
Introduction to Digital Marketing

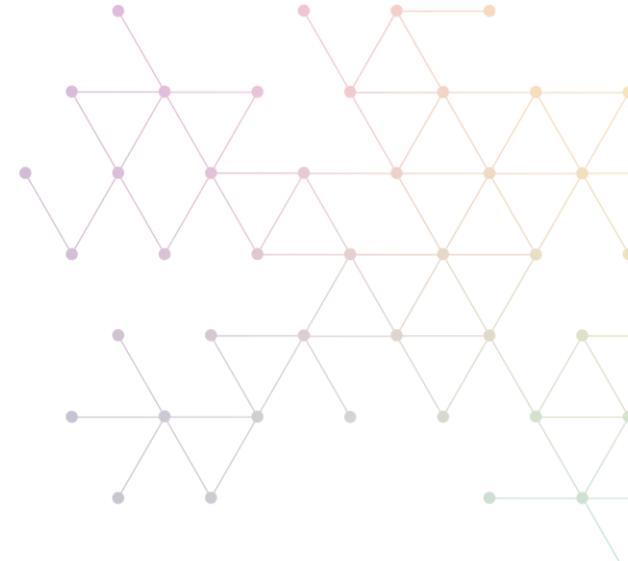
2. Setting a strategy

Digital Strategy

Professor

School

Digital Marketing



Learning Objectives

- Recognise the role of marketing strategy and digital strategy
- Apply the different steps of the digital marketing strategy development process
- Present a global view of the strategy using the Canvas Model



Topics

- Digital marketing strategy development process
- Evaluate digital marketing performance
- Assess online marketplace
- Set digital marketing strategic objectives
- Define segments
- Define online customer value proposition
- Define digital marketing strategy
- Digital relationship marketing
- Digital marketing-mix
- Digital marketing experience
- Measure and control
- Digital strategy global view
- Bibliography

“Either you have a strategy or you are part of someone else's strategy.”

Alvin Toffler



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Digital marketing strategy development process



What is marketing strategy?

“The marketing strategy is the way in which the marketing function organises its activities to achieve a profitable growth in sales at a marketing mix level (...).”

“A marketing strategy may be defined as a plan (usually long term) to achieve the organisation’s objectives as follows (...).”

(Kotler, 1997)



Digital marketing strategy

“A digital marketing strategy is needed to provide consistent direction for an organisation’s online marketing activities so that they integrate with its other marketing activities and support its overall business objectives.”

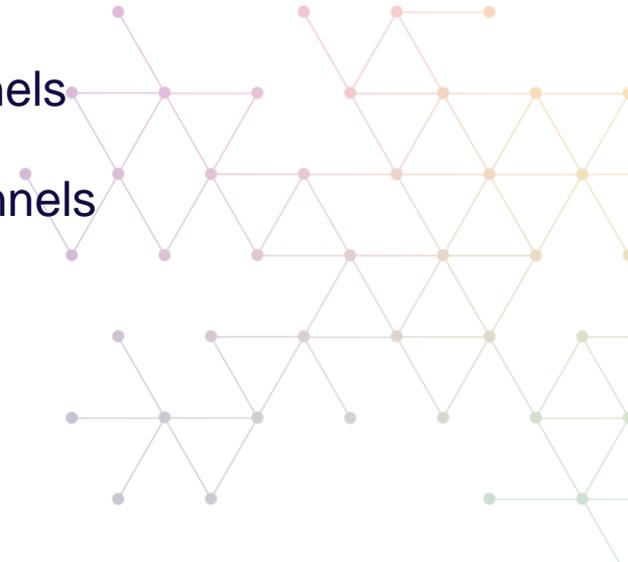
(Chaffey, 2006, p. 178).



Digital marketing strategy

The digital marketing strategy defines:

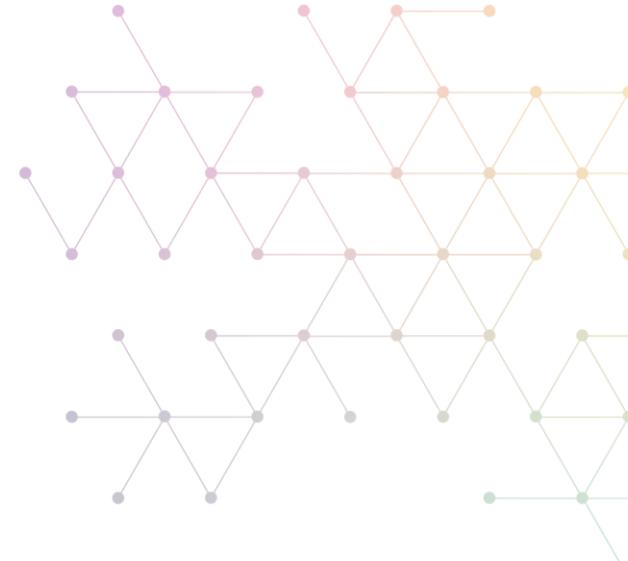
- How to achieve the intended objectives
- How to use the different digital marketing channels
- How to integrate different digital marketing channels



Digital marketing strategy

Digital marketing strategy presumes:

