1.2   INTRODUCTION

Digital marketing is often confused with online marketing. Digital marketing is the process of promoting a brand, service or product on the internet. Put simply, Digital marketing differs from traditional marketing in that it involves the use of online channels and methods that enable businesses and organisations to monitor the success of their marketing campaigns, often in real time, to better understand what does and doesn't work.

The 21st century has witnessed the developing a web presence in most companies. E-mail was commonplace and there was technology allowing people to manage this fairly easily. Customer relationship management (CRM) systems had been in place for some time to manage databases. Some companies were placing banners on websites with a similar approach to press advertising. Forward- thinking companies were working on their search engine strategy and even working with some affiliates. All of this was online marketing and, in time, online marketing teams and specialists would begin to appear. (Kingsnorth, 2016).

The most common form of digital marketing is the website of the organisation and the epicentre of all its online activities. In order to drive qualified traffic to a website, or encourage repeat visitors and sales, savvy marketers include a combination of email marketing, search engine optimisation (SEO), pay-per-click (PPC) advertising and social media in their strategy.
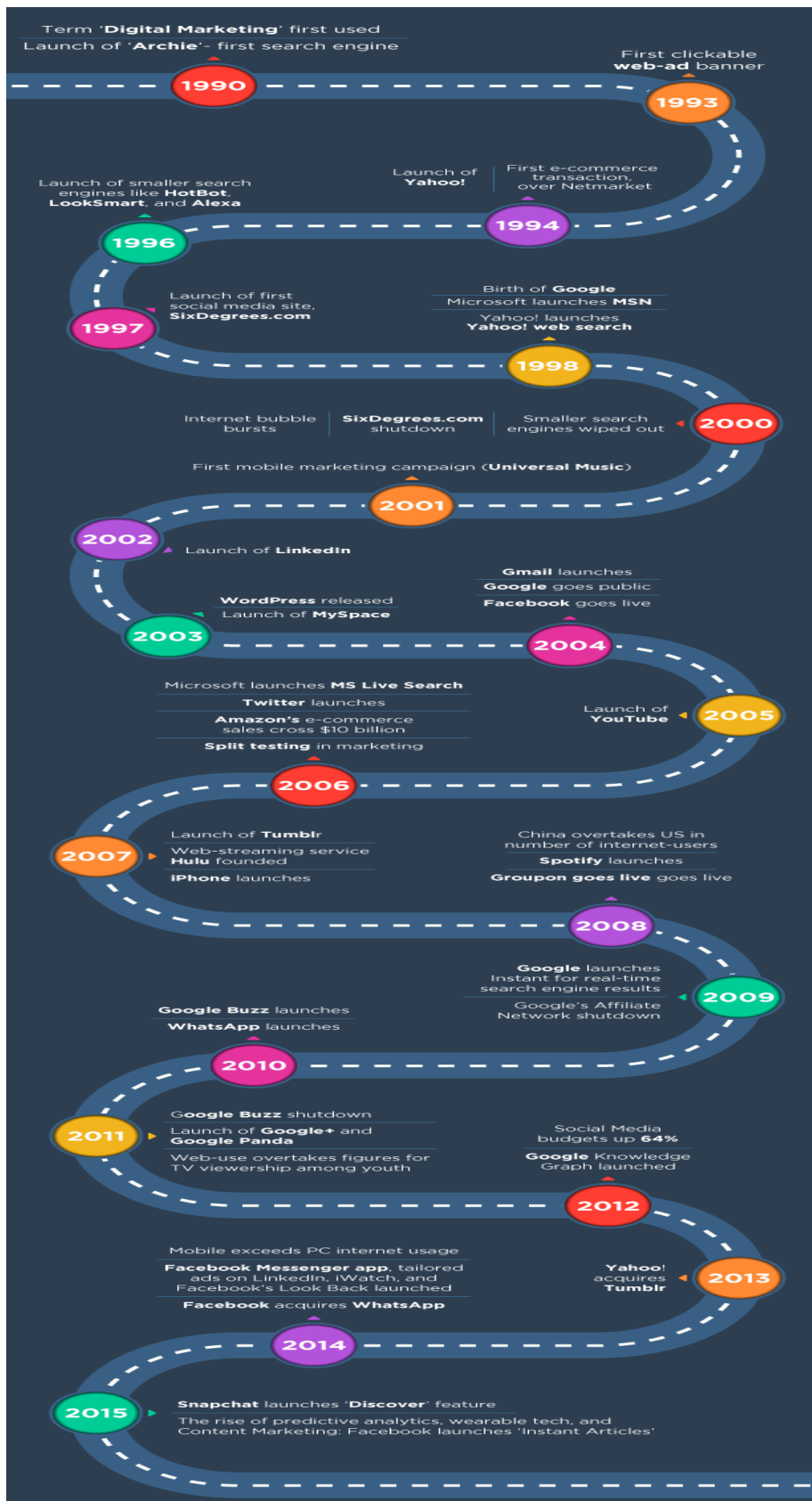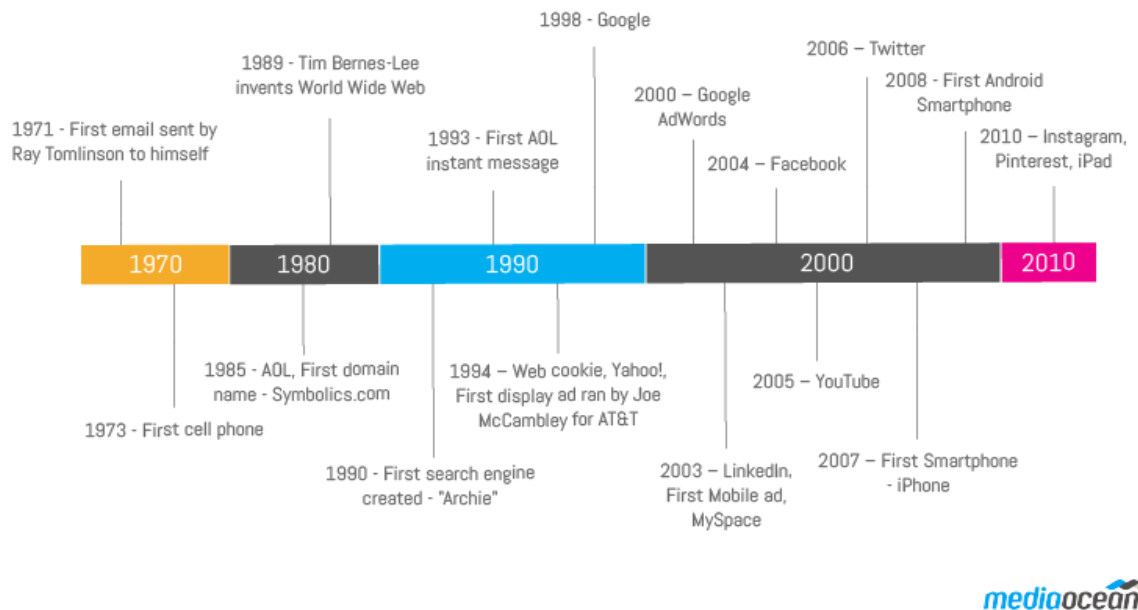
Figure 1.1

