



Principles of Marketing

Digital Marketing Communications

Lecture: Jayne Heaford

Learning Outcomes

- Explain how digitization has been transforming communications and marketing practice
- Define forms and tools of digital marketing and social media marketing
- Discuss key activities and techniques used in digital and social media marketing
- Identify digital communications objectives and measurement methods
- Consider impact of personal digital behaviour on daily life.

Agenda

- **Part 1** - We live in a digital world
- **Part 2** - Digital Marketing and Digital Marketing Communications: definition, activities, goals and tools
- **Part 3** - Social Media and Electronic Word of Mouth



Note: Part 1 is not examinable content

Part 1 - We live in a digital world

JAN
2018

DIGITAL AROUND THE WORLD IN 2018

KEY STATISTICAL INDICATORS FOR THE WORLD'S INTERNET, MOBILE, AND SOCIAL MEDIA USERS

TOTAL
POPULATION



INTERNET
USERS



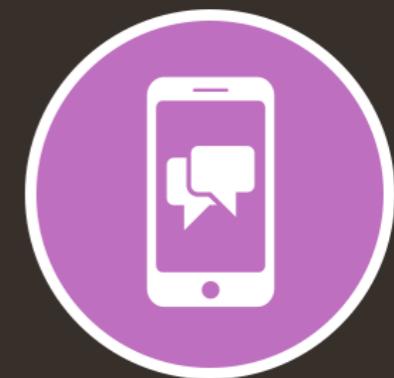
ACTIVE SOCIAL
MEDIA USERS



UNIQUE
MOBILE USERS



ACTIVE MOBILE
SOCIAL USERS



7.593
BILLION

URBANISATION:

55%

4.021
BILLION

PENETRATION:

53%

3.196
BILLION

PENETRATION:

42%

5.135
BILLION

PENETRATION:

68%

2.958
BILLION

PENETRATION:

39%

SOURCES: POPULATION: UNITED NATIONS; U.S. CENSUS BUREAU; INTERNET: INTERNETWORLDSTATS; ITU; EUROSTAT; INTERNETLIVESTATS; CIA WORLD FACTBOOK; MIDEASTMEDIA.ORG; FACEBOOK; GOVERNMENT OFFICIALS; REGULATORY AUTHORITIES; REPUTABLE MEDIA; SOCIAL MEDIA AND MOBILE SOCIAL MEDIA: FACEBOOK; TENCENT; VKONTAKTE; KAKAO; NAVER; DING; TECHRASA; SIMILARWEB; KEPIOS ANALYSIS; MOBILE: GSMA INTELLIGENCE; GOOGLE; ERICSSON; KEPIOS ANALYSIS. **NOTE:** PENETRATION FIGURES ARE FOR TOTAL POPULATION (ALL AGES).

7

 **Hootsuite™**  **we
are.
social**

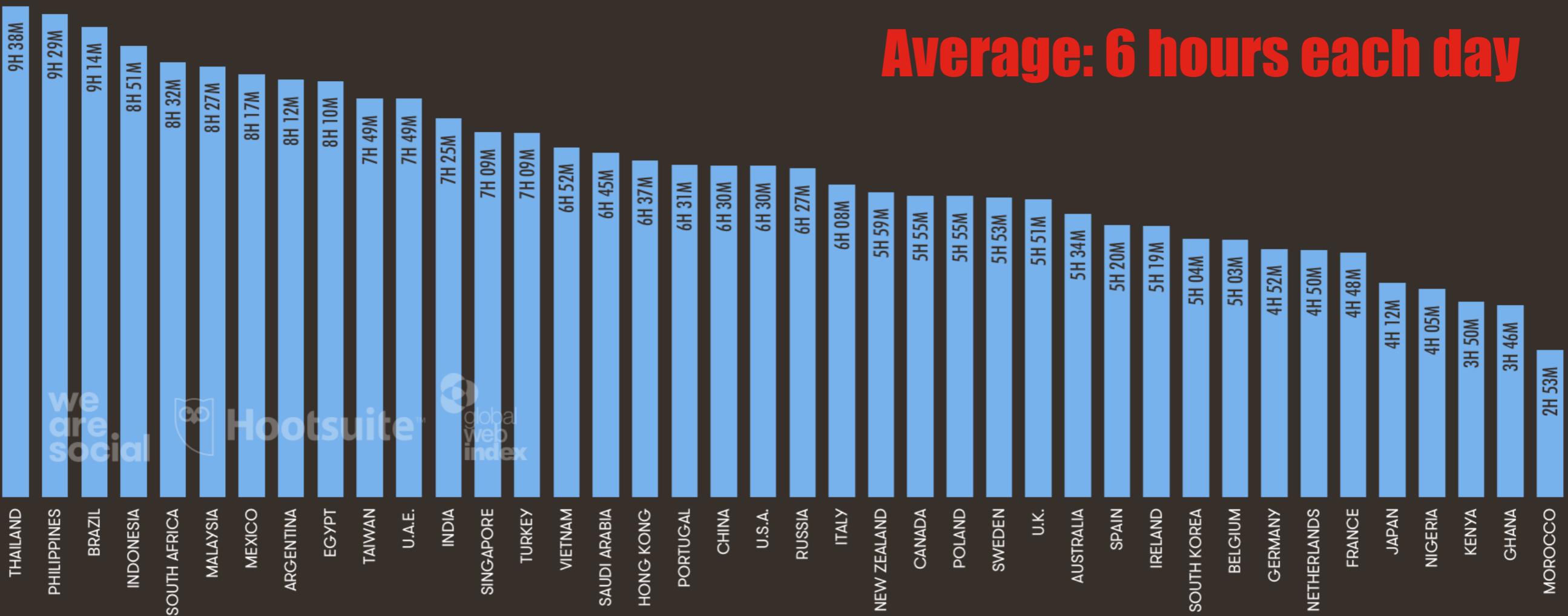
Time spend on the Internet is increasing

JAN
2018

TIME SPENT PER DAY ON THE INTERNET

AVERAGE NUMBER OF HOURS SPENT USING THE INTERNET PER DAY VIA ANY DEVICE [SURVEY BASED]

Average: 6 hours each day



JAN
2018

INTERNET PENETRATION RANKINGS

BASED ON INTERNET PENETRATION IN COUNTRIES WITH A NATIONAL POPULATION OF 50,000 PEOPLE OR MORE

#	HIGHEST PENETRATION	%	USERS	#	LOWEST PENETRATION	%	USERS	
01	QATAR	99%	2,640,360	213	NORTH KOREA	0.06%	16,000	
02	UNITED ARAB EMIRATES	99%	9,376,171	212	ERITREA	1%	71,000	
03	KUWAIT	98%	4,100,000	211	NIGER	4%	946,440	
04	BERMUDA	98%	60,125	210	WESTERN SAHARA	5%	28,000	
05	BAHRAIN	98%	1,499,193	209	CHAD	5%	756,329	
06	ICELAND	98%	329,675	208	CENTRAL AFRICAN REPUBLIC	5%	246,432	
07	NORWAY	we are. social	98%	5,222,786	207	BURUNDI	6%	617,116
08	ANDORRA	98%	75,366	206	DEM REP. OF THE CONGO	6%	5,133,940	
09	LUXEMBOURG	98%	572,216	205	GUINEA-BISSAU	6%	120,000	
10	DENMARK	97%	5,571,635	204	MADAGASCAR	7%	1,900,000	

SOURCES: INTERNETWORLDSTATS; ITU; EUROSTAT; INTERNETLIVESTATS; CIA WORLD FACTBOOK; MIDEASTMEDIA.ORG; FACEBOOK; GOVERNMENT OFFICIALS; REGULATORY AUTHORITIES; REPUTABLE MEDIA. NOTE: PENETRATION FIGURES ARE FOR TOTAL POPULATION, REGARDLESS OF AGE.

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Share of Web Traffic

JAN
2018

SHARE OF WEB TRAFFIC BY DEVICE

BASED ON EACH DEVICE'S SHARE OF ALL WEB PAGES SERVED TO WEB BROWSERS

LAPTOPS &
DESKTOPS



MOBILE
PHONES



TABLET
DEVICES



OTHER
DEVICES



43%

YEAR-ON-YEAR CHANGE:

-3%

52%

YEAR-ON-YEAR CHANGE:

+4%

4%

YEAR-ON-YEAR CHANGE:

-13%

0.14%

YEAR-ON-YEAR CHANGE:

+17%

41

SOURCE: STATCOUNTER, JANUARY 2018 AND JANUARY 2017.

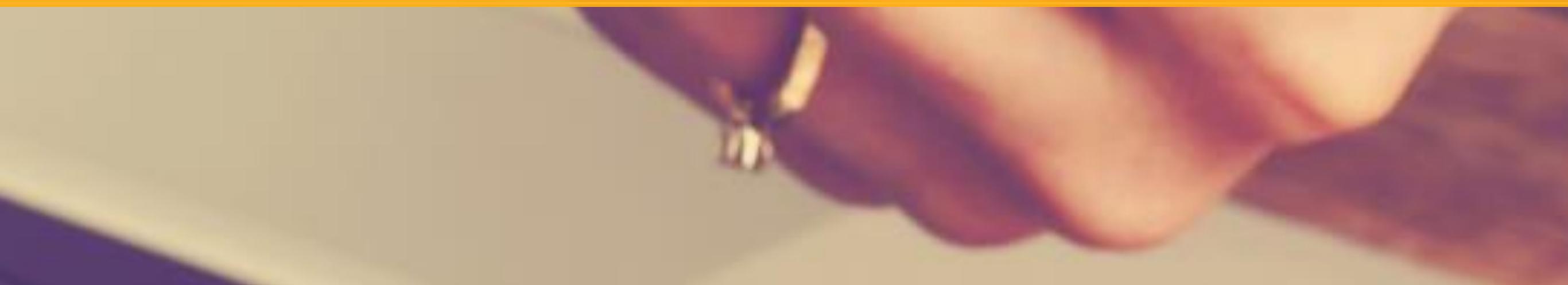


37% OF CONSUMERS FLAGGED “SPEED AND CONVENIENCE” AS KEY PURCHASE TRIGGER FACTORS.