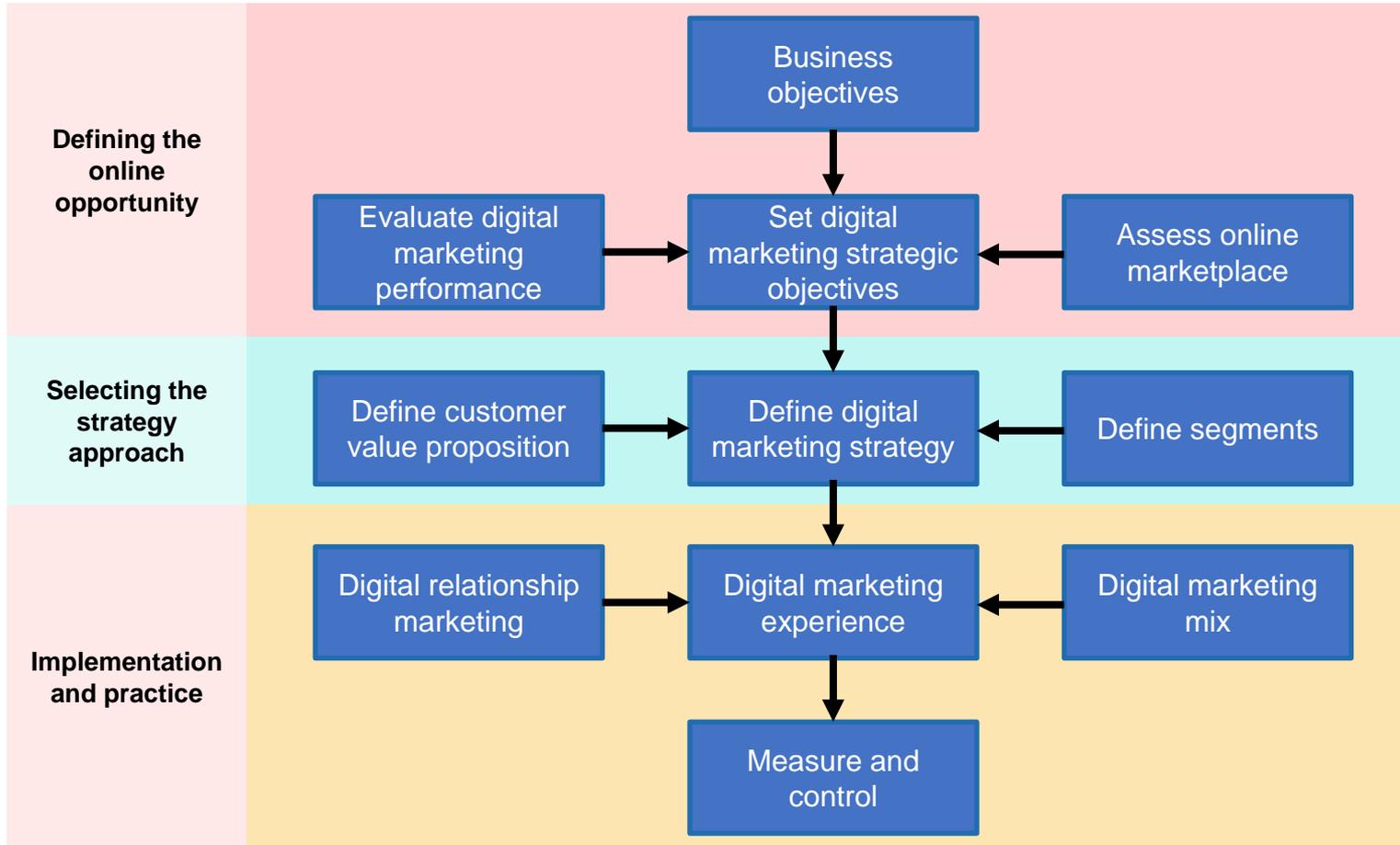
- Integration with offline marketing strategy
- Resource allocation
- Customer-oriented digital processes



What is need to have a digital marketing strategy?

- Analyse internally with a digital focus what the company has been doing
- Analyse externally what is conditioning or can drive the company
- Defining the strategic objectives for action in the digital area
- Indicate which segments will be the target of digital marketing actions
- Determine the value proposal for the segments and how it contributes to differentiation
- Adjust the role of relational marketing leveraged on digital
- To define, in terms of digital marketing mix, the main implications





Digital marketing strategy development process.
Source: Adapted from Chaffey & Smith, 2017, p. 29.

Quiz

Classify the following statements as true and false. In the statements that you consider to be false, justify your choice.

1. The objectives should be defined according to the chosen strategy.
2. Only the environment conditions the choice of strategy.
3. Differentiation is not always a company's concern.
4. The digital strategy is worked out autonomously.



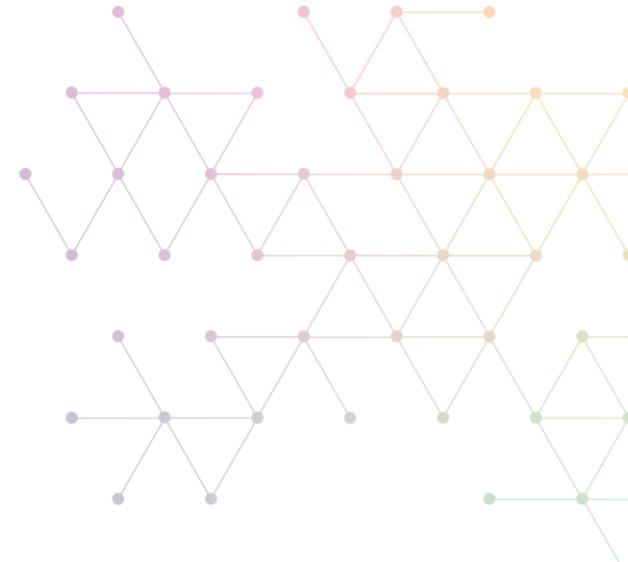
Evaluate digital marketing performance



Evaluate digital marketing performance

Analyse the presence at different digital marketing channels

- Website
- emailing
- Social networking
- Add



In-Class Activity

- Activity to be developed in groups of 3 or 4 persons
- Each member of the group on their computer or other device, enters the address <https://pagespeed.web.dev/>



- Each member of the group enters the address of the brand's website they wish to analyse on their computer or other device (preferably brands competing with each other)
- Compare the data obtained