(Source: *https://www.simplilearn.com/history-and-evolution-of-digital-marketing-article*).

1.3 WHAT IS DIGITAL MARKETING?

The first approaches to digital marketing defined it as a projection of conventional marketing, its tool and strategies, on Internet (Otero and Rolan, 2016). Satya (2015) defined it as 'online marketing', 'web marketing' or 'internet marketing'. The term digital marketing became popular overtime, especially in certain countries. In the USA online marketing is still prevalent, in Italy is referred as web marketing but, in the UK, and worldwide, digital marketing has become the most common term, especially after the year 2013.

Digital marketing is an umbrella term for the marketing of products or services using digital technologies, mostly on the Internet, but also including mobile phones, display advertising and any other digital terms.

1.4 HOW HAS DIGITAL MARKETING EVOLVED?

Figure 1.2: Digital Marketing History Graphic Guide

(Source : *http://www.mediaocean.com/digital-marketing-guide/overview-history*)

So what has changed? The social media revolution has completely changed the internet and consumer behavior. The penetration of board-band has increased speed, internet usage and user expectation with over 40 per cent of the world now online and over 90 per cent in many countries (Internet World Stats, 2015). Analytics has grown to the level where we can

understand our consumers' behavior in real time, including just not their usage statistics but also their demographics and even interests. Mobile has gone smart and tablets have stormed onto the scene and both of these changes have brought along apps. Touchscreen is becoming increasingly common across all devices. Google has become an enormous organisation and owns search globally. TVs have gone smart and Bluetooth opens up another level of possibilities. With a naturally ageing population there is now only a very small percentage who are technophobes simply due to age.

Textbox

Source : *"Definition of digital marketing". Financial Times. Retrieved 22 August 2015.*

Definition of digital marketing

The marketing of products or services using digital channels to reach consumers. The key objective is to promote brands through various forms of digital media.

Digital marketing extends beyond internet marketing to include channels that do not require the use of the internet. It includes mobile phones (both SMS and MMS), social media marketing, display advertising, search engine marketing, and any other form of digital media.

Most experts believe that 'digital' is not just yet another channel for marketing. It requires a new approach to marketing and a new understanding of customer behaviour. For example, it requires companies to analyse and quantify the value of downloads of apps on mobile devices, tweets on Twitter, likes on Facebook and so on.

Example of a successful digital marketing campaign

One successful digital media campaign was by Pizza Hut, which created an app that allowed customers to create their own pizza by dragging their chosen toppings onto a graphical pizza base. The iPhone would then determine which of the chain's thousands of locations the customer happened to be nearest. The company advertised the new app online, in print, and on television - even winning a placement in Apple's own iPhone commercial.

Within two weeks, the Pizza Hut app was downloaded 100,000 times and within three months iPhone users ordered $1m worth of pizza. The app now has millions of users across the iPhone, iPad, and Android platforms.

1.5   DEFINITION OF DIGITAL MARKETING

Digital marketing is basically applying all marketing techniques to digital channels. Different sources can be used to promote services and products like SMS, search engines, email, websites, social media and mobile devices. The digital nature of this marketing method makes it a cost-effective means of promoting one's business. (Kingsnorth, 2016)

The use of digital marketing depends on the organisation's marketing objective. It could be that the organisation wants to generate more leads, build their brands, increase sales or improve brand engagement. Digital marketing means more than just having a website. The website needs to be aesthetically pleasing and easy to navigate, and also needs to have quality content to reflect the nature of the business.

Search engine optimization (SEO) is an important factor as well. Search engines need to read and index the website properly. There are content and SEO specialists who can help organisations to design websites which are responsive and accessed through all devices. Digital marketing also involves managing the organisation's social media presence and interacting with fans as well as marketing the business across major social media channels.

1.6   HISTORY AND EVOLUTION OF DIGITAL MARKETING

Digital marketing first appeared as a term in the 1990s but, as mentioned above, it was very different world then; Web 1.0 was primarily static content with very little interaction and no real communities. The first banner advertising started in 1993 and the first web crawler (called WebCrawler) was created in 1994 – this was the beginning of search engine optimization (SEO) as we know it (Kingsnorth, 2016).

Once Google started to grow at pace and Blogger was launched in 1999 the modern internet age began. Blackberry, a brand not connected with innovation any more, launched mobile e-mail and MySpace appeared. MySpace was the true beginning of social media as we define it today, but it was not as successful as it could have been from a user experience perspective and ultimately that is what led to its downfall.

