# **MGT 6311 OVERVIEW & STRATEGY TRANSCRIPT**

## M1L1 Digital Insights

>> Hi, welcome to the first module in digital marketing. My name is Michael Buchanan, and I'll be your guide throughout this course. I hope you'll find the material to be a strong balance between foundational aspects associated with digital marketing, as well as incorporating insights that translate to practical application.

Digital marketing has become more and more pervasive in the marketer's toolkit. There are several reasons why this is the case, including advanced customer targeting, more accurate measurement, and attribution capabilities. The potential for greater efficiencies with metrics such as cost per lead, and the opportunity for massive scalable brand advocacy.

Most obvious is the fact that consumers are very active across digital channels, which provides the ability for marketers to reach these consumers where they're currently spending their time, whether it be visiting websites, engaging on social media, reading blogs, or checking their email. In this section I wanna highlight a few key points to reinforce why digital marketing has become so important within the broader realm of marketing.

So to do so, I'll share some insights related to global and domestic trends, as well as a couple of specific consumer behaviors related to device and platform usage. The following slides will highlight various global and domestic digital statistics that reinforce consumers' digital connectivity and behaviors. 60% of all people globally are connected to the Internet and over 50% are active social media users.

Additionally, two-thirds of the world's population are mobile phone users. In the three year span from 2017 to 2020, this represents an additional 10% of people are Internet users and an additional 13% of people are active social media users. In the United States, there are roughly 330 million people and 87% of them access the Internet.

You'll also see that the percentage of unique mobile users exceeds 100% as shown here. This figure is based on mobile subscriptions, and as I suspect many of you know firsthand, having more than one mobile subscription for personal use and business use is not uncommon. 70% of all people are active social media users and 98% of this audience accesses social media via a mobile device.

Consumers are shifting more and more of their web related traffic toward mobile phones. This does not necessarily mean consumers are abandoning certain devices altogether, but the clear leader and share of web traffic device belongs to the mobile phone. COVID-19 has had an impact on user behavior in several ways.

And marketers are continuing to monitor its lasting effects. In the year following the pandemic outbreak, we observed people are more likely to research how to and instructional videos and content on the Internet than they are to look for information about specific products, services, and brands. Marketers care about changes such as this because it informs ways to better engage their target audience.

In this instance, some marketers began shifting their content toward demonstrating ways their products and services could solve the problems that they're designed to address. We can see here the various types of content that people indicate they wanted more of, along with the basic gender demographic data for each type of content shown.

Social media has become so prevalent globally that in many countries consumers are spending an excess of two hours a day on social platforms. Thus reinforcing the trend and necessity for businesses to formulate thoughtful social strategies that are aligned with their target audience's interests. We'll take a deeper dive into this aspect of digital in the section on social media marketing.

This concludes the current lesson on digital insights. In the next lesson, I'll talk about relevant budget shifts within digital marketing.

## W1L2 Budget Shifts

>> Savvy marketers observe a shift in consumer behaviors that naturally leads to a shift in the marketing mix. This includes reallocating the marketing budget to improve KPIs such as reach, effectiveness and efficiency. In the previous section, I highlighted some aspects of both global and domestic consumer behaviors. As we move forward, I will occasionally reference global metrics, but I allocate more time to domestic insights associated with the United States.

Of course, if you're on a global marketing team, or launching a brand overseas, you'll want to research trends and consumer behaviors that align with your target markets. In this section I wanna emphasize certain recent trends associated with advertising allocation within the United States. Overall, digital advertising is exceeding traditional forms of advertising and the growth trends suggest that will surpass TV spending in the next couple of years.

When we account for the online activation of various forms of traditional advertising, such as radio streaming online and print publications being replicated on web pages. We see that digital forms of advertising exceed traditional formats. This simply reinforces the notion that organizations are becoming increasingly aware of consumers interest.

And shifting their advertising dollars to meet them where they are. This concludes this section. In the next lesson, I'll talk about key digital marketing capabilities.

## W1L3 Key Marketing Tenets

>> In this lesson I want to cover aspects of digital marketing that make it unique as compared to traditional marketing channels. By discussing the various capabilities of digital. I'll focus on key aspects of digital marketing that differentiate it from traditional forms of marketing. We will get into the various digital channels later in the course.

But for now I want to point out certain capabilities that marketers can either better leverage within digital. And or are simply not available in traditional forms of marketing. As marketers, we have an array of distribution channels that can be leveraged to reach target audiences. To be effective, we must determine the right mix of content for each channel.

And understand user characteristics to ensure the content Is timely and relevant. We have the ability to distribute content in different formats such as video, short form copy, long form copy, audio, and so forth. And to cater the content to align with consumers expectations. So for example, where most people are browsing through social sites such as Facebook or Pinterest.