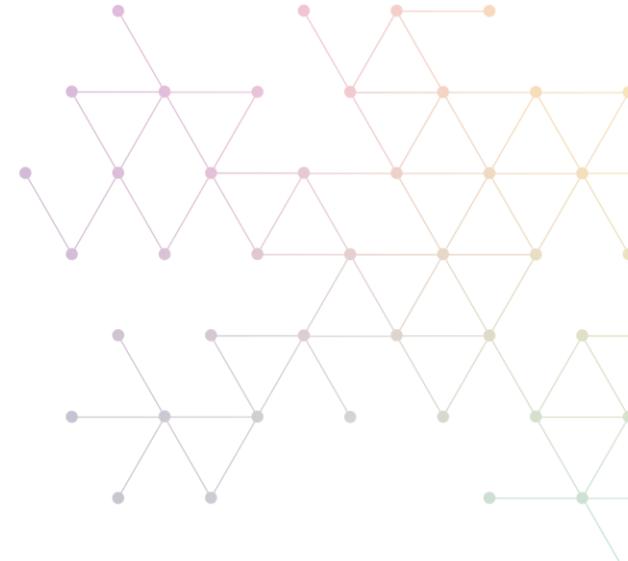
Assess online marketplace



PESTEL Analysis

What are the trends in the environment and how can they influence the decisions to be made in marketing and specially in digital marketing?

- Political factors
- Economic factors
- Social factors
- Technological factors
- Environmental factors
- Legal factors



Competition analysis

- Identification of the main competitors
- Analysis of the presence in digital channels
 - Understanding objectives
 - Analyse metrics
 - Qualitative analyse (Example: site - role, structure, technology,...)
- e-commerce analyse (product, price, sales promotion, payment solutions)
- Integration of online presence with offline strategy
- Mention competitors' strengths and weaknesses



In-Class Activity

Activity to be developed individually



Use the following links to compare the social networks of 2 brands:

<https://www.rivaliq.com/free-social-media-analytics/instagram-head-to-head/>

<https://www.rivaliq.com/free-social-media-analytics/facebook-head-to-head/>

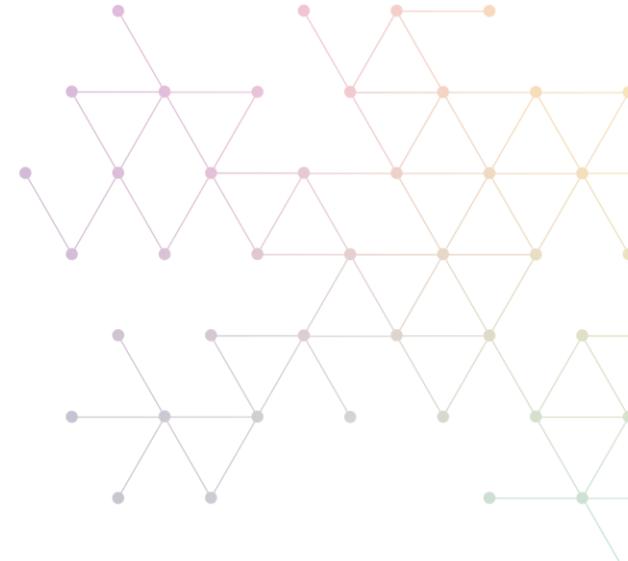
<https://www.rivaliq.com/free-social-media-analytics/tiktok-head-to-head/>



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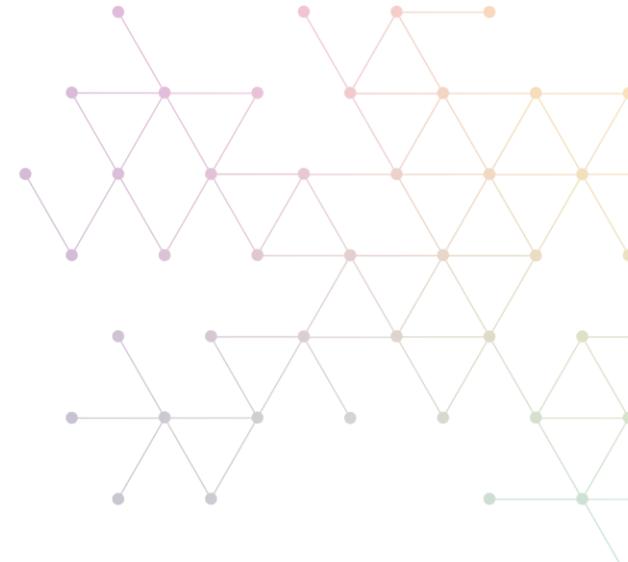
Analyse the current customers and potential customers

- Who are the customers?
- What is their level of loyalty?
- Which channels are used to interact with the company?
- Analyze the customer portfolio
- Classify the customers
- Satisfaction surveys



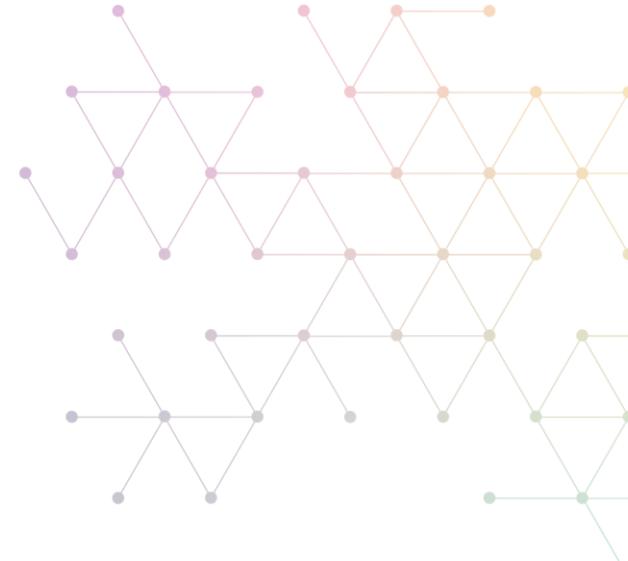
Analyse intermediaries, influencers, and online partners

- Influencers
- Third-party blogs
- Affiliate Marketing
- Comparison sites
- Review sites