Google's introduction of Adwords was their real platform for growth and remains a key revenue stream for them to this day. Their innovation, simple interface and accurate

algorithms continue to remain. Cookies have been a key development in delivering relevant comments and therefore personalising user experience**.**

"One of the technologies which really brought information revolution in the society is Internet Technology and is rightly regarded as the third wave of revolution after agricultural and industrial revolution" (Gangeshwer, 2013)

The first search engine started in 1991 with a network protocol called Gopher for query and search. In 1993, the first clickable banner went live, after which HotWired purchased a few banners ads for their advertising. This marked the beginning of a new era, the digital era of marketing. Because of this gradual shift, the year 1994 saw new technologies entering the digital marketplace. The very same year, Yahoo was launched.

1998 saw the birth of Google. Microsoft launched the MSN search engine and Yahoo brought to the market Yahoo web search. In 2000, the internet bubble burst and all the smaller search engines were either left behind or wiped out leaving place for the giants. Then in 2006, digital marketing world saw its first steep surge. At that time, search engine traffic already grown to about 6.4 billion in a single month.

Soon, Google began to expand and along with this social networking sites began to emerge. Myspace was the first social networking site followed by Facebook. With this, companies realized that all these new sites are opening new doors of opportunity for them to market their products and brands.

Products marketed digitally are now available to customers at all times. Statistics collected by the Marketingtechblog for 2014 show that posting on social media is the top online activity in the US. The average American spends 37 minutes a day on social media. 99% of digital marketers use Facebook to market, 97% use Twitter, 70% use Google+, 69% use Pinterest and 59% use Instagram. 70% of B2C marketers have acquired customers through Facebook. 67% of Twitter users are far more likely to buy from brands that they follow on Twitter. 83.8% of luxury brands have a presence on Pinterest. The top three social networking sites used by marketers are LinkedIn, Twitter, and Facebook. **Figure 1.2** illustrates the history and evolution of Digital Marketing as a field of marketing

1.7   DIFFERENCE BETWEEN TRADITIONAL MARKETING AND DIGITAL MARKETING

Many small businesses struggle with deciding which kind of marketing to do, because their budget will only stretch to one or the other, not both. The decisions that must be made are not easy: which method of marketing will give me the most amount of sales and profits? How do I know if my marketing is working? Who should I trust with my marketing? Should I do it myself? To clarify the terms, the use of print ads on newspapers and magazines is a simple example of **traditional marketing**. Other examples include flyers that are put in mailboxes, commercials both on TV and radio and billboards. On the other hand, when a business invests on building a website, advertising the brand name through different social media such as Facebook, Twitter and YouTube, this kind strategy is called **digital marketing**. (Cave, 2016).

"Before we decide that TV is dead, can someone tell me what digital marketing is?"

(*Source:http://blog.bearfoxmarketing.com/difference-traditional-marketing-vs-digital-marketing*)

Benefits of Traditional Marketing

You can easily reach your target local audience. For example, a radio ad might play in one location: your city or region. Or mailbox flyers will go to households in a select number of suburbs.

The materials can be kept. The audience can have a hard copy of materials of which they can read or browse through over and over again.

It's easy to understand. It can be easily understood by most people because they are already exposed to this kind of strategy.

The Downside to Traditional Marketing

There is very little interaction between the medium used and the customers. It is more of providing information to the public that the brand exists with the hope of these people patronising the brand.

Print or radio advertisements can be very costly. Printing materials can be expensive and you need to hire people to distribute these.

Results on this marketing strategy cannot easily be measured. Was the campaign successful?

Benefits of Digital Marketing

You can target a local audience, but also an international one. Further, you can tailor a campaign to specific audience demographics, such as gender, location, age and interests. This means your campaign will be more effective.

Your audience can choose how they want to receive your content. While one person likes to read a blog post, another person likes to watch a YouTube video. Traditional marketing doesn't give the audience a choice. Most people hate receiving sales flyers in their mailbox or phone calls at inconvenient times on stuff that they have little interest in. Online people get the choice to opt in or out of communications and often it is relevant because they were the ones searching for it in the first place

Interaction with your audience is possible with the use of social media networks. In fact, interaction is encouraged. Traditional marketing methods don't allow for audience interaction. You can encourage your prospects, clients and followers to take action, visit your website, read about your products and services, rate them, buy them and provide feedback which is visible to your market.

Digital marketing is cost-efficient. Though some invest on paid ads online; however, the cost is still cheaper compared to traditional marketing.

Data and results are easily recorded. With Google Analytics and the insights tools offered by most social media channels, you can check on your campaigns at any time. Unlike traditional marketing methods, you can see in real time what is or is not working for your business online and you can adapt very quickly to improve your results.

Level playing field: Any business can compete with any competitor regardless of size with a solid digital marketing strategy. Traditionally a smaller retailer would struggle to match the finesse of the fixtures and fittings of its larger competitors. Online, a crisp well thought out site with a smooth customer journey and fantastic service is king – not size.

Real time results: you don't have to wait weeks for a boost to your business like you would have to waiting for a fax or form to be returned. You can see the numbers of visitors to your site and its subscribers increase, peak trading times, conversion rates and much more at the touch of a button.

Brand Development: A well maintained website with quality content targeting the needs and adding value to your target audience can provide significant value and lead generation opportunities. The same can be said for utilising social media channels and personalised email marketing.

Viral: how often do your sales flyers get passed around instantly by your customers and prospects? Online, using social media share buttons on your website, email and social media channels enables your message to be shared incredibly quickly. If you consider the average Facebook user has 190 friends of which an average of 12% see their liked posts – your one message has actually been seen by 15 new prospects. Now imagine a number of them also like and share your message and their friends do the same? That's why high-quality content is so important.

So which kind of marketing is better?

