

Digital Marketing 101: Fundamental Concepts of Digital Marketing

Study Guide



Section Overview

Most often, people define digital marketing as the promotion of products and services using digital media rather than a holistic approach covering the customer experience and relationship development and stressing the importance of multichannel integration.

What you should remember here is that “digital marketing” is fundamentally not different from “marketing.” The only difference here is the fact you leverage digital technologies and media to achieve your marketing objectives.

You can use Digital, Online, or Internet Marketing to address the marketing practices. However, at the core, Digital Marketing involves a mix of five main business activities known as five Ps.

You can leverage the digital boom to integrate digitization and the traditional five Ps activities and attract more customers.

Lesson 1—Introduction to Digital Marketing



Objectives and Learning Outcomes

- Define Digital Marketing
- Identify techniques to connect to customers using the five Ps of marketing
- Identify different techniques to acquire customers
- Discuss the customer’s decision journey
- Identify techniques to tune your marketing strategy



Key Takeaways

What is Digital Marketing?

- “The science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and

services." - Dr. Philip Kotler, Kellogg School of Management, Northwestern University

- "Digital marketing" is fundamentally not different from "marketing." The only difference is the fact that you leverage digital technologies and media to achieve your marketing objectives.

Fundamentals of Marketing: The Five Ps of Marketing

- The foundations of marketing haven't changed much. Review your goals based on real-time analytics data.
- Since you want to be customer centric, you put the first P, People, at the center of all your marketing activities.
- The other Ps are Price or Payment, Products, Promotion, and Place.

The Five Ps of Marketing: Price

- In 1999, Amazon pioneered and patented the 1-Click model and optimized the purchase workflow.
- Frictionless payment methods are being adopted.
 - Amazon's 1-Click, Apple Pay, Google's Android Pay, etc. are changing the way you can pay from your mobile phone
 - Subscription model: Where you pay a small amount every month for a product/service that otherwise costs more
 - Internet of Things (IoT): Example: Amazon Dash button, a specialized device connected to the Internet to order the supplies

The Five Ps of Marketing: Product

- Digital is transforming the way you consume different products.
 - Sharing economy: consumers rank and evaluate products, which impact the purchase decision of others
 - Rent vs. Buy: in subscription model, consumers prefer renting over buying products
 - Peer-to-peer economy: consumers become part of product experiment
 - Wearable technology: Example: Google and Levi's are creating clothes connected to the Internet, and you can interact through voice and gesture.

The Five Ps of Marketing: Promotion

- According to reports from eMarketer.com:
 - In 2017, the ad expenditure surpassed TV ad spend for the first time, and the gap is estimated to widen by 10% over the coming years.
 - By 2021, digital will take about 50% of the available budget for promotion.
- Marketers can digitize their promotional strategy and cater to each consumer differently.

The Five Ps of Marketing: Place

- Place in a digital world refers not just to the website and social presence but also to the mobile aspect.
- People use smartphones to:
 - Search
 - Find local businesses, restaurants, and activities

- Do on-spot activities
 - Make purchase decisions/do comparison shopping
 - Make payments
- Advanced technologies:
 - Beacon technology detects consumers entering a perimeter. It also tracks individual consumers as they walk around the store and shop.
 - Programmatic marketing focuses on targeting the right people at the right moment and in the right context (place).

The Five Ps of Marketing: People

- Marketers merge behavioral data collected from the web, mobile apps, social media with “first-party” CRM, sales, and service data for a “360° view of the customer.”
- However, it is impossible to create a perfect picture of customers because of involvement of too many factors and changing consumer landscape.
- Marketers can leverage a comprehensive digital CRM to gather details about their consumers. This will help create consumer profiles so that they can plan their strategy for a personalized treatment of the consumer for either sales or support.

Product and Services Marketing

- Marketing your products is different from marketing your services.
- Services are intangible. They are performed, not produced. They are delivered, distributed, and consumed simultaneously. They are customized, cannot be inventoried, are regulated differently, cannot be returned or undone, and are highly dependent on people.
- There are some differences between product and services marketing, but as a marketer, you still want to ask the right questions such as:
 - Who is the customer?
 - What is the customer's need?
 - Which benefits are to be provided?
 - Which resources are needed?
 - What does the service entail?
 - How will the service be performed?

Acquiring Customers Using Paid, Owned, and Earned Media

- Tactics to acquire customers can be categorized into three groups.
 - Paid Media: Third-party advertising channels where you pay to show your ads to an audience. Example: paid ads on search engines or social media, website banners, sponsored articles
 - Owned Media: Media outlets where you have complete control over the content and features. Example: your own website, social media accounts, mobile apps
 - Earned Media: Other forums where people can talk about you. Example: a blog post, social media, reviews on sites like Amazon and TripAdvisor.
- Understanding the differences between the various tactics is important as it impacts the customers' life cycle and their decision journey.