Use digital to learn more about the market

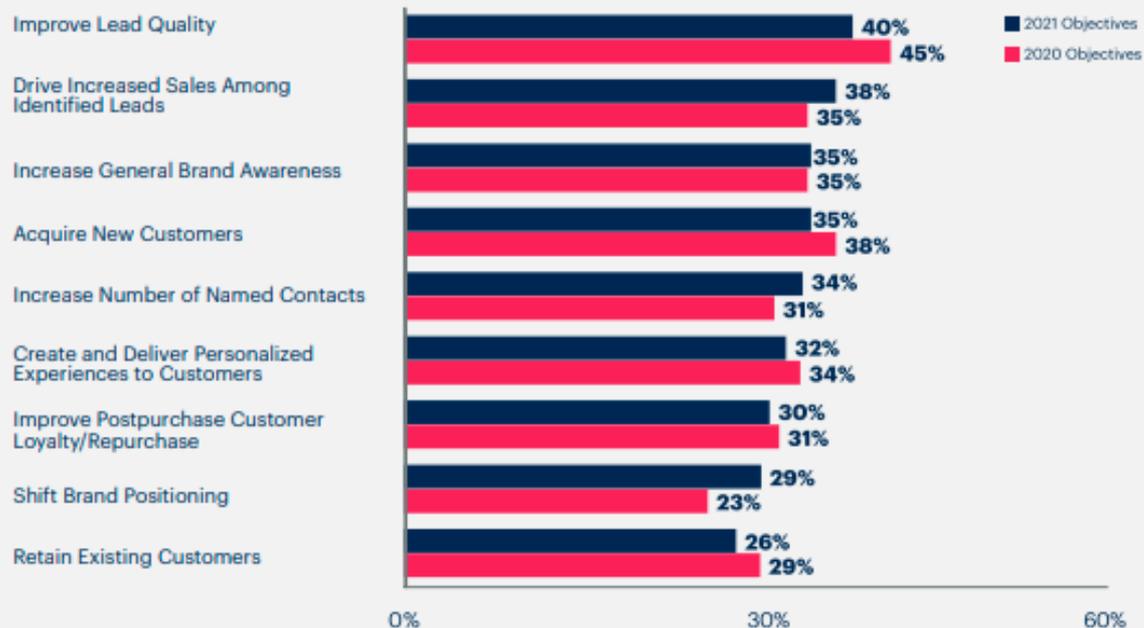
- Using digital to conduct market research
 - Who buys
 - What is being bought
 - Where they buy
 - When we buy
 - Why we buy
 - How we buy



Set digital marketing strategic objectives



Top Digital Marketing Objectives: 2021 vs. 2020



n = 350 digital marketing leaders

Q: Now please indicate what you expect will be your company's top digital marketing objectives in 2021?

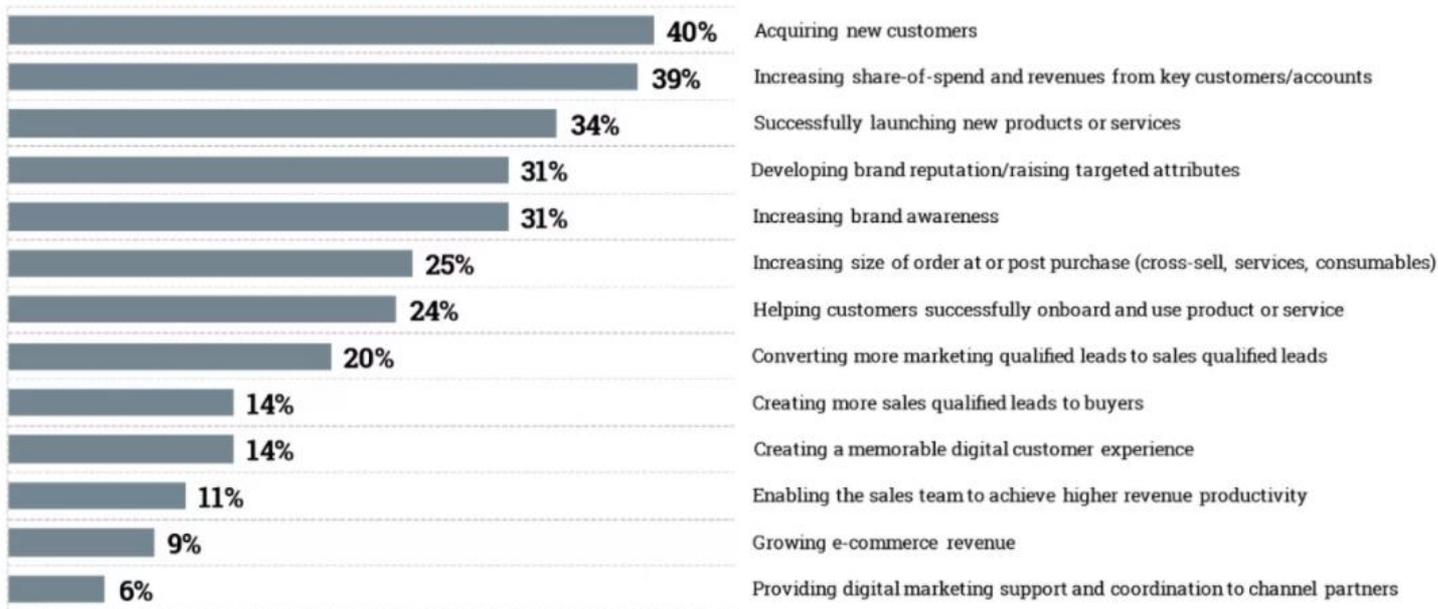
Source: Gartner 2021 Digital Marketing Survey



Top Digital Marketing Priorities in the Year Ahead



% selecting each within their top 3



Published on MarketingCharts.com in November 2020 | Data Source: Altimeter, a Prophet Company

Q: "Which of the following business impact objectives are the top priorities for your firm's digital marketing efforts in the next 12 months? (Choose 3)"