43% WILL LEAVE A SITE IF IT’S SLOW TO LOAD – EVEN IF IT’S ONE OF THEIR FAVOURITE BRANDS

27% WILL ABANDON THEIR PURCHASE TO GO AND TRY A COMPETITOR

SOURCE: EPISERVER (2017) BEYOND MOBILE: STATE OF DIGITAL COMMERCE 2017



E-Commerce: amount spent by product category

JAN
2018

GLOBAL E-COMMERCE SPEND BY CATEGORY

THE TOTAL ANNUAL AMOUNT SPENT ON CONSUMER E-COMMERCE CATEGORIES AROUND THE WORLD, IN UNITED STATES DOLLARS

FASHION & BEAUTY



\$408.0
BILLION

we
are
social

ELECTRONICS &
PHYSICAL MEDIA



\$359.4
BILLION

statista

FOOD &
PERSONAL CARE



\$139.8
BILLION

FURNITURE &
APPLIANCES



\$225.5
BILLION

TOYS, DIY &
HOBBIES



\$341.5
BILLION

statista

TRAVEL (INCLUDING
ACCOMMODATION)



\$212.7
BILLION



DIGITAL
MUSIC



\$11.2
BILLION

we
are
social

VIDEO
GAMES



\$52.5
BILLION

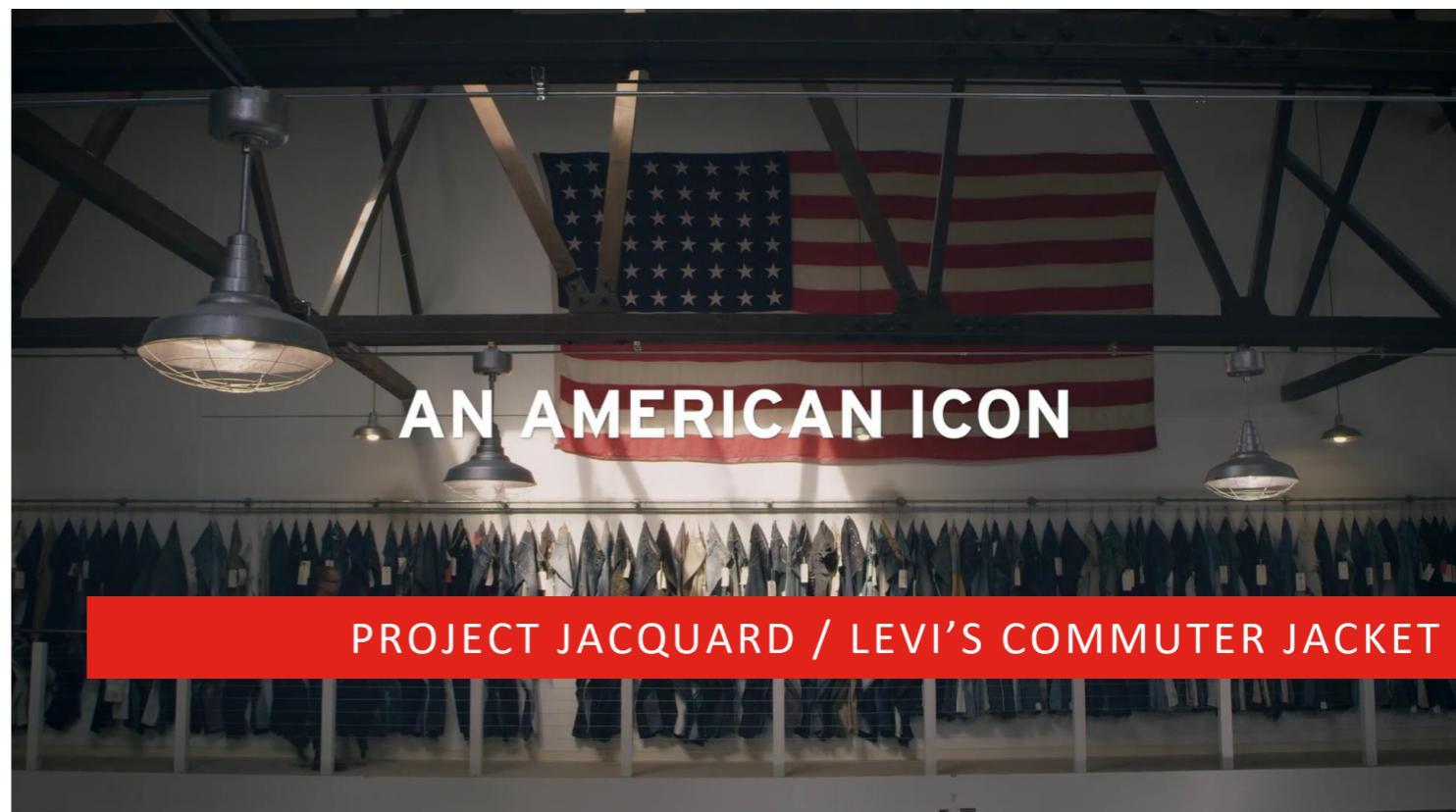
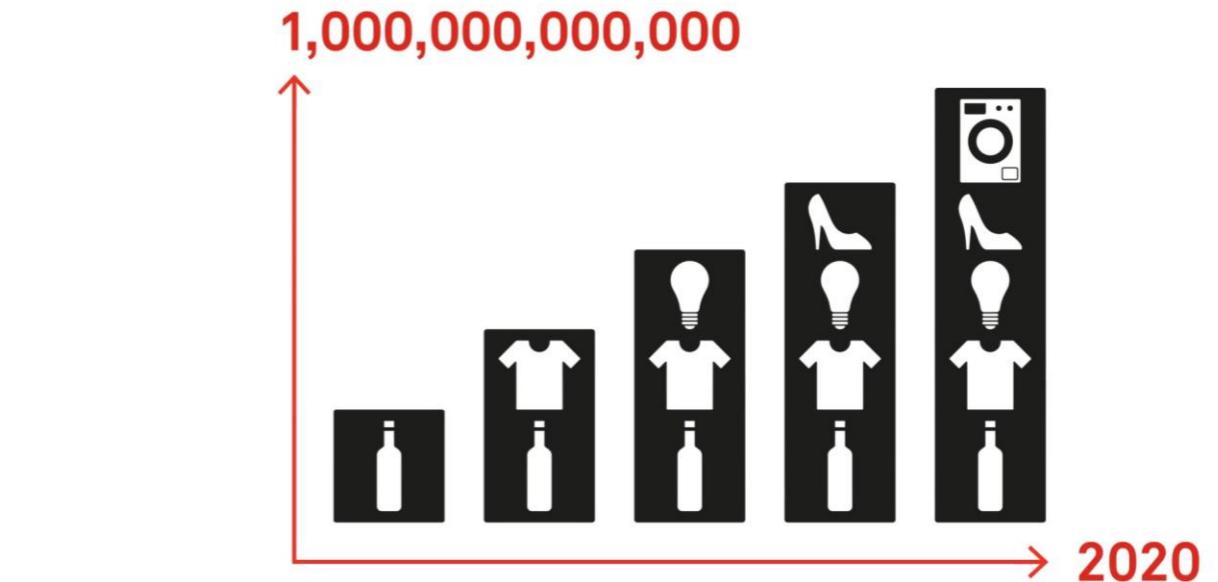
129

SOURCES: STATISTA DIGITAL MARKET OUTLOOK, E-COMMERCE INDUSTRY, E-TRAVEL INDUSTRY, AND DIGITAL MEDIA INDUSTRY, ALL ACCESSED JANUARY 2018.

NOTE: FIGURES ARE BASED ON ESTIMATES OF FULL-YEAR CONSUMER SPEND IN 2017, AND DO NOT INCLUDE B2B SPEND.

3 technologies that are reshaping marketing

- **Internet of Things**
- IoT Platforms to provide products with a unique software identity which connects them to the web
- Cross-over between IOT, smart products and wearables
- Smarter products for smarter customer experiences:
 - monitor performances
 - personalisation of content and service
 - connections with other products
 - new revenue streams (e.g. re-ordering)
 - smarter supply-chain / safety / traceability



3 technologies that are reshaping marketing



Artificial Intelligence

Source: Euromonitor Passport (2018) *Voice of the Industry: Digital Consumer*. Euromonitor Passport



Empower store associates

Autonomous robots have the ability to greet customers and aid employees with inventory management



Enable more powerful search

Leveraging machine learning, software can automatically tag, organise and visually search content



Improve recommendations

Using AI, brands can more intelligently comb through data to offer personalised recommendations



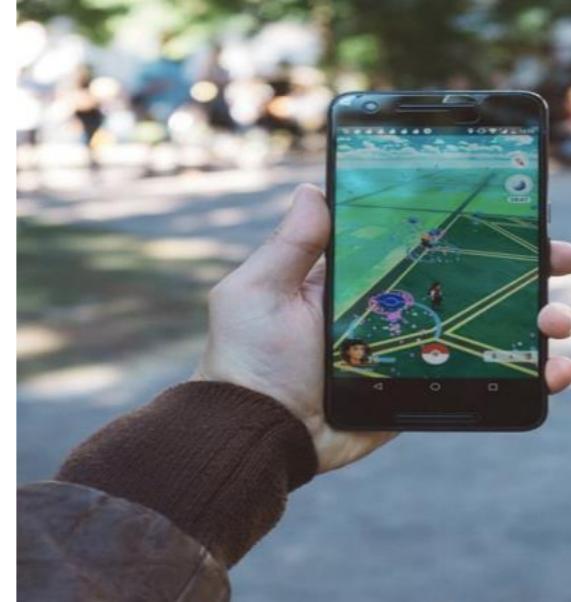
Create AI-based influencers

3 technologies that are reshaping marketing



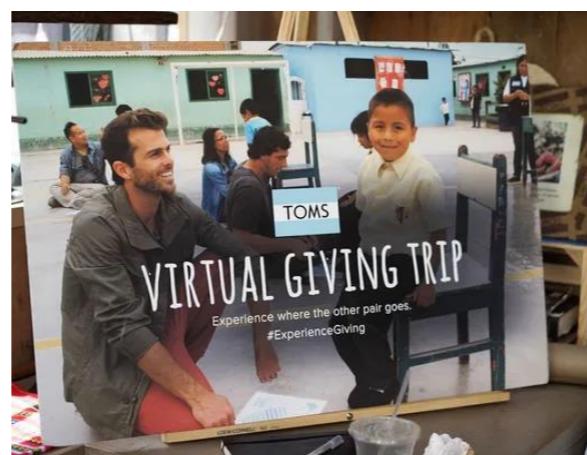
Augmented / Virtual Reality

Source: Euromonitor Passport (2018) *Voice of the Industry: Digital Consumer*. Euromonitor Passport