Defining the Customer Lifecycle

- The classic approach of a customer lifecycle includes the following phases:
 - Attract/Awareness
 - Engage/Consideration
 - Convert/Purchase
 - Retain
 - Advocacy

Ex.

Let's look at an example from the automotive industry:

- Attract phase, as the name suggests, is related to all the marketing activities aimed at making your brand more visible.
- The Engage phase includes the activities visitors do as part of their decision process: read about your product on your site or on others, use a car configuration tool, etc.
- Convert phase is reserved for the activity that most closely sends a signal of business outcome. Typically, that could be an e-commerce transaction, but it can also be a lead finding a nearest dealer, contacting HR for a job, etc.
- Retain phase includes all the things that happen once you are a customer: subscribing to a newsletter, using a knowledge base, requesting support, scheduling a car inspection, etc.
- Advocacy phase includes word of mouth and social media activities conducted by your customers, press reviews, ratings, and similar earned media activities.

- The customer lifecycle will put a name on each of the steps and define a common language with the marketing team and other stakeholders.
- Although this classic marketing funnel approach is sometimes challenged, conceptually, it is still a very important element of marketing.

McKinsey Consumer Decision Journey

- According to McKinsey, 2009, the classic consumer path may not work anymore. It says the path is not linear anymore and is interrupted by triggers or moments.
- A similar concept called Google's Zero Moment of Truth (ZMOT), 2011, states that the consumer decision path is non-linear, multi-channel, multi-device, and interrupted by "triggers" or "moments."

Techniques to Tune Your Marketing Strategy

- Tuning your marketing strategy involves various techniques:
 - Creating personas: To represent the attributes, needs, and wants of your audience
 - Creating segments: To address the right message at the right time, over the right medium, and to the right audience
 - Crafting scent trails: To enable personas to easily find their way toward a goal

Segmentation

- Market segmentation is the process of dividing a broad consumer or business market, normally consisting of the existing and potential customers, into sub-groups of consumers (known as segments) based on some type of shared characteristics.
- The shared characteristics can be the location where customers live or work, demographic attributes like gender and age group, and life events like buying a first car or welcoming a new baby in the family.
- You can divide your segments based on whether your customers use a smartphone or tablet or use other creative ways of segmenting which are relevant to your organization.

Personas

- Personas are fictional characters created to represent qualitative attributes of people's goals, desires, and limitations. They are often used in conjunction with segmentation.
- Personas help understand the objectives, wants, and constraints of buyers, allowing you to adapt your strategies.
- Personas are not a perfect representation of customers but just a representation to highlight and contrast the major attributes.

Scent Trail

- The key to success lies in using techniques that lead visitors down an information "scent trail."
- In 2001, a Xerox Palo Alto Research Center study indicated that humans track information like the way animals follow a scent.
- The scent trail represents the optimal path conversion for a given persona.
- Powered with segments, personas, and scent trails, you can tune your marketing strategy.

Designing for Persuasion

- While creating scent trails and design for persuasion, keep your customers' motivations and satisfaction in mind.
- Balance these factors with your business imperatives to create an outstanding digital experience.
- Concepts of "Designing for Persuasion" are often applied to website design, but these can also be applied to other aspects of marketing such as creating display ads for banners.

Ex.	<p>1. Let's look at an example from Jet Blue, an airline company.</p> <ul style="list-style-type: none"> • Every successful ad campaign contains a clear and compelling call-to-action (CTA), such as "Buy Now," "Book A Flight," or "Request A Quote." • A CTA: <ul style="list-style-type: none"> ○ Tells the user of the next step ○ Should be vibrantly displayed in your content ○ Should have language relevant to your brand, service, or product ○ Should have language unique to your brand or industry ○ Should direct the user to relevant landing pages • Jet Blue used language tailored to their industry and brand, which led to the success of their digital ads.
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Ex.

2. Let's look at an example from BRP Can-Am Off-Road
 - They follow the traditional customer lifecycle (Attract-Engage-Convert-Retain-Advocate), but their reality is closer to McKinsey Consumer Decision Journey.
 - Customers collect information from online and offline sources and compare with competitors including:
 - Paradise Offroad
 - ATV
 - John Deere Gator Atv
 - BRP applies the concept of scent trail early in the user experience.
Example: AdWords campaigns
 - Provide information about nearest dealers
 - Present CTAs like Promotions, Built-in price, Find a dealer, etc.

