specified amount of time.
  - d. The amount of money return customers spend over a specified amount of time.
- 8. Which is the calculation for customer retention rate?
  - a.  $((\text{Number of customers at the end of the period} - \text{Number of new customers during that period}) / \text{Number of customers at the start of the period}) * 100$
  - b.  $((\text{Number of customers at the beginning of the period} - \text{Number of customers at the end of the period}) / \text{Number of new customers}) * 100$
  - c.  $\text{Number of new customers} * 100$
  - d.  $\text{Number of old customers} - \text{number of new customers}$ .
- 9. Which of the following options is the ultimate aim of marketing?
  - a. Production
  - b. Profit Making
  - c. Satisfaction of customers
  - d. Selling products

- e. None of these
- 10. Socio-economic classification, lifestyle and personality are major segmentation variables in which category?
  - a. Geographic
  - b. Behavioral
  - c. Demographic
  - d. Psychographic
  - e. None of these

## **2.8 Short answer questions**

- a. Explain market basket analysis
- b. What is need for recommender system?
- c. Explain types of landing page testing.
- d. What is campaign and keyword optimization?
- e. Explain applications for cluster analysis.

## **2.9 Long answer questions**

- a. List and explain metrics that needs attention to referrals.
- b. List and explain different stages for activation.
- c. List and explain benefits of market segmentation.
- d. What is need for accurate scale forecasting?
- e. Explain benefits of market segmentation.

## **2.10 References:**

<https://www.salesmate.io/blog/sales-funnel-series-phase-2-activation/>  
<https://www.salesmate.io/blog/sales-funnel-series-phase-revenue/>  
<https://www.salesmate.io/blog/complete-sales-funnel-series-referral/>

# Module-03

## Marketing Framework and Tools

**3.1 Motivation:** This module helps learner, to learn about the various tools used for the functioning of the marketing framework.

**3.2 Learning Objective:** Learner will be able to study and practice the tools on stages like planning, production, personalization, promotion and performance.

### 3.3 Syllabus

Prerequisites	Syllabus	Duration	Self-Study
<b>Digital marketing framework</b>	<b>Planning:</b> Hubspot, Brightedge, Node, Crayon, Equals3,	1 Hr	1 Hr
	Marketmuse, Pathmatics, Calibermind, Alegion, Netra	1 Hr	1 Hr
	<b>Production :</b> Acrolinx, Narrative Science, Clarifai	1 Hr	1 Hr
	GumGum, phrasee, curate Attentioninsight	1 Hr	1 Hr
	<b>Personalization :</b> Uberflip, Klevu, Seventh Sense, Blueshift	1 Hr	2 Hr
	<b>Promotion :</b> Yext, Albert, Onespot, ,	1 Hr	2 Hr
	Cortex, Siftrock, inPowered,	1 Hr	1 Hr
	<b>Performance :</b> Monkeylearn, PaveAI	1 Hr	1 Hr

### 3.4 DEFINITIONS:

**Social Media Marketing:** Social media marketing (SMM) is a form of Internet marketing that utilizes social networking websites as a marketing tool.

**Search engine optimization (SEO):** Search engine optimization (SEO) is the process of getting traffic from the “free,” “organic,” “editorial” or “natural” listings on search engines

**Web analytics:** Web analytics is the study of visitor, navigation, and traffic patterns to determine the success of a given web site.

### 3.5 Keywords:

**PPC:** Page per Click

**SMM:** Social Media Marketing

**SEO:** Search engine optimization

**SEM:** Search engine marketing

**ROI:** Return on Investment

### 3.6 Theory

#### 3.6.1. Planning:

##### 3.6.1.1 Hubspot

HubSpot has several tools to help you grow your business, no matter what stage you're at.

Starting out, there are several tools available for free. You can set up **web forms**, **popup forms**, and **live chat software** for lead capture. Then, you can send **email marketing** campaigns, pipe all of your data into the **free CRM**, and analyze site visitors' behavior.

When you expand into the paid tiers, things get really sophisticated with advanced marketing automation.

From managing your content and social media to tracking emails and connecting with your leads, HubSpot is an all-in-one solution -- although it works well with other point solutions you may use (Typeform, HotJar, etc.).

Ultimately, the tool allows you to:

- Grow your traffic, convert leads, and prove ROI for your inbound marketing campaigns.
- Shorten deal cycles and increase close rates with the provided sales tools.

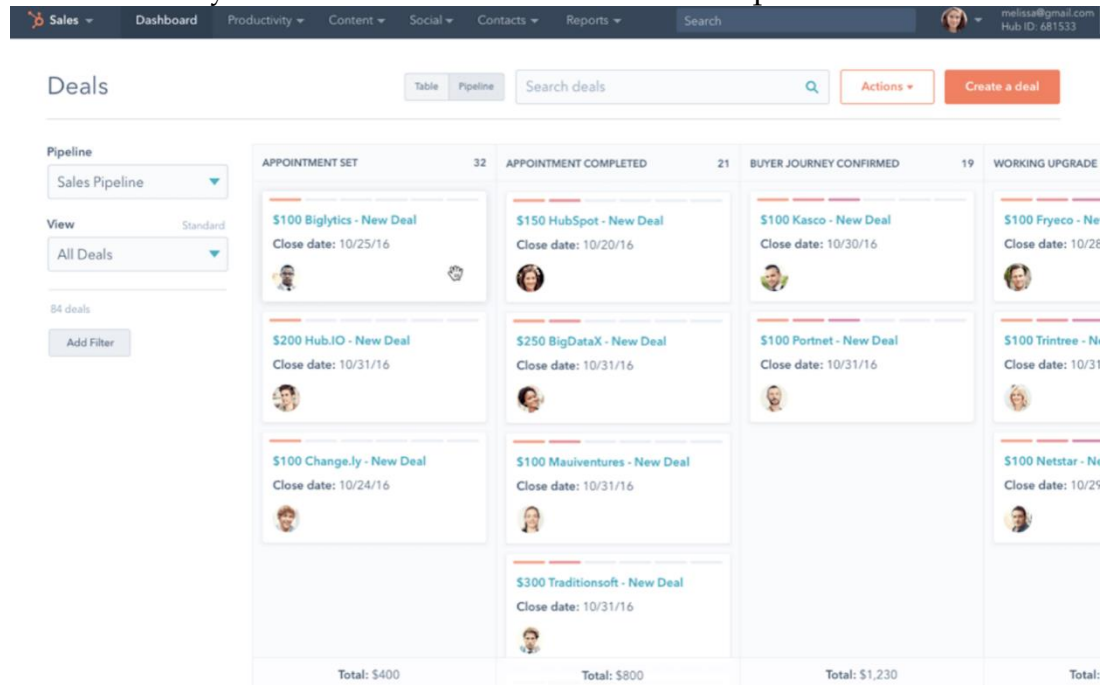


Fig 3.1

##### 3.6.1.2 Brightedge

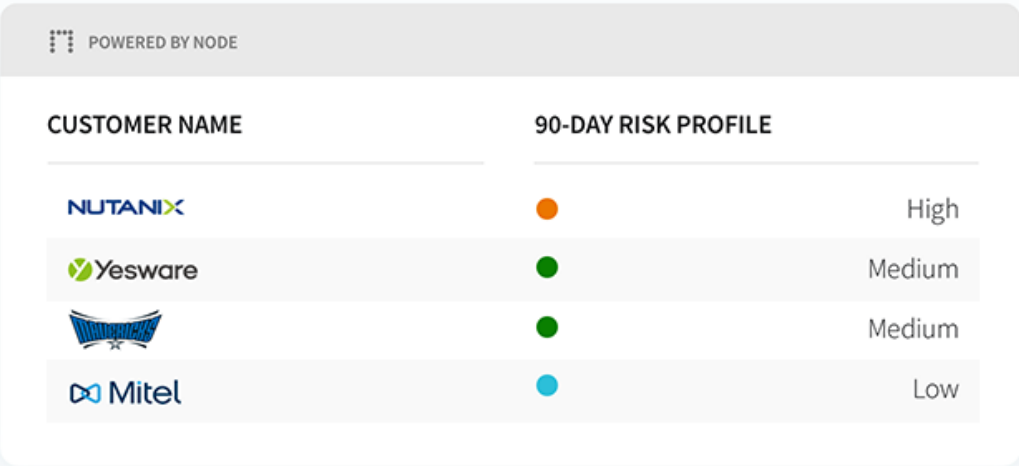
BrightEdge is the global leader in enterprise content performance. As a SaaS technology SEO platform BrightEdge enables marketers to drive traffic, conversions, and revenue from their largest marketing channel – organic search. With the advent of secure search, Google's 'not provided' and the impact of Google algorithm changes, search marketing now requires SEOs to work more closely with their content marketing colleagues to target demand, optimize

content, and measure progress and results. Enterprises value BrightEdge SEO Recommendations, Blended Rank, Trended Share of Voice, Content Optimizer, Search Opportunity Forecasting, and ContentIQ features. BrightEdge's Data Cube also allows you to uncover your competitors' content marketing strategies to develop superior content and search marketing results.

#### 3.6.1.3 Node

Node is an AI platform that leverages data from individuals and businesses to predict how a brand can make smarter decisions about how to engage their clients, employees, investors, and partners. The tool first identifies connections between web entities such as people, products, and businesses, then leverages its algorithm to identify the people most likely to convert or buy. These predictive insights can be used for marketing automation, event management, job applicant tracking, and much more.

One of the most powerful tools within Node is AIR (AI-powered Retention for Customers). While the focus of many marketers is on acquisition, retention is just as (if not more) important for long term success. Using machine learning, AIR can identify the prospects and customers you're most at risk of losing, allowing the business to streamline their retention of them.



POWERED BY NODE	
CUSTOMER NAME	90-DAY RISK PROFILE
NUTANIX	High
Yesware	Medium
Bluebird	Medium
Mitel	Low

Fig 3.2

#### 3.6.1.4 Crayon

Crayon utilizes AI to take the legwork out of competition analysis. Its platform visualizes competition data in a single dashboard to keep marketers aware of the latest industry updates and moves, helping marketers identify trends and make quick and informed decisions.

The ultimate goal of Crayon is to help a marketing team spend less time on research and more time on analysis and action. Their dashboards are fully customizable, tracking everything from product and pricing changes to reviews to content and campaigns launched.



Fig 3.3

### 3.6.1.5 Equals3

Equals 3 uses 20 technology products and services including HTML5, Google Analytics, and jQuery, according to G2 Stack. Equals 3 is actively using 38 technologies for its website, according to BuiltWith. These include Viewport Meta, iPhone / Mobile Compatible, and SPF.

It works as an AI-powered knowledge management assistant that reads and learns every document and data asset that you feed her – she never leaves, never forgets and becomes smarter every day.

Equals 3 uses a breadth of natural language processing technologies, machine learning algorithms, visual recognition technology, and natural language generation to build a proprietary engine that allows us to build a knowledge graph to find answers from data which can be structured or unstructured.

Most of the out-of-box technologies have been trained on openly available datasets (i.e. Wikipedia or other public sources). They tend to do a reasonably good job when asking questions that are not domain specific. However, the traditional NLP models fail to understand different concepts such as guerrilla marketing, paid advertising, brand awareness, and other common marketing research concepts. We created our own domain-specific models to train Lucy to understand the vernacular of a marketer.

Unlike most AI engines, it has used a combination of deep learning models and domain-specific subject matter experts to help us create the knowledge. Understanding the intent of a question and which source is the best place to find the answer required our team to build an ontology of intents across structured and unstructured data sources. Now when a question is asked, Lucy has an intrinsic

knowledge to understand the best place to find the answer and directs the question to be answered to the best possible repository.

#### 3.6.1.6 Marketmuse

MarketMuse is the AI content intelligence and strategy platform that transforms how you research, plan, and craft content. Predict content success and craft better content faster.

It analyzes web data to build knowledge graphs, similar to the Google knowledge graph. Knowledge graphs enable marketers to determine what relevant topics to write about and how to write about each topic comprehensively.

Then, by comparing the knowledge graphs (the ideal set of topics) against their site's content inventory, we build prioritized content plans that help marketers make better decisions on where to spend their time and resources. As a result, marketers are empowered to build engaging content consistently and at scale.

#### **How MarketMuse Helps You Outperform the Competition**

##### **Predict Content Success**

Personalized difficulty score, an industry-first, helps determine the topics for which your site is most likely to succeed. Unlike generic keyword difficulty, this score is based on your site and its contents.

##### **Craft Better Content**

Easily order MarketMuse Content Briefs directly within the platform. These fully-outlined briefs contain everything a writer needs to create expert-level content including topics to cover, word count to aim for, and KPIs to meet in their writing.

##### **Create Content Faster**

MarketMuse First Draft brings natural language generation to content marketing. Each draft is meant to hit all the important metrics with minimal human editing required.

#### 3.6.1.7 Pathmatics

Pathmatics is a digital advertising intelligence solution used by brands, agencies, ad tech companies, and publishers to build competitive advantages in their brand management, advertising, and business development activities.

The company's digital advertising intelligence solutions use machine learning to show advertisers impressions and spend across desktop, mobile and video. But, the company doesn't just show you *your* brand's ads – it also displays competitive intelligence on thousands of major advertisers. The result is AI-powered competitive intelligence into how and where brands advertise.

Pathmatics' digital advertising intelligence solutions are used by brands, agencies, ad tech companies, and publishers to build competitive advantages in their brand management, advertising, and business development activities.

How does Pathmatics use artificial intelligence (i.e. machine learning, natural language generation, natural language processing, deep learning, etc.)?

Machine learning is used in our models for impression and spend estimations. Pathmatics samples digital advertising and uses a number of factors about each ad occurrence along with external data sources to continually model market conditions, as well as accurately estimate impressions and spend.

#### 3.6.1.8 Calibermind

CaliberMind is a marketing analytics solution for B2B Marketers that spans engagement scoring, marketing attribution, and end-to-end buyer journey reporting. CaliberMind integrates with your entire go-to-market tech stack and even fixes your data for you. Too often, companies don't have the bandwidth or skills to transform their digital marketing data into meaningful insights. Marketers need real-time marketing analytics to supercharge their impact on pipeline and revenue.

#### 3.6.1.9 Alegion

Alegion provides human intelligence solutions designed for AI & machine learning initiatives, digital content management and moderation.

The company provides a workforce that is able to assemble AI training data and scoring at scale. Using a crowdsourced workforce from services like Amazon's Mechanical Turk, Alegion builds large-scale, custom datasets that brands then use to train AI algorithms.

Publisher Conde Nast has used Alegion to tag images in hours instead of the weeks it used to take. Charles Schwab leaned on the company to process thousands of social media messages per day. These datasets were then used to teach AI systems to produce superior marketing results. In some cases, that might include predicting what content will work best based on past data. In others, AI may be able to surface sales insights from data that human marketers can't.

Alegion provides cloud labor solutions of unlimited scale to process large volumes of data-intensive tasks, such as AI training data assembly and scoring, and user-generated content management.

#### 3.6.1.10 Netra

Netra helps brands and agencies better understand and reach their ideal consumers by analyzing billions of consumers' photos—and identifying their activities, interests/passions, key life events, demographics of their tribe, and brand preferences.



Netra uses computer vision, AI, and deep learning to essentially teach computers to see. It has created models that detect objects and scenes (over 4,000, including categories and hierarchies), humans (classifying age, gender, and ethnicity), and brands / logos (over 2,000, including categories).

During the training process, it is feed with annotated imagery (a combination of synthetic and real-world imagery) through convolutional neural networks. This process enables the software to learn how to identify, localize, and classify objects. These are all things that humans could identify – it's just that our software now enables performing these tasks at the scale of hundreds of millions of images per day (which wouldn't be manually possible).

### 3.6.2. Production :

#### 3.6.2.1 Acrolinx

**Acrolinx** is an AI-powered platform for enterprise content governance that uses a unique linguistic analytics engine to “read” all your content and provide immediate guidance to improve it.

Artificial intelligence platform Acrolinx employs machine learning and natural language processing (NLP) to improve the content of some of the world's biggest brands. Using Acrolinx, companies like Facebook, IBM, Nestle and Boeing make their content better using AI-powered scoring and recommendations. Acrolinx also keeps tabs on how compliant content is with a company's brand and standards.

Acrolinx uses a variety of techniques in its multilingual natural language processing (NLP) engine, including machine learning and knowledge-based approaches to ensure the best combination of scalability and precision, which our customers demand.

#### 3.6.2.2 Narrative Science

**Narrative Science** is the leader in Advanced Natural Language Generation for the enterprise. Narrative Science is a rapidly growing SaaS provider of advanced natural language generation (NLG) software called Quill. Powered by artificial intelligence, Quill helps companies across multiple industries transform data into narratives – stories – that improve decision-making, increase employee productivity and provide a better customer experience.

#### 3.6.2.3 Clarifai

Clarifai provides advanced image recognition systems for customers to detect near-duplicates and visual searches.

Clarifai offers an AI solution that recognizes elements in images and videos, tagging these elements appropriately and helping brands streamline visual search, as well as personalize recommendations and moderate content.

Clarifai is a market leader in visual recognition technology, built on advanced machine learning systems and accessible by an API that's used by companies like OpenTable, Trivago, West Elm and many others to improve the customer experience.

#### 3.6.2.4 GumGum

GumGum is an artificial intelligence company with deep expertise in computer vision. It unlocks the value of images and videos.. Its mission is to unlock the value of visual content produced daily across diverse data sets.

Computer vision company GumGum is using artificial intelligence to unlock the value of every online image. They work with 70% of Fortune 100 companies, such as L'Oreal, Disney, and Sprint, to reach targeted audiences in native and non-intrusive ways.

With 10 years experience in proprietary technology and solutions, it's no wonder GumGum's AI can process and identify more than 500 million images and videos each month.

Since day one, GumGum's vision has been to extract value from visual content such as images and videos. This is done with computer vision. If you are not familiar, computer vision is the ability for machines to translate an image (or video) into pixels and interpret the big picture that those pixels represent. What GumGum do is collect, train and classify as 'big pixels'.

It processes more than 500 million images and videos each month, and over the years and gotten pretty good at it. Within one image, it can identify celebrities, scenes, the make and models of vehicles, even the color of your skin and hair. To accomplish this at scale requires a robust combination of machine and deep learning and NLP (natural language processing).

#### 3.6.2.5 phrasee

Phrasee uses AI to write better marketing language than humans.

**Phrasee** is an AI-powered company that uses natural language generation and deep learning to write creative and engaging marketing copy.

Phrasee uses their technology to help companies increase opens, clicks, and conversions on marketing assets and to generate language that strikes the right tone in the current climate.

Phrasee empowers brands with AI-powered copywriting, boosting marketing performance, revenue and careers.

Phrasee uses a natural language generation system that writes human-sounding marketing copy at the touch of a button—and in a brand's voice. We also use a

deep learning engine that predicts what language will and won't work with greater accuracy than any human.

#### 3.6.2.6 curate

Curata builds software to help content marketers grow leads and revenue.

It is a software that uses artificial intelligence to curate and distribute the most high-quality content – then measure its impact.

The software uses machine learning and natural language processing to parse through online content, and categorize the most relevant and popular options for a company's audience.

It then offers content marketing management and measurement to illustrate how content marketing impacts company goals.

Curata software allows users to easily find and distribute high quality third party content, to keep all relevant stakeholders on the same page throughout a project, and to accurately analyze content's impact on revenue through all stages of the funnel.

Curata offers two products for content marketers: a content marketing platform (CMP) and content curation software (CCS).

Curata utilizes informational retrieval techniques, machine learning and natural language processing techniques for a variety of tasks:

- The discovery engine self-optimizes and learns a user's content preferences.
- Detects duplicate and redundant content for curation.
- Extracts and infers metadata about content, such as who is being mentioned, videos, images and relevant quotations.
- Automatically filters out irrelevant content.
- Automatically learns how to categorize and classify content.
- Predicts future content contribution to social, web traffic, lead generation, sales pipeline and revenue.