They're not likely to wanna download and read a 15 page white paper. But this might be perfect for a deeper dive on our website or from a webinar. Having the ability to measure results accurately is important for determining where investment should be shifted and changed. Compared with traditional marketing channels digital typically provides more data for a marketer to analyze.

In many instances, we can observe the data in real time to make adjustments more efficiently. As I just mentioned, having the ability to analyze data faster provides marketers insights that inform their activities in ways that increase the likelihood of success and create more efficient outcomes. For example, rather than designing a single version of an email, or is it this image demonstrates a single version of a website landing page.

We can create multiple versions to test which ones perform the best. Analytics data can be collected to assess performance metrics, and user behaviors such as the steps or path they've taken through a website visit. This information empowers marketers to serve the right content and offers the right time in the buyer journey.

Analytics data is not just limited to website related activities. We can also collect an array of data from our ad serving platforms, social media sites, email platforms, and so on. In fact, one of the challenges with having access to so much data from digital platforms is figuring out what to do with all of it.

I'll talk more about data analytics later in the course. But I strongly encourage you to look deeper into the topic of business analytics. And the various ways marketers can leverage data for better decision making. In the early days of internet search, users had few options. Believe it or not, consumers used to have to pay for access to the internet.

And America Online was one of the largest providers. As you can see, navigating the web consisted of a few choices that were categorized based upon broad areas of interest. Such as news, sports, travel and entertainment. Yahoo broke ground by offering a more diverse ability to search the web by having a format that was quite similar to using the yellow Pages.

And they introduced a free form text box so the user could explicitly specify what they were looking for. As you can imagine, the early stage search results when using this textbox were not very good and resulted in a relatively poor consumer experience. Google changed internet search experience for consumers in a profound way by simply providing a free form search box.

And their search results were substantially better. They further improved it by providing predictive search. This is where the engine provides a drop down list of suggestions as the user is typing their search query. Subsequently consumers became more confident in Google, search capabilities and users felt more comfortable using the longer search queries.

The result of this includes more specific and explicit information being provided by the consumer. Which Google leverages in their search advertising platforms. A proliferation of devices are now at consumer's fingertips. We're often referred to as an always on generation. I suspect I'm not the only one that occasionally finds myself bouncing between my laptop, tablet and mobile phone all within a matter of a few minutes.

Mobile technology has changed consumer behaviors in significant ways. Savvy marketers are attuned to this reality such that they are adjusting not only where the marketing dollars are being spent. But also how they are marketing to consumers across mobile devices. We'll talk more about this in this section specific to mobile marketing.

The power of the people to create and disseminate content, as well as influence consumer behavior is unprecedented. This consumer generated content, also known in the industry by its acronym CGC accounts for the majority of our content on the internet. The formats such as user reviews, social posts, blogs and videos.

Its become so easy to create and disseminate content that marketers, have to not only think about their competitors role within digital. But also the role consumers play, as trust and brand messages declines. Marketers are turning to concepts, such as influencer marketing, such that the voice of their message comes from someone outside the organization.

Speaking of content creation and the ease of dissemination across the web. Social media has become a pervasive channel for consumers. And we use it in all sorts of ways ranging from entertaining. To education to policymaking to research. Social platforms such as Facebook, Instagram, Twitter and YouTube dominate the social sphere in terms of daily active users.

But there's a vast ecosystem of social sites and apps that exist some of which are created by brands themselves to connect their customers. In the module on social media marketing, I'll talk more about the various ways marketers can leverage social to realize their business goals. This concludes this lesson.

In the next section, I'll address concepts, models and frameworks associated with business and general marketing strategy. As well as present a framework specific to digital marketing strategy.

## W1L4 Marketing Strategy

>> Throughout this course, I'll be talking about various digital channels such as, search engine optimization, video, mobile, and social media marketing. Prior to doing so, it's important to establish a baseline that addresses core marketing goals terminology in certain frameworks and models that guide our strategic thought processes. In this section, we will review certain foundational marketing related concepts that will help ensure a more comprehensive appreciation of digital marketing's role within the broader marketing and business environments.

Also, I suspect many of you may already be familiar with these concepts, so I simply suggest you to utilize this lesson as reinforcement for future modules. In this lesson, I'm going to highlight the GOST hierarchy, provide an understanding of the 5 C's which is a strategy framework, understand personas and the buyer journey, identify the elements of the marketing mix, recognize factors influencing the marketing mix, and illustrate the digital strategy framework.

Let's begin this lesson covering a few core definitions that I'll continue to use throughout the course. Marketing is the creation and satisfaction of demand for a product or service. Let me just say that most people not familiar with the discipline of marketing, essentially define it as advertising. Advertising is a component of marketing, but does not adequately define the full breadth of the business field.