Lesson 2—History of Digital Marketing

Objectives and Learning Outcomes

- Explain the evolution of Digital Marketing
- Explain the evolution of Social Media Marketing
- Discuss the marketing technology landscape



Key Takeaways

Evolution of Digital Marketing

- **1980**
 - The beginnings of digital marketing technology can be traced back to the 1980s, when computers became sophisticated enough to store huge volumes of customer information.
 - The shift in technology corresponded with a shift in mindset from pushing product to “relationship marketing,” which prioritized customer connections. Marketers abandoned their limited offline techniques like list brokering in favor of database marketing.
 - By 1986, ACT! a contact and customer management company, introduced the first database marketing software to the business world. It was essentially a digital rolodex, but could store large volumes of customer contact information.
- **1990**
 - By 1995, there were about 16 M Internet users.
 - By 1998, users spent at least 30 minutes a day on the Internet.
 - CRM software, a system for tracking interactions with current and future customers, exploded in the 1990s.
 - In its earliest form, CRM, then called Sales Force Automation or SFA, automated the features of database marketing, including interaction tracking and inventory control, providing companies with more useful customer information.

- In 1994, the first ecommerce transaction took place.
- In 1999, the crowded CRM landscape consolidated significantly, thanks to a number of high-value acquisitions. With the birth of the Internet, emerging eCRM vendors, which allowed marketers to support vast amounts of customer data online, maximized the competition in the landscape.
- Instead of feeding information into a static database for future reference, eCRM players in the dotcom era allowed marketers to continuously update customer understanding of their needs and prioritize their experience.
- **2000**
 - In 2000, there were about 558 million Internet users worldwide.
 - On March 10, 2000, the dotcom bubble hit its peak and then burst.
 - By the mid-2000s, digital behavior changed the power dynamic between buyer and seller dramatically. Users began researching products and making decisions about them online and on their phones, before ever talking to a salesperson.
 - 2004: Google went public; Facebook went live.
 - 2005: YouTube was launched.
 - 2006: Twitter was launched; Amazon sales reached \$10b.
 - 2006: Split testing was introduced.
 - 2007: iPhone was born. Marketing companies like Marketo, Pardot, and Act On offered a solution to this conundrum: marketing automation.
 - 2008: Spotify was launched; Groupon went live.
 - Marketing automation, which enabled marketers to launch multi-channel campaigns, segment their audiences, and serve up highly personalized content, was an attempt to get a handle on the Wild West of the Web. It was the first technology built by marketers for marketers rooted in digital.
 - Though marketing automation was an important development, it couldn't adapt fast enough to the exponential evolution of consumer channels and devices.
 - Social media, for example, was still in its infancy in the mid-2000s. Marketing automation did not plan for social to emerge as one of the leading marketing outlets of the 21st century.
 - To meet the channel-specific needs of marketers, new, highly-specialized software companies began popping up. By the end of the decade, the marketing technology landscape mushroomed. By 2010, marketers had software solutions available for social, mobile, search, and analytics. But this proliferation of choices wasn't without its consequences.
- **2010**
 - Internet users were spending about 11 hrs on the Internet daily.
 - Over the past decade, consumers have transformed from being "tech-savvy" to "tech-dependent." And as a result, they expect a seamless user experience from brands across every device and every digital channel. This expectation has prompted both a diversification of marketing technology and a consolidation of it.
 - 2011: web usage overpassed TV viewership among youth.
 - Marketers were plagued with a paradox of choice. Despite the slew of solutions at their disposal, they're more stumped than ever over what tools to incorporate into their marketing technology stack, why they're important, and how to organize internally around

technology to deliver meaningful results.