#### 3.6.2.7 Attentioninsight

Automated Insights is the creator of Wordsmith, the natural language generation platform that enables you to produce human-sounding narratives from data.

### 3.6.3. Personalization :

#### 3.6.3.1Uberflip:

Uberflip allows marketers to create, manage, and optimize content experiences so they can leverage content throughout the buyer journey.

Effective content marketing requires a lot of legwork, including topic generation, content creation, and promotion across channels. Artificial intelligence tools can significantly streamline this process, bearing some of the burden typically placed

on the shoulders of human marketers. One such tool is Uberflip, an AI-powered content personalization platform.

Uberflip uses natural language processing and sophisticated algorithms (both types of AI technologies) to automatically analyze a company's content, then recommend additional content to website visitors based on what they've consumed in the past.

Uberflip is a cloud-based platform that empowers B2B marketers to create personalized content experiences at scale.

Uberflip leverages natural language processing to automatically extract features and topics from our clients' content. We use this data to power our machine learning AI engine, which uses several different algorithms and patterns to recommend content to visitors, based on their intent and the content they've already consumed.

#### 3.6.3.2 Klevu

Klevu is an AI-powered ecommerce search solution, designed to drive more revenue for mid-level and enterprise-level online retailers through enhanced accuracy and merchandising capabilities.

Klevu is an AI-powered ecommerce search solution that uses natural language processing (NLP) and machine learning to assess customer searches and deliver additional recommendations for products. The result? Consumers find exactly what they're looking for and things they never knew they wanted, boosting revenue.

Natural language processing (NLP) is one of the core components of Klevu, helping us to extract more meaning and context from search queries and match terms to results that other technologies are unable to match. You can see an example of how NLP can support search on the Zimmermann store (a Klevu client) below. As you can see, the product names don't contain the word "shoe," but the system is able to understand which products are shoes.

Klevu also uses machine learning to promote products based on how users are interacting with them, providing more real-time promotion of items based on their popularity and effectiveness. The key interactions that Klevu uses are completed purchases, add-to-carts, and clicks. These actions give us an understanding of popularity. This gives us a picture of short-term and long-term popularity and allows us to add a layer of rankings on top of just boosting specific categories or items.

#### 3.6.3.3 Seventh Sense

Seventh Sense is an artificial intelligence solution uses data from marketing automation and corporate email systems to help win attention in today's overcrowded inboxes.

The tool integrates with HubSpot portals, Marketo accounts, or company email systems to build unique profiles of your contacts and learn their habits.

Seventh Sense is an artificial intelligence company that helps marketers increase the ROI of their email channel by ensuring their emails have the highest chance of being seen, read and engaged with.

Seventh Sense applies machine learning in two ways:

First, it uses statistical modeling to look at the open and click data in your marketing automation system to identify each individual's unique pattern of email engagement. Based on this data, we empower marketers with the ability to personalize email delivery times at scale. Give us a window of time, and each person on your list will get their email at the time when they are most likely to open it in that given window.

Second, it helps marketers by creating dynamic segments based on who a machine learning model predicts is more, or less likely to engage with your next email. This is extremely important for minimizing email fatigue, maximizing reach, deliverability / inboxing and ultimately driving more ROI from email.

Marketers put a tremendous amount of time and resources into growing their email list, messaging and creative email content. But all of that can go to waste if your emails don't land in the inbox. A "99% delivered" message is meaningless if those messages are delivered to spam

#### 3.6.3.4 Blueshift

Blueshift uses AI to personalize the entire customer journey and continuously determine the right marketing actions for each customer.

Blueshift is a next generation cross-channel marketing platform for engaging today's connected consumer, built with autonomous AI.

Blueshift uses patented technology for delivering AI to marketers in the form of self-driving marketing campaigns. The technology automates personalization along the entire customer journey and executes continuously to determine the right marketing action for each customer.

With Blueshift, for the first time, marketers can use the full power of AI without support from a data science or an engineering team.

The highlights of the AI include:

- **Built on a unified customer view, leveraging historical and real-time customer data:** The system continuously listens to new data about customers (e.g. website/app/PoS interactions) and updates the customer data index to reflect all

the latest customer interactions. This 360-degree view of the customer, or the “customer data index”, forms the basis for the AI.

- **Adapts to your data:** The system is flexible to work with the data semantics used by your business, instead of imposing a rigid schema. This enables us to rapidly onboard different types of customers, each having different complexities in their data.
- **Puts the power of AI in the hands of marketers:** While the system does all the heavy lifting to run different types of AI algorithms, we also expose an intuitive user interface for non-technical marketers to understand the models and adapt it to their use cases.

### 3.6.4 Promotion :

#### 3.6.4.1 Yext

Yext is a Digital Knowledge Management (DKM) platform that gives companies control over their brand experiences across maps, apps, search engines, voice assistants, and other intelligent services.

#### 3.6.4.2 Albert

Albert is an artificial intelligence marketing platform for the enterprise, driving fully autonomous digital marketing campaigns.

Albert is an AI-powered platform that automatically runs and optimizes paid advertising campaigns.

The solution works with advertising across Google, Facebook, Instagram, YouTube, and Bing. And it's used by brands and agencies to automatically allocate budget, improve campaign performance, and discover new opportunities.

Albert is an artificial intelligence platform that plugs into a digital advertiser's existing tech stack and operates it across paid search, social, and programmatic.

Albert is an autonomous AI that is the result of eight years of development by a team of 80 data scientists and engineers. It is a collection of over 200 intelligent skills working in concert that uses various machine capabilities learning to process and analyze audience and tactic data at scale to autonomously allocate, optimize and evolve paid digital campaigns.

#### 3.6.4.3 Onespot

OneSpot allows you to distribute and sequence your content at scale and drive business results.

OneSpot uses machine-learning algorithms to personalize content and match individual user preferences based on their behavior and characteristics. That kind of cross-channel personalization generates rich datasets that OneSpot's algorithms

use to better target users with the right content again and again, helping brands create deep relationships with users through repeated, sustained engagement.

Additionally, OneSpot's solutions use all the data learned from consumer preferences to supercharge content strategy, identify gaps in editorial strategy and make recommendations about which topics work best.

OneSpot is a technology platform used by big brands like Nestlé, L'Oréal, IBM, Whole Foods Market and Delta Faucet to personalize content across digital channels. OneSpot makes extensive use of machine learning technology to predictively personalize content based on user behavior, context and lookalike analysis. While many marketing personalization solutions take a more segment-based or rules-based approach, OneSpot is able to leverage machine learning to deliver personalized experiences that are individually relevant to each person. Since OneSpot works across different digital channels we get multiple "bites at the apple" for data profiling and the ability to drive repeat engagement with content. We call this unique approach Content Sequencing.

#### 3.6.4.4 Cortex

Cortex helps marketers create engaging content. Cortex has an artificial intelligence platform that predicts how humans react to content.

It is a suite of artificial intelligence, machine learning, and natural language generation and processing technologies designed to turn creative content marketing into a fully data-driven process. It helps social and content marketers make the right decisions about content creation, deployment and promotion.

Cortex uses machine learning to predict what reactions consumers will have to various aspects of content. What colors work best for photos, what timing works best on Tuesdays, what the cost of promotion will be at that time of day.

#### 3.6.4.5 Siftrock

Siftrock is a marketing automation plug-in that intelligently manages email replies.

Siftrock is a machine learning tool that automatically manages and mines these email Siftrock marketing artificial intelligence institutereplies for B2B marketers. By integrating with marketing automation systems like HubSpot, Siftrock updates databases, improves email engagement, and even finds new leads. This all occurs without human oversight, freeing up marketing and sales teams to complete higher-value activities instead of managing their inboxes.

Siftrock manages and mines email replies for B2B marketers; our product integrates with your marketing automation platform to clean your database, enable email engagement, and find new leads.

#### 3.6.4.6 inPowered

inPowered, the programmatic content amplification company, enables advertisers to drive consumer engagement with owned, earned, and sponsored content on over 35 native advertising networks.

inPowered's artificial-intelligence-driven dynamic cost per engagement pricing model (dCPE) is the only one of its kind. Engagement is defined as 15 seconds or more. Using machine learning, its technology doesn't optimize for clicks, but rather, time on site. As the technology learns more over time it gets smarter and smarter with how it bids and optimizes – resulting in the gradual reduction of cost per post-click engagement by up to 80%. It can accomplish this by creating thousands of permutations to find the best combination of content, audience, and channel that are delivering post-click engagements most efficiently.

### 3.6.5 Performance :

#### 3.6.5.1 Monkeylearn

MonkeyLearn makes your teams more efficient by automating business processes, getting insights and saving hours of manual data processing.

MonkeyLearn automates marketing and sales workflows and analyzes data using the power of AI technologies that include machine learning, deep learning and natural language processing (NLP).

The result is an AI-powered marketing and sales workflow that saves times and money, freeing up professionals to perform higher-value tasks.

MonkeyLearn uses machine learning to allow users to build customized text-analysis models. We abstract the complexity of machine learning and NLP with a beautiful graphical user interface, API and third-party platform integrations. This way, we allow developers without background in machine learning and even non-technical users (e.g. marketers and sales teams) to create effective text-analysis solutions in a very short time.

#### 3.6.5.2 PaveAI

PaveAI turns your Google Analytics data into insights using AI.

PaveAI ([@paveAI](https://paveai.com)) is a platform powered by artificial intelligence that aims to answer those questions for us. Its algorithms comb through more than 16 million possible combinations to produce data-driven reports with insights and recommendations that help businesses achieve marketing goals. We learned how by talking to Eric Ho, founder of PaveAI.

**In a single sentence or statement, describe PaveAI.**

PaveAI uses machine learning and data science to turn Google Analytics data into actionable recommendations and reports.





Fig 3.4

### 3.7 Multiple choice questions

- This P is not a part of the 7Ps of marketing mix?
  - Promotion
  - Price
  - People
  - Purpose
- "Many people want BMW, only a few are able to buy" this is an example of \_\_\_\_\_.
  - Need
  - Want
  - Demand
  - Status
- Good marketing is no accident but a result of careful planning and \_\_\_\_\_.
  - Promotion
  - Selling
  - Policies
  - Execution

4. In Hubspot, Contact management is an important piece of lead nurturing because it helps you understand the contacts you're reaching out to.
  - a. True
  - b. False
5. A resource pillar page should only be made up of internal website links.
  - a. True
  - b. False
6. Personalisation is the characteristic of digital media which refers to \_\_\_\_\_.
  - a. profiling customers in real-time
  - b. the tailoring of content in real-time on the website
  - c. assessing the behaviour of website users in real time
  - d. including both a push and pull mechanism to communications
  - e. None of the above.
7. Monkeylearn is performance measuring tool
  - a. True
  - b. False
8. Which of the following is not production tool?
  - a. Acrolinx
  - b. Narrative Science
  - c. Clarifai
  - d. Hubspot
9. Which is not a stage in marketing framework?
  - a. Personalization
  - b. Promotion
  - c. Product
  - d. Planning
10. Tick out wrong pair
  - a. Planning- Equals3
  - b. Production-onespot
  - c. Personalization- Uberflip
  - d. Performance- PaveAL

### 3.8 Short answer questions

- a. Explain phrase tool in short.
- b. How Hubspot can be used in marketing.
- c. Explain how artificial intelligence can be adopted in Blueshift?
- d. Explain Monkeylearn and PaveAI tools used for measuring performance.
- e. Explain any two tools used for promotion of product.

### 3.9 Long answer questions

- a. Explain one-one tool for all phases of marketing framework.
- b. List and explain different tools available for personalization in marketing.
- c. List and explain tools for available for planning.
- d. Explain any five tools available for promotion.
- e. List and explain two tools each available for production and personalization

### 3.10 References

- Marketing Framework ,Noel Capon
- Managing Marketing in the 21st Century Developing & Implementing the Market Strategy, Noel Capon

# Module-04

## Predictive Analytics

**4.1 Motivation:** This module helps learner, to learn about the various tools used for the predicting sales, increasing ROI and generating revenue using different prediction algorithms and study different segmentation techniques.

**4.2 Learning Objective:** Learner will be able to study different models available for sales forecasting and customer prediction and automated segmentation for customers.

### 4.3 Syllabus

Prerequisites	Syllabus	Duration	Self Study
<b>Machine learning and data mining concepts and algorithms</b>	Fundamentals of predictive analytics	1 Hr	1 Hr
	Prediction model for lead scoring and sales forecasting,	2 Hr	1 Hr
	Churn prediction model,	2 Hr	1 Hr
	Predictive modelling for customer behavior	2 Hr	1 Hr
	Automated segmentation	1 Hr	2 Hr

### 4.4 Definitions:

- **Predictive Analysis:** Predictive Analytics is a sub-field of Data Analytics and Business Intelligence, which deals with an in-depth analysis of past events and forecasts of future events.
- **Prediction Analysis:** Predictive Analytics relies heavily on the theoretical foundations of statistics to enable modeling of future behavior based on historical data.
- **Predictive lead scoring:** Predictive lead scoring is a novel approach to prioritizing customers.
- **Customer Churn:** Customer churn refers to when a customer (player, subscriber, user, etc.) ceases his or her relationship with a company

- **Sales forecasting:** Sales Forecasting is the process of estimating the number of sales for your business over a future period of time.
- **Segmentation:** Segmentation is the strategy of segmenting prospects based on the sort of information that is often in the public domain and is gathered through online research or simple lead capture forms.
- **Marketing Segmentation:** Market segmentation refers to a strategy of separating customers into distinct groupings based on shared characteristics.

#### 4.5 Key Terms:

- **PA:** Predictive Analysis
- **ROI:** Rate of Investment
- **CRM:** Customer Relationship Management
- **IoT:** Internet of Things
- **LTV:** Life Time Value
- **CES:** Customer Effort Scores
- **XM:** Experience Management

#### 4.6 Theory

##### 4.6.1 Fundamentals of predictive analytics

Predictive Analytics is a sub-field of Data Analytics and Business Intelligence, which deals with an in-depth analysis of past events and forecasts of future events. This specialized branch of Data Analytics combines the power of Data Mining, Data Modeling, Artificial Intelligence, and Machine Learning to make probabilistic predictions of future events.

So, Predictive Analytics (PA) relies heavily on the theoretical foundations of statistics to enable modeling of future behavior based on historical data. Global organizations today depend on Predictive Analytics to better leverage their data assets for business success.

Predictive Analytics is commonly used to detect fraud, predict customer churn, plug revenue leakages, optimize marketing programs, setting product prices, plan inventory, lowering operational costs, and reducing risks.

A Survey on Marketing Analytics

A Forbes Insights article titled The Predictive Journey: Survey on Predictive Marketing Strategies that Predictive Analytics is guiding marketing decisions in all data technology enabled enterprises today. The survey included the feedback from 308, North-America based, C-level executives of companies with \$20 Million or more annual revenue. The full survey Report is available for you from the above link. In Maximize Conversions with Predictive Analytics, Gartner indicates that in traditional marketing, customer buying patterns and purchase figures helped the businesses to plan inventory. In the digital business planning scenario, marketers have the support of advanced predictive modeling tools and IoT data to understand customer behavior.

## **4.6.2 Prediction model for lead scoring and sales forecasting**

### **4.6.2.1 Lead Scoring**

Predictive lead scoring is a novel approach to prioritizing customers. No sales rep wants to lose time with unqualified leads and these systems enable reps to focus on qualified leads.

There are a few ways to name this activity: predictive lead scoring, predictive scoring, and customer behavior modeling. It is a subfield of predictive sales analytics.

Poor lead prioritization can decimate companies. Sales targets get missed, teams get demoralized. Most importantly, sales personnel fail to learn from their experiences. They can't gain generalizable experiences as they encounter leads with wildly varying intent. Even the greatest sales tactics will not work on a customer who is not willing to buy. A sales person who has seen only customers who are not willing to buy, can lose hope on even the best sales tactics and processes.

#### **Benefits of predictive lead scoring:**

Now that you know about the relevant approaches, it is important to learn benefits of lead scoring so you can convince sales leadership to invest in these systems.

Ultimate benefit of lead scoring is increased sales. With prioritized leads, sales personnel will be able to spend more time on leads that are likely to convert which will result in increased sales. Working with fewer customers, yet closing more sales is a sales rep's dream come true. This will result in increased morale for your sales team, leading to improved retention of sales reps. and these predictive systems improve with more data. As more data is accumulated in the system, prediction quality will increase, further improving sales.

### **Working of lead scoring**

The most critical data for lead scoring is of course sales data. All other data are essentially indirect measures of interest and without sales data, no one can scientifically tell whether your leads will collect. So the first step is always to sell to a significant number of customers and then analyzing the data for patterns.

After such macro scale analyses, some obvious patterns became even more visible, for example the correlation between a lead's position in the account and their likelihood to buy. These were used to build rules-based systems which historically were prevalent in lead scoring. The lead's location, company and position within the company were used to determine lead quality.

Later, more dynamic criteria like behavior of the lead on the company's website started to get analyzed. Many parameters such as location, size, interest, historical buying habits are also being analyzed. And this is only that company's data.

There are limits to what one company can do with its own data. Data aggregation can improve the quality of lead scoring. Online behavior of the lead on other websites can reveal whether she is really interested in buying or just trying to learn about a topic.

### **Probable users of predictive lead scoring**

Ideal companies have

- a repeatable sales process that already sold to hundreds of customers

- well managed CRM data including all sales rep interactions like both successful and failed sales
- not changed their target market or product recently

Unless you have high quality sales data for a few months covering hundreds of sales, it is difficult to build a good system. Modern machine learning algorithms that predictive lead scoring engines rely on are data hungry.

You should already be selling to your target customers. A company doing frequent pivots with its product may not have enough sales data for a good lead scoring system. Since system will work on existing sales and since existing sales are not representative of the current direction of the company, the prediction system will likely underperform.

### **Limitations of predictive lead scoring**

As identified below, predictive scoring is not for all companies. Here are the current shortcomings and how you can overcome them:

- Predictive scoring systems are data hungry: Until you have a few hundred sales, your knowledge of the market, your sales force's relationships in the market, your product quality are far more important than sales systems. Focus on the product while casting a wide net, selectively spending on marketing and hiring the best sales reps that have experience with emerging products
- Most predictive scoring systems are black-boxes: Your reps won't know why a certain individual is a qualified lead while another is not. Prescriptive sales systems try to fix these problems by providing not only data on leads but also recommendations on how to approach the lead. We will be covering that category soon
- Your target market and product should be stable: If your target market changes, your sales data loses its value for analytics. However, if you know the critical junction after which your company decided to focus on a certain



market, you could take data from that point on to have training data for the prescriptive model.

#### **4.6.2.2 Sales Forecasting:**

Sales Forecasting is the process of estimating the number of sales for your business over a future period of time. This forecast period can be monthly, quarterly, half-yearly, or yearly.

Sales Forecasting can be done for an individual sales rep or a sales team or a particular department in the company. It helps managers/executives keep track of the performance and take corrective action when needed.

Usually, sales forecasts are based on past sales data, industry-wide comparisons, and current economic trends. It is easier to come up with a sales forecast if you have a good amount of data in hand. However, newly established companies who don't have a substantial amount of historical data are forced to depend on market research and competitive intelligence to base their forecasts.

#### **Importance of Sales Forecasting**

Research shows that companies with accurate sales forecasts are 10% more likely to grow their revenue year-over-year and 7.3% more likely to hit their quota. Clearly, sales forecasting is important for every business.

Sales forecasting is not just about predicting your sales numbers, it's about having the necessary information that enables you to make the right decisions today that will help you in the future – that's why businesses should forecast.