Next is digital marketing, defined as utilizing the internet and other digital channels to drive demand for products and services. Strategy is defined as a set of ideas that outline how a product line or brand will achieve its objectives. And finally, a tactic is defined as a specific action or a method that contributes to achieving a goal.

As I referenced earlier, marketing is more than just advertising. In fact, the goal of marketing is to create a product or service that sells not to sell products and services. This statement is worth pondering because it is a way of thinking that alters the way a company functions and prioritizes its efforts.

These quotes from the highly respected management guru Peter Drucker reinforced the notion of marketing, being a creation process that aligns with customers wants and needs. This map exemplifies the hierarchy related to establishing business goals and subsequently defining objectives, strategies and tactics to support the goals, thus the GEOST hierarchy.

Each tactic should be tied to one or more strategies which in turn should be tied to one or more objectives that are associated with one or more business goals. For example, if a company is relatively new, it likely has a high level goal of building brand awareness so that its target customers at least know about the organization's products and services.

To establish specific metrics to better define success for this goal of creating brand awareness, objectives will be defined. An example objective is to increase website traffic 300% in 12 months. Notice how this objective is very specific and can be measured. Remember the definition of strategy is a set of ideas that outline how the objectives will be achieved, thus the organization might pursue a strategy that encourages widespread consumer engagement with social media presence.

And finally at a tactical level, the organization could create and maintain a Twitter account where it posts a combination of evergreen and third party content that is appealing to its target audience. When discussing strategy, it can be helpful to ground oneself in a framework that helps us consider the components we should be thinking about to ensure a comprehensive analysis.

One such framework is the 5 C's. As depicted, it consists of customers, competitors, collaborators, the company and context. Customers are potential buyers with wants and needs that the company aims to fulfill with its offerings. You may encounter terminology differences such as consumers versus customers, but this is typically just a noting the distinction between business buyers and non business buyers.

Note that customers are intentionally depicted in the center. Our definition of marketing and the Peter Drucker quote reinforced the notion that customers are the focal point. I'll talk more about customers in the upcoming slides. Company is defined as the organization or business unit providing certain goods and services, often referred to as the offering.

With respect to company, this is where we look internally across the organization, to define our positioning, messaging, differentiators, capabilities, etc. You've likely heard of techniques and models such as SWOT, which stands for strengths, weaknesses, opportunities, and threats, perceptual and positioning maps and marketing mix differentiation as ways to build out the company aspect of strategy.

Company analysis is not mutually exclusive from competitive analysis in several ways. For example, to differentiate your organization, you have to be aware of what your competition is doing, which leads us to competitors. Competitors are organizations that offer products and services that aim to fulfill the same wants and needs, and the same customers as the company's offering.

A competitive matrix is an analysis tool that captures elements, such as the features and benefits provided by your organization's competitors. Porter's Five Forces which I'll discuss shortly, is another framework that intends to capture competitive analysis. Essentially, we're attempting to create products and services that customers perceive as being different from those provided by others.

Otherwise what we offer is perceived as a mere commodity and consumers are likely to make their decisions based solely on the cheapest price. Collaborators are external business entities that work with the company to create value for customers. Examples of collaborators include Raw Materials Suppliers, Distributors, Marketing agencies, and 3rd Party Retailers.

For example, Louis Dreyfus corporation is one of the largest global manufacturers of sugar, thus companies such as Nabisco and Dr. Pepper depend on a company like Louis Dreyfus to supply the right ingredients that they in turn use to manufacture their products. Similarly, Samsung depends upon retailers such as Target and Costco to resell the products they manufacture to the end consumer.

And finally, context translates to the environment in which the company operates, and its associated elements such as regulations or laws, economic conditions, cultural norms, and technological factors. A common tool for assessing the macro level context is a PESTEL Analysis. PESTEL is an acronym that stands for political, economic, social, technological, environmental, and legal factors.

Again, the purpose of the 5 C's framework is to ground ourselves in the constituent components of strategy that we can use as a guide for comprehensive thought and analysis. Customer marketing tends to follow a cycle beginning with creating awareness of an organization's products and services and then transitioning through multiple phases with the goal of establishing brand insistence from existing customers, as well as support and advocacy of the company's offerings.

Each of these marketing goals can be viewed in a standalone fashion, or coexisting with one another. Part of the value for having this model in mind is to ensure we are thinking about each area holistically. Awareness is simply creating an identification moment in a customer's mind. They may or may not know about your offerings yet, but they do know you exist.

Interest in engagement is about informing the customer about your offerings and encouraging them to interact and learn more, thus answering the question now that I know you exist, why should I care? And, how does your organisation deliver value to me? Acquisition is where we convert a prospect into a customer, meaning they're actually using our offerings.