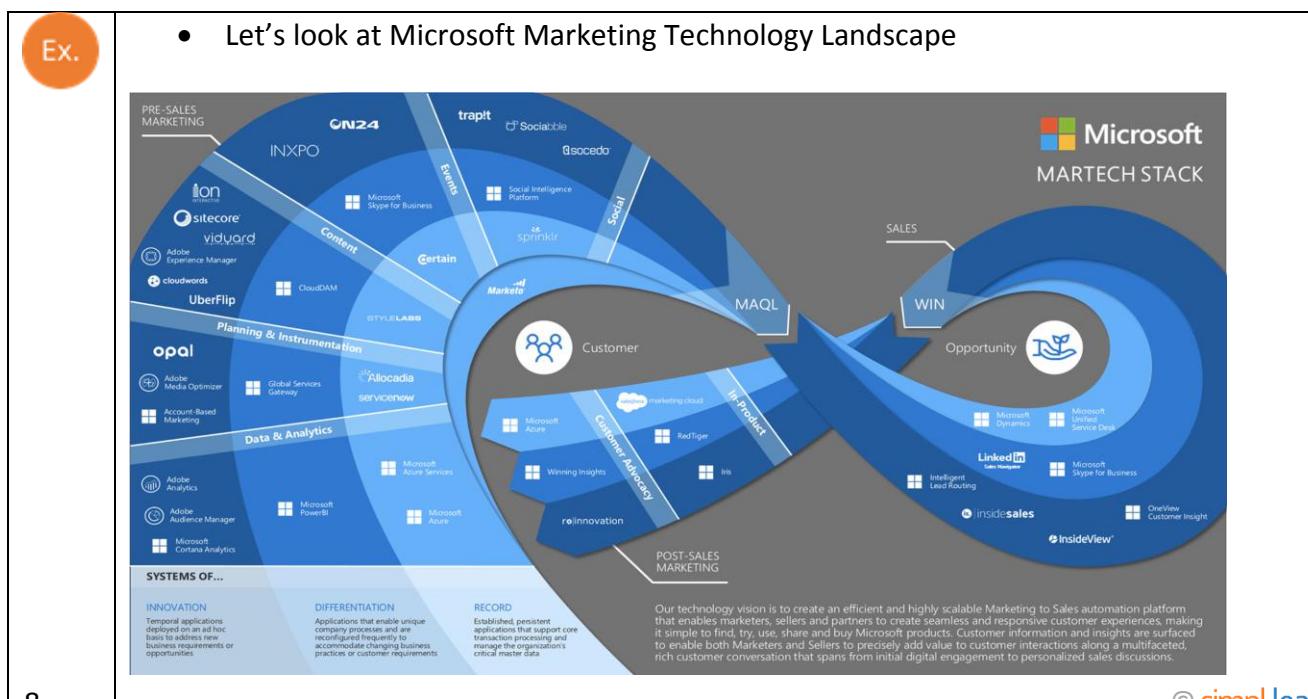
- 48% of marketers felt highly proficient in digital marketing.
 - 68% of marketers felt more pressured to show return on investment on marketing spend.
 - Only 40% of marketers thought their company's marketing is effective.
 - 2014: mobile exceeded desktop internet usage.
 - 2015: there was a steady growth in predictive analytics, wearables, and content marketing.

Evolution of Social Media

- Most of today's social media stems from a few core technologies, such as chat, newsgroups, and file sharing, that have been repackaged with a better user experience and enhanced with more intelligence (through Big Data artificial intelligence and machine learning)
 - Many players are integrating the social aspect into their offering and creating a unique brand experience.

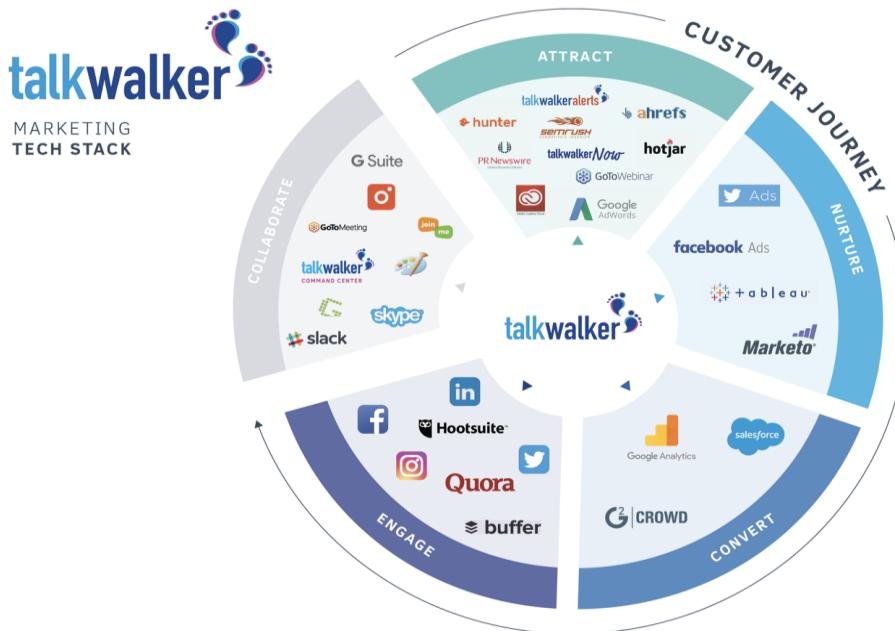
Marketing Technology Landscape

- Data, technology, and changing consumer expectations are shaping the marketing mix.
 - The advancement of so many transformative new technologies over the last five to ten years is shaking up the modern marketing world. Disruption is taking place everywhere, from wearable technology to chatbots and mobile payment apps.
 - All these technologies have the potential to give marketers new opportunities to meet and surpass consumer expectations.
 - Many businesses are struggling to keep up, and it's therefore interesting to take note of the innovations making the biggest impact.
 - Chiefmartec.com has been keeping track of the marketing technology landscape for several years
 - As a marketer, understanding the “technology stack” is critical if you want to make the most of the tools and technologies you have at your disposal.