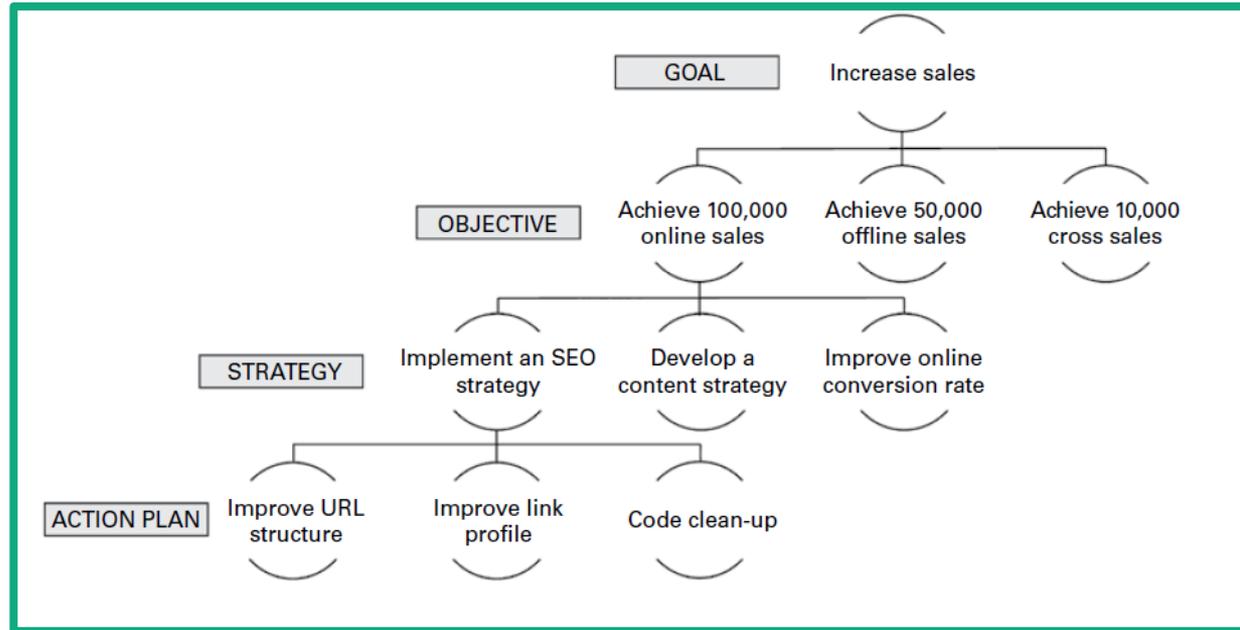
Based on a survey of 476 senior digital marketers across North America, Europe, and China from companies with at least 1,000 employees

Source: [Marketingcharts](https://www.marketingcharts.com)



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Set digital marketing strategic objectives



Characteristics of the objectives

- **Specific**
- **Measurable**
- **Achievable**
- **Relevant**
- **Time-bound**



Goals, objectives and metrics

Goals	Objectives	Metrics
Increase the company's commercial presence in the market	Increase sales volume by 10% by 2023	Invoicing value in monetary units
	Increase the market share of the cosmetics range by 3 pp by 2023	Market Share
	Achieve customer loyalty by 10% by 2023	Dropout Rate Retention Rate Number of referrals
Reduce marketing and commercial costs	Reduce sales cycle costs by 10% by 2023	Conversion Rate Cost per Lead ROI
	Reduce sales promotion costs by 5% by 2023	Value of the promotional benefit ROI Promotion disclosure value



Objective levels

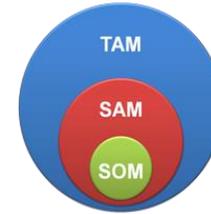


Hierarchy of objectives.
Source: Halon, 2019, p. 242.

Objective levels



Source: Barker et al., 2017, p. 34.



Source: Adapted from HubSpot

TAM or Total Available Market is the total market demand for a product or service.

SAM or Serviceable Available Market is the segment of the TAM targeted by your products and services which is within your geographical reach.

SOM or Serviceable Obtainable Market is the portion of SAM that you can capture.

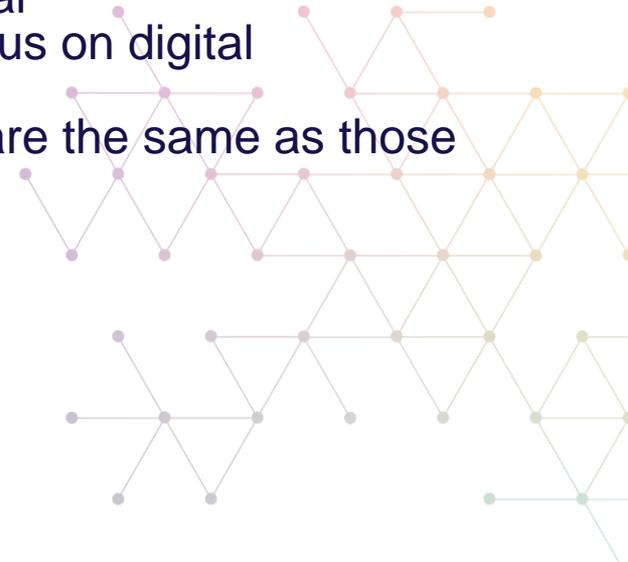
NPbT= Normalized Profit Before Tax

Define segments



Define segments

- Define segmentation criteria
- Detailed study of the characteristics of each segment found
 - Dimension, quantification of potential
 - Needs
 - Motivations
 - Consumer behaviour with special focus on digital
 - Buying and information habits with a special focus on digital
- Choose the segments you want to reach
- Clarify if the segments to be worked by marketing are the same as those worked by non-digital marketing