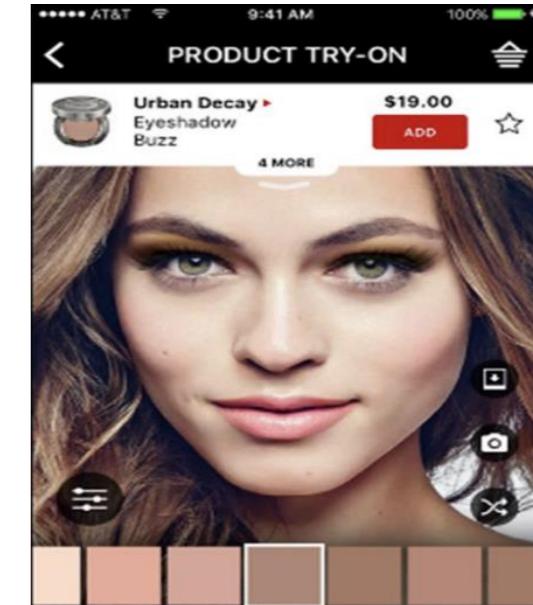
Entertainment

Developers can create games that leverage VR to transport gamers into a digital world, or use AR to layer the digital world over the physical world.



Immersive Experiences

Retailers or travel operators can use VR headsets to immerse consumers in a virtual world in order to shop for products or travel destinations.



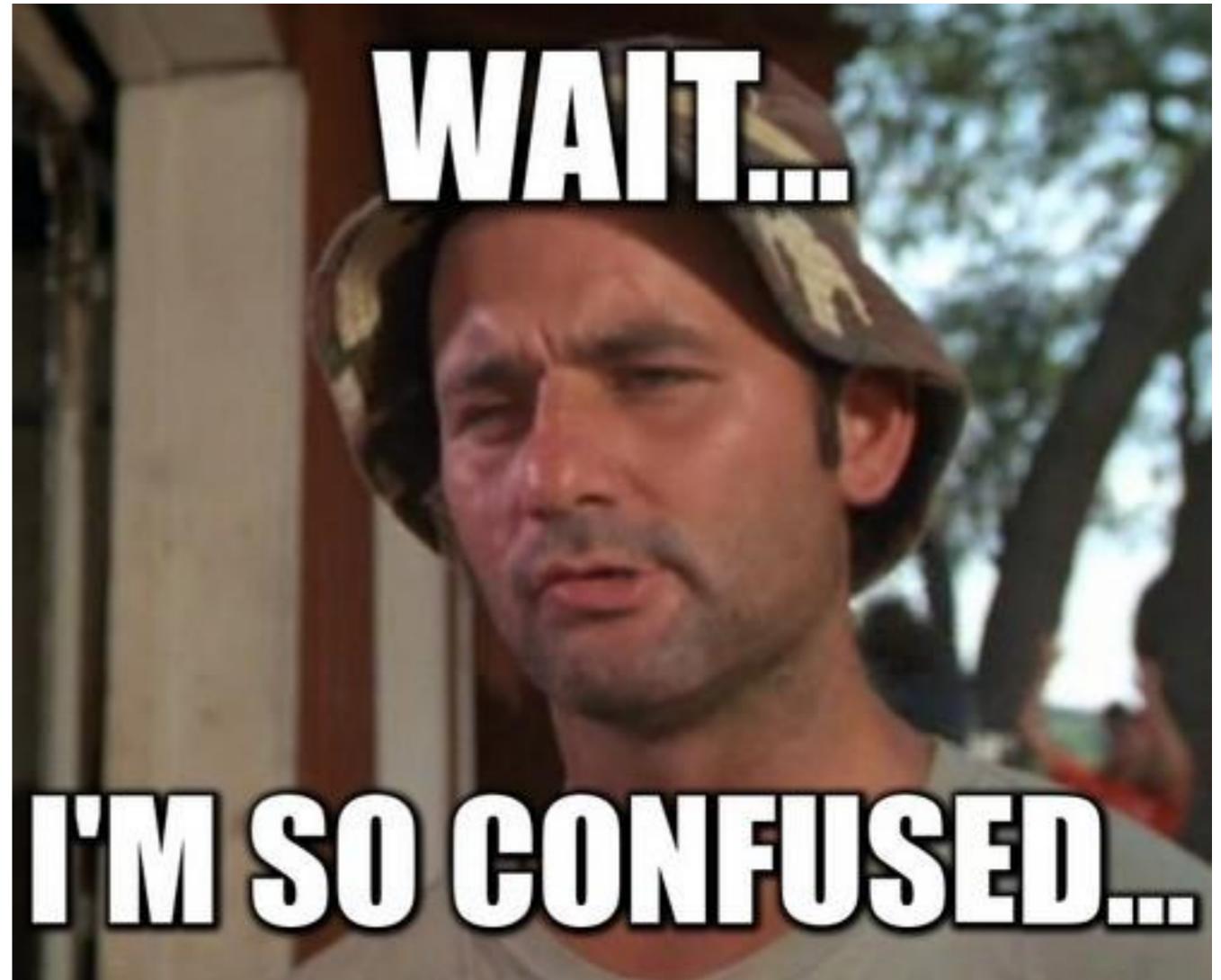
Product Discovery

Brands and retailers can leverage augmented reality to enable consumers to visualise products such as beauty or home furnishings in a real-life setting.

Part 2 - Digital Marketing and Digital Marketing Communications: definition, activities, goals and tools

Definitions

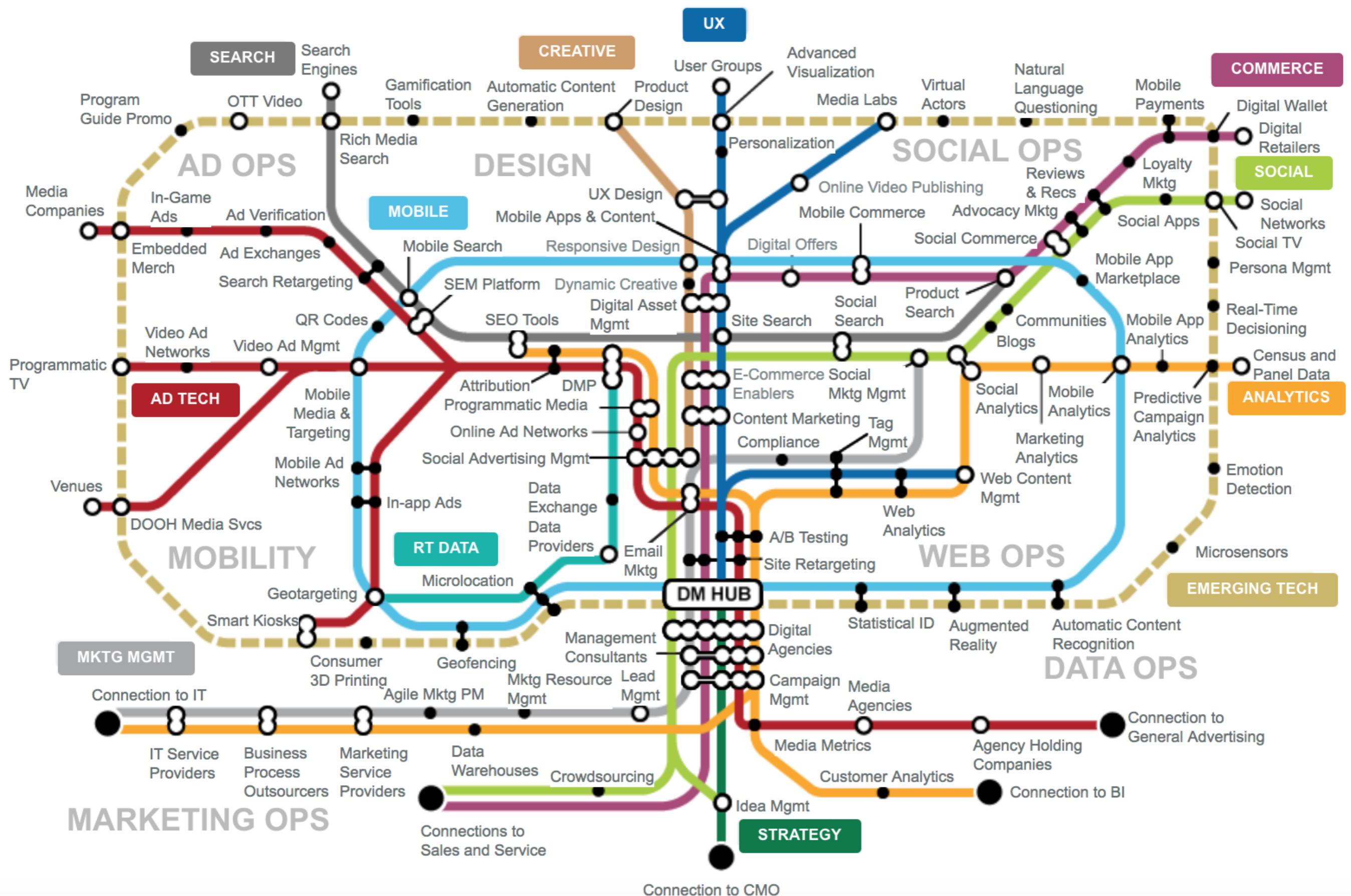
- Digital Marketing?
- Direct Marketing?
- E-Marketing?
- Internet Marketing?
- Interactive Marketing?
- Mobile Marketing?
- Social Marketing?
- Social Media Marketing?
- Relationship marketing?