Ex.

- Let's look at TalkWalker Marketing Technology Landscape



Lesson 3—Developing and Nurturing a Digital Culture

🎯 Objectives and Learning Outcomes

- Identify the need for nurturing digital culture
- Discuss digital marketing and analytics maturity
- Identify a simple workflow to manage your marketing and analytics priorities
- Explain how product thinking brings success in marketing strategies
- Explain how to change your organization into a customer-centric organization

💡 Key Takeaways

Attributes of a Digital Culture

- Collaboration between employees is enhanced not only with collaborative tools but also with customers who can contribute and participate more actively in the conception and improvement process.
- Employees know what decisions they are empowered to take and what rationale is required of them.
- There are different levels of openness, from blogging and employee contribution to social media outreach, down to open data and visibility of leadership and decision-making.

- Customer centricity also necessitates a balance between customer needs and organizational needs.
- Customer needs should be considered regardless of their particular touchpoint and with an understanding of long-term customer value.
- Craft and development pertain to how employees' contributions are valued and their skills are developed.

Barriers to Adopting a Digital Culture

- Slow or stalled decision-making caused by internal politics, competing priorities, or attempting to reach consensus
- Inability to prove business value of digital through traditional ROI calculations, resulting in lack of senior management sponsorship
- Too much focus on technology rather than willingness to address deep change and rethink how people work
- Lack of understanding operational issues at the decision-making level and difficulties when going from theory to practice
- Fear of losing control by management or central functions, and fears that employees will waste time on social platforms

Overcoming the Barriers

- Corporate culture varies a lot by organizational size, industry, geographic and cultural norms, startup or long-established organization
- Most of the times, even with sclerosed organizations, you can see flexible and agile teams striving to make a difference, and marketing is often one of those teams.
- Work cultures can either accentuate or alleviate the following obstacles:
 - Strong, shared sense of purpose vs. weak, inconsistent sense of purpose
 - Freedom to experiment vs. absolute compliance with rules and processes
 - Distributed decision-making vs. centralized, hierarchical decision-making
 - Open to the influence of the external world vs. internally focused and closed to the external world

Digital Marketing and Analytics Maturity

- The Digital Analytics Maturity Model, developed by Digital Analytics Industry Thought Leader Stéphane Hamel in 2009, is a framework that helps organizations assess their current situation and provide a structured, actionable path toward improving competence at leveraging data and analytics for enterprise-wide business decision-making.
- It provides an unbiased and easy-to-understand representation of an organization's expectations of and commitment to marketing and analytics infrastructure and initiatives.
- From objectives, scope, and resources to methodology, tools, and management, the model will illustrate whether an organization is engaged in the critical data-gathering and customer insight-sharing activities required for the business's success.
- This model helps to:
 - Identify strengths and weaknesses

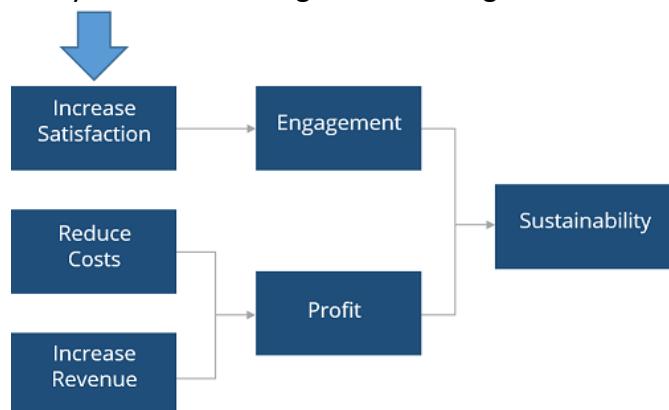
- Create a roadmap of achievable improvements
- Aim to balance all key areas
- Provide management with a powerful communication tool
- The Digital Analytics Maturity Model includes:
 - Governance, culture, and adoption
 - Scope and objectives
 - Team and expertise
 - Continuous improvement process and methodology
 - Tools, Data, and Technology

Continuous Process and Improvement Methodology

- Benchmark data collected from the digital analytics maturity self-assessment tool revealed the simple truth that marketers and analysts need a simple workflow with well-defined tools and techniques to measure and repeat success, while learning what doesn't work.
- The Lean Six Sigma methodology is well documented and plenty of training is available. It is taught in multiple university programs, and there are plenty of resources available to learn about it.
- The term "increase velocity" refers to the process of reducing the time between the moment a problem is identified and solved or the moment an opportunity arises and the moment you can capture it.
- The Lean Six Sigma methodology begins with Define: define what success looks like, define the problem, define the opportunity.