Customer segmentation is where we are beginning to differentiate between customer segments and market to them accordingly. Of course we should be doing this from the start, but I want to call this out as a specific customer marketing goal to ensure we are always thinking about the combination of subtle and significant changes across target customer segments.

Customer retention is where we are focused on convincing existing customers to purchase again. This may be infrequent for a durable goods such as automobiles and home appliances, whereas it may be very frequent for non-durable goods such as fuel and food. Support and advocacy is the holy grail for marketers.

And a perfect world, we'd satisfy each customer so that they would do our marketing and advertising for us. Sometimes this is partially true in the sense that we occasionally attract customers that love our offering so much that they take the initiative to spread the word enthusiastically. In most instances however, customers can benefit from a degree of tactful encouragement to become a vocal advocate.

You might find it worthwhile to pause and consider the brands that you currently or historically advocate for, and the reasons behind it. Can these reasons be replicated for other brands? If so, how? Customer profiles or personas are semi fictional depictions of your target audience. Most organizations that build customer personas have more than one, and each one represents distinct differences from the other personas that also represent target market segments.

As shown here, there are several components associated with personas including demographic and geographic variables, psychographics, behavioral variables and RFM attributes. These examples are by no means an exhaustive list, but are merely representative aspects of each primary customer persona component. When building outcome customer personas, you should consider a more thorough list of components.

And the elements you include should be relevant to the market segment, such that it would affect the marketing mix. Buyers move through various phases when making a purchasing decision that begins with awareness and learning about an organization's offerings, and ends with making a final decision. This image is a very simplified example of the buyers journey moving through three primary stages, discovery, consideration, and decision.

It's important to consider each of these stages to determine opportunities to influence the customer accordingly. I'll reference the buyer journey several times in this course and encourage you to think about ways to identify where the customer is in their journey as well as what the appropriate interaction should be at the given stage of their journey.

The five P's model demonstrates core components associated with the marketing mix, which include price, product, promotion, place, and of course people. These components are directly controlled by the organization and utilize to shape consumer behaviors as it relates to purchasing its offerings. This is a relatively long standing model, so I won't go into detail here.

But I don't want for us to overlook these core aspects of the marketing mix as we dive deeper into the digital channels. I referenced Porter's Five Forces earlier, and it's a model designed to consider competitive implications for an organization within the context of consumer behavior. This is also another long standing model that business strategists and marketers use to think about aspects of the business that shaped critical decision making.

By considering the effects of each component, an organization today is able to refine its strategy to best serve its needs. Now that we've covered many of the core marketing and business strategy, frameworks and models, let's take a look at a framework that is more specific to digital marketing.

Illustrated here are four primary components that will help guide a solid, holistic digital strategy. It begins with defining the mission behind our digital marketing efforts in the various roles digital will play. Although digital likely has a role for the vast majority of organisations, marketing plans, let's not overlook this step of assessing where it should and should not necessarily be utilized.

Should digital drive leads, be a self-serve customer support channel, increase brand awareness, perform other functions? These are all important considerations that we want to define prior to moving forward. The next step is to deep dive into the strategic aspects of how digital will accomplish these goals outlined in the previous step.

This is where we begin to assess and prioritize digital channels, better define what our online presence will be, and how we will measure success. In the next phase we want to think about how we will interact with our prospective customers, existing customers, influencers, partners, and so forth, while taking into account the buyer journey.

It's important to identify the various needs customers have throughout this journey, and to think about how we can meet those needs in a timely, relevant manner through digital. In the last phase of this digital strategy framework, we want to consider how we will track and measure success. What resources do we need to monitor, measure and refine our digital efforts in both the short term and the long term?

Like each of the aforementioned models and frameworks, this one too should be a living and breathing framework. We live in an era where consumer behaviors can change rapidly, and technology is accelerating at an unprecedented pace. As a rule of thumb, I recommend an organization's digital marketing strategy be revisited a minimum of bi annually, and more frequently as change demands it.

Finally for this module, I want to highlight the notion that a company's website is a core foundational element for communicating value, generating interest in leads, engaging with customers and prospects, tracking consumer and customer insights, and so on. It exists however within an ecosystem of platforms and traffic drivers, that are designed to achieve the company's business goals as efficiently and as effectively as possible.

Although it's not necessary for an organization to have its own dedicated website, it generally serves as a hub for a robust digital strategy. This concludes the module for digital marketing overview and strategy. I encourage you to think about the various topics addressed in this module including the ways digital is disrupting consumer behaviors, how marketers are responding to these changes at a high level, the various capabilities of digital as compared to traditional forms of marketing and the core strategic models and frameworks that we will use as a foundation moving forward.

See you in the next module.