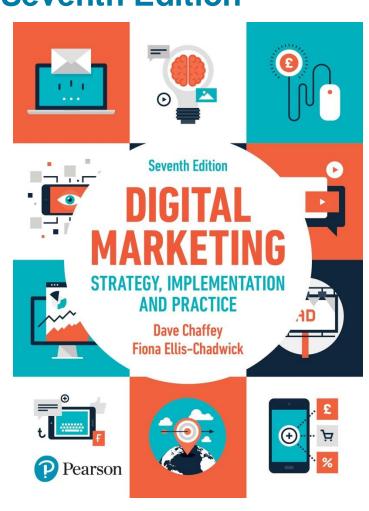
### DIGITAL MARKETING

## STRATEGY, IMPLEMENTATION AND PRACTICE Seventh Edition



### Part 1

Digital marketing fundamentals

### Chapter 2

Online marketplace analysis: micro-environment

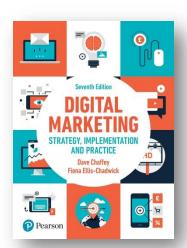


## Chapter 2 - Online marketplace analysis: micro-environment



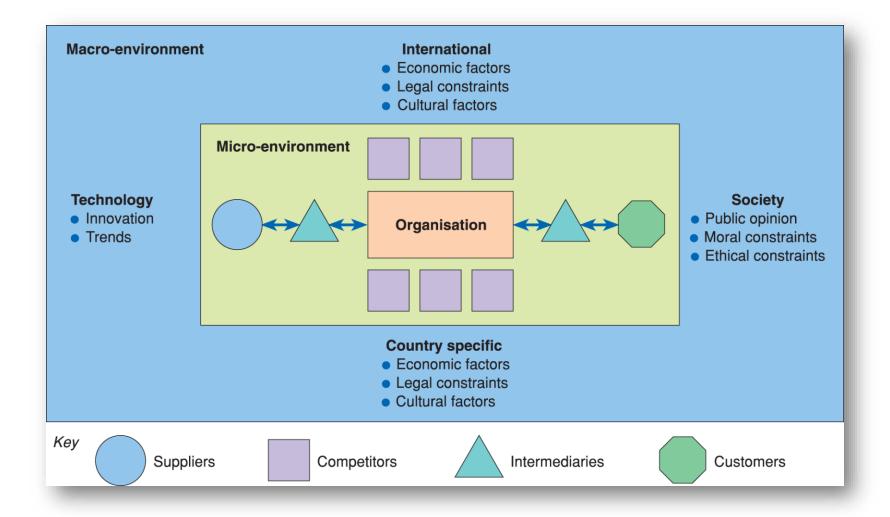
### **Main Topics:**

- Situation analysis for digital marketing
- Digital marketing environment
- Understanding customer in digital markets
- Consumer. Choice and digital influence
- Customer characteristics
- Competitors
- Suppliers
- New channel structures
- Digital business models for e-commerce





## Situation analysis for digital marketing





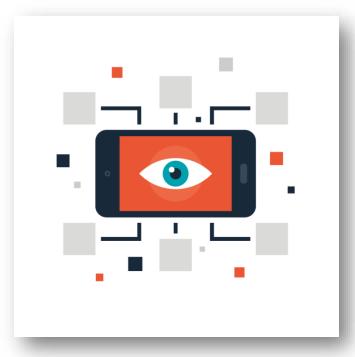
## Understanding customer in digital markets

Customer segments

Search intermediaries

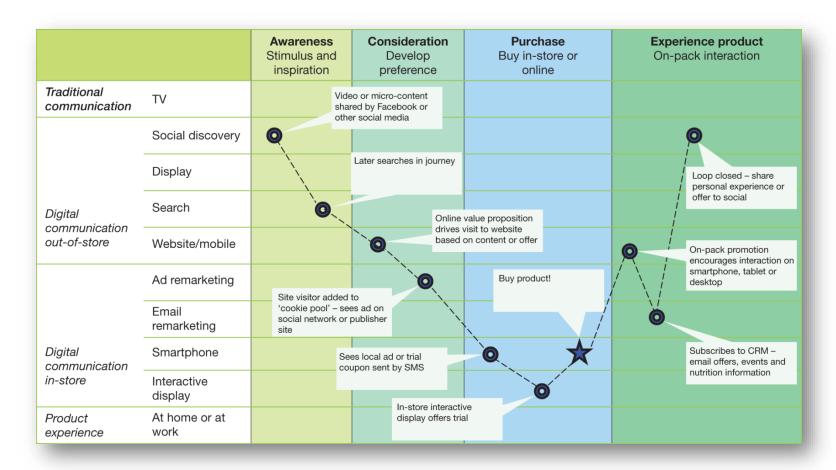
Intermediaries, influencers and media or publisher sites