Product Thinking: The Ultimate Goal

- Ultimately, there are only a few valid end goals for an organization of any type, size, or industry.



- A real business objective is not channel-specific nor marketing/function-centric.
- It is difficult to define objective which is SMART:
 - S – Specific
 - M – Measurable
 - A – Achievable
 - Realistic
 - Time-bound
- A simpler approach called "product thinking" can be used.

Defining Business Objectives through Product Thinking

- “How you measure success depends on how you define success.” Any successful marketing campaign should start with a well-defined objective.
- At the same time, companies pride themselves to be “customer centric” but often fail to put the user first.
- Using the concept of “product thinking,” you have a simple approach which will lead to clearer business and marketing objectives, along with measurable outcomes.
- Product thinking is problem-solving.
 - You put the users first, and then you’re ready to see if you can solve the problem for them.
 - At this point, you know the audience and the call-to-action, and you should be able to identify the desired outcome.
 - You know the business goal and can easily identify how to measure success
- Product thinking is an approach used in user experience design, often by startups, to design new service-based solutions and mobile applications. The same concept can easily be adapted to define relevant business objectives as a replacement/evolution from SMART Objectives.

Changing the Organizational Culture

The actions to be taken by organizations to change their culture are:

- Adopting employee-centric and customer-centric approach
- Following meaningful customer service values
- Empowering employees
- Providing employees a sense of accountability
- Demonstrating active leadership

Ex.	<u>L'Oréal Digital Transformation Journey:</u> <ul style="list-style-type: none">• For L'Oréal, digital transformation has not only been felt in product development; the changing relationship with their consumers is a central focus of their digital efforts. Digital technology has opened up many opportunities to interact and connect with their consumers. This personal approach to consumer communication has changed the way L'Oréal markets.• Marie Gulin-Merle, CMO of L'Oréal USA, highlights three key areas of digital transformation:<ul style="list-style-type: none">○ Make it personal - The best and most memorable experiences are the ones that feel personal. Find ways to be relevant and assistive to individuals in their moments of need.○ Harness the power of data - Your customers are leaving digital footprints every time they search or watch a video. These actions contain powerful insights, which can be used to predict customer needs and inform your marketing strategies.○ Reimagine storytelling - Test new creative ways to tell stories to better engage mobile consumers.
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Dos and Don'ts of Digital Marketing

The Dos of Digital Marketing:

- Advertise wisely and think holistically
- Be genuine and nurture your social presence
- Leverage “product thinking” through minimum viable product
- Focus on mobile and tablet traffic
- Use analytics to measure marketing efficiency and business outcomes

The Don'ts of Digital Marketing

- Interrupt the user experience (popups)
- Purchase email lists (spam)
- Gate content
- Fake “live” events
- Autopost across several social outlets
- Adopt “gut feel” management approach

	<p>PortableNorthPole.com</p> <ul style="list-style-type: none">• The Portable North Pole is a Montreal-based small startup with a mission: bring joy to kids (and grown-ups!) with personalized Santa Claus and other characters' messages delivered in full HD video.• Web-based and mobile-based• Very short marketing window during December, and it's over in early January• Highly digital approach such as paid search, banners, remarketing, word of mouth through social, and nurturing previous-year clients to grow share of wallet• Target audience includes parents and their children• Other personas include spouses, colleagues, and friends.
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Lesson 4—Where is Digital Marketing Headed?



Objectives and Learning Outcomes

- Identify the impact of Digital Marketing
- Compare Brand Marketing with Direct Response Marketing
- Identify the fading and emerging marketing concepts



Key Takeaways

Impact of Digital Marketing

- The advent of digital marketing changed the assets used by companies to reach and talk to their audience. The assets include:

- Your website
 - Blog posts
 - Ebooks and whitepapers
 - Infographics
 - Interactive tools
 - Social media channels
 - Earned online coverage
 - Online brochures and lookbooks
 - Branding assets
- It also opened a number of new tactics with an unprecedented level of data and measurability. These tactics include:
 - Search Engine Optimization (SEO)
 - Content Marketing
 - Inbound Marketing
 - Social Media Marketing
 - Pay-Per-Click (PPC)
 - Affiliate Marketing
 - Native Advertising
 - Marketing Automation
 - Email Marketing
 - Online PR
- The new tactics empowered organizations to measure their audience (website traffic), see which language resonates the best and lead to an increase in desired business outcomes, and even attribute the outcomes back to the assets and tactics that work the best.