Digital Marketing: the management and execution of marketing using digital electronic technologies and channels (e.g. Internet, email, digital TV, wireless media) and digital data about user/customer characteristics and behaviour





Source: Gartner (2016) *Gartner Digital Marketing Transit Map*. Available at: <http://www.gartner.com/technology/research/digital-marketing/transit-map/transit-map-guest.jsp> [accessed: 15/10/2018]

Digital Marketing Activities



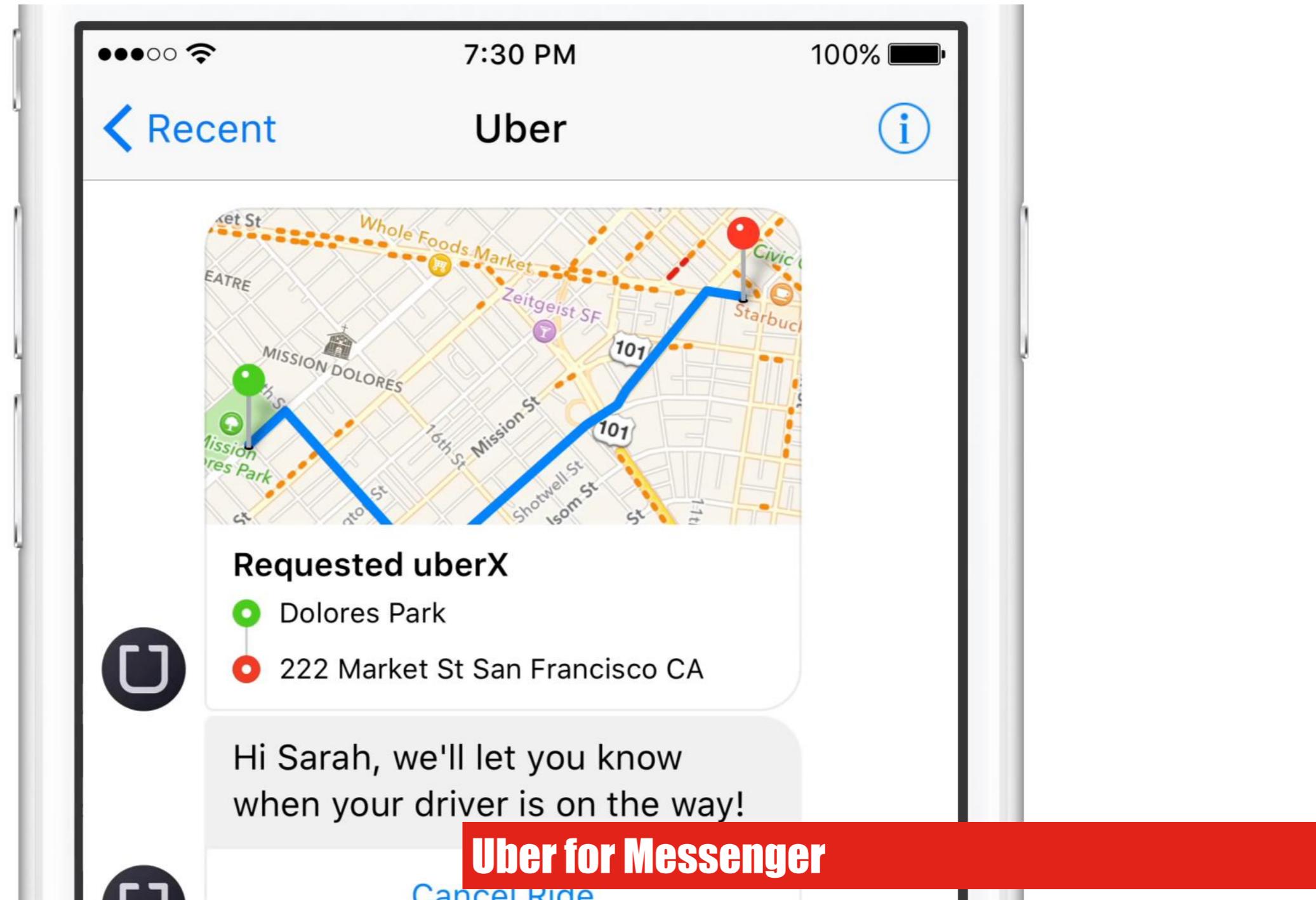
Digital Marketing Objectives



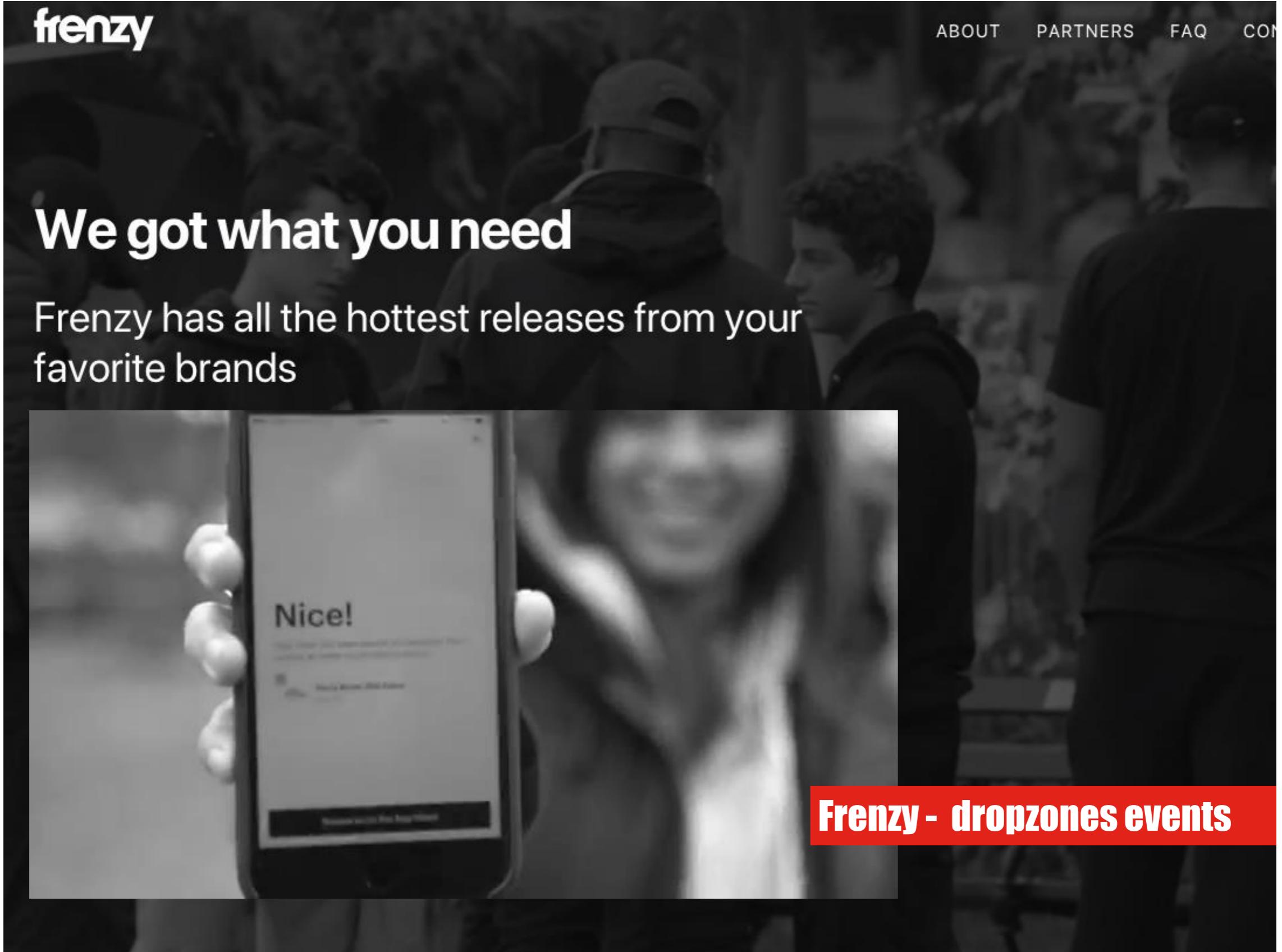
1. Sell - Using the “digital” as sales tool



2. Serve - Using “digital” as a customer service tool



3. Sizzle - Using “digital” as a brand-building tool



The image shows a screenshot of the Frenzy website. At the top left is the word "frenzy" in a white, lowercase, sans-serif font. At the top right are navigation links: "ABOUT", "PARTNERS", "FAQ", and "CONTACT". Below the header, a large white text area contains the headline "We got what you need" followed by the subtext "Frenzy has all the hottest releases from your favorite brands". A black and white photograph of a person's hands holding a smartphone is centered below this text. The phone screen displays a digital interface with the word "Nice!" in large letters. In the bottom right corner of the image, there is a red rectangular overlay containing the text "Frenzy - dropzones events" in white.

3. Sizzle - Using the “digital” as a brand-building tool



4. Save - Using “digital” for cost reduction

Adext AI Finds The Most Relevant Audience At The Right Time

Through its Machine Learning models, Adext AI runs thousands of simulations to discover the best performing audience and update your ads budget with amazing results, so you'll no longer waste money in learnings.



See All Of Adext AI's Activity In Adwords & Facebook BM.