- Spots Potential Issues: Sales forecasting allows you to spot potential issues and gives you time to avoid or alleviate them. For instance,

midway through the quarter, you notice that your sales team is not hitting their targets. You dig deep and find out that there aren't enough leads being generated for the sales team to convert. Shift your focus on to the marketing department and let them know that they'll have to ramp up their operations and improve their lead generation strategy to bring in more leads.

- **Hiring and Resource Management:** Sales forecasts also help you with hiring and resource/inventory management decisions. Assume that your sales forecast predicts an uptick in demand. To meet that demand, you'll need to allocate budget and divert your effort towards hiring and getting resources. And on the other hand, if it is predicted that there will be a decline in sales, it is time to put a pause on hiring and resource plans and shift your focus into bringing in more business.
- **Drives Performance:** Going by the popular saying, What gets measured gets done; having a forecast report in front of you lets you know what your goals are and keeps you focused. It gives you the necessary information you need to make decisions that will improve your results.

### **Factors Influencing Sales Forecasting**

- **Economy Conditions:** It goes without saying that the condition of the economy has an impact on every business and market. If there is a depression in the economy, people/businesses will lose money and they'll be more reluctant to purchase, and when the economy is strong, people are most likely to invest and buy.
- **Policy Changes:** Changes in policies or the introduction of new laws/regulations can either help or hurt your business. So, when forecasting your sales for the next period, it is vital that you take these into account.
- **Industry Changes:** Every industry has similar products made by different organizations. Factors such as new tech improvements, design, competitors running promotional campaigns, or new

businesses entering the ring can change and affect the market share of the industry – which in turn will factor into your sales forecasts.

- **Product Changes:** Changes in your product can heavily influence your sales forecast. These changes may be rolling out a new feature due to high demand or removing a useless feature or removing bugs. Salespeople can leverage these product changes to shorten their sales cycle and close more deals.

## **Sales Forecasting Methods**

### **1. Length of Sales Cycle Forecasting**

This forecasting method uses data on how long a lead typically takes to convert into a paying customer. For example, if an average sales cycle lasts four months and your sales rep has been working a prospect for two months, there is a 50% chance that your rep will close the deal.

Forecasting using the length of the sales cycle is a great technique because it's completely objective, and your forecast isn't dependant on a subjective factor like, your reps' gut told them that they'll close or they're feeling good about this prospect.

Another advantage of this method is that it can be applied to a slew of sales cycles, depending on the source. For example, a referral client might take two weeks, while a cold email outreach client might take three months. All these leads can be separated into various buckets according to their source to give you a more accurate picture – forecast.

This method is most valuable for companies that religiously track how and when prospects enter the sales pipeline. So it is essential that your sales and marketing teams are strongly aligned with each other.

#### **Pros:**

- It's completely objective.
- It can be applied to various lead sources to give you a more accurate forecast.

**Cons:**

- The sales cycle can vary according to who you're selling to. It will be shorter for SMBs and longer for enterprises.
- Your sales team should relentlessly track data. Even a small error can throw your predictions way off.

**2. Lead-driven Forecasting**

Lead-driven forecasting involves analyzing each lead source and assigning a value based on what similar leads have done in the past and creating a forecast based on that source value. By assigning a value to each of your lead sources, you'll be able to get a better sense of the probability of each lead that can turn into revenue-generating clients.

For this method, you'll need to have data on these metrics:

- Leads per month for the previous time period
- Lead to customer conversion rate by source
- Average sales price by source

This data-driven forecasting is susceptible to changes though. For example, if your marketing team changes its lead generation strategy to align with the latest trends, this can change the number of leads from different sources, which will change your lead to customer conversion rates. These varying end-results can be minimized by being updated on the latest changes and by taking them into account when forecasting.

**Pros:**

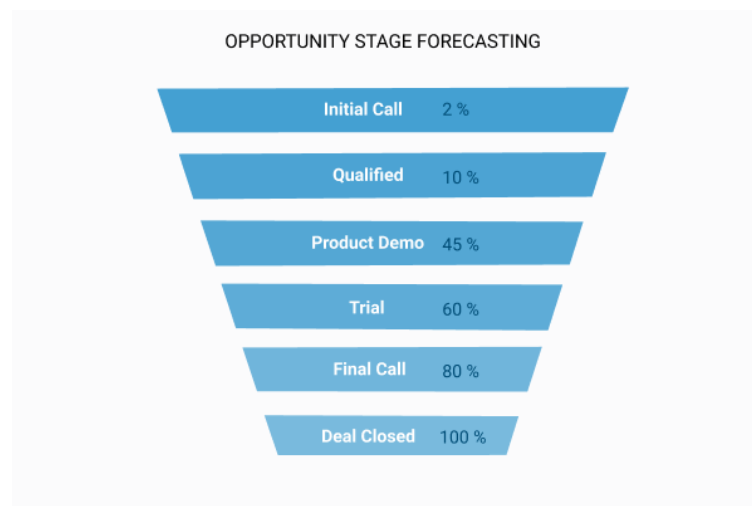
- The lead value for each source gives you a more accurate sales forecast.

**Cons:**

- Highly susceptible to variance due to multiple factors being involved.

**3. Opportunity Stage Forecasting**

In this approach, you take a look at where the prospect is in your pipeline and calculate the chances of the deal closing. Companies can break down their pipeline into various stages; like prospecting, qualified, demo, quote, closing, etc.. And generally, the further the prospect is down the pipeline, the better are the chances of closing the deal.



To implement this technique, you'll need to analyze and understand your past performance so that you can get a good estimate on the rates of success for each stage of the pipeline. For example, rep X is working on a \$5000 deal and has reached the stage where the prospect is done with his/her free trial of the product, and the probability of them becoming customers is 60% after the trial stage, your forecasted amount will be \$3000.

However, despite being a data-driven prediction, it isn't entirely accurate. Opportunity Stage Forecasting doesn't take into account the individual characteristics of each deal like the age of the lead. For example, a prospect might be at the trial stage for around two months and they'd have the same success rate as a hot lead who reached the trial stage in a few weeks.

To counter this problem, the VP of Sales at FullContact, Mike Brouwer developed a new methodology to forecast sales for his team.

**Pros:**

- The calculations are simple enough.

- This technique is highly objective.

**Cons:**

- It doesn't take into account the characteristics of a deal like age, deal size, and so on.
- Inaccurate data can give you inaccurate sales forecasts.

#### **4. Intuitive Forecasting**

Who better to ask whether the sale will happen or not than your own sales guy?

The Intuitive Forecasting method is based on the trust you have on your sales reps. You start by asking them how confident they are that their sale will close, and when. It factors in the opinion of the sales reps who are the ones closest to the prospects – they are most likely to know how things are going.

You can certainly see the downside in this method. It's entirely subjective. The reps are naturally inclined to be optimistic and will likely offer generous estimates. And there is no way to verify this assessment other than going through all the interactions between your sales rep and the client, which is just extra work.

**Pros:**

- It's a great way for newly founded companies who don't have historic sales data to base their sales forecasts on.

**Cons:**

- It's highly subjective. Reps tend to be more optimistic about their chances with their opinions.

#### **5. Test-Market Analysis Forecasting**

With this method, you can roll out your new product/service to a certain group of people based on their market segregation. For instance, you can

release the product to a limited, geographical area and see how it sells. This result is then studied and can be used to make an accurate forecast for the full release.

The Test-Market Analysis forecasting is useful for large companies who are rolling out a new product and would like to understand the market response, or a startup doing a soft launch to increase their brand awareness. However, with this method, you should remember that not all markets are the same – what happens in one market might not happen elsewhere.

**Pros:**

- You get to learn the market response first hand and fix any issues before the final launch.
- Startups can give exclusive early access to their product. This exclusivity increases brand awareness and brings in an air of mystery making your product more desirable.

**Cons:**

- Releasing a beta version or doing a soft launch can be quite costly.
- Not all markets are the same.

## **6. Historical Forecasting**

As the name suggests, with Historical Forecasting you take the previous sales data for a certain time frame and assume that your sales will be equal to that or greater.

For example, if your Monthly Recurring Revenue (MRR) in May was \$50,000, using Historical Forecasting you'd assume that the MRR for June would be at least \$50,000. You can add your average year-on-year growth rate, say 10%, and the estimate for June would be \$55,000.

There are issues with this method though. It doesn't consider the fact that the market is always changing. For instance, during June if your direct

competitors ran a promotional campaign for their product, you will most likely see a decline in sales and you could end up selling less than \$50,000. With that in mind, Historical Forecasting is a quick and easy way to forecast, it can be used as a benchmark rather than the foundation for your sales forecasts.

**Pros:**

- It's quick and easy to do.
- If your market isn't susceptible to many changes, Historical Forecasting can prove to be highly accurate.

**Cons:**

- Doesn't take into account the seasonality of the market.
- The sales pipeline isn't taken into consideration.

## **7. Multivariable Analysis Forecasting**

Incorporating various factors from other forecasting techniques like sales cycle length, individual rep performance, and opportunity stage probability, Multivariable Analysis is the most sophisticated and accurate forecasting method.

Consider this simplified example. Two sales reps are working the same account. Rep A is working an \$8000 deal and has just finished the demo; according to the opportunity stage forecasting, the win rate for a completed demo stage is 60%, hence the sales forecast for this deal is \$4800.

Rep B is working a smaller deal of \$3000 and is earlier in the sales process, but the Rep B's win rate is around 80% making the forecast \$2400. Now the total sales forecast for this account is,

$$\text{\$4800} + \text{\$2400} = \text{\$7200}$$

Unlike this example, forecasts based on Multivariable Analysis are highly complex, it requires advanced analytics solution, making it impractical for small businesses or startups. You'll also need clean data – sales reps should



track the deal progresses and activities or else your results will be inaccurate no matter what software you use.

**Pros:**

- A highly data-driven method that produces accurate results.
- Despite the math being complex here, the sales rep need not learn them as the analytical tools themselves will calculate and produce the forecast results.

**Cons:**

- Advanced analytical tools are needed and they can be a bit heavy on the company's wallet.
- Presence of dirty data can give you inaccurate sales forecasts.

#### **4.6.3 Churn prediction model**

##### **4.6.3.1 Customer Churn**

Customer churn (also known as customer attrition) refers to when a customer (player, subscriber, user, etc.) ceases his or her relationship with a company. Online businesses typically treat a customer as churned once a particular amount of time has elapsed since the customer's last interaction with the site or service. The full cost of churn includes both lost revenue and the marketing costs involved with replacing those customers with new ones. Reducing churn is a key business goal of every online business.

##### **4.6.3.2 Importance of Predicting Customer Churn**

The ability to predict that a particular customer is at a high risk of churning, while there is still time to do something about it, represents a huge additional potential revenue source for every online business. Besides the direct loss of revenue that results from a customer abandoning the business, the costs of initially acquiring that customer may not have already been covered by the customer's spending to date. (In other words, acquiring that customer may have actually been a losing investment.) Furthermore, it is always more difficult and expensive to acquire a new customer than it is to retain a current paying customer.

#### **4.6.3.3 Reducing Customer Churn with Targeted Proactive Retention**

In order to succeed at retaining customers who would otherwise abandon the business, marketers and retention experts must be able to (a) predict in advance which customers are going to churn through churn analysis and (b) know which marketing actions will have the greatest retention impact on each particular customer. Armed with this knowledge, a large proportion of customer churn can be eliminated.

While simple in theory, the realities involved with achieving this “proactive retention” goal are extremely challenging.

#### **4.6.3.4 The Difficulty of Predicting Churn**

Churn prediction modeling techniques attempt to understand the precise customer behaviors and attributes which signal the risk and timing of customer churn. The accuracy of the technique used is obviously critical to the success of any proactive retention efforts. After all, if the marketer is unaware of a customer about to churn, no action will be taken for that customer. Additionally, special retention-focused offers or incentives may be inadvertently provided to happy, active customers, resulting in reduced revenues for no good reason.

Unfortunately, most of the churn prediction modeling methods rely on quantifying risk based on static data and metrics, i.e., information about the customer as he or she exists right now. The most common churn prediction models are based on older statistical and data-mining methods, such as logistic regression and other binary modeling techniques. These approaches offer some value and can identify a certain percentage of at-risk customers, but they are relatively inaccurate and end up leaving money on the table.

#### **4.6.3.5 Churn Prediction Model**

Optimove uses a newer and far more accurate approach to customer churn prediction: at the core of Optimove’s ability to accurately predict which customers will churn is a unique method of calculating customer lifetime value (LTV) for each and every customer. The LTV forecasting technology built into Optimove is based on advanced academic research and was

further developed and improved over a number of years by a team of first-rate PhDs and software developers. This method is battle-tested and proven as an accurate and effective approach in a wide range of industries and customer scenarios.

Without revealing too much about the “secret sauce” of Optimove’s customer churn prediction technology, the approach combines continual dynamic micro-segmentation and a unique, mathematically intensive predictive behavior modeling system. The former intelligently and automatically segments the entire customer base into a hierarchical structure of ever-smaller behavioral-demographic segments. This segmentation is dynamic and updated continually based on changes in the data. The latter is based on the fact that the behavior patterns of individual customers frequently change over time. In other words, the “segment route history” of each customer is an extremely important factor determining when and why the customer may churn.

By merging the most exacting micro-segmentation available anywhere with a deep understanding of how customers move from one micro-segment to another over time – including the ability to predict those moves before they occur – an unprecedented degree of churn analysis accuracy is attainable.

#### **4.6.4 Predictive modelling for customer behavior**

##### **Customer Behavior Modeling**

Customer Behavior Modeling is defined as the creation of a mathematical construct to represent the common behaviors observed among particular groups of customers in order to predict how similar customers will behave under similar circumstances.

Customer behavior models are typically based on data mining of customer data, and each model is designed to answer one question at one point in time. For example, a customer model can be used to predict what a particular group of

customers will do in response to a particular marketing action. If the model is sound and the marketer follows the recommendations it generated, then the marketer will observe that a majority of the customers in the group responded as predicted by the model.

### **The Difficulty of Customer Behavior Modeling**

Unfortunately, building customer behavior models is typically a difficult and expensive task. This is because the smart and experienced customer analytics experts who know how to do it are expensive and difficult to find, and because the mathematical techniques they need to use are complex and risky.

Furthermore, even once a customer behavior model has been built, it is difficult to manipulate it for the purposes of the marketer, i.e., to determine exactly what marketing actions to take for each customer or group of customers.

Finally, despite their mathematical complexity, most customer models are actually relatively simple. Because of this necessity, most customer behavior models ignore so many pertinent factors that the predictions they generate are generally not very reliable.

### **Predict customer behavior**

Leading organizations - including Uber, Chobani and Finder - are embracing Experience Management (XM) not only to understand customer behavior, but predict it and solve problems before they even occur.

Here are the ways that companies unlock the insights needed to win more customers, increase their share of wallet, and boost workplace performance:

#### **1. Reduce churn**

Combining data from experience insights along the customer journey with operational insights such as declining repeat purchases, reduced purchase amounts, decreased purchase frequency etc, predictive software combines these

to help you predict individual customer behavior, and take action before it is too late.

## 2. Increase retention

Customer retention software helps you measure and understand the customer's journey and their experiences, both relational and transactional such as purchase or post-support follow-up. By combining X data with O data, you can identify which customers are likely to stay and which will churn. With closed-loop and action planning tools, you can follow up with at-risk customers to resolve their problems and in turn encourage them to stay and reduce the need to acquire new customers.

## 3. Improve customer satisfaction

Knowing, and understanding that your customers are satisfied with your brand is essential to success. It will predict their likelihood to return, purchasing and recommendation to others. Improved customer satisfaction will result in a higher return rate, more customer loyalty and higher spending. CSAT is the key performance indicator for customer satisfaction.

## 4. Increase customer engagement

Explore what motivates customers to engage with you by collecting experience data from them via surveys, questionnaires and other feedback channels. After exploring the types of engagement happening in your business, the next step is to map them against business outcomes such as sales, NPS, CSAT and customer effort scores (CES).

## 5. Triangulate CX data

Data triangulation is when you validate your data using two or more sources. This approach ensures the insights captured are accurate and relevant. It's therefore critical when understanding and anticipating your customers' needs.

Data triangulation relies on multiple methods to collect, analyze and act on CX data to predict behavior before it occurs. For example, episodic NPS can unpack brand perception using customer journey episodes (e.g. sales, billing and support) alongside focus groups to build out regression models. This process helps eliminate bias by cultivating empathetic research to analyze customers on their terms.

#### 6. Use product feedback

Making great products means creating great product experiences for customers, listening to feedback and quickly acting upon it. If you create a great product early on then you won't need to react to the ongoing problems that occur from a bad product. As the maxim goes, "buy nice or buy twice." Getting it right may be costlier to begin with, but this approach will pay dividends in the future. However, it's also likely that your products will evolve with time, so when the need arises make sure that you're incorporating customer feedback into those changes

#### 7. Track brand health

The task of understanding your customer is never really over: expectations, platforms, and needs are constantly changing. This is why measuring brand health is vital when creating a sustainable CX program. Tracking your brand provides a consistent benchmark for you to measure yourself against in fast-changing economies, as well as mitigating future incidents before they occur. This will allow you to track the impacts of the customer experience on the brand.

#### 8. Embrace AI and machine learning

This turns 'big data' into 'useful data'. Predictive CX needs to tell a simple story if you want results. However, to take action, your brand needs to focus on critical and creative thinking rather than drown in a sea of data. AI and machine learning is your life raft. By automating research, you'll be able to make faster operational decisions to solve problems before they spread, simply because you'll be able to see what actions you need to take.

#### **4.6.5 Automated segmentation**

##### **Market segmentation**

Market segmentation refers to a strategy of separating customers into distinct groupings based on shared characteristics. By creating these groups, you can send messaging that is more targeted and is, therefore, more likely to nurture them through the sales funnel. Because you have a better sense of what the people in a particular group want to see, your marketing will address their requirements more precisely.

There are a few different ways you can segment your prospective customers.

##### **Classical Segmentation**

This refers to the strategy of segmenting prospects based on the sort of information that is often in the public domain and is gathered through online research or simple lead capture forms. For example, you might segment based on their location, their seniority within their organisation, their industry, or the size of their company.

##### **Lead Scoring**

With a lead scoring strategy, you assign different weights to your leads based on the characteristics that matter the most to your organisation. For example, if the buying power for your products and services typically lies with the CEO or CMO, then members of the C-suite would receive a weighted score higher than their subordinates.

This score will help you estimate the value of particular leads and what should be used to encourage them through the buyer's journey. It also offers clues about what this lead might want to learn about through the content you send.

##### **Relationship And Behavioural Profiling**

Relationship and behavioral segmentation lists allow you to dynamically sort people based on their relationship to you and the behaviours they exhibit on your site. For example, the pages they visit, their level of social media engagement with

your organization, the emails they click on, and the products purchased can all be used to determine how a lead should be segmented and the emails they receive. For example, say you wanted to encourage people to sign up for a webinar. You might invite people who belong to a particular segment because they've shown an interest in a specific product by visiting production information and pricing pages on your website. You can create a dynamic email campaign that delivers personalized content based upon people's responses. One email can be sent to people who have RSVP and a different one for those who have not. RSVPs who have answered 'no' can receive an email tailored to their response, and a different one sent to those who responded with a 'yes'. This allows you to send relevant, intelligent and tailored communications to people. Dynamically sorted lists also allow you to follow up after the event based upon people's attendance, improving the user experience and building the relationship with each individual.

### **Personal Preference**

Finally, you can also offer segmented emails based upon the preferences of the user. You can provide different levels of registration so that leads can select the sort of interaction most suited to their needs. A basic example is allowing your email subscribers to determine how frequently they want to hear from you. Some customers might want to receive news and updates from you weekly; others might only want a summary once a month. Offering customers the ability to personalize their email subscription can allow for further segmentation based on their own needs and desires. Give your customers control of their experience.