 It is recommended to use both traditional (physical) marketing and digital marketing materials on the following grounds:

- Physical material is more "real" to the brain. It has a meaning, and a place. It is better connected to memory because it engages with its spatial memory networks.

- Physical material involves more emotional processing, which is important for memory and brand associations.

- Physical materials produced more brain responses connected with internal feelings, suggesting greater "internalisation" of the ads.

How can organisations Use Both Digital & Traditional Marketing

The traditional marketing methods must support the organisation's digital marketing efforts. The two do not operate in exclusion from each other. Only hard copy marketing materials can be used to further strengthen a relationship with a contact, referral partner or client e.g brochures to someone who is interested in the organisation's services.

Rather than taking an all or nothing approach, it appears that a multi-channel approach that leverages the unique benefits of paper with the convenience and accessibility of digital will perform best. **Table 1.1** below outline the main differences between traditional marketing and digital marketing.

Traditional marketing	Digital marketing
Communication is unidirectional. Meaning, a business communicates about its products or services with a group of people.	Communication is bidirectional. The customer can also ask questions or make suggestions about the business products and services.
Medium of communication is generally phone calls, letters and emails.	Medium of communication is mainly through social media, chat, websites and emails.
Campaigning takes more time for designing, preparing and launching.	There is always a fast way to develop an online campaign and carry out changes along its development. With digital tools, campaigning is easier.
It is carried out for a specific audience throughout from generating campaign ideas up to selling a product or a service.	The content is available for general public. It is then made to reach the specific audience by employing search engine techniques.
It is a conventional way of marketing; best	It is best for reaching global audience.

for reaching local audience.	
It is difficult to measure the effectiveness of a campaign.	It is easier to measure the effectiveness of a campaign through analytics.

Table 1.1 Traditional marketing versus Digital marketing

(*Source: Satya, 2015*)

How Coca Cola became Digital Rockstars!!

Coca Cola have gripped the nation this summer with their simple but brilliant 'share a coke' campaign, offering consumers the chance to swap the coke brand name with their own and share the experience with others.

This has arguably been one of the most revolutionary marketing campaigns ever delivered and it demonstrates what can be achieved if digital is successfully integrated into the marketing mix. Almost overnight, it's given digital marketers the world over a successful case study to refer to in the budget battle against other traditional forms of marketing.
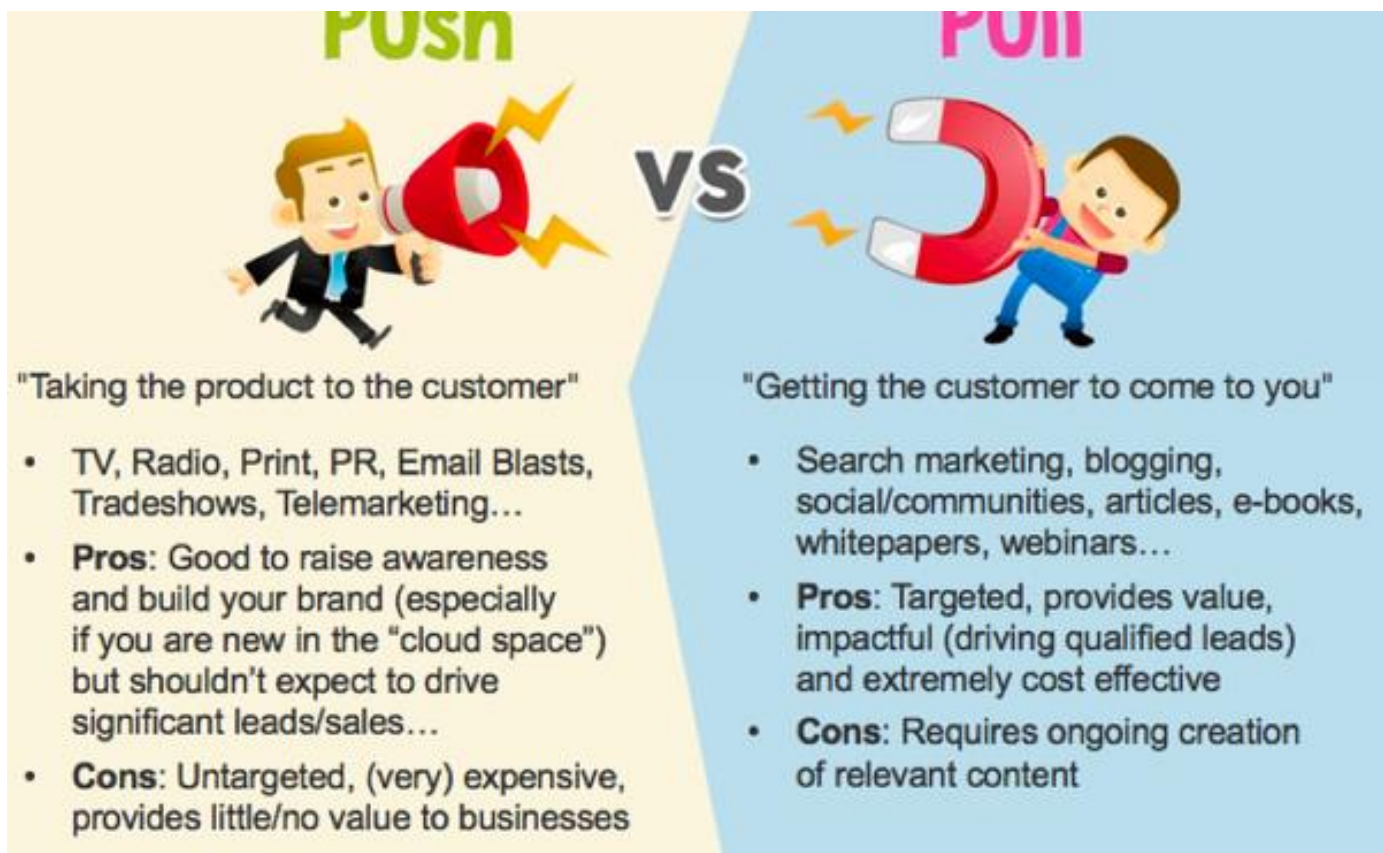
Coke Company has adapted their campaign to reflect how they consume their media since 2013 with complementary mix of on and offline media. What's more, digital is at the heart of this campaign because it makes their aim of delivering a 'personalised brand experiences' a reality, and shows us what the future of marketing holds in store.