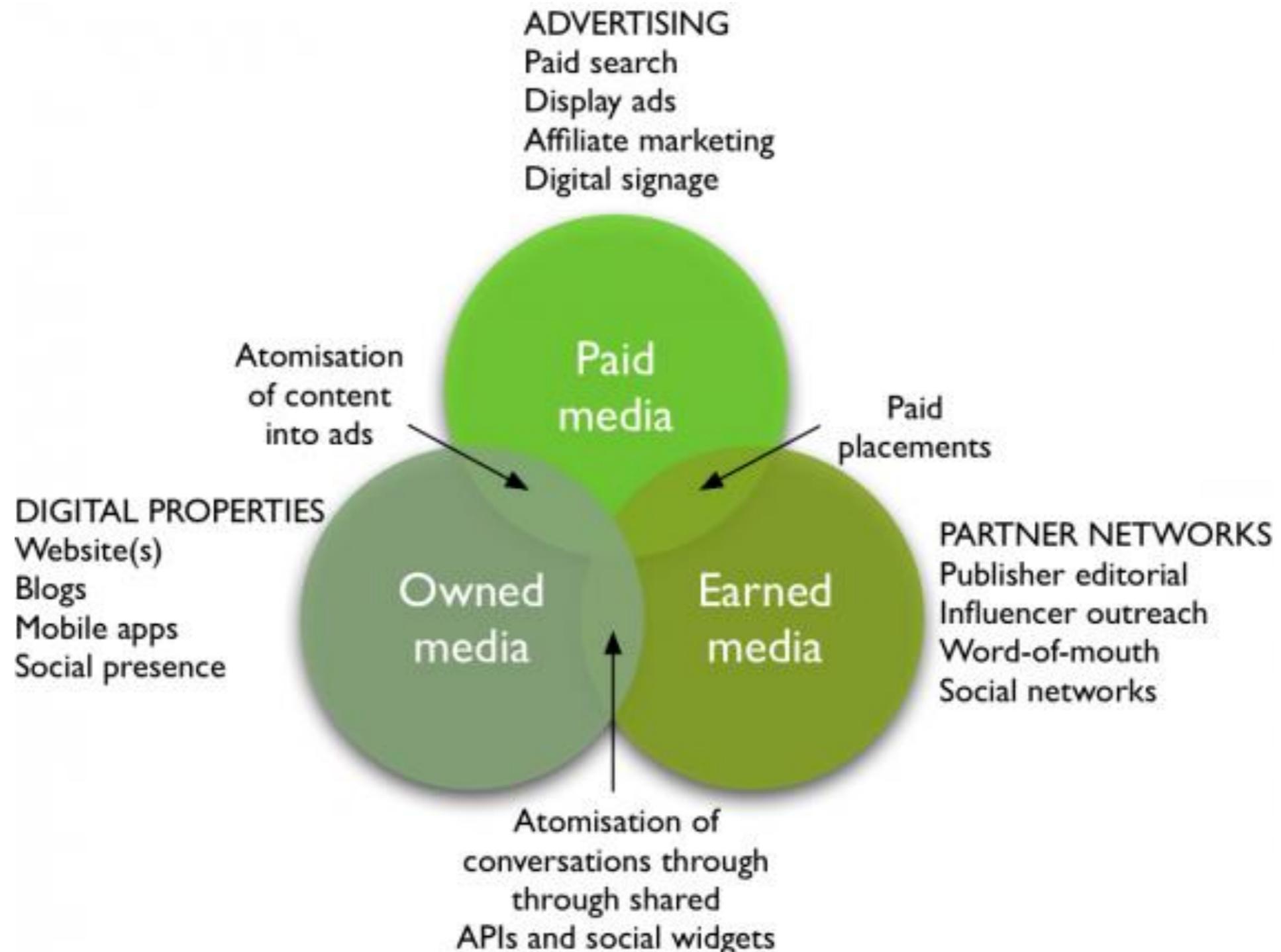
- You'll see every adjustment the Artificial Intelligence makes to your budgets and demographic segments directly through your own Google and Facebook accounts on real time 24/7.

ADEX - AI to find most profitable audiences



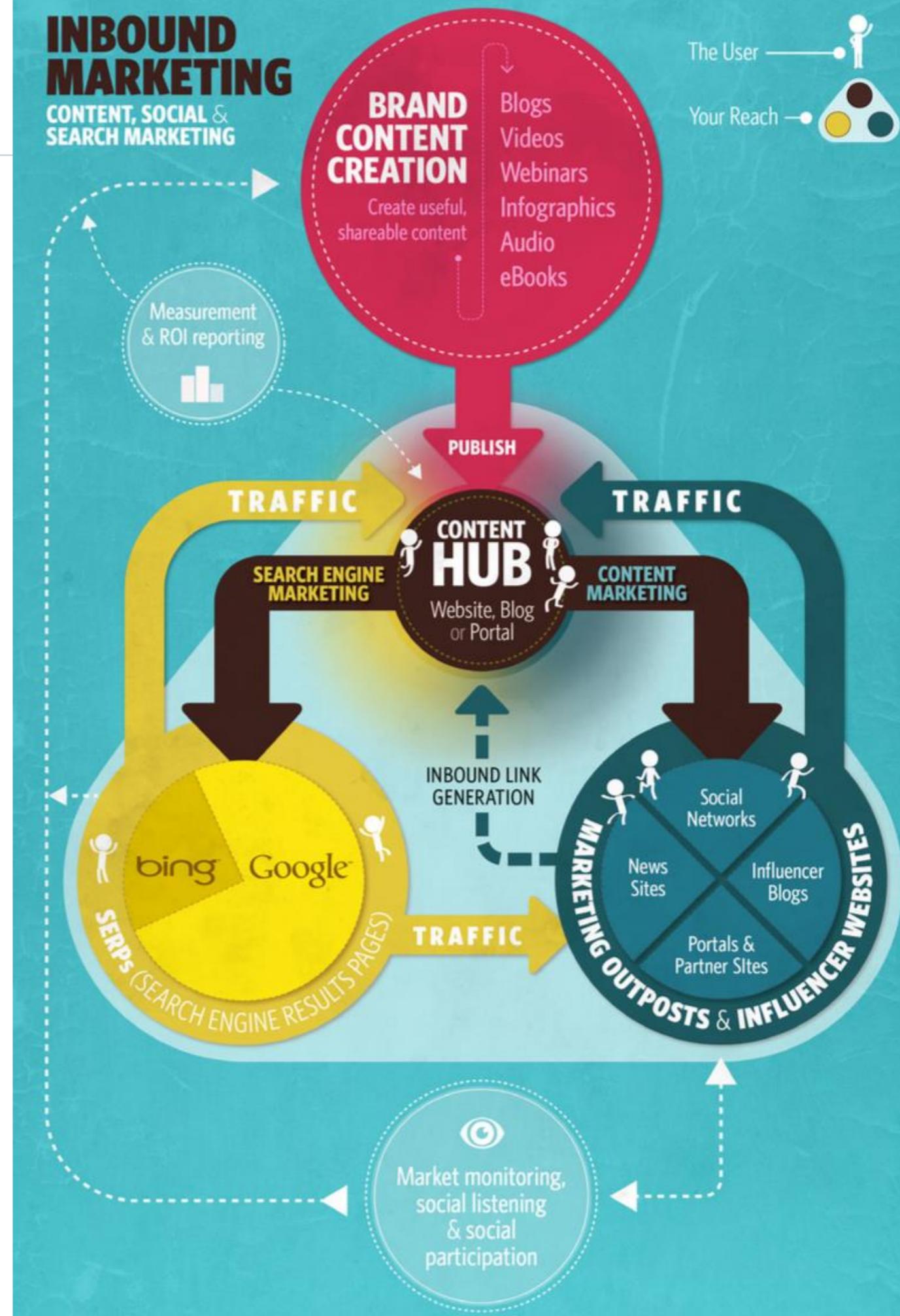
5. Speak - Using the “Digital” as a communication tool

Balancing Paid, Owned and Earned media online



Content Marketing

- **What is it?**
 - “Marketing technique of creating and distributing valuable, relevant and consistent content to attract and acquire a clearly defined audience—with the objective of driving profitable customer action”
(Content Marketing Institute, 2014)
- **Why is it important?**
 - The goal is to win current and future consumers hearts and business



Source: Smith, P.R. and Chaffey, D. (2017) *Digital marketing excellence: planning, optimizing and integrating online marketing*. Fifth edition. London ; New York: Routledge, Taylor & Francis Group.

Content Marketing Institute. (2014) *What is Content Marketing? Useful content should be at the core of your marketing*. Available at: <http://contentmarketinginstitute.com/what-is-content-marketing/> [Accessed: 01/11/2018]

Storytelling

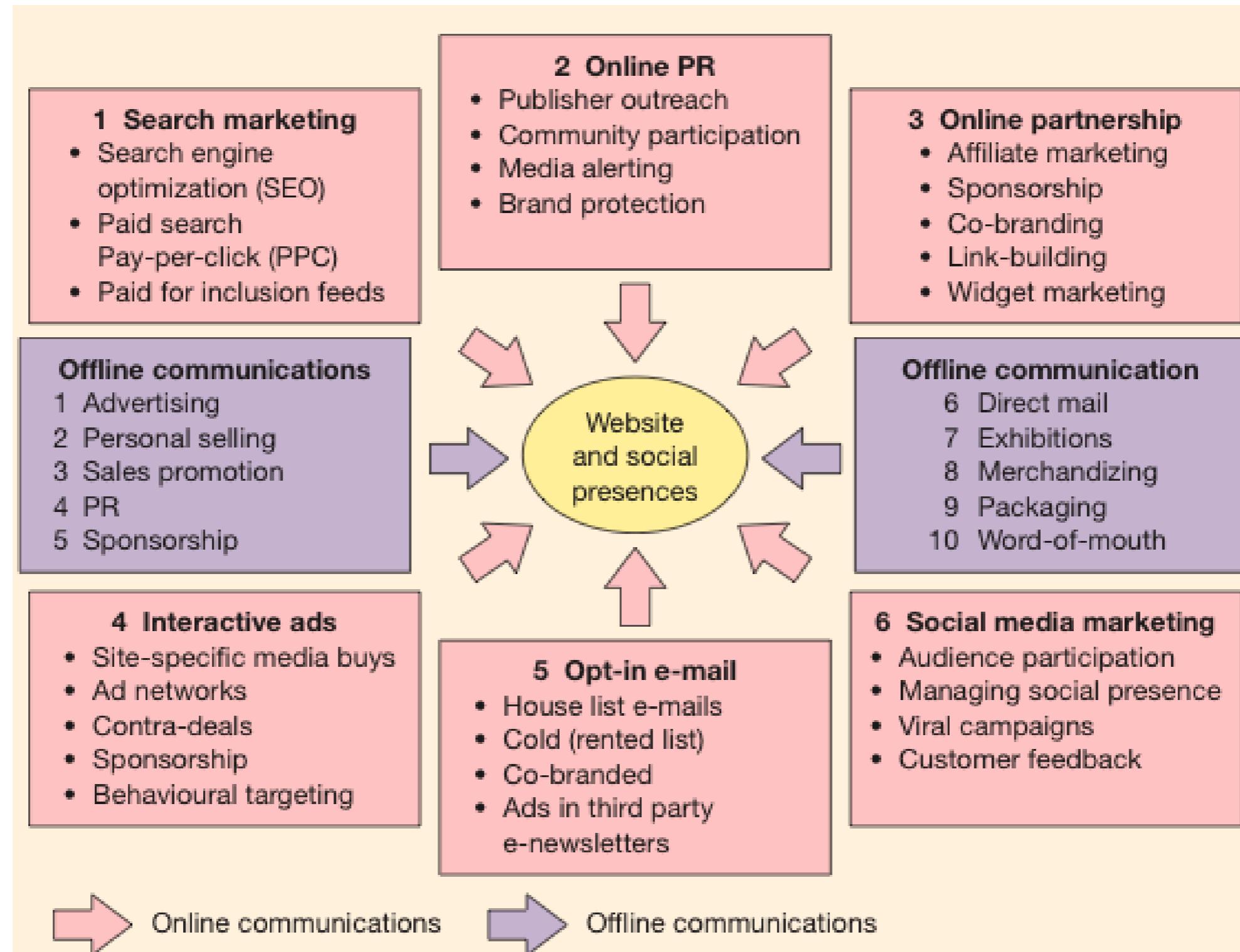
- Stories have always fascinated people and are **more easily remembered** than facts
- Well-told stories regarding a brand appear to have the **potential to influence consumers' brand experience**
- Generates positive feelings in customers;
- Is perceived as more convincing than facts;
- Increase brand trust;