### **Importance of Market Segmentation**

Segmenting emails makes it significantly easier to tailor the communications you send based on an individual's unique needs and obstacles. It allows brands to take their business marketing to the next level. Additionally, it accomplishes these goals without the need for endless spreadsheets. Businesses find that it reduces costs and saves resources. Nearly a third of marketers say that the most significant benefit of marketing automation is the time savings. Allowing customers to



influence the segmented lists they end up receiving also helps them define the type of experience they want to have with you. The average person today sees about 5000 ads a day. Brands who want to engage with their audience successfully need to find a way to rise above this constant noise and produce relevant content that customers want to see.

Not only does a higher degree of personalization help brands get the information they want to their prospective customers, but it also fulfills the expectation that many customers are beginning to have. Consumers want to see businesses customize their sales process and communications for customers. Sixty-two percent of customers report that they expect to receive personalized deals from firms based on what they have already purchased. This explains why 65 percent of email marketers say that dynamic lists and personalized email campaigns are the most effective tool they have.

Studies have even found that effective email personalization can generate 17 percent more revenue for the organizations that use it. Ninety-six percent of surveyed digital marketers report that personalization advances customer relationships, with 88 percent saying that they have seen a quantifiable lift in their business results since they began using personalization efforts.

### **How to Use Segmentation in Marketing Automation:**

Every marketing campaign, even automated ones, should be relevant to the person you're targeting. The good news is that targeting your message through segmentation is the fastest way to be relevant. That's because segmenting your database based on activity allows you to find core groups of people with similar levels of interest.

### **Segmenting from email actions**

Email actions are a segmentation most marketers are familiar with. Email opens, bounces, and clicks are the standard email actions used for segmentation. Learning to use, or not use, the following email actions will help you understand how to segment correctly from these actions and increase the accuracy of your segments.

**Segmenting on email opens:** Email opens are a very bad segmentation to use in most cases. Email opens are a false positive. It is better to segment on other email activity. This has been used mostly because there were not better metrics to segment from. Now you have better ones, so leave this one on the shelf.

**Segmenting on email bounces:** Segmenting your list on email bounces is very helpful for cleaning your database. Many times, a bounce on an email requires a manual effort to determine the validity of the email address. Bounces may also signal sales to work other leads in the account.

Segment your email bounces into emails that hard bounce (which denotes a bad email address) and emails that soft bounce (which denotes an out-of-office response) four or more times.

**Segmenting on email link clicks:** Segmenting on email link clicks is the best way to segment on email actions. A link click is a direct action that is very accurate, revealing a specific interest in the content the link points to. Depending on your type of email, segmenting on email clicks helps you

- Segment leads by product interest
- Segment leads by level of interest
- Move leads into different campaigns

### **Segmenting from prospect actions**

If your goal is to have a segment of people with a specific interest, you can easily accomplish this goal by segmenting based on one or more actions such as content downloads, pages visited, and emails clicked. Understanding and segmenting on multiple actions helps you understand your audience much better than segmenting based on only one action.

### **Segmenting from prospect inactivity**

Inactivity can tell you as much about a person as the actions the person takes, because inactivity can give you insights into someone's behavior patterns.

Learning how to correctly segment on the following behaviors is key to your future success with marketing automation:

**Segmenting on time:** Create segments for inactivity time frames. Consider using segments such as

- Date of last interaction
- No action within the past 60 days
- No marketing touch in past 60 days

**Segmenting on lead score:** Scores should be calculated based on a combination of activity and inactivity. Consider these segments:

- Leads with no scores
- Leads whose scores have gone up the most in the past 30 days
- Leads with the highest score over a period of time
- Leads whose scores have gone down in the past 60 days

### **Segmenting off of CRM data**

Marketing automation makes it easy to access customer relationship management (CRM) data. Because CRM systems are usually central data repositories for a company, your marketing automation tool won't be the only system putting data into your CRM system. Any data that is in your CRM system can be used for segmentations by your marketing automation tool. Consider looking at data sets that are helpful for more targeted campaigns:

- Segmenting on last purchase
- Segmenting on total purchase history
- Segmenting on lead stage
- Segmenting on opportunity stage
- Segmenting on a specific sales rep's leads

Sales activity is also recorded in your CRM and can be used for segmentation. Segmenting on sales activity helps you pick up the slack when sales reps are too busy to reach all their leads.

#### 4.7 Multiple choice questions

1. Which of the following is not a criterion for successful market segmentation?
  - a. there must be difference among consumers
  - b. each segment must be located within a geographical area
  - c. there must be consumer similarities within each segment identified
  - d. a segment must be large enough to cover costs
  
2. A products position is located in the minds of \_\_\_\_\_.
  - a. Advertiser
  - b. salesman
  - c. consumer
  - d. all of these
  
3. Readiness stage and attitude towards product are major segmentation variable in which category?
  - a. Geographic
  - b. Behavioral
  - c. Demographic
  - d. Psychographic
  
4. Sales forecasting involves
  - a. sales planning
  - b. distribution channels
  - c. sales pricing
  - d. All of the above
  
5. A marketing plan is necessary for
  - a. to decide product strategy
  - b. to decide advertising strategy
  - c. to decide marketing strategies
  - d. having a focused approached to marketing
  - e. All of the above
6. A fall in the market share implies

- a. business is wound up
  - b. competition has increased
  - c. profit has gone up
  - d. prices are erratic
  - e. sales have gone up
7. Customer churn refers to \_\_\_\_.
- a. customer defection
  - b. customer value
  - c. customer loyalty
  - d. customer anxiety
  - e. customer mix
8. Which of the following best describes predictive modeling?
- a. A process marketers use to evaluate how factors influence future behavior
  - b. A process of building models that predict the future for businesses
  - c. A predictive analytics process that creates a statistical model of future behavior
9. True or false? Creating predictive models is an iterative process that requires ongoing development and refinement.
- a. True
  - b. False
10. One recommended strategy for implementing predictive analytics without breaking the bank is:
- a. Hire a team of skilled analytics professionals to manage your predictive modeling software.
  - b. Build and test prototype predictive models based on pertinent business questions.
  - c. Choose a tool that can handle all potential needs so you don't have to make future purchases.

#### **4.8 Short answer questions**

- a. Explain predictive Analysis used in marketing.
- b. Explain customer churn prediction model with its importance.
- c. What is customer churn, explain in brief.

- d. List and explain importance of automatic segmentation.
- e. What is importance of sales forecasting?
- f. List limitations of predictive lead scoring.

#### **4.9 Long answer questions**

- a. Enlist and explain difficulties occurred in customer behavior modeling.
- b. List and explain different sales forecasting methods.
- c. Which are the factors influencing sales forecasting, explain.
- d. Explain predictive lead scoring with its working and benefits.

#### **4.10 References**

- a. Artificial intelligence marketing and predicting consumer choice: an overview of tools and techniques Struhl, S.
- b. Artificial intelligence for marketing: practical applications Sterne, J.
- c. Predictive Analytics: The Power to Predict Who Will Click, .. Eric Siegel · 2016

# Module-05

## Psychographics, NLP and Computer Vision

**5.1 Motivation:** Psychographics, Natural Language Processing and Computer Vision broaden the perspectives of Human machine interaction. This module will discuss how these can be further used in Digital marketing.

**5.2 Learning Objective:** Students will be learning about how user experience can be enhanced while buying products using Digital marketing platforms.

**5.3 Syllabus:**

Prerequisites	Syllabus	Duration	Self Study
Artificial Intelligence, Natural Language processing, Computer Vision	Customer psychographics,	1 Hr	1 Hr
	leveraging personality traits to predict consumption preferences using NLP,	1 Hr	1 Hr
	Detect emotions, assign labels,	1 Hr	1 Hr
	understand text from images,	1 Hr	1 Hr
	detect news events,	1 Hr	2 Hr
	logos using Computer Vision	1 Hr	2 Hr

**5.4 Definitions:**

- **Psychographics:** Psychographics is a qualitative methodology used to describe traits of humans on psychological attributes.
- **Demographics:** Demographics deal with a specific segment of the population, psychographics deal with what motivates their buying behavior.
- **Artificial intelligence :** Artificial intelligence is intelligence demonstrated by machines, unlike the natural intelligence displayed by humans and animals, which involves consciousness and emotionality
- **Natural Language Processing :** Natural language processing is a subfield of linguistics, computer science, and artificial intelligence concerned with the

interactions between computers and human language, in particular how to program computers to process and analyze large amounts of natural language data

- **Computer Vision:** Computer vision is an interdisciplinary scientific field that deals with how computers can gain high-level understanding from digital images or videos.
- **Logo:** Logo is a graphic mark, emblem, or symbol used to aid and promote public identification and recognition.
- **Label:** Label is a piece of paper, plastic film, cloth, metal, or other material affixed to a container or product, on which is written or printed information or symbols about the product or item.

## 5.5 Key Terms :

- **AI:** Artificial intelligence

5.5.1      **NLP:** Natural Language Programming

5.5.2      **SMM:** Social Media Marketing

## 5.6 Theory

### 5.6.1. Customer psychographics

#### 5.6.1.1 Introduction :

Business Dictionary defines the term this way: “Analysis of consumer lifestyles to create a detailed customer profile. Market researchers conduct psychographic research by asking consumers to agree or disagree with activities, interests and opinion statements.” Rather than examining who your customer is, you’re examining why they buy. Before we go any further, it’s important to note that there are some distinct differences between psychographics and the much more commonly used demographics. While demographics deal with a specific segment of the population, psychographics deal with what motivates their buying behavior.



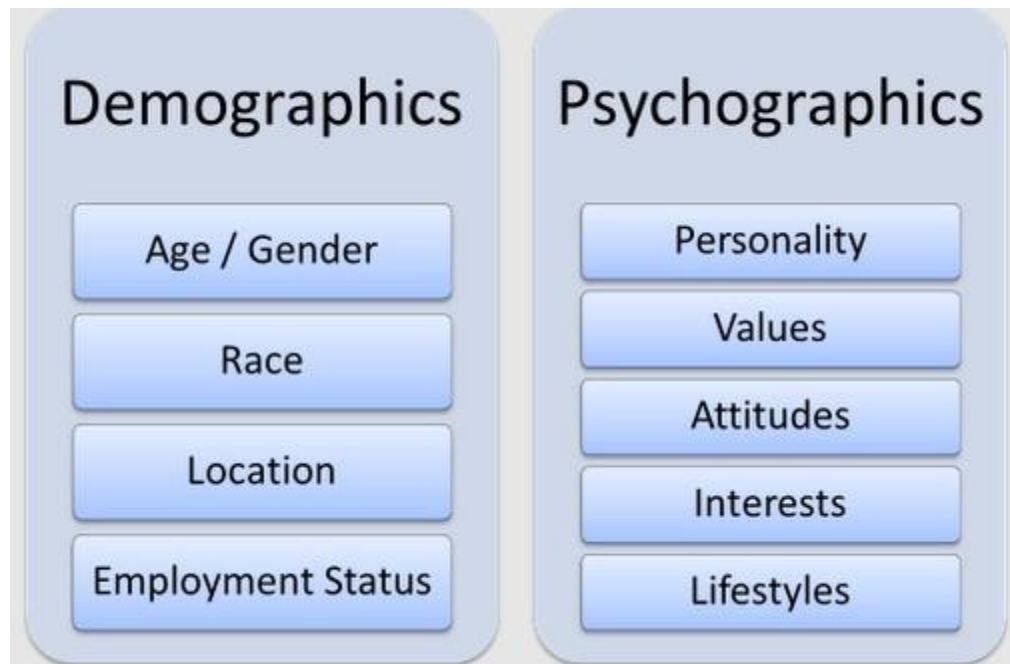


Fig 5.1 Difference between Demographics and psychographics

As you can see, psychographics focus on the underlying interests, activities, values, and opinions that motivate consumers to buy.

This is important because it allows you to create a far more robust customer profile and helps “scratch your audience’s” itch when marketing.

#### **5.6.1.2 Obtaining Psychographics**

So now that we understand what psychographics are, how do we go about acquiring them? We outline two major methods below: interviewing your current clients and investigating your website analytics.

##### **1. Interviewing Existing Clients**

Right now, take five seconds and think of your best current client. Next time you talk, ask her a little more about herself. You can ask what she did over the weekend, if she’s seen any good movies lately (no? you’re more of a tv or online entertainment fan?), found any great holiday deals, made any New Year’s resolutions.

Depending on your relationship with the person, you can tell her exactly why you're asking and be more direct. If you're not in a business where you have that kind of relationship with customers, do you have any friends who are similar to your ideal client? You could ask him or her the same questions.

When you ask the right questions, you can find out what she does for fun, whether she's a bargain-hunter, what motivates her and what her personal goals are.

Want a larger sampling? Send out a customer survey and be honest – tell them you want to better understand what they care about. Most people are more than happy to share.

## **2. Investigating Website Analytics**

Prefer a more behind-the-scenes kind of investigation? Look at your existing site content and previous special offers. What has moved people to click, call, or buy in the past?

If you haven't been paying attention to this, it may require some testing, but can also be extremely effective, as people's true motivations are revealed by the actions they take. They may not think of themselves as bargain-hunters, but if that discount code really worked, it's good to know.

### **5.6.1.3 Using Psychographics in Marketing:**

At this point, we've established the difference between demographics and psychographics along with some of the most effective approaches for gathering your data. But here's the real question: How do you actually apply it? As it turns out, there are several ways you can put this data to use.

## **Fine-Tuning Your Brand's Values**

The way you position your brand can have an immense impact on how well you're able to connect with consumers. If you strike the right chords, this can help you establish a loyal legion of brand ambassadors, which has its obvious benefits. One of the first ways to apply your data is to examine the psychographic profiles of your most loyal followers and fine-tune your brand's values to match.

For example, some of the main points in our psychographic information example earlier included:

1. Concerned with preserving natural resources
2. Seeks clothing that's sourced from sustainable materials
3. Enjoys outdoor activities such as hiking, camping, and backpacking
4. You would want to take these findings and work on weaving them into your overarching brand values. They would serve as your main touch points.

For instance, a quick look at TOMS' website(Fig 5.2), and it's clear that there's an emphasis on philanthropy and helping others.

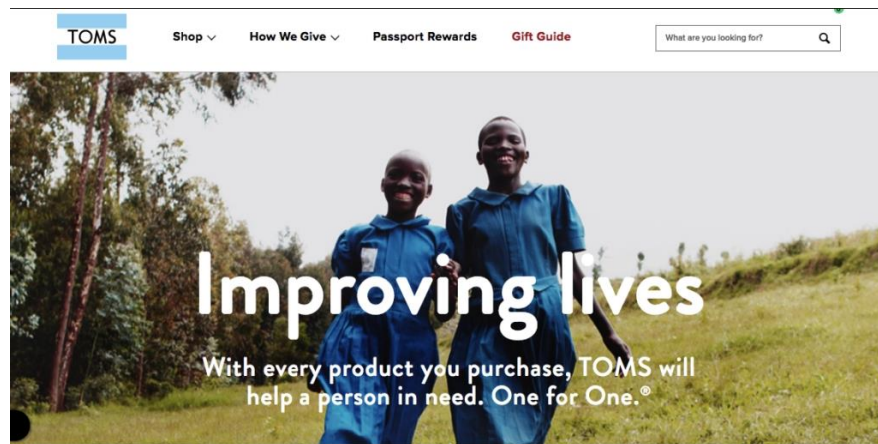


Fig 5.2 Toms\_ Homepage

Looking at Burt's Bees (Fig 5.3), and it's obvious there's an emphasis on sourcing natural products.

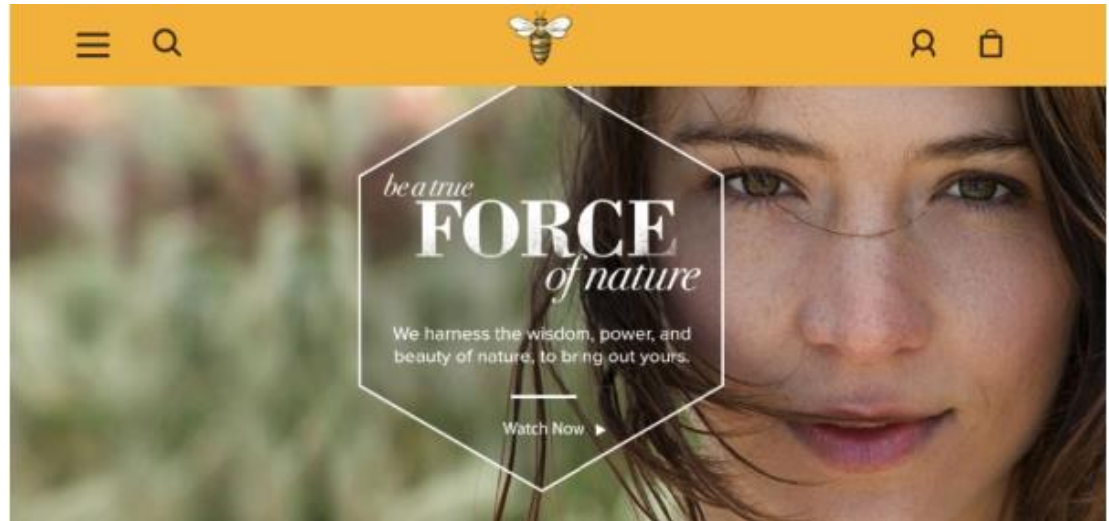


Fig 5.3 Burt\_s Bees Homepage

You get the idea.

### Optimizing Landing Pages

According to research from eConsultancy only 22 percent of businesses are satisfied with their conversion rates? One of the most effective ways to improve them is to make key adjustments to your landing pages. In fact, “Using correct targeting and testing methods can increase conversion rates up to 300 percent.” The psychographics data you generate can be instrumental in optimizing your landing pages and should shed light on:

Which specific aspects of your product to focus on

- The right wording to use
- Images to use
- Etc.

### Generating Content Ideas

This data can also spill over to the topics you cover on your blog and your content marketing campaigns at large.

Although you probably already have a central theme that you base your content around, you could definitely use your insights to launch into sub-categories that may not have been on your radar previously. In turn, you can expect to increase content engagement as well as your number of shares.

## Keyword Targeting

Whether it's for organic search or paid ads, choosing the right keywords is vital. Alexandra Samuel also explains that “using psychographics allows you to do smarter keyword targeting—for example, targeting one message about your programming game to parents who are searching for ‘kids programming’ and another message to parents who are searching for ‘kids video games fun.’” Psychographics help you narrow down your keyword list to ones that are highly targeted to your audience.

## Social Media Marketing (SMM)

There are two ways that psychographics can impact your SMM campaigns. First, you may be able to determine which specific networks your core audience is most active on. In our example, we discovered that Instagram and Pinterest were the two top choices. As a result, you would know that these two networks deserve the bulk of your attention rather than others like Facebook or Twitter. Rather than relying on speculation and mere guesswork, you would know for a fact where your time and budget is best spent. Second, you can use psychographics data to target customers more effectively. If you've ever used Facebook Ads, you know that you can be incredibly granular about who your ads will appear to. “Precise Interests” (fig 5.4) allows you to break down a broad topic into specifics:

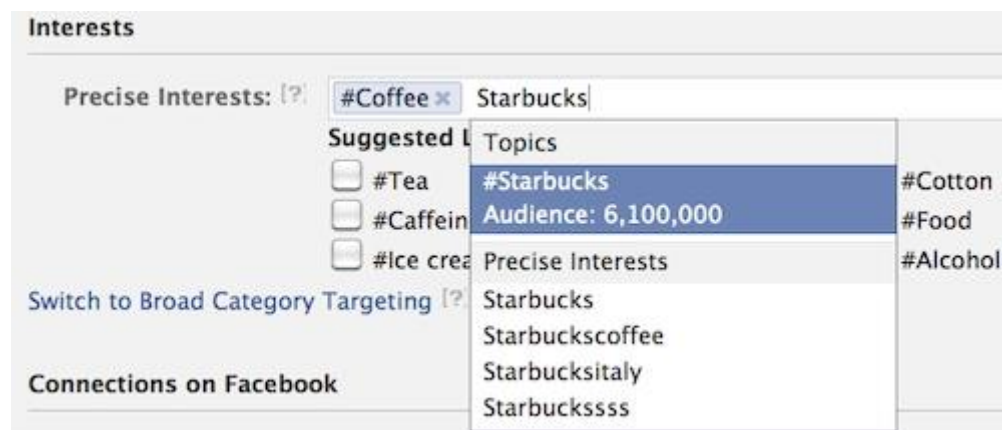


Fig 5.4 Precise Interests

This way you can get your ads in front of the right audience and ensure that you're not wasting money marketing to leads that are unlikely to convert.