Brand Marketing vs. Direct Response Marketing

- Direct Response marketers strongly believe that there is one way to communicate with an audience, that is, to make an offer.
- Direct Response = Response Rate (Clicks, Sessions, etc.) and Conversion Rate (Transactions, Revenues, etc.)
- Another way to view is to compare “upper” vs. “lower” funnel.
- Brand Marketers understand and believe that branding, public relations, social media, and other forms of marketing communications can be measured through Response and Conversions, but because their goals and objectives are often very different than producing direct response sales, they never compare positively.
- Brand Marketers measure “awareness,” which aids in conversion but doesn’t necessarily produce it. Brand marketing can also have the goals of reputation management, customer service, community engagement, advocacy, and more.
- Direct marketing without brand marketing is less efficient. It’s a matter of analyzing direct marketing’s conversion rates with and without brand marketing.

Ex.	For example: <ul style="list-style-type: none"> ● You might have a paid media campaign to increase awareness of your brand (brand marketing).
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	<ul style="list-style-type: none"> • A customer visits your site and browses for some products but does not purchase. • You use a retargeting campaign (paid media) to drive this person back to the site with the objective of subscribing to your newsletter (direct response). • You know from previous analysis that subscribers to your newsletter (owned media) are more likely to visit your physical store when offered a discount on an item which is complementary to the category they initially looked at (direct response and offline conversion with a coupon that has a unique trackable code tying back to this specific customer). • In this scenario, several tactics are used as part of the marketing mix, and the reality of online/offline consumer experience is leveraged.
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Old Concepts and Fading Techniques

Some of the old concepts and fading techniques are replaced as follows:

Old Concepts	New Concepts
Brand awareness	Conversion Optimization
Broadcast	One-on-one marketing
Marketing blast	Marketing automation
Push	Pull marketing (self-service)
Measuring visits	Measuring users
Banner ad efficiency	Better segmentation
Long planning cycles	Agile management
Web analytics	Analytics

New Trends in Digital Marketing

According to Forbes, some of the new trends in digital marketing include:

- Focus on the complete customer journey experience across all touch points and for the whole customer lifetime
- Measurement with a purpose
- The rise of the “marketing technologist,” “data scientists,” and senior role “Chief Marketing Technologist”
- Personalizing everything
- Better and more video, especially immersive and of high quality
- Respectful social media marketing (no more shouting on every channel!) and shift toward sales and service
- Embracing the IoT, such as beacons, sensors, edge devices, TVs, clothes, but being wary of abuses!
- Chatbots and AI going mainstream with preemptive services, automations, and ways to guide consumer behavior
- Right-time marketing: the right person, the right channel, the right moment (event), the right answer
- Leading the digital transformation campaign within the organization by demonstrating how it affects the customer experience

Ex.

- Navdy.com is a California-based startup offering a Head-Up Display for cars, which is an IoT device that connects to car sensors and provides voice recognition, camera, gesture control, GPS, and a lot more.
- They started with no Internet presence and gradually cranked up their marketing through a mix of branded and direct-response offline and online campaigns, PR, paid search, SEO, banners, remarketing, social presence and ads, etc.

Lesson 5—Global Impact of Digital Marketing?

Objectives and Learning Outcomes

- Identify the best governance styles for your organization
- Discuss various techniques to enhance the effectiveness of your digital marketing team

Key Takeaways

Governance Styles

- Organizing for digital needs to fit the way your company is structured into shared, mature functions like HR, Finance, and IT.
- You usually see a progression, where digital starts from the edges of an organization (as opposed to a top-down, CMO/CEO mandate).
- This progression is characterized by limited point-to-point connections between groups involved in digital marketing campaigns, but without a single team acting as the “center of gravity” for digital business practices.
- Over time, many organizations start ad-hoc often due to the lack of a senior leader accountable for social media; they then migrate to a centralized model to control organic growth—which might have the undesired side effects of over-control, a slower pace, and rogue initiatives. They finally move to a Hub and Spoke model, once an enterprise-level strategy and governance system are in place that give Spokes the autonomy to apply digital to their area.
- Company Culture and Risk Tolerance—A company culture that is risk averse, such as financial services and healthcare, is more likely to be organized as centralized, while organizations which are more accepting of risk are willing to organize around a hub and spoke model, which grants autonomy to business units/functions.
- Even in the case of risk-averse organizations, you see an eventual migration to hub/spoke, but it takes time to build governance practices.
- Even after considering these factors, know that your organization will evolve as your digital business matures and confidence to grant autonomy to departments outside the digital team grows.