Lundqvist, A., Liljander, V., Gummerus, J. and van Riel, A. (2013) 'The impact of storytelling on the consumer brand experience: The case of a firm-originated story', *Journal of Brand Management*, 20(4), pp. 283–297.



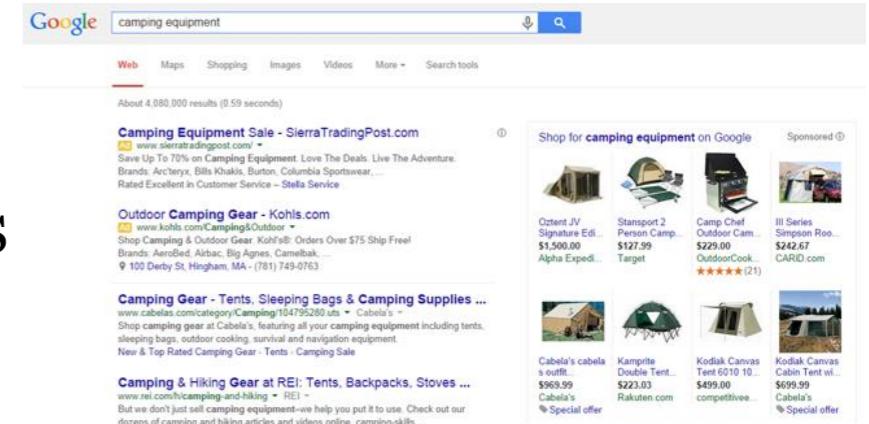
Speak - using the “digital” as a communication tool

Options Available in the communication mix for online traffic building



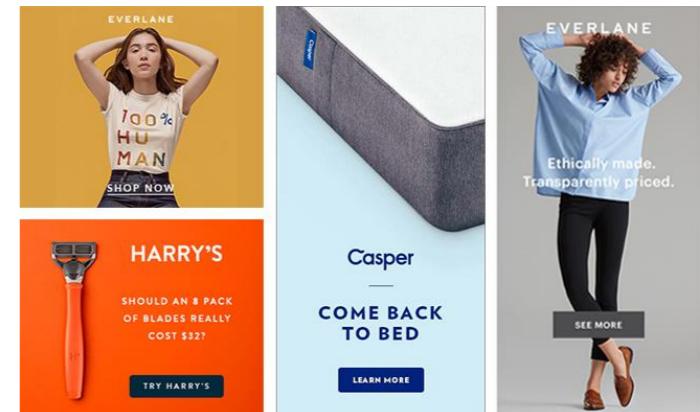
Options Available in the communication mix for online traffic building

- **Search Engine Marketing (SEM):** placing messages on a search engine, encouraging click-through to a web site when the user types a specific keywords phrase - (1) SEO - Search Engine Optimisation + PPC (Pay Per Click)
- **Online PR:** maximising favourable mention of your company/brand/products on a range of third-party website. Also includes influencer outreach and aspects of content distribution
- **Online Partnerships:** create arrangements to promote market offerings online on third-party websites (includes link building, affiliate marketing, online sponsorship and co-branding)



Options Available in the communication mix for online traffic building

- **Interactive advertising:** use of online and display ads, such as banners, skyscrapers and rich media ads, to achieve brand awareness and encourage clickthrough to a target site;
- **Opt-in email:** renting opt-in email lists, placing ads in third-party newsletters, making deals with third parties for co-registration or co-branding of emails, or building in house email list.
- **Social media marketing:** social media marketing can and should integrate all of these communications approaches. Social media help amplify a message through comments and sharing of social networks, viral marketing and word-of-mouth marketing



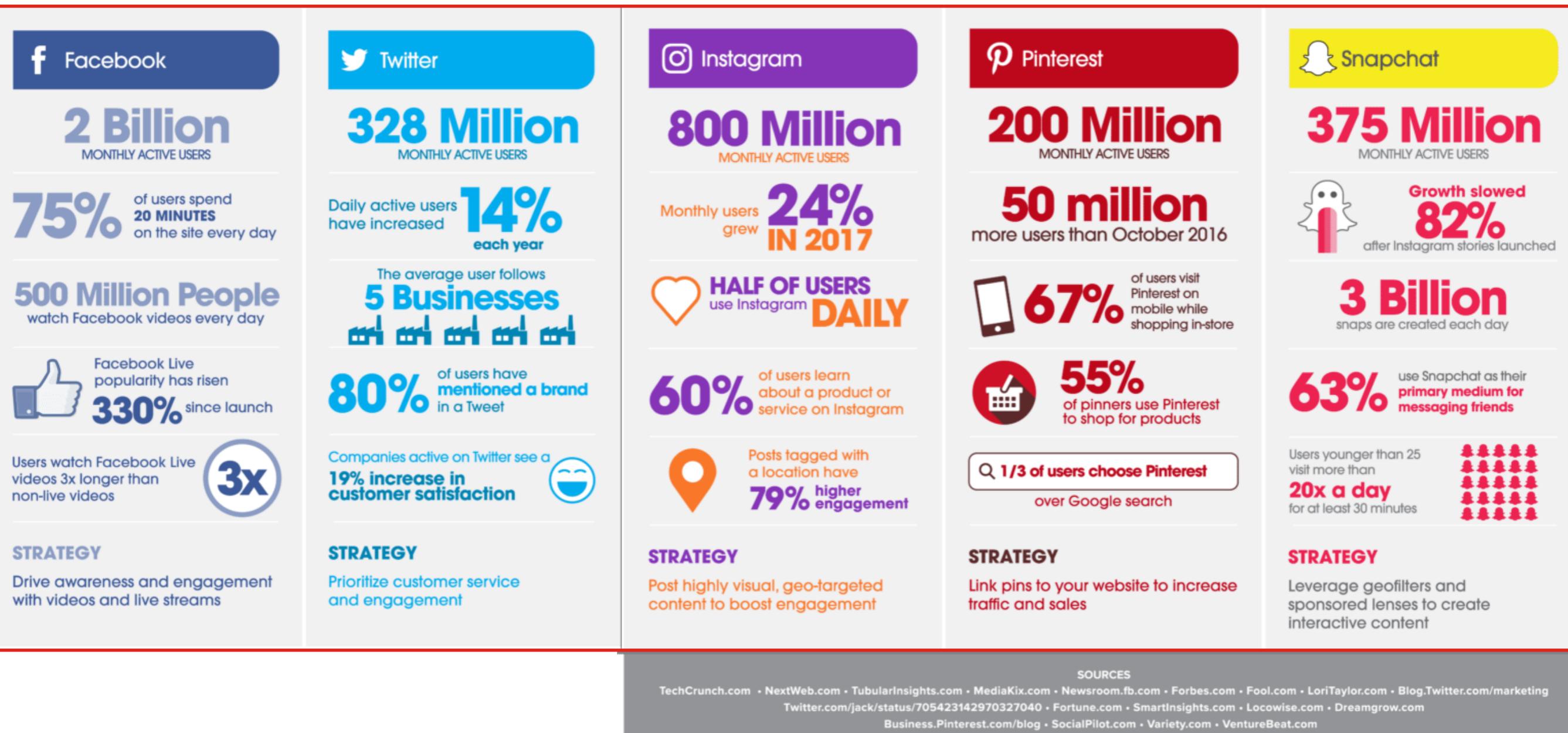
Part 3 - Social Media and e-Wom

SOCIAL MEDIA ?

- “A group of internet-based applications that build on the ideological and technological foundations of **Web 2.0** and that allow the creation and exchange of **UGC**” (Kaplan & Haenlein 2010).
- “Social media employ **mobile** and **web-based technologies** to create highly interactive **platforms** via which **individuals** and **communities** share, **co-create**, **discuss** and **modify user-generated content.**” (Keitzmann et al 2011)



SOCIAL MEDIA ?