You could always choose precise interests based on a hunch. Or you could select them based on psychographics data.

### Email Marketing

The points you address in your emails and the quality of your copy heavily influence your conversion rate. You could argue that half the battle is simply discussing the type of content that readers are legitimately interested in. If you're able to nail down their pain points, you can bet that it's going to improve engagement and increase the likelihood of subscribers taking action. It can also impact the open rate.

And as you can see, there's definitely room for improvement in this area, especially in some industries.

Volume variance by industry – Q4 to Q4 (2016 vs 2015)

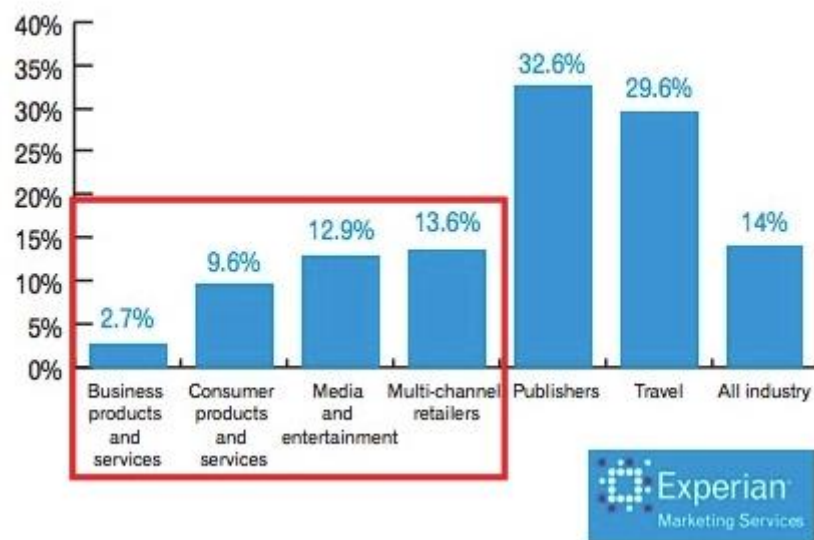


Fig 5.5 Email Marketing Variance by Industry

#### 5.6.2. Leveraging personality traits to predict consumption preferences using NLP

What makes up your personality? Are you extroverted or introverted? Some may say personality starts with whether you're one or the other. Others will add to that and say it's influenced by your temperament or general nature too.

A personality, regardless of what it truly is, affects our behavior. So it's not surprising to find that many psychologists' research on personality has given birth to trait theory. Trait theory is the study of human personality as it relates to their behavior, thoughts, and emotions. The big 5 personality traits are a result of trait theory and unlike the BuzzFeed quizzes we know and love, it's likely a more accurate description of personality – and more useful as a result.

### **Defining the Big 5 Model of Consumer Personality Traits**

Though it's not entirely clear, the big 5 model for personality first emerged in the 1960's. However, it became a more researched and advanced model in the 1990's as more psychologists began studying it. Today, it's a robust, empirical, data-driven model. Many modern psychologists utilize the big 5 model because it can apply universally and it provides a measurable means to understanding consumer personality. The point of it is to measure the degree to which particular personality traits are expressed in an individual. In other words, you exhibit each of the five traits, but at varying levels. Essentially, this model helps you, and others, understand what makes you tick.

### **The Big 5 Personality Traits**

Sometimes referred to as OCEAN, CANOE, or the five-factor model, the big 5 model encompasses five key attributes of a consumer's personality. Those five traits are openness, conscientiousness, extraversion, agreeableness, and neuroticism.

**Openness** means being open to experiencing new or different things. Those who score high on this trait tend to be intellectually curious, willing to try new things, and more creative or unconventional. Those who score low on this trait are usually opposed to change and struggle with abstract thought.

**Conscientiousness** refers to acting in an organized or thoughtful way. Those who score high on conscientiousness tend to be self-disciplined, strive for achievement,

and follow a plan or schedule. Scoring low on this trait, you may be more unstructured in your approach to tasks and procrastinate more often.

**Extraversion** is seeking stimulation in the company of others. Those who score high on this trait don't mind being the center of attention and tend to be very social and energetic. Those who score low on extraversion often prefer to be alone and may be anxious in social situations.

**Agreeableness** entails being compassionate and cooperative towards others. Those who score high on agreeableness tend to get along well with people and are more sympathetic and caring. Those who score lower on this trait can be less empathetic and seem uninterested in others.

**Neuroticism** refers to emotional sensitivity—particularly when it comes to environmental or situational factors. Those who score high for this trait can be easily stressed and sometimes come off as worry-warts. Those who score low on neuroticism, on the other hand, tend to be more emotionally grounded and laid-back.

Curious to see where you land? There are a variety of big 5 tests available online to understand where you score on these traits. And don't worry, if you're unhappy with any of your scores, it doesn't mean you'll be that way forever. As people mature or modify their lifestyle their scores can adjust—it's not all biological—personality can be influenced by environmental factors too. Thus, the old saying nature versus nurture comes into play.

Either way, you can see the big 5 model is a great way to understand more about a person. As a result, employers often use the big 5 personality test to ensure new employees fit with a team—or employees can use it to understand more about what career path they should take. But the big 5 model has a bigger purpose when it comes to marketing, market research, and understanding consumers.

### **Leveraging the Big 5 in Marketing Research**

As noted, the big 5 personality model helps understand consumer personality traits. Specific to marketing, understanding consumer personality traits can help identify and draw conclusions about consumer behavior, including preferences,



habits, and motivations. If you think about that in the context of new products, branding, and advertising, it's easy to see how leveraging the big 5 is a no-brainer. In fact, Proceedings of the National Academy of Sciences provides evidence for how psychological targeting—such as targeting by consumer personality—is a proven approach to persuasion. Their research tests the difference between targeting viewers with ads based on whether they are extroverted or introverted: results show that when targeting viewers based on this, conversion rates double.

This shouldn't be surprising—people are attracted to things that exhibit similar personalities to them or brands that represent the way they are. Thus, it's so important to execute marketing activities as it relates to a target audience's personality traits. You wouldn't target those who are high in one trait the same as those who are low in it. For example, say a brand was looking to create ads for a new pair of yoga pants. Women high in extraversion are likely to relate to the first ad below. Women low in extraversion, but high in conscientiousness (Fig 5.6), would likely relate more to the second ad.

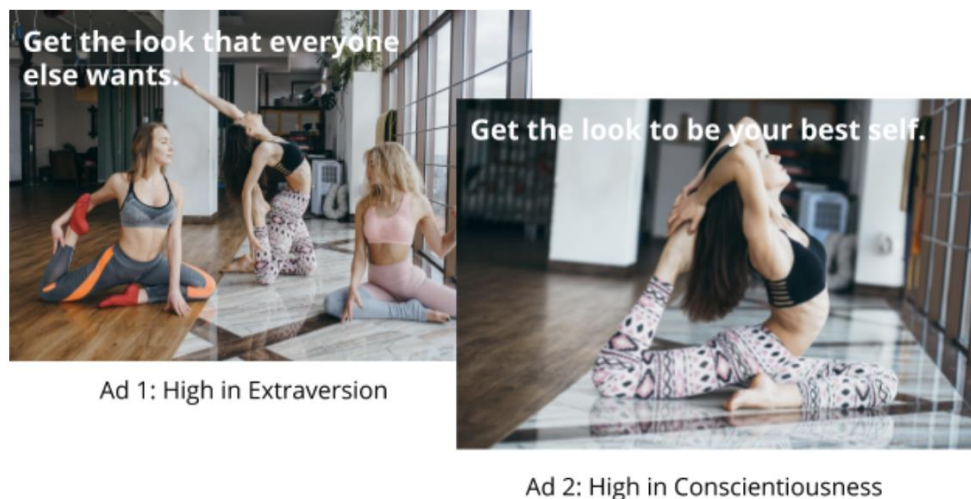


Fig 5.6

In fact, in a recent study conducted by GutCheck that leverages big data and survey data to gain a deeper understanding of consumers, personality was also included. From the research, the favorable audience for a brand's new product concept scored highest on agreeableness.

Using this insight, in addition to other data, it was easy to see how the brand could determine what communications to use in their messaging and creative. In this case, they should highlight how the product aids the consumer in helping their family and promote any higher causes they support within messaging.

So as you can see, personality is instrumental to how we behave. By learning more about personality trait theory in consumer behaviour, we can become more effective in our marketing messaging and targeting.

### **5.6.3. Detect emotions**

When companies connect with customers' emotions, the payoff can be huge. Consider these examples: After a major bank introduced a credit card for Millennials that was designed to inspire emotional connection, use among the segment increased by 70% and new account growth rose by 40%. Within a year of launching products and messaging to maximize emotional connection, a leading household cleaner turned market share losses into double-digit growth. And when a nationwide apparel retailer reoriented its merchandising and customer experience to its most emotionally connected customer segments, same-store sales growth accelerated more than threefold.

Given the enormous opportunity to create new value, companies should pursue emotional connections as a science—and a strategy. But for most, building these connections is more guesswork than science. At the end of the day they have little idea what really works and whether their efforts have produced the desired results.

At the most basic level, any company can begin a structured process of learning about its customers' emotional motivators and conducting experiments to leverage them, later scaling up from there. At the other end of the spectrum, firms can invest in deep research and big data analytics or engage consultancies with specific expertise. Companies in financial services, retail, health care, and technology are now using a detailed understanding of emotional connection to attract and retain the most valuable customers. The most sophisticated firms are

making emotional connection part of a broad strategy that involves every function in the value chain, from product development and marketing to sales and service.

### High-Impact Motivators

Hundreds of “emotional motivators” drive consumer behavior. Below are 10 that significantly affect customer value across all categories studied.(fig 5.7)

<b>I am inspired by a desire to:</b>	<b>Brands can leverage this motivator by helping customers:</b>
<b>Stand out from the crowd</b>	Project a unique social identity; be seen as special
<b>Have confidence in the future</b>	Perceive the future as better than the past; have a positive mental picture of what's to come
<b>Enjoy a sense of well-being</b>	Feel that life measures up to expectations and that balance has been achieved; seek a stress-free state without conflicts or threats
<b>Feel a sense of freedom</b>	Act independently, without obligations or restrictions
<b>Feel a sense of thrill</b>	Experience visceral, overwhelming pleasure and excitement; participate in exciting, fun events
<b>Feel a sense of belonging</b>	Have an affiliation with people they relate to or aspire to be like; feel part of a group
<b>Protect the environment</b>	Sustain the belief that the environment is sacred; take action to improve their surroundings
<b>Be the person I want to be</b>	Fulfill a desire for ongoing self-improvement; live up to their ideal self-image
<b>Feel secure</b>	Believe that what they have today will be there tomorrow; pursue goals and dreams without worry
<b>Succeed in life</b>	Feel that they lead meaningful lives; find worth that goes beyond financial or socioeconomic measures

Fig 5.7

In what follows we'll describe our research and our work with companies — to our knowledge, the first to show direct, robust links among specific emotional

motivators, a firm's actions to leverage them, consumer behavior, and business outcomes.

### **Defining Emotional Motivators**

Our research stemmed from our frustration that companies we worked with knew customers' emotions were important but couldn't figure out a consistent way to define them, connect with them, and link them to results. We soon discovered that there was no standard lexicon of emotions, and so eight years ago we set out to create one, working with experts and surveying anthropological and social science research. We ultimately assembled a list of more than 300 emotional motivators. We consider customers to be emotionally connected with a brand when it aligns with their motivations and helps them fulfill deep, often unconscious, desires. Important emotional motivators include desires to "stand out from the crowd," "have confidence in the future," and "enjoy a sense of well-being," to name just a few.

Identifying and measuring emotional motivators is complicated, because customers themselves may not even be aware of them. These sentiments are typically different from what customers say are the reasons they make brand choices and from the terms they use to describe their emotional responses to particular brands. What's more, as we'll discuss, emotional connections with products are neither uniform nor constant; they vary by industry, brand, touchpoint, and the customer's position in the decision journey.

#### **5.6.4. Assign labels**

Labels are a tool that enable you to assign a label value to a given property in the account, allowing for better organisation and flexibility of management and reporting in Bing Ads. As with Google AdWords, Bing Ads labels can be assigned at the following levels:

- Campaign
- Ad group
- Keyword
- Ad

## How To Use Labels

Assigning a label is simple. At Campaign level, simply select the tick box next to the required campaigns and navigate to the Labels tab on the toolbar:

### All Campaigns

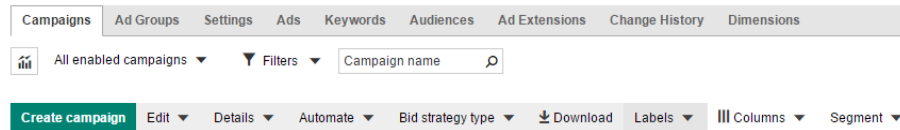


Fig 5.8

This expands a list of check boxes in which you can either assign an existing Label, create a new label altogether or manage labels in the account. For now, we are simply selecting the London label by ticking the check box and applying the label.

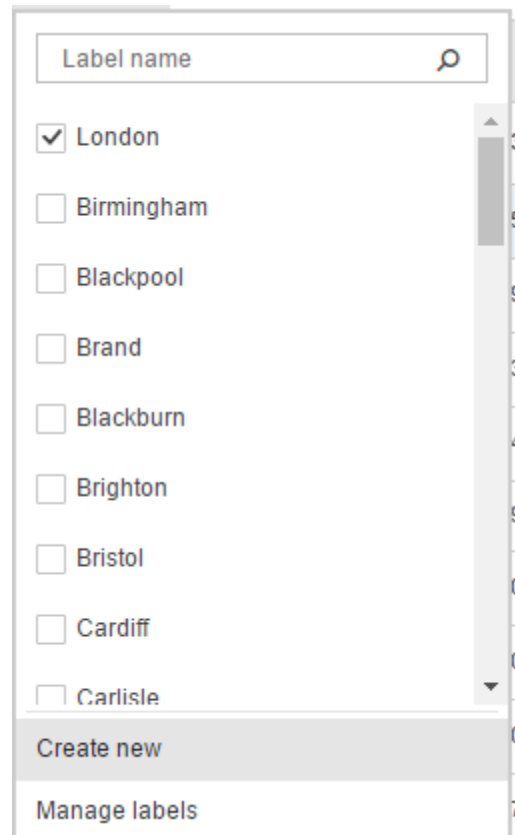


Fig 5.9

Now that we know how to assign labels, it's time to put them to good use.

### Filter by Label:

In the interface, you can filter by label to see a list of properties grouped together. For example, if you have multiple London campaigns spanning numerous services in your account, you can filter by the London label to see the campaigns all in one place.

This will also provide a handy total for the selection at the bottom of the page, allowing for a performance summary for your given campaigns, ad groups or otherwise. There is, however, a far better way to get detailed summaries from labels.

### Dimensions Tab:

Labels were made for the Dimensions tab, offering a grouping system that works well for seeing top level stats. You can access this using the top toolbar in the interface:

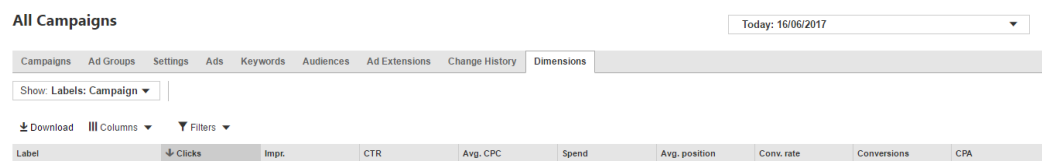


Fig 5.10

Using the drop-down menu, you are able to choose to view labels at a certain level in the account.

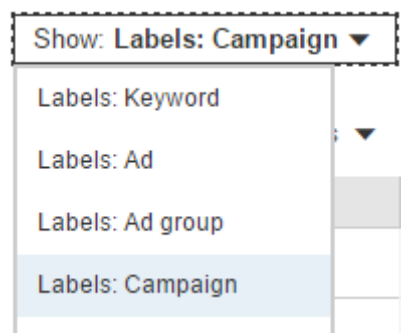


Fig 5.11

The Dimensions view then offers a summary of all properties in the account that has labels assigned at the given level (e.g. Campaign level). The data is then provided in a single table, with click totals for an example account shown below:







Label	↓ Clicks
 London	249
 Bristol	43
 Edinburgh	26
 Cardiff	17
 Northampton	13
 Leicester	13

Fig 5.12

### Reporting:

The use of labels within Dimensions is crucial for us, providing a view that we use regularly for account management and reporting. Using the above table as an example, we are able to group campaigns together by location and provide a clear summary of how our PPC marketing is performing in each area.

In other instances, we may compare keyword targeted campaigns against geo-targeted campaigns, or to assess the outcome of ad text tests in a given ad group. Labels provide a straightforward way of getting more granular data from your Bing Ads account. It's far easier to assign labels across an existing account in order to refine and understand your performance, rather than manually searching and calculating the totals – or worse, rebuilding your campaigns to see the data in a new way.

#### 5.6.5. Understand text from images

It is pretty much agreed that Google can and probably does read metadata embedded in photos, though whether that influences SEO in any way is still disputed. In fact, the conventional wisdom seems to be that search engines do not take into account photo-embedded text (assuming they can read it at all) and that the practice of embedding text in photos is generally a bad idea for a series of other non-SEO reasons (mostly having to do with accessibility of the information for the user). At the same time, the question if text embedded in photos “can’t be read by

search engines” remains. And as Google is making increasingly significant efforts in the direction of image recognition technology, having recently acquired DeepMind, it’s hard to believe that photo-embedded text is not an area of interest. In this long and interesting article we did some interesting experiments in order to understand how Google is approaching the image search matter and to see what the implications for the SEO and digital marketing field are.

## What Google "Thinks" About Some Pictures ...

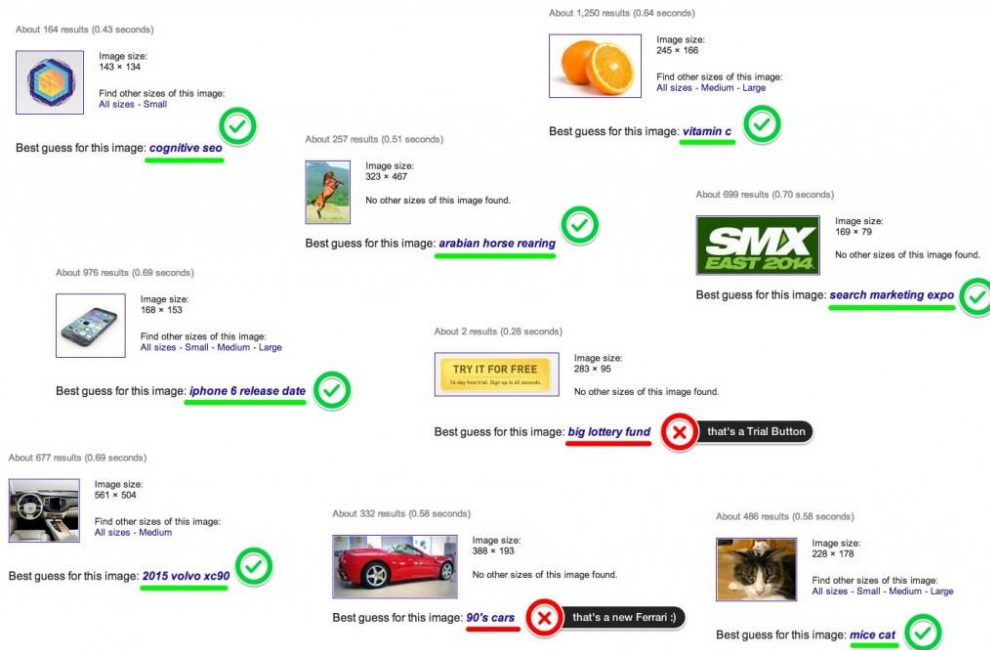


Fig 5.13

It has become a common place to say that an image is worth a thousand words. It’s less common knowledge exactly how many words (and keywords) Google makes of an image. What we can say with certainty is that in a lot of cases and in most of our experiments, Google turned out to be pretty savvy in interpreting images. It would explain why it interpreted the picture of a rear view of a red sports car as “90’s cars” instead of a new Ferrari, which it is. Probably because in most places the similar images were hosted, the text surrounding the image talked about 90’s cars.