(Source: *https://www.zazzlemedia.co.uk/blog/coca-cola-digital-marketing/#gref*).

1.8 TYPES OF DIGITAL MARKETING APPROACHES – PULL AND PUSH DIGITAL MARKETING

There are two types of digital marketing and one of these is **pull digital marketing**. It aims to encourage consumers to come to you by visiting your business or making a call to action. Some of the common examples of *pull digital marketing are* websites and other internet-based mediums. Pull marketing is often called **inbound marketing**.

Another type of digital marketing is **push digital marketing**. *It pushes the* marketing information directly to your customers. Common examples include SMS, email and RSS that target the customer with a customized message. Push marketing can also be called **outbound marketing**.

PUSH

VS

Pull

"Taking the product to the customer"

- TV, Radio, Print, PR, Email Blasts, Tradeshows, Telemarketing…
- **Pros**: Good to raise awareness and build your brand (especially if you are new in the "cloud space") but shouldn't expect to drive significant leads/sales…
- **Cons**: Untargeted, (very) expensive, provides little/no value to businesses

"Getting the customer to come to you"

- Search marketing, blogging, social/communities, articles, e-books, whitepapers, webinars…
- **Pros**: Targeted, provides value, impactful (driving qualified leads) and extremely cost effective
- **Cons**: Requires ongoing creation of relevant content

Table 1.2: Difference between Pull and Push Digital Marketing

(Source: *Aufray, 2009, Master International Business & Marketing, IDRAC Lyon*).

1.9   WHY IS DIGITAL MARKETING IMPORTANT?

Digital marketing offers the ability to reach and engage target audiences in ways which were never before possible. A strong digital marketing strategy can deliver a far higher return on investment (ROI) than traditional marketing methods.

People are consuming digital content at a never seen before rate. More than half of the planet now has regular access to the internet, spending an average of 6 hours online per day, presenting massive opportunities for brands and businesses. Such trend will not slow down, as the number of internet-connected portable devices is on the rise. Gartner reported that smartphones surpassed the sales of feature phones for the first time in 2013, while the 2014 Q3 report from Globalwebindex reports that consumers are now spending more time with online media than they are with traditional forms of media.
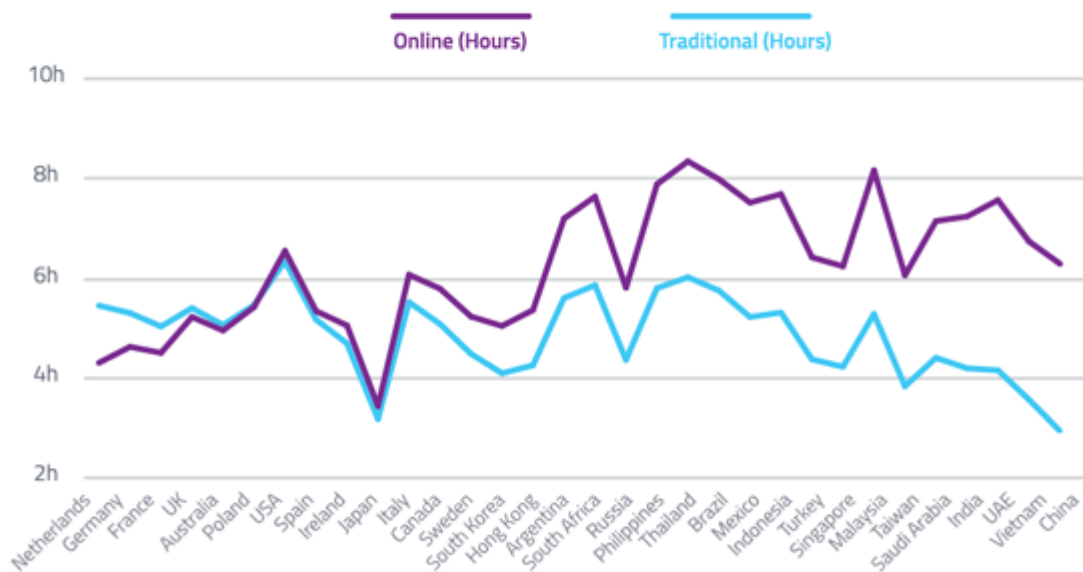
(Source: *https://www.globalwebindex.net/ 2017*).

However, the particularities of the digital world and its appropriation for marketing have fostered the development of channels, formats and languages that have led to tools and strategies that are unthinkable offline.

Today, Digital Marketing has become a new phenomenon that brings together customisation and mass distribution to accomplish marketing goals. The development of Digital Marketing strategies offer much potential for brands and organisations. Otero and Rolan (2016) put forward some of them are:

- **Branding**: platform is a great opportunity to build a brand image on the Web due to their scope, presence and constant updates.

- **Completeness**: the advantages of assembling information through links offer customers the chance to approach the organisation in a wider and customis ed way.

- **Usability**: simple and user-friendly platforms are available for all to improve user experience and allow for their activities.

- **Interactivity**: internet offers the possibility of having a conversation and therefore generating a positive experience with the brand.

- **Visual communication**: with digital marketing, marketers have different image and video-based tools. This helps to reach audiences and get them involved in your activities.

- **Community connection**: internet offers the opportunity for business to connect with their audience.