Source: SMW and Sumo Heavy Industries (2017) Not All Social Platforms Are Created Equal [Infographic]. Available at: <https://socialmediaweek.org/blog/2017/10/not-social-platforms-created-equal-infographic/> [Accessed: 4/12/2018]

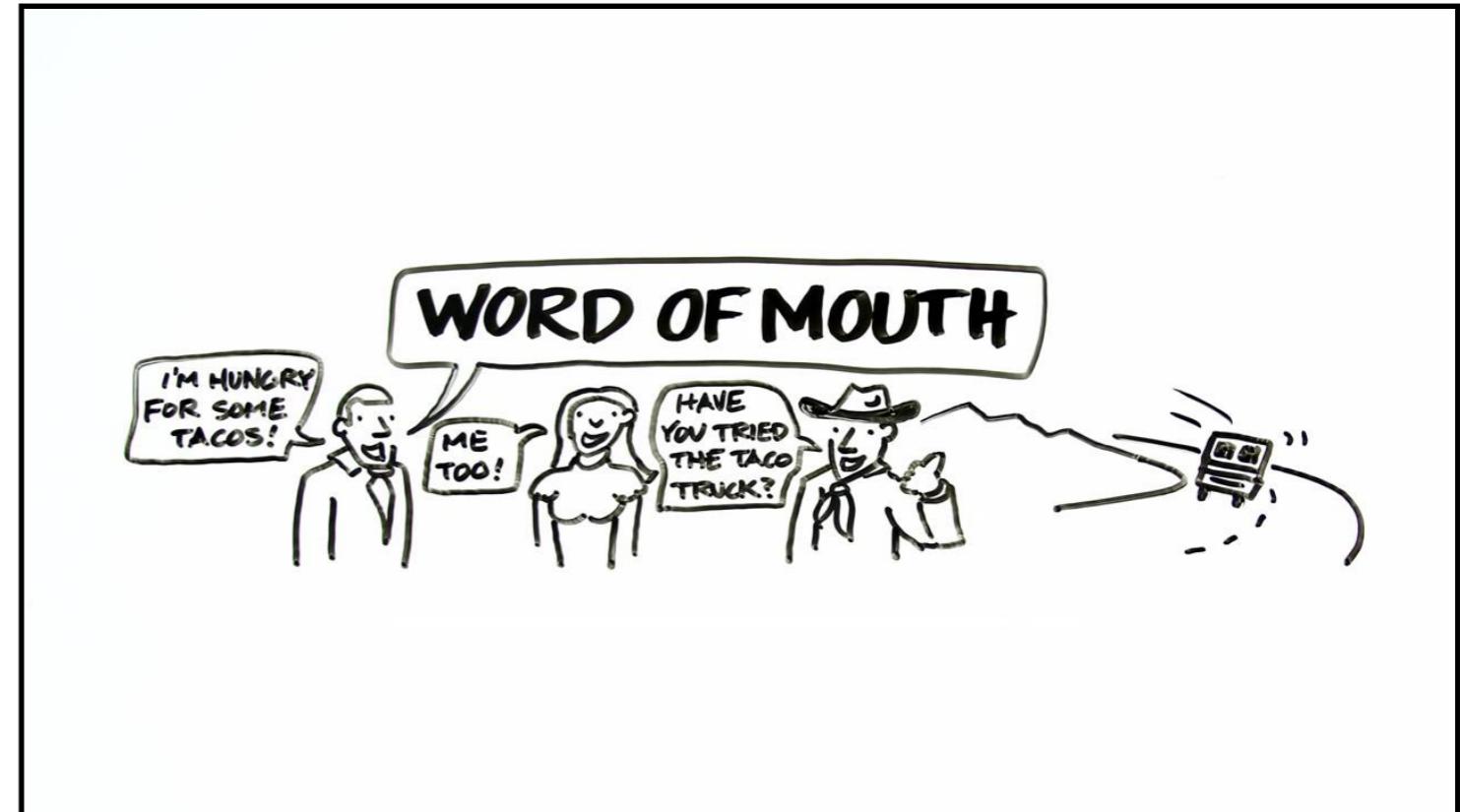
Attention Economy

- **Attention** is the new currency of modern businesses operating in the digital economy
- In a world where information is limitless, **attention is limited**
- Accuracy vs Speed?
- Attention is constantly divided across different screens as we are involved multi-tasking
- **Have social media made brands less significant? (Holt, 2016)**
- Content curation becomes the key to achieve focus



Social Media and Word-of-Mouth

- **WOM** - Traditionally, person-to-person communication related to a brand or product
- **e-WOM** (Electronic Word of Mouth): WOM communication using electronic means, from social media networks to sharing information by other electronic means (E.g. messaging)
- **eWOM** often occurs between people who have little or no prior relationship with one another (e.g. strangers or fellow consumers) and can be anonymous (Dellarocas 2003; Goldsmith & Horowitz 2006; Sen & Lerman 2007).



Word-of-Mouth - The Word of Mouth Marketing Association:
<https://www.youtube.com/watch?v=Fz22PfPxoXI>

Types of e-WOM

High levels
of familiarity

Low levels
of familiarity



Social

Hybrid

Broadcasting

Review



The FRUGALITY

ABOUT FASHION CITY GUIDES LIVING SHOP

ABOUT ME

I am a Freelance Fashion Stylist working and living London, having worked for magazines for over 10 years, Conde Nast Traveller).

This blog is not about living off toast every night. I there are people out there like me: I live off every p cent, my wage goes towards my mortgage, bills, tra food. But I don't set my sights low, I still want to live everyday. I'm just sensible with money where I can afford the luxuries. This blog grew from years of fri telling me you always find the best stuff on the High And now my circle of friends has grown into readers. This is an insight into my world.

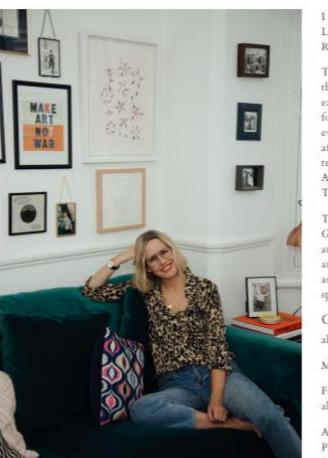
The Frugality has been featured in numerous media Grazia, The Times, The Telegraph, Marie Claire and just won the Amara IBA for Best Interiors Lifes and Bloggers Choice 2018. I have been lucky enough asked to take part in Stylist Live 2016 and am one of speakers at ELLE Weekender 2018.

Get in touch alex@the-frugality.com

My styling portfolio: www.alexandradistedman.tumblr

For commercial opportunities, please email alice@thefound.co.uk

All pictures on this blog, unless otherwise stated, are Please do not use my images without prior consent. Frugality is a registered Trademark. If you see an image yours miscredited or you want it removed, please let me know.



How was your visit?

When you get home,
please review us on TripAdvisor.
www.tripadvisor.com/reviewit



Thank you for your
honest feedback.

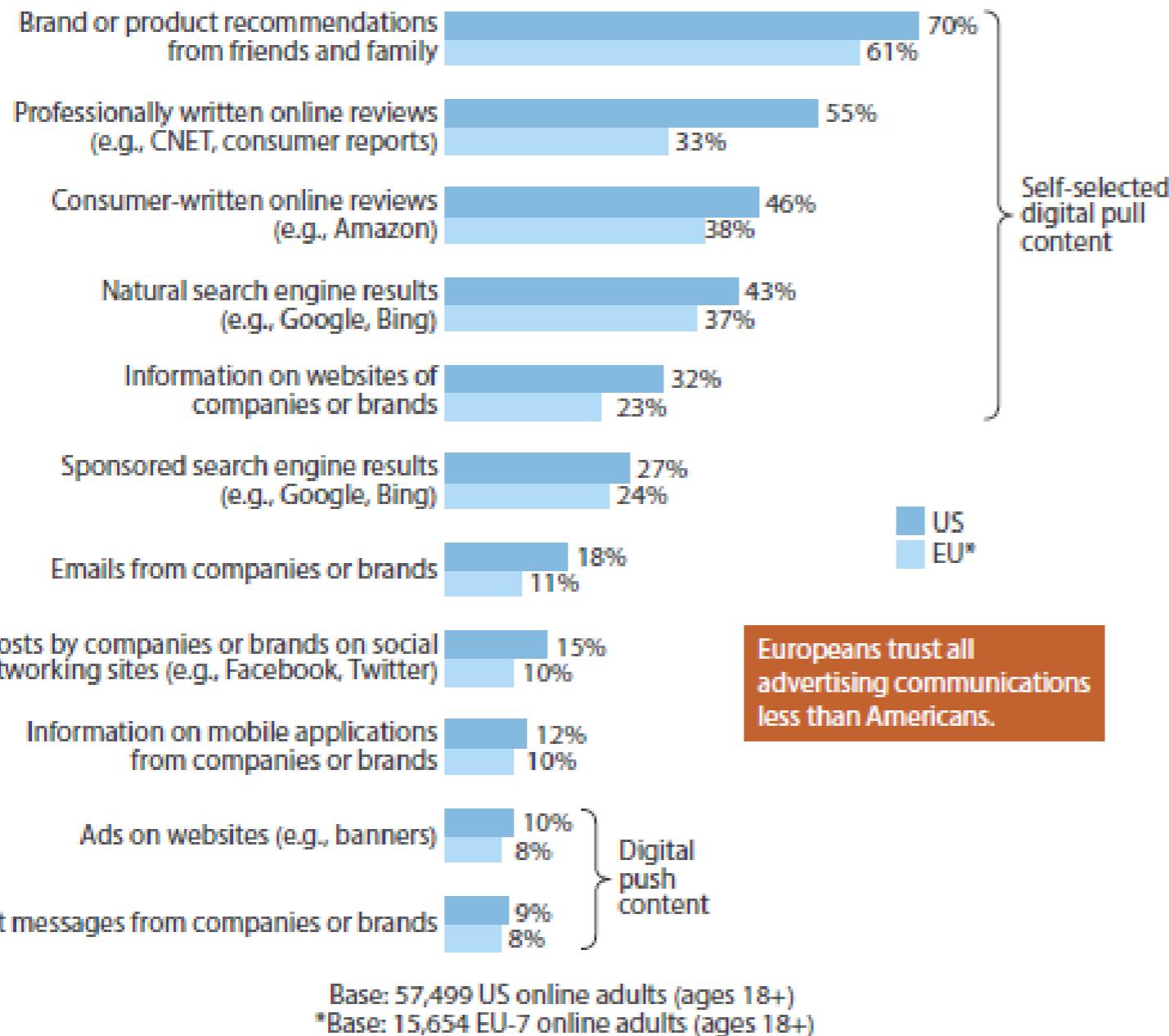
tripadvisor®

Each month, more than 50 million travelers* come to TripAdvisor and use our 60 million reviews and opinions to plan and have the perfect trip. Add your voice to the community!