Destination sites and platforms



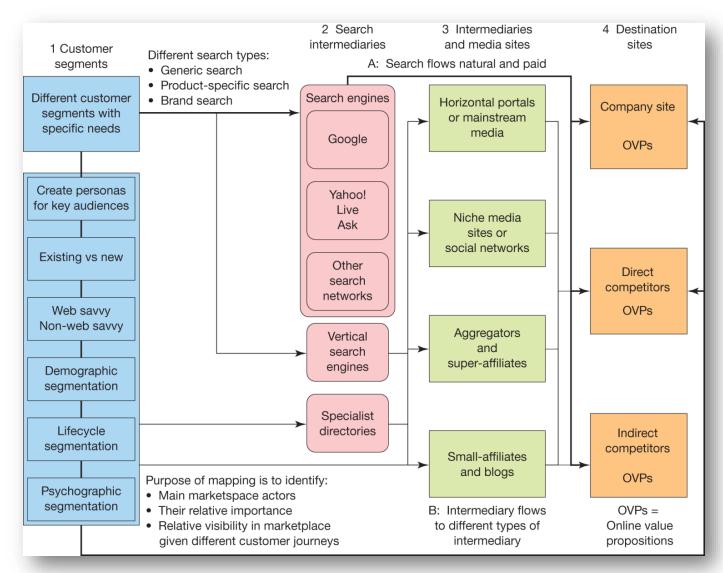


## Figure 2.2 An example of a customer journey map



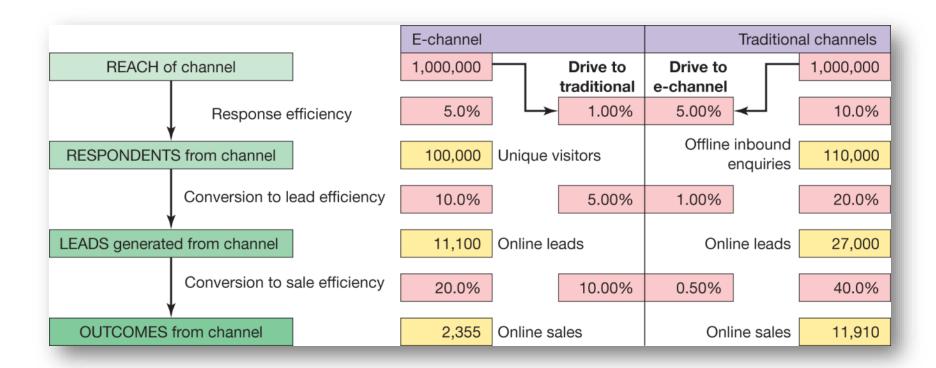


## Figure 2.3 An online marketplace map





# Figure 2.4 Model Showing conversion between the digital channel and traditional channels during the buying process





## Consumer choice and digital influence

### Customer characteristics:

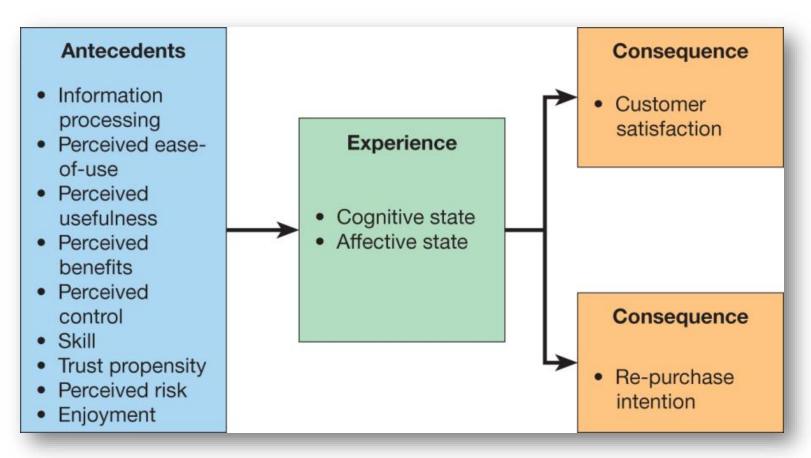
- Demographic variables
- Psychographic and behavioural variables

Social media and emotions Consumer Personas The buying process





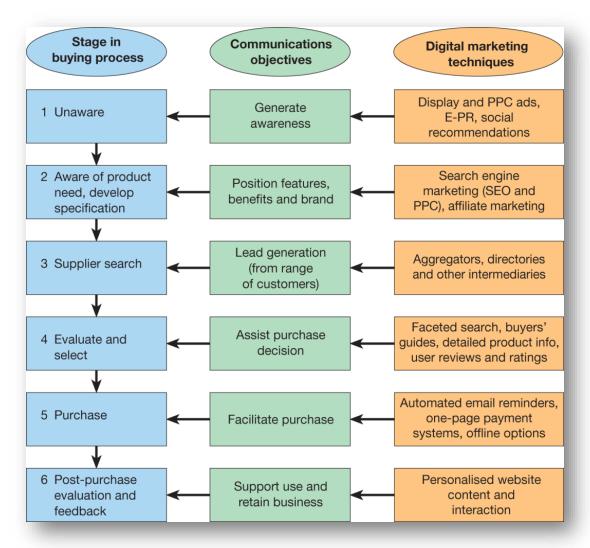
## Figure 2.9 Framework for understanding online customer experiences