1.10 TYPES OF ONLINE PRESENCE

When assessing the relevance and potential of digital marketing for a business, remember that different business types offer different opportunities and challenges. Chaffey and Ellis Chadwick (2015) identify five main types of online presence or components possible as part of as site:

1. *Transactional e-commerce site.* Online retailers, travel, financial services providers or manufacturers make their products available for online purchase. The main business contribution is through sale of these products. The sites also support the business by providing information for customers who prefer to purchase products offline.

2. *Services-oriented relationship building or lead-generation web site.* Provides information to stimulate purchase and build relationships. Products are not typically available for purchase online. Information is provided through the web site, along with email marketing, to inform purchasing decisions. The main business contribution

is through encouraging offline sales and generating enquiries or leads from potential customers. Such sites also help by adding value for existing customers by providing them with information of interest.

Examples: B2B examples are management consultants such as PricewaterhouseCoopers (www.pwc.com) and Accenture (www.accenture.com). Most car manufacturers' sites may be services-oriented rather than transactional.

3. *Brand-building site.* Provides an experience to support the brand and current campaigns. Products are not typically available for online purchase, although merchandise may be. The main focus is to support the brand by developing an online experience of the brand through content marketing integrated with social media outposts. They are typical for low-value, high-volume, fast-moving consumer goods (FMCG brands).
Examples: Lynx (www.lynxeffect.com) and Guinness (www.guinness.com).

4. *Portal or media site.* The main purpose of these types of intermediaries or publishers is to provide information and content. The term portal refers to a gateway to information or a range of services such as search engine, directories, news, blog content, shopping comparisons, etc. This is information both on the site and via links through to other sites. Online publishers have a diversity of options for generating revenue, including advertising, commission-based sales (affiliate marketing) and selling access to content through subscription or pay-per-view.
Examples: Yahoo! (www.yahoo.com), the *financial Times* Online (www.ft.com) or TripAdvisor (www.tripadvisor.com).

5. *Social network or community site.* A site enabling community interactions between different consumers (C2C model). Typical interactions including posting comments and replies to comments, sending messages, rating content and tagging content in particular categories. Well-known examples include Facebook and LinkedIn, but there are many less well-known niche communities that may be important within a market. In addition to distinct social network sites, social interactions can be integrated into other site types through plugins or *application programming interfaces (APIs).* The facebook APIs are very important in integrating Facebook 'Like' buttons and content into sites through services such as the Facebook social plug-in.

Remember that these are not clear-cut categories of web sites, since many businesses will have sites which blend these elements, but with different emphasis depending on the market in which they operate.

To engage their audience and so increase advertising revenue, social networking sites are also looking to provide many of these services through *social network company brand pages,* sometimes called 'social outposts' for short.

CASE STUDY 1

Digital Marketing Presence of Amazon.com

Based in the United States and originally started as an online bookstore back in 1994, Amazon Inc. (www.amazon.com) has grown to become a market leader in electronic commerce, diversifying into a number of areas including technology, software, music, film, apparel and home-ware. Alongside being the world's biggest provider of Cloud Infrastructure, more recently they have become a prominent producer of consumer electronics including tablet and smartphone technology.

As the world's largest online retailer, it's fair to say that Amazon has a clear and decisive grip on the ins-and-outs of the Digital Marketplace, and that expert knowledge is perfectly evident in their Social Media efforts. With a central branded account and verified accounts for each of their separate products, including Amazon Music, Amazon Video and Amazon Web Services, they utilise Social Media to its fullest potential as both a marketing and customer service tool.

Every successful Social Network is constantly evolving to meet the growing needs of consumers, and Amazon are more than willing to take an active role in that evolution. Amazon listens and responds to their customers, offering awesome content that provides value to those who interact with it. Any big business that wants to seriously invest in their Digital Marketing well should take a look at Amazon's Social Media pages and its digital marketing strategies

(http://giraffesocialmedia.co.uk/how-do-amazon-use-social-media/)

1.11 HOW DOES DIGITAL MARKETING FULFILL THE DEFINITION OF MARKETING?

Now let's consider how digital marketing can fulfill the definition of marketing, if properly implemented. According to Chaffey and Smith (2017), Digital marketing can identify, anticipate and satisfy customer needs efficiently.

Taking a web site as a major part of digital marketing, they discuss how it can fulfill the definition of marketing (identify, anticipate and satisfy customer needs profitably). It can:

- *Identify* needs from customer comments, enquiries, requests and complaints solicited via the web site's email facility, bulletin boards, chat rooms and of course, sales patterns (seeing what's selling and what's not), and by observing new customer groupings ide notified by data mining through customer data, sales and interests. Don't forget *online surveys and direct from customer online feedback tools* such as those listed at http://bit.ly/smartfeedback, assessing satisfaction and requesting suggestions for service or product improvements. Finally, there is a proliferation of online secondary sources of research, many of which provide free in-depth insights into customer needs.

- *Anticipate* customer needs by asking customers questions and engaging them in a dynamic dialogue built on trust. And, of course, a little bit of what Amazon calls *collaborative filtering* helps the company to identify and anticipate what customers might like, given that buyers of similar books have similar interests. Customers often welcome suggested books from Amazon. And today's sophisticated and profiling techniques allow many companies to do their own *data mining* to discover and anticipate buyers' needs. This is old technology. More recent sophisticated *profiling* technology allows some companies to analyze your interests without even knowing your name – courtesy of the *cookie* – a bit of code sent to your access device when you visit certain sites. So without knowing your name, it knows your interests. It recognizes your device and records which types of sites you visit. So when you visit a web site and an unusually relevant banner and drops down, that is no coincidence – cookies have anticipated your desires and needs.