Define online customer value proposition



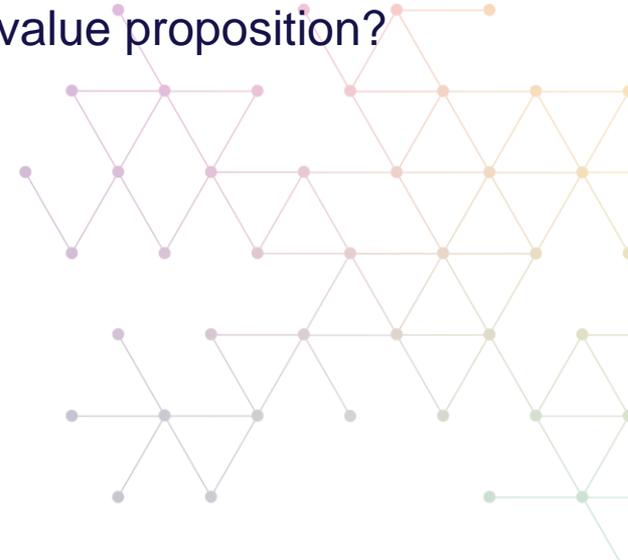
Define online customer value proposition

- The value proposition consists of the entire set of benefits and promises of the company
- It is necessary to distinguish the brand from the competition
- Tells in a concise way why a product or service is best suited for any particular customer
- Forms the core message to be delivered in all marketing communication activities



Define online customer value proposition

- A successful value proposition should be persuasive and help turn a prospect into a paying customer
- How can digital marketing leverage the company's value proposition?
 - What benefits can it highlight?
 - What benefits can it reinforce?
 - What new benefits can it create?



Define digital marketing strategy



Define digital marketing strategy

Type of digital marketing strategy initiative	Marketing mix implications	Examples
New customer proposition (product and pricing)	New site features or other online communication which are direct related to offering new products or services that will generate revenue	<ul style="list-style-type: none">• Bank: introducing new product requiring different quotations• Publisher: introducing a price comparison service
Customer acquisition or inbound marketing strategic initiatives	Strategic projects designed to enhance a site's capability and deliver different online marketing techniques aimed to attract new customers	<ul style="list-style-type: none">• Content marketing• Search Engine Optimization (SEO)• Pay-per-click (PPC)• Affiliate marketing• Aggregators

Define digital marketing strategy

Type of digital marketing strategy initiative	Marketing mix implications	Examples
Customer conversion and customers experience strategic initiatives	<p>Investments in new customer features designed to engage the audience and increase conversion rates and average order values.</p> <p>New functionality, e.g. new online store components; special functionality, e.g. real-time stock checking.</p> <p>Strategic initiatives aimed at improving the customers' brand experience.</p>	<ul style="list-style-type: none">• Implement online shop/secure payment• Introduce customer reviews and ratings• Merchandising capability for offer tailored promotions• Interactive tools to help product selection• Buyers' guides



Define digital marketing strategy

Type of digital marketing strategy initiative	Marketing mix implications	Examples
Customer development and growth strategic Initiatives	Investments to improve the experience and delivery of offers to existing customers	<ul style="list-style-type: none">• Personalised recommendations and services for existing customers• Email contact strategy focused on the customer journey and level of brand awareness• Communities, social media, blogs or to encourage advocacy and repeat purchase

Define digital marketing strategy

Type of digital marketing strategy initiative	Marketing mix implications	Examples
Social media, content marketing or social business initiatives	<p>A narrow social media initiative will look at how social media can support acquisition, conversion and retention.</p> <p>A broader social business strategy also includes improving product and service</p>	<ul style="list-style-type: none"> • Social media listening • Developing content hub • Encouraging review • Influencer outreach • Communities



Define digital marketing strategy

Type of digital marketing strategy initiative	Marketing mix implications	Examples
Enhance marketing capabilities through site infrastructure improvements	These typically involve 'backend or back-office features' which won't be evident to users of the site, but will help in the management or administration of the site	<ul style="list-style-type: none"> • CRM or personalisation • Content management system • Performance improvement – improve management information, web analytics systems including systems for multivariate and AB testing • Improve customer feedback facilities

Define digital marketing strategy

Type of digital marketing strategy initiative	Marketing mix implications	Examples
Resourcing and governance strategies	Changes need to marketing management given the increased importance of digital media and technology	<ul style="list-style-type: none">• Process change• Skills development• Team structure

Digital relationship marketing



Digital relationship marketing

- Differentiate clients by the relationship
- Monetise lifetime value through digital channels
- Define loyalty programmes supported by digital
- Optimising technology to manage customer relationship



Digital marketing-mix



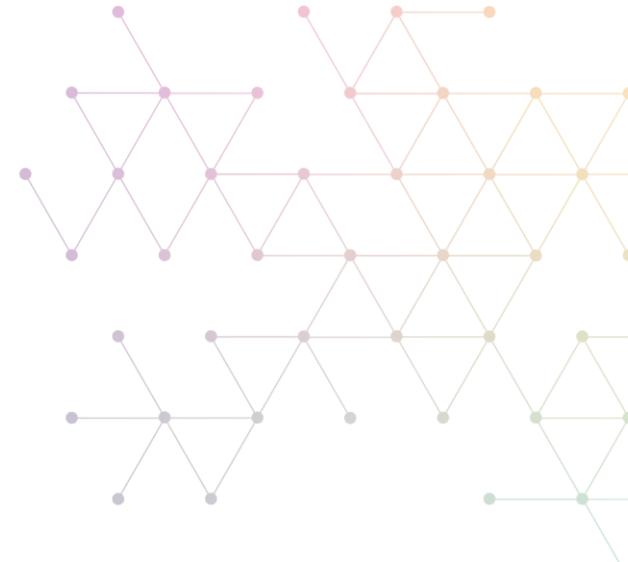
Digital marketing mix: product

- Are all products marketed offline marketed online?
- Is there a range, line of products or are there some products that are only commercialised online?
- Are there specific brands to be commercialised online?