Admittedly, the design is fairly reminiscent of that era’s particular brand of ostentatious sport cars. The adjacent text theory also explains the other misinterpreted image, the one with the “Try it for free” text. It also supports the



idea that although reading image-embedded text may be in the books for Google, it's not yet at the level of mastery needed to be universally implemented. Repeating the experiment for our logo (which contains no embedded text), the search engine did a pretty good job figuring out that the logo is related mainly to "cognitive seo", probably by drawing conclusions from the text in the vicinity of various image occurrences and compiling a best guess, based on the visually similar images contingent on the order of the pixels in the image.

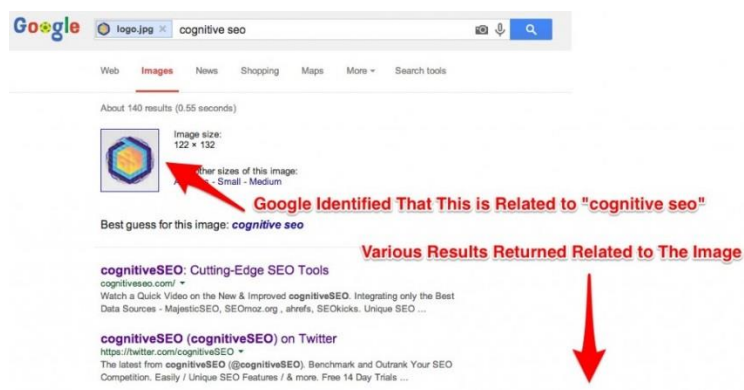


Fig 5.14

**Image Search Automatic Keyword Identification** The tumbler-wielding youth of today are pretty tired of having to look for hours and hours for that particular funny cat gif (yeah, you know the one, that one) that has something written all over it with none of the desired results. We probably wouldn't care about that either, but they are not only the consumers of tomorrow, but already the consumers of today. According to the data at least, the 18-29 demographic is knocking at 90% Internet usage worldwide. If the even-younger are at all different, it's probably upwards, not downwards. Ultimately, so much of Internet content is images, that you just can't ignore it. Neither can search engines. People are drawn to images (when they're relevant) more than they are to text. So being able to put text on images as opposed to below or near them might just be the next best thing.

**How Does Google Decide Which Image to Rank Higher (from the same site/URL)**

Still, that's not what really interests us. Is there something more beneath the surface, just like with the overused cliché of an iceberg? Or is there less than we've

assumed to the subject, just like with the ever shrinking arctic ice cap? Speaking of which, how do we know how much ice there is in the polar caps at any given time? Unlike Google ranking algorithms, the answer to this question is pretty straightforward: scientists use what's called the Pan-Arctic Ice Ocean Modeling and Assimilation System (in short: PIOMAS). Aside from the perk of being an interesting piece of trivia, this is also useful to our SEO-related queries. We tried to do an image search for "piomas arctic sea ice volume". Of the images that the search returned, there was one in particular that had this exact phrase inside it, as picture-embedded text.

## Why Does This Image Rank Here?

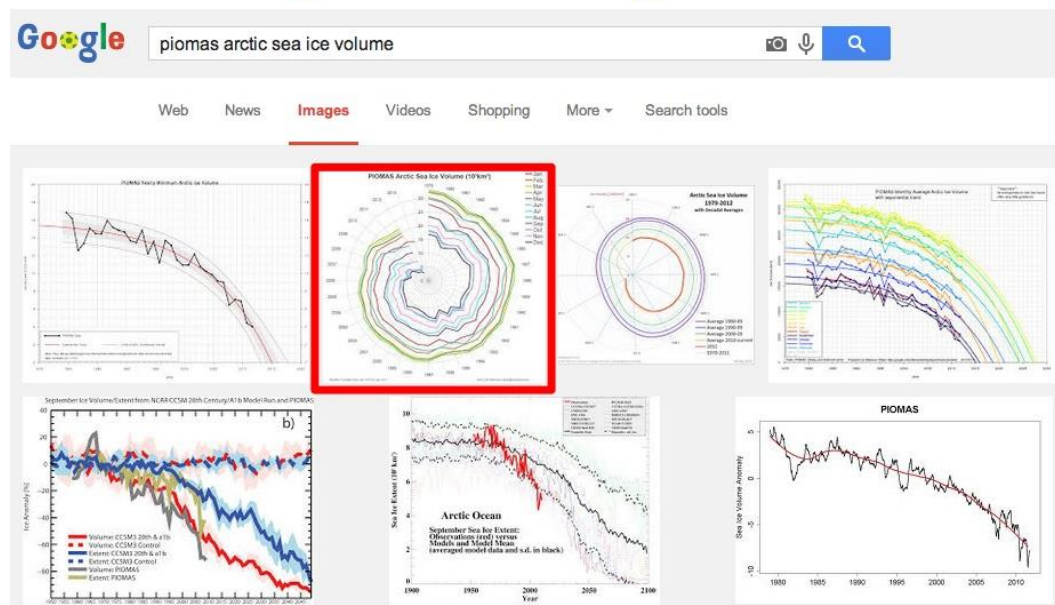


Fig 5.15

In the site it is found, there is no mention of the exact keyword match we looked for. According to the official story, this is easily explained by the fact that the site had the text "arctic sea ice volume" in the vicinity of the picture, and the picture itself had the title "PIOMAS Spiral". Which is probably the case.

With one exception, all the other pictures on top of that search have "PIOMAS" somewhere in the name or Alt Text and "arctic sea ice volume" somewhere in a text in the vicinity of the picture. And that one exception has this the other way around. It's all reasonable here folks, nothing to see, move along. But on your way

home, take into consideration the fact that of the seven top pictures, five also happen to have 4 of the 5 search words as embedded text, and two pictures have 3 of the 5 search words as embedded text. Not enough to prove the case, but enough to support it in the light of the fact that there are quite a few search results, but those particular pictures came up first.



Several Other Images are in this long document

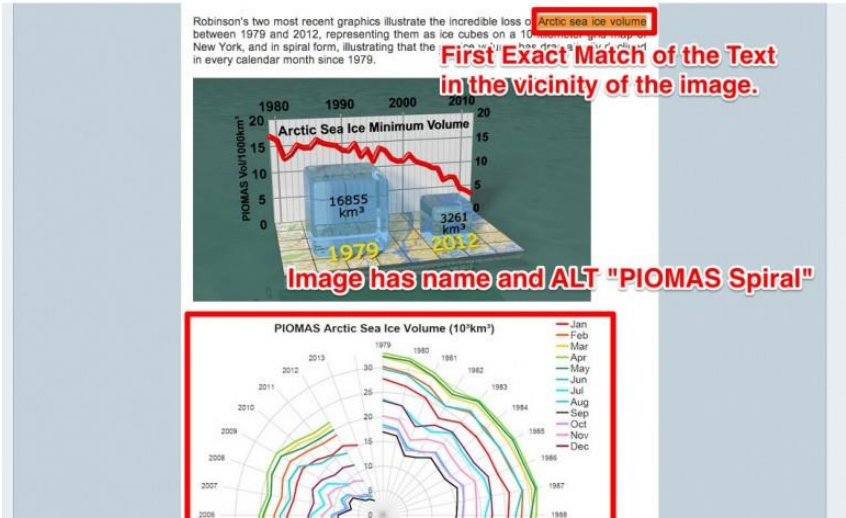


Fig 5.16

### 5.6.6. Logos using Computer Vision

The central technology which enables logo detection is called computer vision (CV). It analyzes the recorded images frame by frame to identify significant bits, in this case logos. The challenge these systems face is to determine the graphical representations on a wide array of objects of various shapes and sizes, captured under diverse lighting conditions. There is a tremendous variability regarding the support and also the use of the logo since sometimes it has slight color or tilting variations from the standard.

The system classifies the detected logos by appearance time and dimensions. As you can imagine, it is a different story if, for example, you have a pocket-sized logo versus a full t-shirt back logo.

More advanced systems can also create a heat map of each brand to see if the appearances are equally spread on the available screen space and if the larger sizes appear in the best spots.

Artificial Intelligence can be a beautiful thing, especially when it comes to your logo. As machine learning and AI have become more and more prominent and intelligent, software-like logo recognition has grown too. With a solid logo recognition software, you can see where your logo is popping up on social media, television or elsewhere, how consumers are responding to or interacting with it and if there are any nefarious or counterfeit uses of your logo in play.

What is logo recognition? Logo recognition tools allow you to detect where on the internet your logo appears. Logo recognition is a must-have for any brands with a unique logo. Keep reading to see how it can benefit your company.

There are many ways to use logo recognition software, so for simplicity's sake, we've distilled them into three main categories.

### **Brand recognition**

Logo recognition is a great way to figure out how often your brand is appearing online. With today's sophisticated algorithms, logo recognition software can see how often your brand is being mentioned across social media platforms.

This sort of software can also see when your brand's being used out in the real world. For example, if you have a banner promoting your company at a baseball

stadium, logo recognition software can tell how often the logo is appearing on television when a game's being broadcasted. That way, you'll know if your advertisement is in a prime spot so the viewers at home can see what you're all about.

### **Counterfeit detection/brand protection**

The second way that logo recognition is used is for more nefarious situations. Sometimes, with both big brands and up-and-coming companies, people use logos in counterfeit or illegitimate ways. They could be making bootleg products and ripping off your company's logo. A well-known fashion company like Supreme often sees its logo used on bootleg products.

Logo recognition software lets a company find these kind of products and handle the situation appropriately.

Sometimes people produce harmful content about a brand online. They could be spreading false information about your company or using your logo with a social media post that has inappropriate content or just doesn't align with your message. Logo recognition is a great way to root out these situations and take care of them.

### **Understanding the user experience**

How exactly are people reacting to your brand? Online and real-world reviews are one thing, but logo recognition software lets a company see what consumers really think about their product or service, checking social media posts, blog articles and other mentions of a brand.

This is great for measuring ROI, as a company can assess whether their marketing efforts are bearing any fruit. If a company is promoting its product as one thing, and people are seeing it as another, it could be wise to reevaluate the marketing plan.

Logo detection can help companies monitor their marketing efforts and measure brand awareness, especially during sponsored events. However, it is not the best

idea to scrape social media for references unless the brand is an aspirational one, which people are eager to display.

### 5.7. Multiple choice questions

1. What is the last stage of the consumer decision process?
  - a. problem recognition
  - b. post purchase behavior
  - c. alternative evaluation
  - d. purchase
2. \_\_\_\_\_ markets are made up of members of the distribution chain.
  - a. Consumer
  - b. Business-to-business (industrial)
  - c. Channel
  - d. Institutional
3. A transaction in which the organization is making an initial purchase of an item to be used to perform a new job refers to which of the following purchases?
  - a. Straight rebuy purchase
  - b. Delayed purchase
  - c. New-task purchase
  - d. Modified rebuy purchase
4. Customer's evaluation of the difference between all the benefits and all the costs of a marketing offer relative to those of competing offers refers to which of the following options?
  - a. Customer perceived value
  - b. Marketing myopia
  - c. Customer relationship management
  - d. Customer satisfaction
5. . \_\_\_\_\_ is the study of how individuals, groups, and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants.

- a. Target marketing
  - b. Psychographic segmentation
  - c. Product Differentiation
  - d. Consumer behavior
6. A person's \_\_\_\_\_ consist(s) of all the groups that have a direct (face-to-face) or indirect influence on his/her attitudes or behavior.
- a. culture
  - b. subculture
  - c. psychographics
  - d. reference groups
  - e. demographics
7. \_\_\_\_\_ is a set of distinguishing human psychological traits that lead to relatively consistent and enduring responses to environmental stimuli.
- a. Image
  - b. Personality
  - c. Beliefs
  - d. Heredity
  - e. Culture
8. \_\_\_\_\_ portrays the "whole person" interacting with his or her environment.
- a. Attitude
  - b. Reference group
  - c. Lifestyle
  - d. Culture
  - e. Subculture
9. The five-stage model of the consumer buying process includes all of the following stages EXCEPT \_\_\_\_\_.
- a. problem recognition
  - b. information search
  - c. social interaction
  - d. purchase decision

10. Which one of the following factor relates to family that influences consumer behavior?

- a. Cultural
- b. Social
- c. Personal
- d. Business

#### **5.8. Short answer questions**

- a. Explain importance of logo in digital marketing.
- b. Explain how text can be detected from images.
- c. What is emotional motivators? How to define emotional motivators for customers.
- d. Explain psychographics. How it differs from demographics?
- e. How logo detection can be used for brand recognition? Explain with example.

#### **5.9. Long answer questions**

- a. How does Google help to rank the contents based on the text detected from images?
- b. List and explain different emotion motivators which significantly affect customer value.
- c. List and explain different levels that are used in different adtools like Google AdWorld, Bing.
- d. List and explain different personality threats of customer.
- e. What is logo detection? Which are different categories of logo detection software? Explain.

#### **5.10. References**

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- <https://sleeknote.com/blog/psychographic-marketing>



# Module-06

## Futuristic Marketing

**6.1 Motivation:** Learner will be able to touch upon the future technologies that will be used to enhance purchasing of products along with security and automated software.

**6.2 Learning Objective:** Learner will study about augmented reality, block chain technology and Chatbot's with AI.

### 6.3 Syllabus

Prerequisites	Syllabus	Duration	Self Study
Virtual and Augmented Reality Digital marketing	IoTs Augmented Reality,	1 Hr	1 Hr
	Virtual Reality and XR for Marketing	2 Hr	1 Hr
	Blockchain and smart contracts for marketing	2 Hr	1 Hr
	NeuroMarketing	1 Hr	1 Hr
	Wearable Tech	1 Hr	2 Hr
	Personal Chatbots	1 Hr	2 Hr

### 6.4 Definitions:

- **The Internet of Things:** The Internet of Things refers to a system of interrelated, internet-connected objects that are able to collect and transfer data over a wireless network without human intervention.
- **Virtual reality:** Virtual reality is a simulated experience that can be similar to or completely different from the real world. Applications of virtual reality include entertainment, education and business.
- **Augmented Reality:** Augmented reality is an interactive experience of a real-world environment where the objects that reside in the real world are enhanced by computer-generated perceptual information, sometimes across multiple sensory modalities, including visual, auditory, haptic, somatosensory and olfactory.
- **Extended reality:** Extended reality (XR) is a term referring to all real-and-virtual combined environments and human-machine interactions generated by computer technology and wearables, where the 'X' represents a variable for any current or future spatial computing technologies.
- **Neuromarketing:** Neuromarketing is a commercial marketing communication field that applies neuropsychology to market research, studying consumers' sensorimotor, cognitive, and affective response to marketing stimuli.
- **Wearable technology:** Wearable technology refers to mobile electronic devices that are comfortably worn on the user's body or attached to their clothes.

- **Smart Contracts:** A smart contract is a computer program or a transaction protocol which is intended to automatically execute, control or document legally relevant events and actions according to the terms of a contract or an agreement.
- **Blockchain:** Blockchain is a system in which a record of transactions made in bitcoin or another cryptocurrency are maintained across several computers that are linked in a peer-to-peer network.
- **Chatboates:** A chatbot is a software application used to conduct an on-line chat conversation via text or text-to-speech, in lieu of providing direct contact with a live human agent. A chatbot is a type of software that can automate conversations and interact with people through messaging platforms.

### 6.5 Key Definitions:

- **AR:** Augmented reality
- **VR:** Virtual Reality
- **XR:** Extended Virtual Reality
- **IoT:** Internet of Thing
- **RACE:** Reach-Act-Convert-Engage

### 6.6 Theory:

It is required to be visible to existing and future potential customers, instill trust in your brand, and once converted, engage them to retain them and promote advocacy. But creating an integrated, omnichannel marketing strategy is hard, and time consuming.

So, there's a solution to this problem.

The Smart Insights RACE Growth Process enables you to define and implement a market leading omnichannel marketing strategy for the IT and High Tech sector, focused on your customer lifecycle.(Fig 6.1 )

# Lifecycle Marketing Model

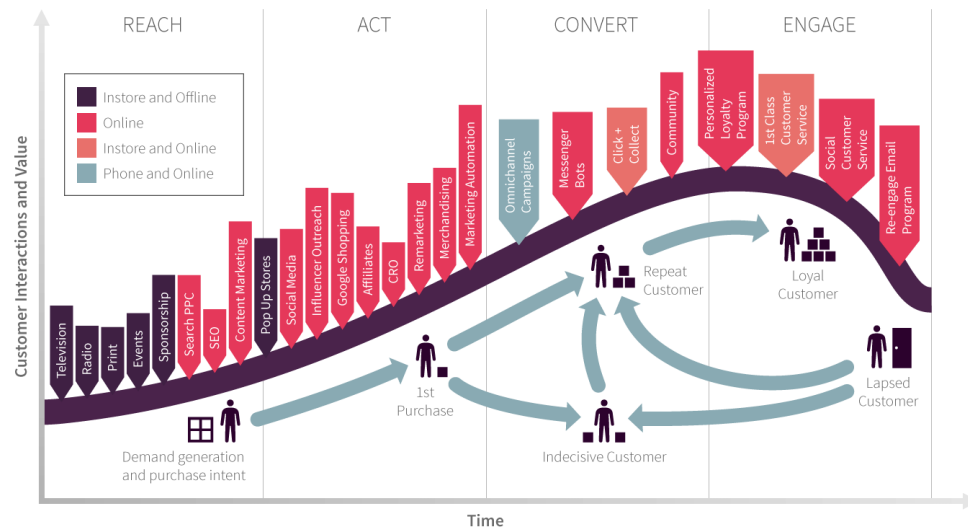


Fig. 6.1 Customer lifecycle Model

The RACE Framework is composed of 5 essential stages (Fig 6.2 ) that break down into the 25 core activities which must be optimized to achieve integrated marketing across your customer lifecycle. Each of these areas is supported by comprehensive online training, tools and templates which will help you upskill your team, plan and implement your strategy, and achieve your goals.