- *Satisfy* needs with prompt responses, punctual deliveries, order status updates, helpful reminders, after-sales services and added value services combined with the dynamic dialogue. The dialogue maintains permission to continue communicating and then adds value by delivering useful content in the right context (right time and right amount).

- *Efficiently* means in an automated way – an efficient, yet hopefully not impersonal, way (i.e. it allows tailor-made technology to increase the marketer's memory as the relationship effectively blossoms during the customer's life – increasing *lifetime value*). And if the web site is integrated with *CRM* systems and *mass customization* then the relationship deepens and needs are completely satisfied in a very efficient automated two-way process. This also, of course, provides some protection from the inevitable onslaught of competition.

CASE STUDY 2

What Millennials Expect from Online Customer Service

Millennials are estimated to have a combined purchasing power of $2.45 trillion globally this year. It is only fair that they expect retailers to try and understand what they want. Millennials spend a great part of their time on the internet, not just to learn, communicate and organise their social lives but to shop too. And for retailers, this means understanding more about how to engage with this demographic and working out what they require from a shopping experience.

It's a myth that millennials have abandoned physical stores in favour of online shops. In fact many millennials still prefer to visit a store. But the fact remains that ecommerce is growing and more and more people are shopping directly from their mobile devices. The key then, you would think, is to combine the two experiences.

Research from Accenture highlights that 68% of Millennials demand an integrated, seamless experience regardless of the channel. So perhaps this one area where retailers can improve – by creating an online experience that is closer to the in-store experience. After all, everybody

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– Millennials included – still values 'old school' shopping experiences where the seller-buyer conversation is face-to-face. Accenture's research also found that Millennials demand a customer-centric shopping experience and like to be treated like valued customers.

Ongoing social engagement

If you're in ecommerce, to attract Millennials, you simply must be active on all social media platforms, especially those that are based on images, such as Instagram and Pinterest. How else can you get people to view your products? Millennials use these social media sites with the intent on viewing images and in essence, "window shopping" so this is where your products and attractive imagery need to be.

Clear path to purchase

UK retailers, for example, are adjusting their customer service strategies to provide a better customer experience for Millennials and other shopper demographics. It is pointless to invest huge amounts of money in a series of digital marketing channels to attract shoppers to your website, only to have customers take a couple of clicks around your site and then leave because they couldn't find what they were looking for or didn't understand a specific product.

It is imperative that your website allows you to engage with your online customers and that these same customers have a clear path to purchase and a smooth checkout process. Whether that comes in an attractive, easy-to-navigate website, or real-time assistance, it should be easy for shoppers to, well shop!

Real time interaction

Another way to stay ahead of the game is to optimise the way in which you interact with customers over their mobile devices. Not just Millennials, but most people these days spend an increasing amount of time on their smartphones (mobile usage in the UK alone increased to 68% in 2014 from 62% in 2013).

Having a live assistance – whether that's live video or live chat – that works well on mobile is extremely beneficial. Live video is the perfect tool to make your site more hospitable. It engages your customer by inviting them to talk to an assistant face-to-face, giving them a more personal service and making them feel valued. Customers can actually see the person

they're talking to, ask for help with form filling, seek advice, make inquiries and share screens to co-browse the website and go through the check-out process. The communication between consumer and retailer becomes a dialogue – much like a conversation you'd have in store.

Live video assistance is a huge growth area. If you haven't seen it yet on a website, it is only a matter of time before you do.

Who's already doing it?

There are a number of brands already catering to the demands of Millennials. Ikea and Sephora certainly know how to dominate social media, and make excellent use of Pinterest and intagram. They consistently engage with followers by asking questions, running competitions and posting attractive, interesting and entertaining photos and videos.

This is a major step forward from the customer service we receive via text – where the customer service agent will be dealing with multiple conversations at one time.

Conclusion

We can't ignore any shopper demographic, and Millennials are no exception – they are a difficult group to bracket, but ultimately they want very similar things to other consumers and can be exceptionally loyal customers provided they feel they've been treated well.

If you provide a smooth, personalised digital shopping experience that is easily accessible, Millennials will ultimately be great ambassadors for your brand, which in turn means good return on investment for your business.

Kathryn Kearns

Source:*http://www.returncustomer.com/millennials-expect-online-customer-service/* (Accessed in March 2018).

1.12 WHO NEEDS DIGITAL MARKETING SERVICES?

Digital marketing is an important to any business regardless of its size. It can help the business achieve a substantial leap by designing digital marketing strategy to differentiate the organisation from its competitors. Without the right digital marketing strategy, organisations may miss out opportunities for growth as more and more people are using digital technology to find information, buy products and assess the services they use. If the organisation's prospects are online and the business is not, then it will definitely miss so many opportunities and be left behind by competitors and lose business in the process. Companies need to invest skills and time in creating a digital marketing strategy to leverage the internet and understand the latest marketing techniques to make more knowledgeable decisions in the future. There are also digital marketing firms that can create a strategy to suit different business needs and goals.

Figure 1.2: Digital Marketing Strategy Building Process

As illustrated in **Figure 1.2**, the digital Marketing strategy building process makes use of various types of digital technologies to promote the organisation' business strategy. There are

many types of digital marketing strategies but it is very important for the organisation to understand what will work or will not work in regards to their digital marketing efforts.

1.13 THE 4 PS OF MARKETING AND THEIR IMPLICATIONS FOR DIGITAL MARKETING

- Product
- Price
- Place
- Promotion

There have been quite a few variations on the Ps of marketing, including the 4 Ps and 7 Ps, but for this section will focus on the core 4 Ps of marketing – often referred to as the marketing mix. They are product, price, place and promotion. Studies led by Kingsnorth (2016) have analysed the applications of the marketing mix to digital marketing which are outlined below:

1.13.1 Product

This may be a physical product or a service proposition. The key here is that something is developed that people actually want to buy. Some businesses begin with a product and then try to force that on an audience. If there is no demand for your product and no one is interested then you will not be able to create demand.