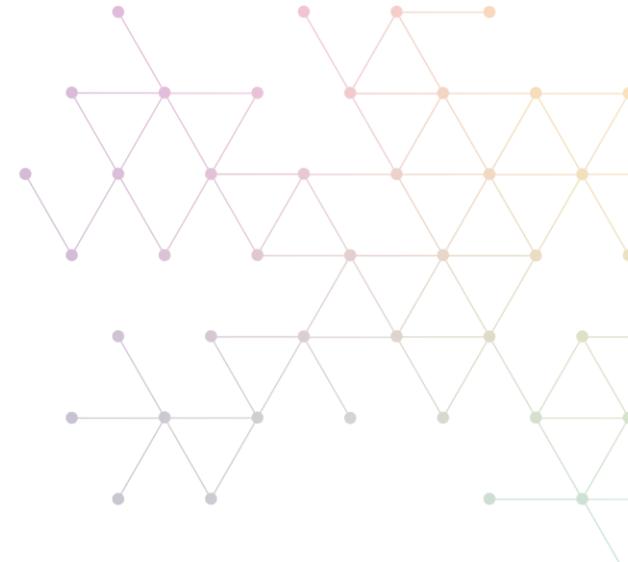
Digital marketing mix: price

- Is the online price the same as the offline price?
- Are discounts and terms of sale different online?
- What payment methods are available online?



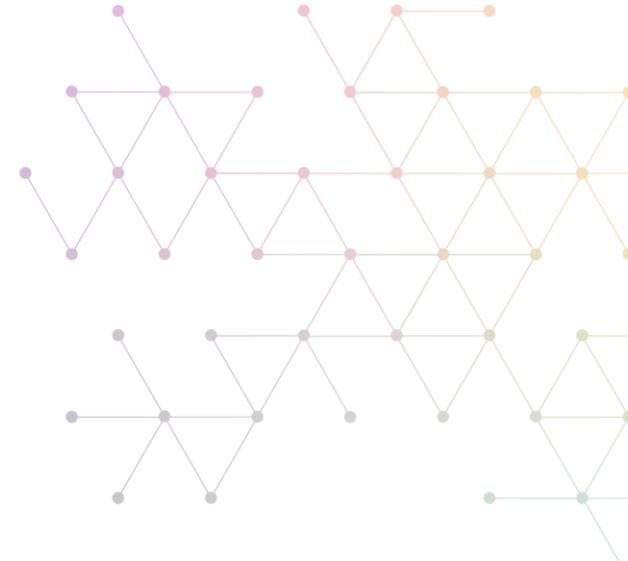
Digital marketing mix: distribution

- Role of the site
- Social commerce
- Social shopping
- Role of markets



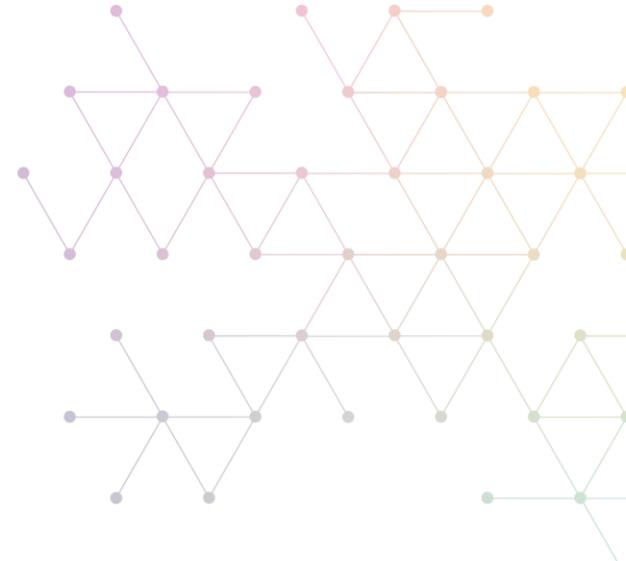
Digital marketing mix: communication

- Advertising
- Sales Promotions
- PR
- Social selling
- Direct marketing
- Affiliate marketing



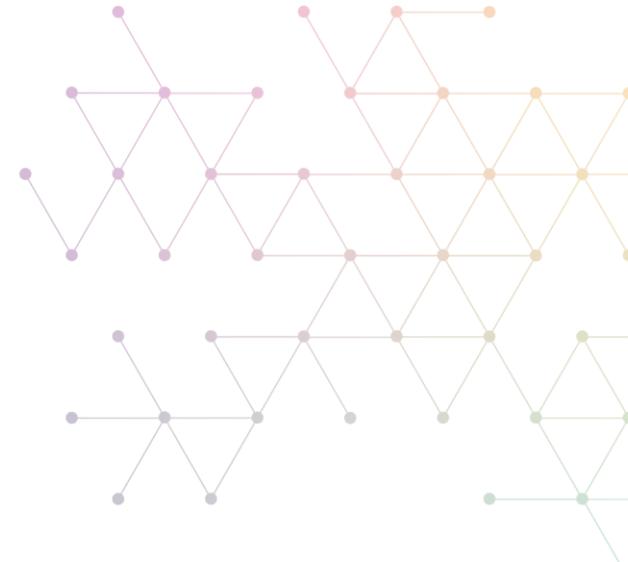
Digital marketing mix: people

- Determining the profile of people to support digital marketing
- Evaluation of people's involvement in the different digital channels
- People's contribution in the sales funnel
- People's role in brand humanisation



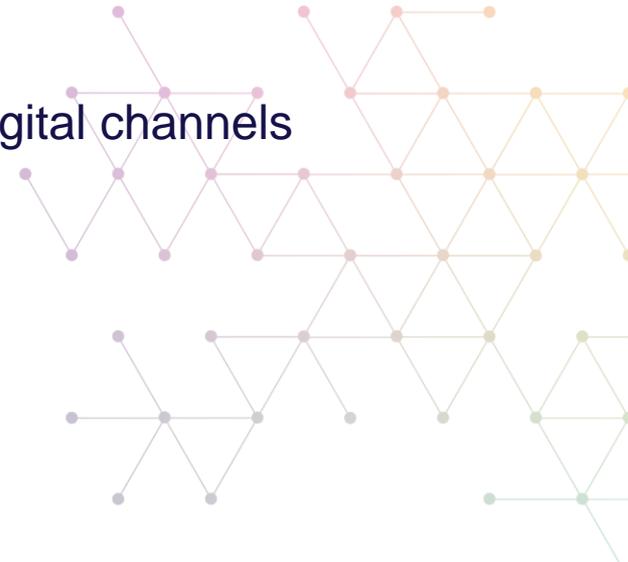
Digital marketing mix: processes

- Determination of processes for the 360° customer view
- Level of process automation
- Role of digital channels in the processes
- Digital tools required for the processes
- Processes to exist in the value chain