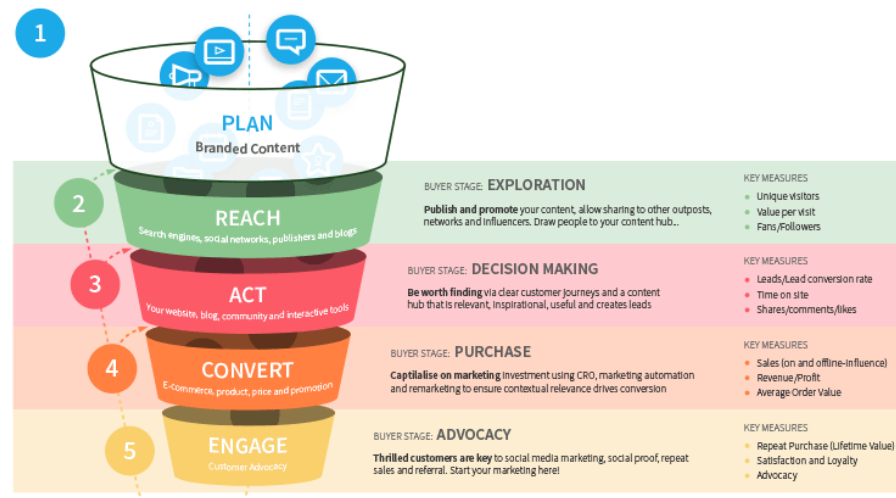


Fig. 6.2 Stages in RACE framework

## 6.6.1 IoTs and Augmented Reality

### 6.6.1.1 IoTs

The Internet of Things is affecting virtually all industries, has a tremendous impact on the volume of data and on network traffic (and how we handle them) and is increasingly popular in a consumer context. The IoT is also revolutionizing business operations that are maybe less attractive for consumers but very real and tangible, from logistics to marketing.

Marketo defines the Internet of Things (IoT) as “the interconnectivity of our digital devices that provides endless opportunities for brands to listen and respond to the needs of their customers – with the right message, at the right time, on the right device”.

The Internet of Things also will impact customer experience, the amount of data gained through connected devices and analytics. In a consumer and marketing context, Big Data and (predictive) analytics are never far away.

According to the infographic 51% of the world’s top global marketers expect that IoT will revolutionize the marketing landscape by 2020. After looking at some consumer evolutions Marketo resumes the ways marketers will use IoT (mainly in a data-driven marketing view) as follows:

- Analyzing customer buying habit across the platforms customers use.
- More and previously unobtainable data regarding the ways consumers interact with devices and products (the “connected devices” themselves).
- Getting a better insight into the buying journey and in which stage of it the customer is.
- Real-time interactions, POS notifications and of course targeted (and even fully contextual) ads.
- The customer service field whereby issues can be quickly resolved.

Using of IoT in marketing: following are some examples of IoT and IoT devices used in marketing. (fig 6.3)

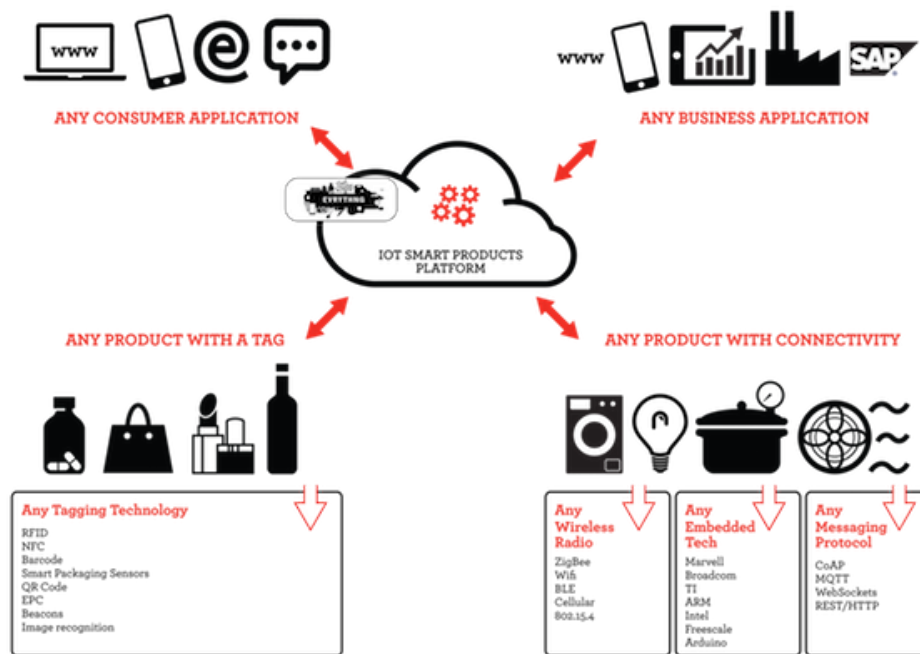


Fig. 6.3 The Internet of Things in a marketing consumer and application

#### 6.6.1.2 Augmented Reality

Augmented reality (AR) is an emerging trend in marketing and sales strategies. It allows brands to give customers unique experiences with the convenience of tapping into their mobile devices.

AR gives you another tool when it comes to driving sales and enhancing brand value through mobile devices.

Brands can use AR to allow consumers to try products before they buy them, with augmented shopping experiences becoming increasingly popular. From testing makeup to test driving a possible new car!

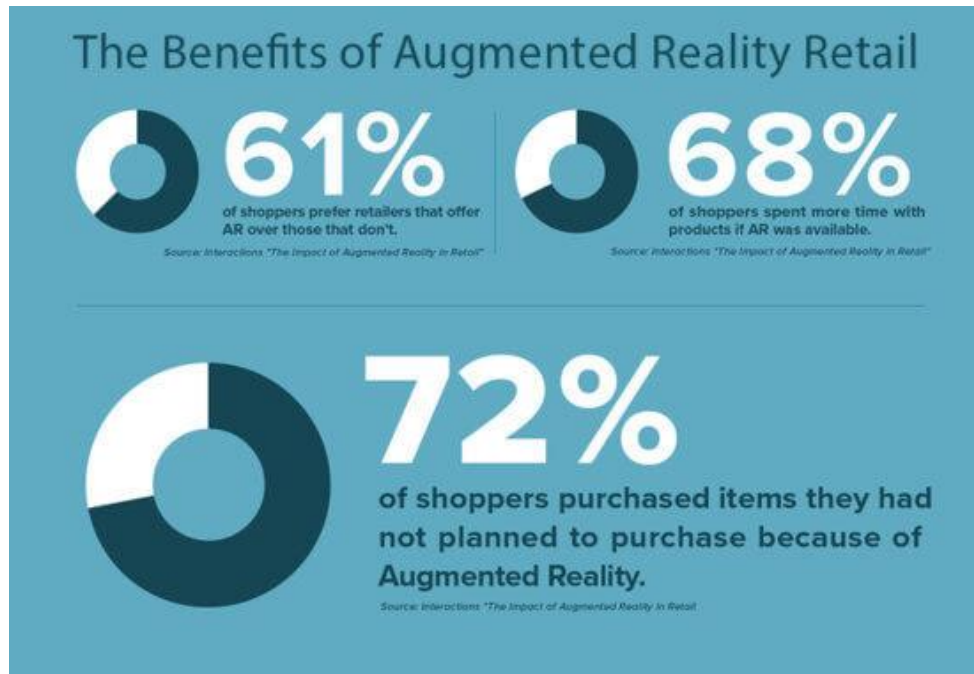


Fig 6.4 Benefits of AR retail



Fig 6.5 Example of Augmented reality

## 6.6.2 Virtual Reality and XR for Marketing

### 6.6.2.1 Virtual Reality

Virtual reality is a computer-based simulation of an interactive environment. It feels real and physical by using electronics like headsets, glasses, and phones. But it isn't.

VR marketing allows companies to bridge the gap between experience and action. You can use VR to offer a digital experience in place of a physical one, which can promote products and services.

As well as promoting existing products, you can also use VR to showcase development. This will help to get customers invested in what you are creating - as well as give you a source of feedback.

Most importantly, VR changes the dynamic between brands and consumers. Rather than using ad blockers or clicking out of ads as quickly as possible, people seek out VR brand experiences. Here, your consumers come to you, rather than you needing to attract them. Pokémon Go was one of the first, most popular versions of a virtual-reality mobile game.(Fig 6.6 )



Fig 6.6 Pokemon Go example of VR

### **Virtual reality drives emotional engagement**

It's no secret that emotions are a big factor in driving marketing engagement. Just look at storytelling for example.

People love hearing stories and connecting them to real-world applications like growing your business. Storytelling is powerful and it can drive big conversions for one simple reason: people resonate with it. They get emotionally attached to it.

### **The findings were incredible.**

Virtual-reality study participants were more engaged when compared to other platforms of content consumption.

These participants were actually in a highly engaged state for 50% of the experience, whereas video content only kept them engaged for 34% of the experience.

And that's not all. Virtual reality drove a 17% higher emotional response than video and a 27% higher response than 2D.

Overall, virtual reality drove higher engagement and emotional response than any other platform it was tested against.

And that's great news for marketers. Emotion-based marketing is a powerful method of connecting people to your brand in ways that traditional product-based ads can't.

### **VR will bring better content marketing**

Virtual reality opens the doors to more interactive, creative, and engaging content. With almost limitless possibilities, VR will change marketing by altering the content marketing game.

Following are some examples of virtual reality used in marketing.

One of the best examples of this comes from Ikea. If you're not familiar with Ikea, it's a home-furnishing store that has massive shops in dozens of countries worldwide. And they've utilized virtual-reality marketing tactics to bring in tons of new sales. They do all of this using their iPhone app called "Ikea Place." (Fig 6.7 )


## IKEA Place

[View More by This Developer](#)

By Inter IKEA Systems B.V.

This app is only available on the App Store for iOS devices.



 This app is designed for both iPhone and iPad

### Description

IKEA Place lets you virtually 'place' IKEA products in your space. The app includes 3D and true-to-scale models of everything from sofas and armchairs to footstools and coffee tables. IKEA Place gives you an accurate impression of the furniture's size, design and functionality in your home so

[IKEA Place Support](#)

[...More](#)

### What's New in Version 1.0.2

Various improvements

Fig 6.7 Ikea Place

You can use the application to test different pieces of furniture in your own home. This means you don't even have to travel to the store to see if the furniture would work in your new house.

Here's what it looks like:





Fig. 6.8 Content marketing

This is content marketing on steroids.

Instead of blogging about the best types of couches and important home-design features, you can have a customer virtually test tons of different products.

You can actually get consumers to enjoy testing your products for free instead of having to convince them with blog posts.

Content marketing could change forever with big implementations of virtual reality. People are already reading less and less. In fact, 43% would like to see even more video from marketers. That means content marketing will have to adapt to survive, and with the invention of virtual reality, it could very easily shift to virtual video-style content.

Even StubHub, a ticket-selling platform, has taken advantage of virtual-reality content marketing. They allow users to interact in virtual environments based on the concert venues they want to purchase tickets for.

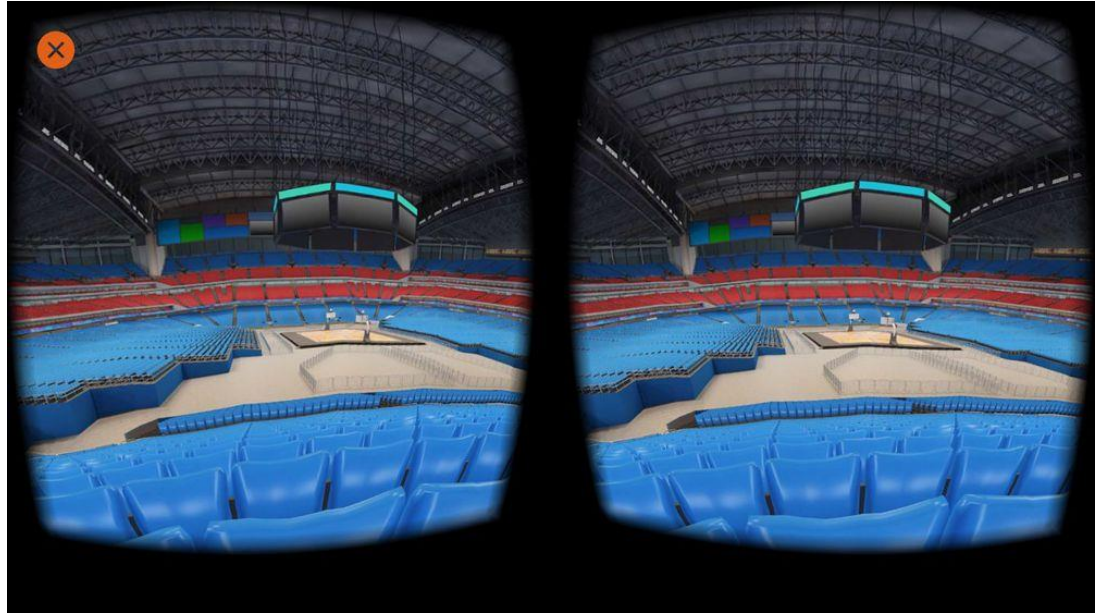


Fig 6.9 Virtual view of seats

This allows users to test the exact seat they will buy before they even make the purchase.(fig 6.9 )

Shopify is starting to take advantage of virtual reality to drive sales with content, too.

They're currently building an application that allows users to walk into a virtual store and design T-shirts for e-commerce sales.(Fig 6.10)



Fig 6.10 designing T-shirt for e- commerce sale

And they convert users of this free experience by allowing them to purchase their designed shirt directly from the virtual experience.

Content marketing will likely change a lot in the next 5-to-10 years. It's inevitable as technology starts to improve, change, and progress. VR will have a big impact on how we deliver and optimize content for the user experience. Instead of focusing on writing long-form blog posts, we'll be focusing on creating virtual, interactive videos.

One of the biggest virtual-reality marketing strengths will be an expansion of content marketing.



It will enable users to connect to your content in a virtual way that feels and looks real. And brands are already finding success with this content marketing strategy. For example, Destination British Columbia used VR content marketing to create virtual-reality content.



Users could virtually travel to British Columbia to explore the wilderness.

This is putting content marketing on the next level. They didn't write a blog post about things to do in BC, and they didn't create a basic video. They enabled users to emotionally connect to the experience to the point where it made people want to visit and see even more of BC. And it worked. They drove 5% more visits with the virtual-reality campaign.

Another awesome use of VR to create content was done by the Thomas Cook travel agency to showcase their products for new customers.



Fig 6.11 Virtual ride

They called it the "Fly Before You Buy" experience where VR users could take a virtual ride (fig 6.11) in their planes and helicopters over New York City. Pretty cool, right?

With this piece of content marketing, Thomas Cook was able to increase their ROI by 40% and saw a 190% increase in bookings in New York City.

One of the best examples of virtual-reality content marketing that, was done by Marriott in 2015.



Fig. 6.12 VR head set

They started to add virtual-reality headsets into each one of their hotel rooms to give users the experience of traveling to new destinations (Fig 6.12).

Hotel room guests could simply slide on the headset and virtually travel to London, NYC, and Beijing in a matter of seconds.

Of the new guests that used their virtual-reality content, 51% said they wanted to stay more often at Marriott hotels.

Content marketing on virtual reality will open the doors for creativity and exploration.

These experiences and personalized activities will assist as big drivers of sale.



Think of it like the free trial of virtual reality.

People can test your product and service. And they can virtually experience it before they buy the full product. It bridges the gap between hesitation and conversion. Virtual reality is growing fast, and content marketing needs to grow with it. All kinds of products, services, and games are starting to take advantage of the technology.

Every day, virtual reality becomes more of a real-life reality as companies grab onto the quickly growing trend. And consumers are on board, too. Pokémon Go took over the lives of millions of people using virtual-reality gaming. And companies are starting to develop virtual-reality devices that can connect to your mobile phones. The technology is expanding and growing, and so is the user base. And when it comes to marketing that means we have a new channel for delivering marketing messages. If you want to take advantage of a new medium, however, you need to know how it will impact the future of marketing.

Virtual reality is growing fast. More companies are producing VR-based products, and more firms are investing in the development of the technology. Pokémon Go already showed marketers that VR can be huge for your brand. Virtual reality drives higher emotional engagement than any other form of content. On top of that, it's changing content marketing as we know it.

#### **6.6.2.2 XR for marketing**

It's now possible to go beyond the limits of physical "try and buy" scenarios or static digital representations. AR, VR, and MR – under the unified umbrella of Extended Reality (XR) – can power futuristic marketing campaigns that leave a lasting impression.

20 years ago, the idea of experiencing digital content as if it was part of our physical surroundings seemed truly like science fiction. Even until the last decade, VR hardware was expensive, not to mention cumbersome, with a poor user experience. Today, XR technology looks very different – 360-degree videos on YouTube, AR filters on Snapchat, and DIY VR equipment like Google Cardboard have changed our conception of immersive experiences.

That's why in 2019, we stand very close to XR implementation in marketing that meets the high standards set by science fiction. Here are three trends to note:

- Sales and marketing/external communication is among the most common fields of VR implementation. 84.2% of respondents in a 2019-2020 report covering 750+ industry professionals mentioned this as a focus area.
- 56.6% of professionals in sales, marketing, and external communications use AR/MR technology as well, according to the same report.
- The global startup landscape in XR is heating up, and marketing technology giants are taking notice. For instance, Facebook acquired CTRL-Labs in September 2019, adding the startup's neural monitoring wristband to Facebook's XR capabilities.

#### **4 Futuristic Ways to Use XR**

XR helps to create a powerful impression in the consumer's minds, urging them to look at your brand from an entirely new perspective.

Here are four tips for leveraging XR in 2020, with examples from leading brands.

##### **1. Launch a mixed reality (MR) popup**

This is particularly relevant to B2C service industries such as hospitality and F&B. We have all heard of AR and VR, but MR is probably less common. In MR scenarios, consumers can interact with physical elements and digital representations at the same time.

The hologram is a good example, as it superimposes a digital graphic onto a physical setup. You can use MR to create popups where customers can experience your products in ways that are impossible in a purely physical world.

Take the example of Swedish beverage brand, Rekorderlig, which opened its first MR bar in the UK this year. The bar features

holographic visuals and real ambient sounds, recreating the traditions of the Swedish Midsummer.

## 2. Let customers experience remote and exciting terrain

This one applies to hospitality brands, tourism companies, and even e-commerce stores selling outdoor equipment. VR allows customers to explore remote surroundings that they might want to visit – or can only dream of!

You can create VR stores where visitors walk on the polar icecaps or explore the depths of the Grand Canyon. This puts a whole new spin on infotainment, as visitors can gain a hands-on understanding of unfamiliar terrain.

Take the example of NASA which collaborated with Samsung in 2018 to create a 4D lunar gravity experience in VR. Consumers could virtually “walk on the moon,”, actually feeling the sense of weightlessness experienced by astronauts.

## 3. Insert your product in a surprising virtual location

XR gives you the opportunity to place your product in surprising and memorable contexts. This is almost like science fiction – imagine if a futuristic pair of sneakers sold by a luxury brand appears when a consumer is playing a video game set in space. With the latest AR/VR technologies, innovations like this are already possible.

For example:

Pokemon Go brought AR ads to local businesses, and Fossil extended this to 3D video ads inside games. The company worked with Unity Technologies to ensure that its ad content seamlessly blends with a user’s virtual gaming experience.



Take a look at platforms like Admix to explore how you can convey your brand's messaging in the virtual world in 2020.

#### 4. Make your store entirely virtual, with no physical products

This strategy is right out of the science fiction playbook. You can have a physical space that's populated by empty shelves, with nothing but a QR code embedded on shelf labels. Once customers walk in, they can use their smartphones to scan the label and view products in a virtual format. This combines the convenience of a digital showcase (you can constantly keep changing your products) with the hands-on experience of a physical store. Take inspiration from LEGO, which used scannable codes and Snapchat to turn its blank floor space into an immersive digital experience. This is a great example of leveraging mixed reality techniques. Customers could walk around in the store, talk to other shoppers, and ask attendants questions – but the product was accessible only in an AR format.

### 6.6.3 Blockchain and smart contracts for marketing

#### 6.6.3.1 Blockchain:

The Blockchain is a relatively new technology and is the way digital information is stored and distributed technically. Blockchain in digital marketing provides transparency, security, and accessibility of monetary and data flows. It can improve digital marketing for the consumer, benefiting businesses not to spend humongous amounts of money on digital advertising campaigns. With this newly introduced technology, consumers can own and sell their data directly to advertisers and marketers.