Digital Marketing Center of Excellence: Evolution

DCoE is an organizational design approach which:

- Maximizes potential opportunities
- Encourages adoption of best practices

- Educates business stakeholders
- Provides technology and insight

Phase 1:

Introduction to Standard Governance Processes

- Establish fundamental policies
- Set measurable standards
- Define basic procedures
- Implement initial governance process

Phase 2:

Product and Test Infrastructure Utility

- CE functions as a shared service
- It consolidates costs of procuring, setting, and maintaining enabling capabilities
- It focuses on achieving training and certification

Phase 3:

Service Utility

- CE acts as a central source of service and expertise for the entire organization
- It includes domain-specific expertise and shared services teams for specialized activities

Phase 4:

Innovation Authority and Flexible Resource Pool

- CE functions as a service to business teams
- It offers resources, methodologies, tools, expertise, governance, and cross-functional analytics experts

Marketing Activity: Taxonomy

Campaign:

- Is theme-based
- Focuses on customer needs
- Provides Solutions
- Is industry-specific

Program:

- Reputation management
- Demand creation
- Sales enablement
- Market intelligence

Tactics:

- Paid Search
- Display
- Email

- Social

Playbooks

- Activity
- Process
- Best practices
- Measurement strategy
- Campaign-naming convention

Ex.	<p>Pharmaceutical Company</p> <p><u>Context:</u></p> <ul style="list-style-type: none"> • Global organization with hundreds of drug brands, localized for each region and market • Management is very sensible and aware of privacy implications in this industry • Local marketing teams work with local agencies, potentially using different marketing technologies <p><u>Approach:</u></p> <ul style="list-style-type: none"> • The brand guidelines were already defined at the HQ level. • A central team was tasked to define global-level KPIs, tracking requirements and reporting structure. • Later, a Hub and Spoke model naturally emerged, allowing the local marketing team to comply with HQ requirements while having the flexibility to improve and extend the minimal set of requirements. • Deploying at such a large scale had to begin with a “minimum viable product.” Attempting to impose rigid requirements and implement complex requirements would have alienated the remote teams and led to the natural tendency to bypass HQ standards.
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Roles and Responsibilities

A responsibility assignment matrix (RAM), also known as RACI matrix or linear responsibility chart (LRC), describes the participation by various roles in completing tasks or deliverables for a project or business process. It is useful in clarifying roles and responsibilities in cross-functional/departmental projects and processes.

- **Responsible** is assigned to those who work toward achieving the task. There is at least one responsible role, although others can be delegated to assist in the work required.
- **Accountable** (also Approver or final approving authority) is the one ultimately answerable for the correct and thorough completion of the deliverable or task, and the one who delegates the work to those responsible. In other words, an accountable must sign off (approve) work that responsible provides. There must be only one accountable specified for each task or deliverable.
- **Consulted** (sometimes Consultant or counsel) are those whose opinions are sought, typically subject matter experts, and with whom there is two-way communication.

- **Informed** (also Informee) are those who are updated on progress, often only on completion of the task or deliverable, and with whom there is just one-way communication.

Ex.	<p>Media Company</p> <p><u>Context:</u></p> <ul style="list-style-type: none"> • Local media player with dozens of websites covering news, automotive, sports, and so on • “Product owners” were left to define their marketing strategies and use whichever KPIs and analytics they pleased, leading to a mixed level of interest and maturity toward digital marketing and analytics. <p><u>Approach:</u></p> <ul style="list-style-type: none"> • The newly appointed VP of Marketing gave some time for teams to come up with their recommended KPIs and requirements. • Seeing this wasn’t working, the manager eventually imposed a solution and requested a clearly defined set of KPIs to be delivered on a weekly basis. • The level of maturity quickly increased under his management, but when he got promoted to a different role in the organization, teams eventually dropped down to a lower maturity level—they had lost their executive sponsor, their “Champion.”
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Ex.	<p>Red Bull</p> <ul style="list-style-type: none"> • Red Bull manages its brand to perfection and leverages digital marketing and social media. • It does a great job with global marketing that many Americans assume it’s a local brand. <p><u>Strategies Used by Red Bull:</u></p> <ul style="list-style-type: none"> • It hosts extreme sports events all over the world. • Digital economy, social media, and digital marketing have helped Red Bull make its mark.
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