Source: Rose and Hair (2011)



## Figure 2.10 A summary of how digital media can impact on the buying process in a new purchase





## **Competitors**

The shape and nature of online competitive markets Competitor analysis and benchmarking





## **Suppliers**

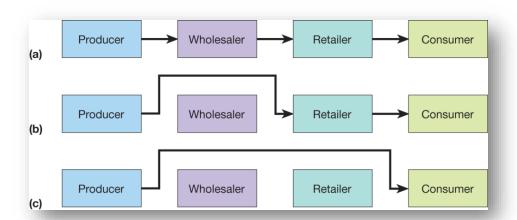
Digital marketing intermediaries

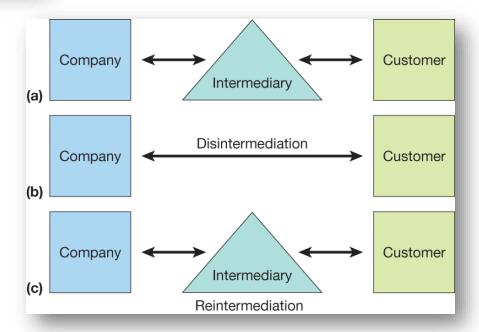
Online intermediary sites





### **New channel structures**







## Digital business model for e-commerce

#### **Business model summary**

Created for: SmartInsights.com Bv: Dave Chaffev Date: 1st May 2013 Version:1.0

#### **KP**: key partners

- Experts sector specialists
- Marketing agency and freelancers
- Online Publishers
  e.g. iMedia Connection
- Publishing/conference organisers
- Industry influencers and bloggers
- Trade organisations e.g. www.theidm.com

#### KA: Key activities

- Content creation
- Experience creation
- Service promotion
- Sales maximisation

**KR: Key resources** 

Development X2

Marketing X1

Content creation X2

#### VP: Value proposition

- Help businesses grow value by improving cross channel marketing communications using recommendations from ebooks, courses and software
- Support individual learning and development
- Deliver specific consulting or training advice or mentoring

### **CR: Customer** relationships

- Self-service
- Dedicated mentoring and consulting
- Co-creation blog posts and forum

#### CS: Customer segments Businesses wanting to improve their returns from marketing

#### Role:

- Company owners
- Marketing managers
- Digital marketing managers
- Consultants

#### C: Channels

- Search marketing
- Email marketing
- Partner arrangements
- Social media marketing
- Paid advertising

#### Company type/sector

- Consultant
- Business type
- Agency
- B2B
- Ecommerce/retail
- Not-for-profit

#### C: Cost structure

Fixed costs

- Salary
- · Hosting and software costs

#### Variable costs

- Content creation
- Agency marketing fees
- Adverstising fees

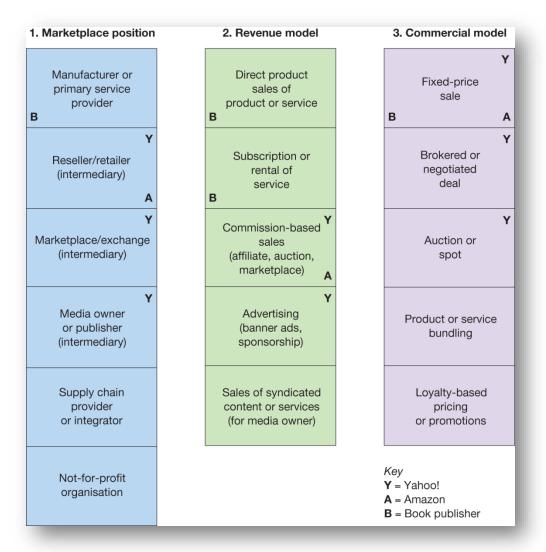
#### RS: Revenue stream

- Annual subscription to companies and individuals
- Individual product purchase
- Ad revenue
- Consulting and training (direct and affiliate)
- · Licensed contact revenue

Source: SmartInsights.com with permission.



## Figure 2.15 Alternative perspectives on business models





## Case study; Boo hoo – learning for the largest dot com failure

#### Questions

- 1) Discuss which strategic market assumptions and decisions led to Boo.com's inevitable failure?
- 2) Compare and contrast the marketing strategy of Boo.com with successful online travel and leisure retailer lastminute.com. Suggest what made the difference between success and failure
- 3) Use the framework of the marketing mix to appraise the marketing strategy and tactics of Boo.com
- 4) In many ways the vision of Boo's founders was 'ideas before their time'. Give examples of e-retail techniques adopted by boo.com that are now common place.