#### Blockchain in Digital Marketing

- **Improving Marketing and Digital Advertising Campaigns:** With Blockchain, it is possible to link merchants with marketers providing data transparency, clicks, and interactions, preventing fraud, and eliminating the middleman. The data from digital advertising campaigns can sometimes be inaccurate, so improvement can be difficult. Monitoring marketing campaigns in real-time is achievable with Blockchain for obtaining trustworthy metrics. Top brands such as Unilever are applying Blockchain for improving digital advertising efficiency successfully. The technology will move to full

production, and it will launch a Blockchain advertising solution later in 2020 with IBM.

- **Fraud Prevention:** A Blockchain network authorizes to record authenticated digital outlets and test verified advertising measures against the registry for preventing fraud. These measurements can be securely shared with only permitted stakeholders. There are probable areas such as digital advertising, bots, click farms, and ghost websites where fraud can happen. Involving a third party can increase the risk of data breaches and cybersecurity as well as human error. Major brands such as Toyota have been applying Blockchain applications in digital marketing for reducing fraud in its digital advertising campaigns. They have witnessed a cumulative 21% improvement in website visitor traffic.
- **Establishing Trust and Credibility:** Businesses prefer the reason Blockchain is because it can securely verify, store, and share data across several parties, gaining trust eventually. Blockchain has been really proven to be helping in building trust in the past few years. It can be difficult for small businesses to make a mark in the market when there are already players existing in the industry. With Blockchain, business owners will be able to prove where their products are coming from and show the supply chain forging willingness among customers to buy from them.
- **Boosting Transparency:** With online advertising, it is impossible to know if the stats are accurate with the site clicks or Instagram followers. Even bots used to boost the ad stats artificially give incorrect results. Research has shown that bots alone have cost companies more than \$7 billion in damage in 2016. But, with Blockchain, the chain is transparent and encrypted because of the digital ledger system. The transparency is inviolable for every product moving through the supply chain. Organizations can save millions in ad spend by ascertaining the people viewing their ads are their targeted audience. Companies can be assured they are getting the advertising for what they are paying for.
- **Strengthens Content Monetization :** Content is one of the most important components of a business when it comes to marketing. Solid content is necessary for promoting products and services. Blockchain allows consumers, bloggers, and streamers who create content regularly to get rewarded directly rather than the third party content platforms. By providing a space to the advertisers, the social

media giants make millions as the audiences observe them while visiting a website. Many platforms are eliminating third parties by rewarding users directly with crypto micropayments for content creation. For instance, content sharing platforms such as Steemit and PodMiners are applying Blockchain solutions and gaining rewards in the form of STEEM tokens and incentives.

#### 6.6.3.2 Smart Contracts

Smart contracts are applications that run exactly as programmed without any possibility of downtime, censorship, fraud or third party interference.

Working of smart contract (fig 6.13)

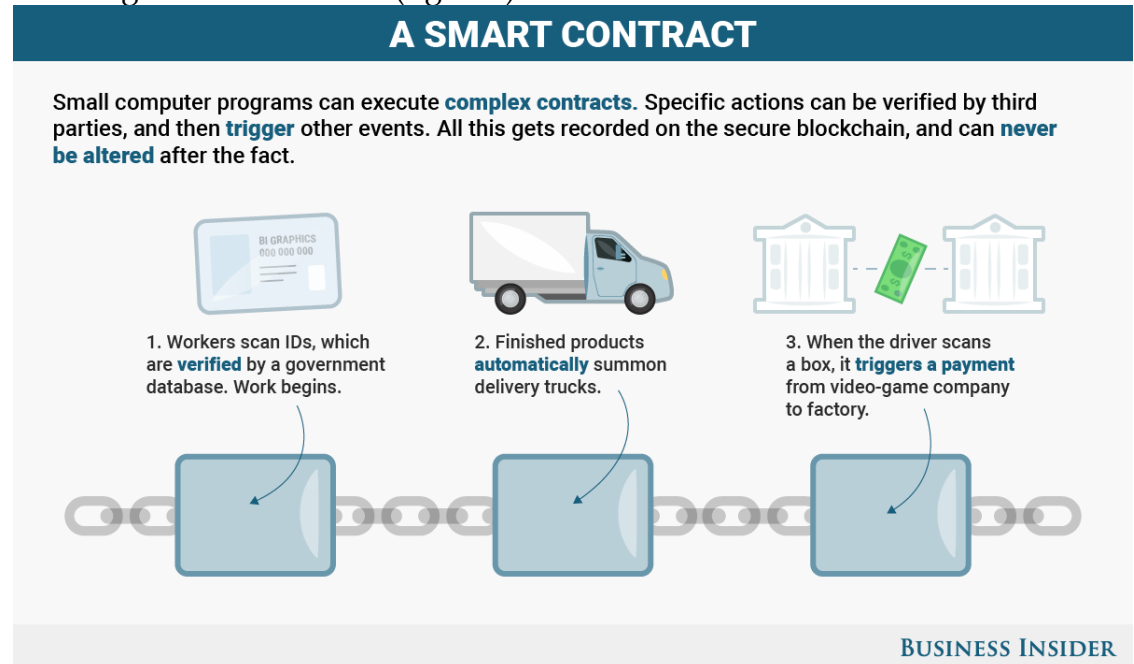


Fig 6.13 Working of smart contract

In short, you can setup a digital, binding agreement between a stranger and yourself. You do not care to trust this stranger. And that's okay! Because with smart contracts, they require no trust, as in a trustless agreement. The agreement is public knowledge (via the public ledger) and is fully transparent so both parties know what they are agreeing to. It's all programming logic at the end of the day. The outcomes are predefined in the contract which are dependent on the actions of the parties involved in the smart contract. When both parties fulfill their obligations, the smart contract will know which action to take. For example, releasing funds to the seller once the buyer confirms the delivery of the package. Take it a step further and have the funds release automatically by means of tracking the shipment via the tracking number. Want more security or peace of mind? One can require this smart contract to hold escrows by both parties to ensure no foul play is involved or they risk losing their escrow deposit.

Smart contracts have the power to automate processes and streamline operations. Currently, most use cases deal with financial services, but smart contracts can also extend into many business activities, such as, but not limited to: share holdings, voting, audit trails, document of records, auctions, etc...

The best part about smart contracts is that it doesn't require the need to pay a middle man to handle your agreements. You save time and money! Also, with it being on the public ledger, you don't have to go through a 3rd party to look up records. You have direct access to any and all records of your choosing.

Here are some example use cases:

- Crowdfunding
- Crowdsales
- Insurance
- Auto Title Registrations
- Land Title Records
- Digital Identities
- Derivatives
- Auctions
- Waging | Betting
- Savings
- Investment Strategies
- Prediction Markets
- Scheduled payments
- Payments on delivery
- Internet of Things
- DAO – Decentralized Autonomous Organization



Fig 6.14 Smart contract use cases for small business

#### 6.6.4 Neuro Marketing:

Neuromarketing is a field of marketing which aims to study brain responses to various marketing stimuli using technologies such as fMRI, EEG, eye tracking, facial coding, biometrics. It includes the direct use of brain imaging, scanning, or other brain activity measurement technology to measure a subject's response to specific products, packaging, advertising, or other marketing elements. Neuromarketing is a recent emerging disciplinary field in marketing.

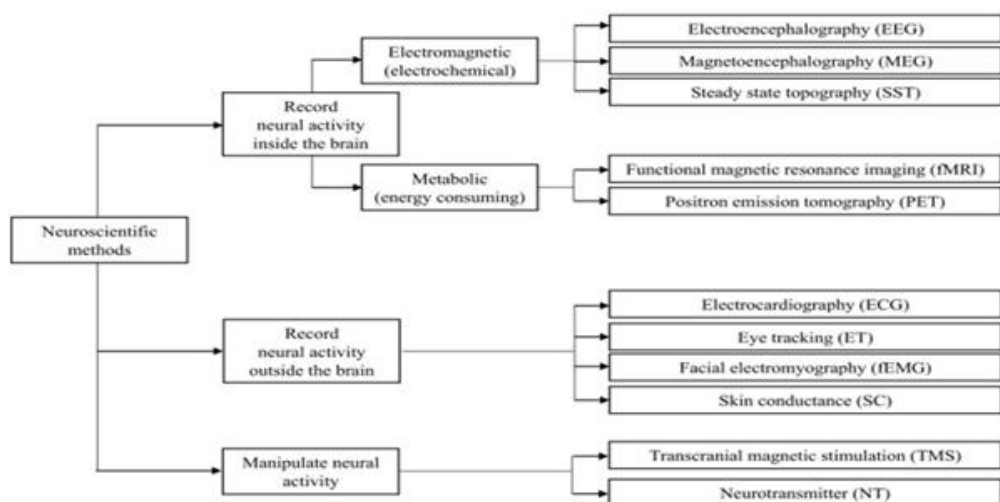


Fig 6.15 Overview of neuroscientific methods

### Benefits of neuromarketing

1. More efficient and effective marketing campaigns and strategies.
2. Fewer product and campaign failures.
3. Manipulation of the real needs and wants of people to suit the needs and wants of marketing interests.

### Working of neuromarketing:

The concept of neuromarketing combines marketing, psychology and neuroscience. Researchers investigate and learn how consumers respond and feel when presented with products and/or related stimuli. Observations can then be correlated with a participant's surmised emotions and social interactions. Market researchers use this information to determine if products or advertisements stimulate responses in the brain linked with positive emotions.


NEUROMARKETING RESEARCH TECHNIQUES		
	How It Works	What It Reveals
 <b>Eye Tracking</b>	A camera and infrared technology monitor eye movements, in terms of speed and duration of attention.	Tracks visual attention
 <b>Core Biometrics</b>	Sensors placed on fingertips measure heart rate, skin conductance (sweat), motion and respiration.	Gauges the depth of emotional engagement
 <b>Functional Magnetic Resonance Imaging</b>	This brain scanner measures change in oxygenated blood flow to show what parts of the brain are activated during a task or experience.	Pinpoints specific deep-brain activity beyond surface cognitive function, i.e., empathy and reward

Fig 6.16 working of Neuromarketing

### Applications:

1. Branding
2. Product
3. Publicity
4. Digital surrounding
5. Other applications

### **Limitations of Nueromarketing:**

To run a complete marketing research, the usage of both neuromarketing and traditional marketing experiments are necessary. Neuromarketing is also limited by the high costs of conducting research. Research requires a variety of technologies such as fMRI, EEG, biometrics, facial coding, and eye-tracking to learn how consumers respond and feel to stimuli. However, the cost to rent or own these technologies and even then a lab may be needed to operate the aforementioned technologies.

#### **6.6.5 Wearable Tech**

Wearables are impacting how people interact with technology, which in turn changes how digital marketers target consumers. Like many other emerging technologies, wearables are still in their infancy, which is the perfect time for marketers to begin learning new tactics for them. Preparing for a future filled with wearable like smartwatches (Fig 6.17) , smart glasses, and shoes that connect with the internet can ensure you profit heavily from new marketing trends.



Fig 6.17 wearable- smartwatch

Of course, many of the current wearables in the market are quickly fading from popularity, but that doesn't mean we can't learn from there. When they do start becoming more popular, here are some ways you'll need to update your strategies to flourish in a world of wearable technology.

### **Keeping Your Messages Short**

A computer has a large screen, giving digital marketers plenty of space to work with. They can include extra things on a screen to accompany their message, and can even have just plain white space to make pages aesthetically pleasing. Then, tablets and smartphones came out, with smaller screens. Marketers were forced to shorten their messages to be more effective, and remove those unnecessary extras on pages.

Now people are using devices with even smaller screens, requiring marketers to update their tactics. It's unreasonable to expect a consumer to read paragraphs upon paragraphs of text on a smartwatch with a 38mm screen. It's even unlikely they'll want to read something more than a few sentences.

Wearables like smartwatches may require adapting your content to better fit their screen sizes. Instead of answering a question in around 500 words, shrink it to about two to three sentences. That way, people receive what they want from your site without extra frustration.

#### Chatbots and Voice Search

Many wearables make it more difficult to type and in turn make voice commands and voice search options much more attractive. This eventual shift will result in changes in keywords, increases in long tail searches, and the rise of chatbots.

Let's talk about voice search. Already with smartphones, the ability to search with your voice is possible and used. As more people use wearables, they'll find that if they have a quick question they want answered, they'll use that rather than their phone simply because it's so handy and easy to access. That means talking to it to search, which can be a big impact on keywords and search queries. When people ask Siri or Google voice to search something, they often pose it as a question. This trend will only continue to grow with more people search through voice commands

Other new technologies will blend well with wearables in the future, especially chatbots. Tech companies are building chatbots with advanced AI that could have a big impact on how we do web searches. The difference between these and programs like Siri is that these chatbots will remember and learn each user's personalities and preferences. These chatbots will change up how people receive content and marketers will need to include chatbot strategies.

#### Even More Connected

Wearables connect consumers even more to the web and, in turn, businesses. Before smartphones, people could only check their email at a computer. Now, it's possible to check email at any time thanks to smartphones. But, it's possible to miss things if the phone is in a pocket or purse. The average person checks their phone about 85 times a day, which might seem like a lot, but means there is plenty of chances to miss things. A smartwatch, though, can give immediate notifications for emails, apps, and even text messages.

With this ability, consumers are going to see and respond to notifications much quicker. That gives marketers quicker access to data, especially if they track email open rates, and allows them to be more responsive and flexible during campaigns.



As more marketers learn that they have quick and almost constant access to consumers, those notifications will become too much. Every company will try to be noticed and cause a lot of noise, similar to how email and spam was until spam filters became efficient. That requires marketers to become even more creative and interesting to stand out in a constant stream of notifications.

#### **Users of wearable Technology:**

Like most new technologies, the biggest adopters are younger generations. While some wearables are only fads that last a year at most, many will have lasting effects on future consumers. As target markets change and who makes decisions in the workplace evolve, the effects of lifestyles with wearables will be felt everywhere.

Analysis of target markets will have to include what wearables they are using and how it impacts their buying habits. This is similar to how now, marketers have to look what types of smartphones and tablets consumers use and finding patterns in their behaviors.

Wearable tech is a fantastic addition to the modern world and certainly opens up clever and creative avenues for digital marketing. Not only are these advancements fascinating to watch, they also help marketers track user motives. The wearable technology we are seeing today is only the beginning. As technology continues to advance, marketers continue with new and innovative strategies to match the times.

#### **6.6.6 Personal Chatbots:**

Chatbots can improve and benefit your marketing and sales in many ways. They apply to support requests, e-commerce and even personal or informational websites. Chatbots can even talk between them, but most of the time they chat with humans and try to imitate real persons. Designers focus on passing the Turing Test with their bots. A bot passes the Turing Test when humans think they're actually talking to another human.

The most popular online chatbots developed so far are mostly for fun. You can have basic conversations with them, but you will get bored pretty fast (fig 6.18) . Some will even perform a few basic tasks, such as searching the web for you and displaying images.



Fig 6.18 chatboat

### **Bots have unlimited potential:**

Right now, it's hard to understand the full scope of just what bots can do. Sure they can save you time and stress by making mundane, repetitive tasks a thing of the past.

But imagine an AI-enabled bot that can help keep track of health conditions, refill prescriptions, and automatically alert medical professionals if it senses something is off.

Today's bots are often divided into two categories: Informational bots and utility bots.

- Informational bots give users a new channel to consumer information, such as breaking news alerts based on your interests.
- Utility bots help users complete an action or solve a problem via a user-prompted transaction.

This might include enlisting a bot to deal with the nightmare of updating an airline reservation or pulling up your Google analytics data, so your campaign stats are always at your fingertips.

For the first time, that's not just a figure of speech. The world, and the market, is ready for bots. Just look at WeChat.(Fig 6.19)



Fig 6.19 China's WeChat shows the way to social media's future.

The app's 700 million users return to it up to 10 times every day to do everything from conduct business calls to manage their personal finances. What can you do to make your bot that streamlined and useful?

If you're a good marketer, you'll do your best to build a tool that feels welcoming without being imposing and helpful without being overwhelming. You'll understand that bot communication should solve one problem really well — and do it only when prompted.

It's not that people don't like bots. In fact, it's quite the opposite. When the basic rules and boundaries are respected, people are pleased to work with bots. They fill a need. They provide value and delight at the same time.

## 6.7 Multiple choice questions

1. A(n) \_\_\_\_\_ product exceeds customer expectations.
  - a. Strategic
  - b. Superior
  - c. Augmented
  - d. Anticipated
2. This game launched augmented reality (AR) into the spotlight in recent years...
  - a. Super Mario
  - b. Pokemon
  - c. World of Warcraft
  - d. Fortnite
3. Augmented reality (AR) provides features that are...
  - a. Visual, interactive, and 3D
  - b. Collaborative, virtual, and simulated
  - c. Computer-generated, sensory, and virtual
  - d. Sounds, sensory, and cost-efficient

4. AR technology allows students to interact with the physical world by \_\_\_\_\_.
  - a. Moving around to change perspectives
  - b. Moving closer/further to change scale
  - c. Select virtual objects by pointing to them
  - d. All of the above
5. How is augmented reality used in watching a football game?
  - a. The scoreboard
  - b. Replays
  - c. Yellow 1st Down Marker
  - d. For the coaches to communicate
6. What is the best use case for smart contracts?
  - a. Digitalize and automate legally binding contracts using artificial intelligence (AI)
  - b. Enforce the execution of contracts in the legal system using cryptocurrencies
  - c. Ensure automatic payments by predetermined actions or events in insurance contracts
  - d. Extend the Bitcoin blockchain, the best-known smart contract platform, to the judicial system
7. In which scenario is a smart contract the best solution to the problem?
  - a. A bartender wants to force customers to pay for their drinks by transferring cryptocurrency to his wallet.
  - b. A chief financial officer wants her smart watch to notify her when her partner enters their front door.
  - c. An energy company wants to automatically buy power when the price reaches a predetermined rate.
  - d. An insurance company wants to pay out a farmer whenever the case manager feels it is best to do so.
8. Blockchain technology has made decentralized marketplaces possible.  
What is a benefit of a decentralized marketplace?
  - a. It is based on open-source technology, so it can be used without any investment.
  - b. It is not under a paid license to operate and therefore it is managed better.
  - c. It is relatively cheap due to the use of cryptocurrency and is very accessible.
  - d. It is tamper-proof, resilient to being shut down and trustworthy due to smart contracts.
9. How does blockchain improve supply chains?
  - a. By automatically creating trade agreements between two parties
  - b. By creating safe centralized marketplaces to trade goods on

- c. By stabilizing the national currencies of the countries involved
  - d. By transferring tokenized ownership through a software system
10. IoT is an advanced automation and analytics system which deals with?
- a. sensor, networking
  - b. electronic
  - c. cloud messaging
  - d. All of the above

### **6.8 Short answer questions**

- a. Explain working of neuromarketing.
- b. List and explain essential stages in PACE.
- c. What is wearable technology? How this can be used in marketing ?
- d. Explain how blockchain can be used in small business?
- e. Explain how smart contracts works ?

### **6.9 Long answer questions**

- a. How VR, AR and XR is beneficial in marketing? Explain with examples of each.
- b. Explain PACE model in marketing with essential stages of PACE.
- c. Explain use of personal chatbot in marketing. How it can be helpful?
- d. Explain nueromarketing methods that can be used in marketing.
- e. Give examples of use cases where small smart contracts are used in small business.

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- 1. Voicebot and Chatbot Design: Flexible Conversational Interfaces with Amazon Alexa, Google Home, and Facebook Messenger
- 2. Blockchain Technology and Applications, Pethuru Raj, Kavita Saini, Chellammal Surianarayanan
- 3. Virtual Reality Technology and Applications, Matjaž Mihelj, Domen Novak, Samo Beguš