Who/what people trust

Figure 1 Consumers Trust Self-Selected Content More Than Push Communications

"To what extent do you trust each of the following types of advertising/promotion?"
(4 or 5 on a scale of 1 [do not trust at all] to 5 [trust completely])



Source: Olenski, S. (2013) *Using Branded Content In Your Content Marketing Arsenal.*, Forbes Available at: <https://www.forbes.com/sites/marketshare/2013/03/25/using-branded-content-in-your-content-marketing-arsenal/> [Accessed: 30/11/2018]

Source: North American Technographics® Online Benchmark Survey (Part 1), Q2 2012 (US, Canada)

*Source: European Technographics Online Benchmark Survey, Q3 2012

Influencer Marketing

- **Influencer:** an individual who has above-average reach or impact through word-of-mouth or social marketing.
- Often highly knowledgeable about a specific subject such as food, fashion, beauty or technology.
- Many marketers look to influencers such as celebrities, bloggers or vloggers with huge followings to do brand promotion.
- However, **micro-influencers** can be very effective
 - greater engagement with their audience
 - can have greater impact on attitudinal and behavioural change

REACH

How big is the audience they can speak to?

AUTHORITY

What areas are they an expert in?

ACCESSIBILITY

How personally relatable are they to their audience?



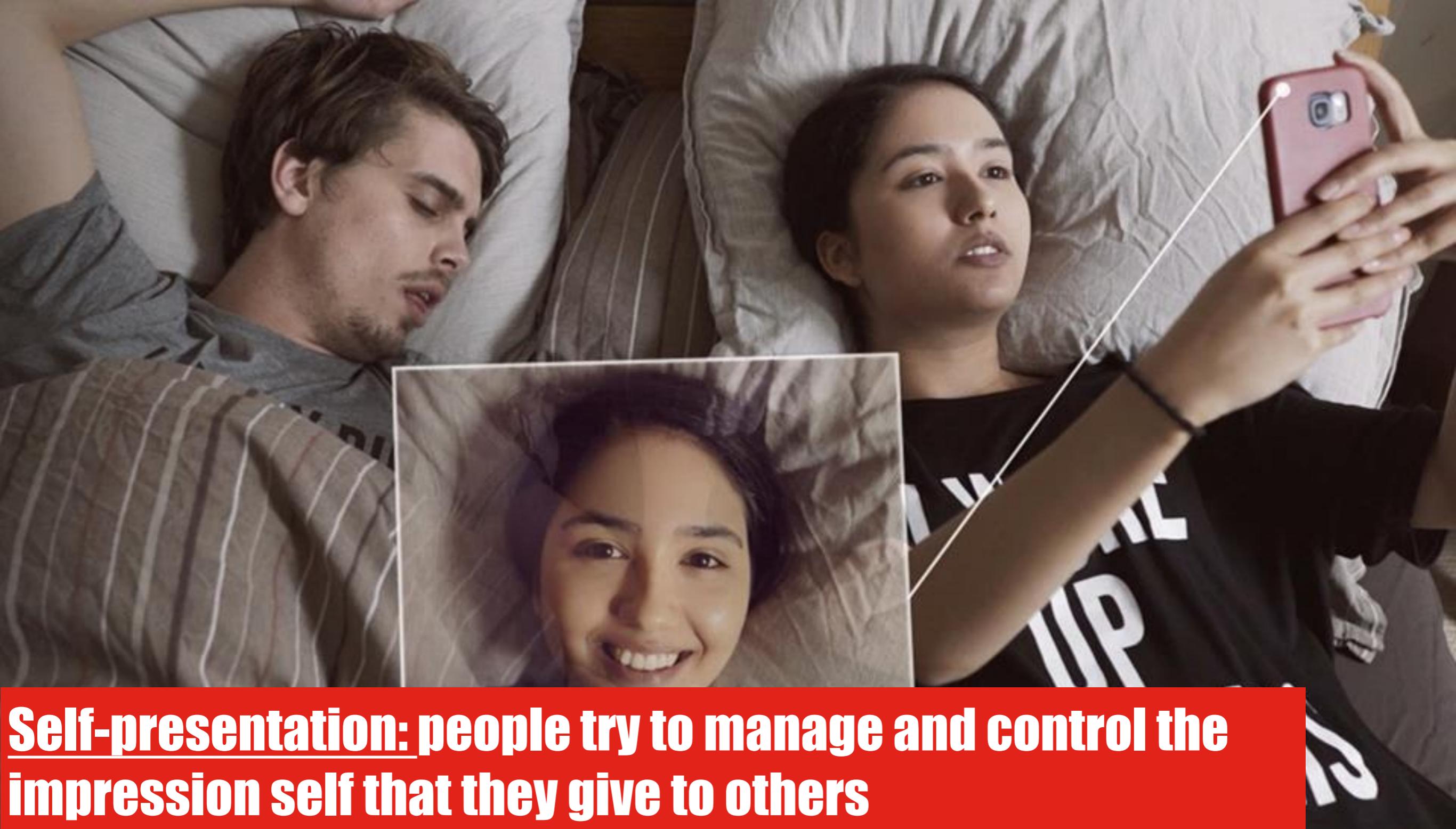
Update Status

What's on your mind?

What's on your mind now?

“Social media is changing how we interact, make decisions and form opinions. As we pin, post and preen our way to an ideal identity online, these personality fragments are forming the new components of a Sharded Self – in which we inhabit as many lives as we like”.

(LS:N Global, 2015)



Self-presentation: people try to manage and control the impression self that they give to others

Multiple audiences

Sophie Gooood morning!!!

#iwokeuplikethis

Last week, how many times did you...

- **Edit** a post (Facebook, Instagram, Twitter, etc.)?
- **Untagg** yourself from an image / post you perceived as undesirable?

The chilling effect: users carefully manage their online personas, constrained by expectations of their audience

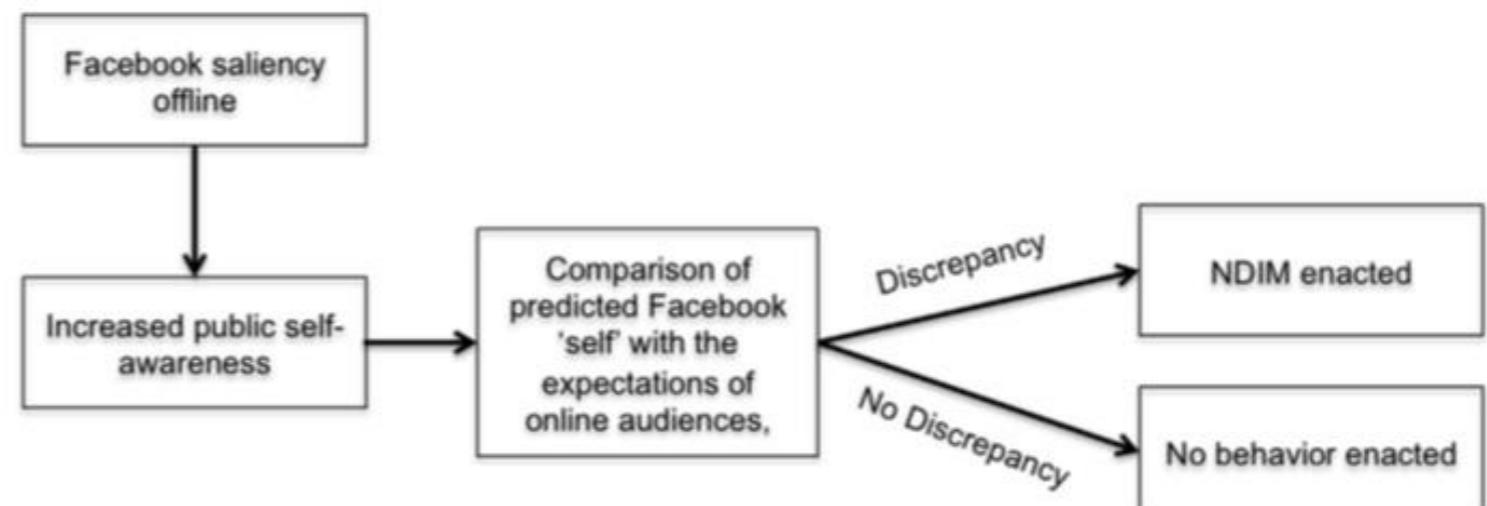
Negatively Directed Impression Management



The EXTENDED chilling effect



- “Surveillance from online audiences not only chills our online behaviour, but in certain circumstances may also have a similar chilling effect on our offline behaviour”.



Source: Marder, B., Joinson, A., Shankar, A. and Houghton, D. (2016) 'The extended "chilling" effect of Facebook: The cold reality of ubiquitous social networking', *Computers in Human Behavior*, 60, pp. 582–592.

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- Baines, P., Fill, C., Rosengren, S. and Antonetti, P. (2017) *Fundamentals of marketing*. Oxford: Oxford University Press.
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- Euromonitor Passport (2018) *Voice of the Industry: Digital Consumer*. Euromonitor Passport
- Kaplan, A.M. and Haenlein, M. (2010) 'Users of the world, unite! The challenges and opportunities of Social Media', *Business Horizons*, 53(1), pp. 59–68.
- Kietzmann, J.H., Hermkens, K., McCarthy, I.P. and Silvestre, B.S. (2011) 'Social media? Get serious! Understanding the functional building blocks of social media', *Business Horizons*, 54(3), pp. 241–251.
- Lee, M. and Youn, S., 2009. Electronic word of mouth (eWOM) How eWOM platforms influence consumer product judgement. *International Journal of Advertising*, 28(3), pp.473-499.
- Lundqvist, A., Liljander, V., Gummerus, J. and van Riel, A. (2013) 'The impact of storytelling on the consumer brand experience: The case of a firm-originated story', *Journal of Brand Management*, 20(4), pp. 283–297.
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