Digital marketing mix: physical evidences

- Brand design
- Level of incorporation of testimonials through digital
- Role of video and image
- Standardisation of the experience in the different digital channels

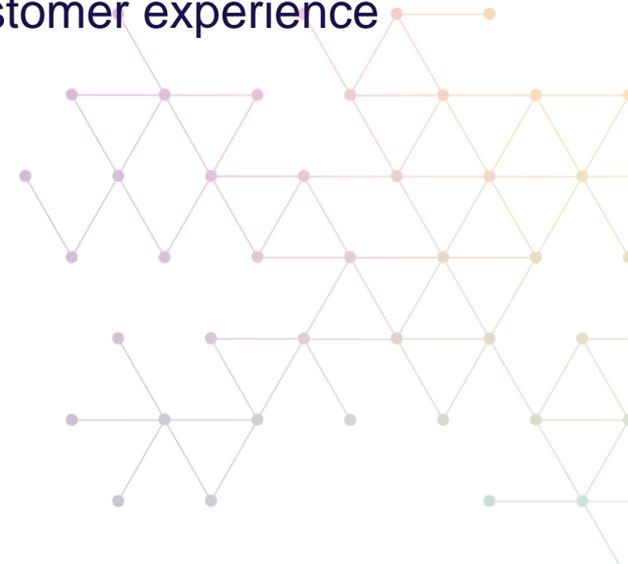


Digital marketing experience



Digital marketing experience

- Define how digital marketing can leverage customer experience across physical or digital touchpoints
- Use the customer journey map to represent the customer experience

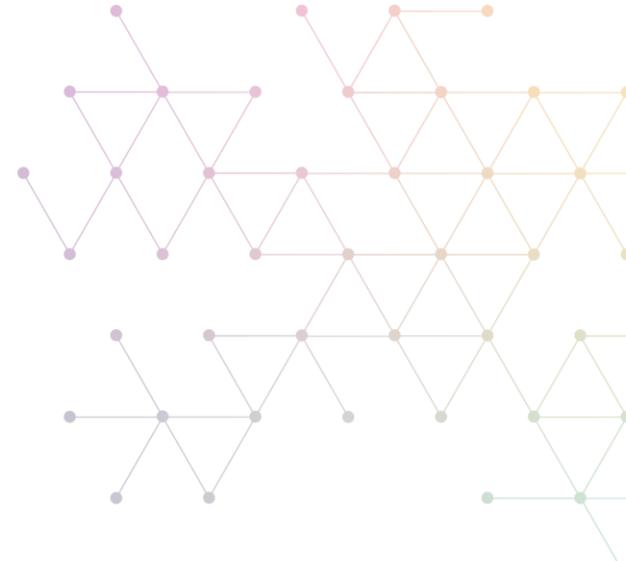


Measure and control



Measure and control

- Define what will be monitored
- Define which metrics will be used
- Define responsibilities



Assessment

Choose a brand and taking into consideration the digital marketing strategy development process frame the brand in the various items.



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Digital strategy global view



Digital strategy global view

- The Canvas model is used to carry out strategic planning based on marketing principles
- The Canvas model allows to define the role of digital marketing in the strategic conceptualization of the business
- The Canvas model synthesizes a set of related digital elements, where these relationships allow the company to express the logic of how digital marketing allows it to make money



Role of digital marketing in the strategic conceptualization of the business

Business model summary

Created for: Smart Insights
Updated: Dave Chaffey/Stu Miller

Date: Apr 2016
Version: 1.3

<p>KP: Key partners</p> <ul style="list-style-type: none"> • Expert commentators – sector specialists • Other contributors – esp. influencers • Vendors – e.g. Marketo, HubSpot • Agencies • Online publishers – e.g. MyCustomer.com • Trade organizations, e.g. www.cim.co.uk • Education and training providers • Conference organizers 	<p>KA: Key activities</p> <ul style="list-style-type: none"> • Content creation – member content • Content creation – blog • Experience management / development • Customer service • Marketing and sales promotion • CRO • Partner and influencer outreach • Planning and strategy 	<p>VP: Value proposition</p> <ul style="list-style-type: none"> • Templates, guides and courses to help business and individuals succeed through learning marketing best practices • Bus. capability assessment • 15 core toolkits • Marketplace - directory • Staff skills assessment • (Dashboards and reporting software) • Consulting and customized training • (Conferences and public training) 	<p>CR: Customer relationships</p> <ul style="list-style-type: none"> • Self-service • Marketing automation • Managed accounts 	<p>CS: Customer segments</p> <p>Businesses wanting to improve their returns from (digital) marketing</p> <p>Company size</p> <ul style="list-style-type: none"> • Medium 1-10 in marketing • Large > 25 in marketing • Small 0-1 in marketing <p>Company type</p> <ul style="list-style-type: none"> • B2C • Agencies • Ecommerce/retail • B2B • Charity <p>Role</p> <ul style="list-style-type: none"> • Digital marketing managers • Marketing managers • Company owners (mainly in agencies) • Company directors • Consultants
<p>CE: Cost structure</p> <p>Fixed costs</p> <ul style="list-style-type: none"> • Salary • Hosting and software costs <p>Variable costs</p> <ul style="list-style-type: none"> • Content creation • Agency marketing fees • Advertising fees 		<p>RE: Revenue stream</p> <ul style="list-style-type: none"> • Tiered annual subscription plan inc. Business Membership • (Monthly subscription plan) • Content Partnership - Ad revenue • (Licensed content revenue) • New – Extend content partnerships to custom content • New – Increased focus on training and consulting 		



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Assessment

Using the same brand used in the previous activity, elaborate the Business Model Canvas from the digital marketing perspective.



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Bibliography



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