What Does this Mean for Digital Marketing?

The key considerations here from a digital perspective are around whether your product can/will sell online. What channels are open for the organization's product or proposition? Are there opportunities to make it flexible to be more appropriate for the online or mobile audiences? Does it provide real value for the consumer and is it differentiated from the company offerings? Is it being updated, services, and maintained effectively to keep it strong? Are there features of it that can be added or should be excluded for the digital customer and is it fair to do this?

1.13.2 Price

Pricing is the second P and one that can be more of a science than an art. Understanding price elasticity and competitive positioning are angles to consider but the key factor is whether the price reflects the amount that people are willing to pay. The 'willing to pay' element depends on many factors such as brand value, online reviews, product quality and others but there are also numerous pricing tactics and strategies that can be employed during the different phases of the product life cycle.

What Does this Mean for Digital Marketing?

Discounts and offers are certainly not new to digital marketing but the concept of fast price comparison and the introduction of cashback and voucher sites have certainly changed consumer behaviours. Businesses can take advantage of this through affiliate marketing programmes.

CASE STUDY 3

Affiliate Marketing

Affiliate marketing is where a company may promote its products through a third- party websites in exchange for paying a commission or fee to the website when an action is taken. This is very common in the comparison, voucher and cashback space as it is very easy to directly track sales and therefore attribute value to the relationship. Commissions are often paid on sales but can be paid on click- through or other actions.

<div align="center">

Can You Really Make Money with Affiliate Marketing?

The Truth about Affiliate Marketing (Duermyer, 2017)

</div>

Can you make money with affiliate marketing? Affiliate programs can earn an extra money and even a full-time income from home. Affiliate marketing is an ideal home business

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because it doesn't require much money to get started, and you don't have produce, stock or ship product inventory, or deliver a service.

You're essentially paid for referring new clients and customers to other businesses.

Pros of Affiliate Marketing

As already mentioned, there are several aspects of affiliate marketing that make it a good home business option including:

- Low cost to get started. Most affiliate programs are free to join, so your costs are usually related to your referral/marketing methods.

- No need to create a product or service.
- Don't have to stock or ship products.
- Work anytime and from anywhere as long as you have Internet access.
- Passive income potential, depending on how you market your affiliates programs.
- Can be added on to current home business to create an additional income stream. Cons of Affiliate Marketing

There are challenges to making money from affiliate marketing, such as:

- It can take time to generate the amount of traffic needed to result in income.
- Affiliate hijacking can occur in which you're not given credit for your referral. URL masking can help.
- A bad affiliate can ruin your credibility. It's important that you choose quality businesses to work with to avoid this.
- No control over the businesses product, service, or how it does business.
- Some companies have been known not to pay, although there are ways to screen and choose quality affiliate programs.
- High competition. When you find a great program, you can bet that many others are promoting it as well.

How to Become a Successful Affiliate Marketer

Affiliate marketing isn't hard, but it does require knowledge, planning, and consistent effort to make any significant income. Here are some things you can do to insure your venture into affiliate marketing is successful.

- Start right by learning about affiliate marketing and the steps required to be a success.
- Choose only quality affiliate products and services. You'll be judged by the product/services you promote, so don't just focus on the income, but also on the quality.
- Research the programs so you understand how and when you're paid, and other important money issues you need to know to ensure the program is a good fit.
- Choose affiliate items that match your niche or the content on your home business website or blog. For example, if you write about figure skating, affiliate links to motorcycles or a new set of saddlebags won't do well.

- Mix and match affiliate ads so you don't overwhelm your visitors. In-content affiliate links usually have the best click through rates over image links.
- Always disclose your affiliate relationship. Most visitors will probably understand that graphic ads will lead to your getting paid, but if you write a review or use an in-text link as a recommendation, you want your readers to know that may lead to compensation as well.
- Market, market, market. Don't rely on social media alone to drive people to your website or blog to take advantage of your affiliate recommendations. Understand who your target market is, where you can find it, and how you can entice it to your site.
- Start an email list. The most successful affiliate marketers use email in their affiliate marketing. Don't put this off. Email marketing can increase your affiliate profits significantly.

(Source: Duermyer, 2017. Available at: https://www.thebalance.com/can-you-really-make-money-with-affiliate-marketing-1794168).

1.13.3 Place

Location, location, location. In the *marketing mix*, the process of moving products from the producer to the intended user is called *place*. In other words, it is how your product is bought and where it is bought. This movement could be through a combination of intermediaries such as distributors, wholesalers and retailers.

Building your shop in the wrong place decreases footfall and ultimately means fewer sales. Having your shop in the right place but not having the stock in the shop is even worse.

What Does this Mean for Digital Marketing?

All of these apply to digital marketing. If the company does not have a physical shop but an online shop, it must be easy to find through paid search and most other digital acquisition channels. Once someone arrives is it easy to navigate and find the information and products that they want?

The company must ensure that the items are in stock and that the site is working correctly to dispatch them? Ultimately, if people cannot find what they are looking for, they will go elsewhere as speed is much more of an expectation online.

1.13.4 Promotion

Promotion is what most people think of when they hear the word marketing and consists of TV campaign, press advertising and display banners. This is often the first time that people will have any relationship with the company's brand and in below-the-line marketing; this can be a personal relationship. To be successful in digital marketing, first impressions about the company are very important and hence so getting the company's promotion strategy right is vital.

1.13.5 Above and below the line

Above-the-line and below-the-line marketing are terms used to differentiate between broadcast and targeted marketing techniques.

Above-the-line marketing refers to mass market advertising that is often used to push specific promotional messages out to large audiences or to build your brand. Below-the-line is used to

tailor your communications to individuals or segments to ensure a more powerful message. Through-the-line is a term often used and this simply refers to creating an integrated approach by using an appropriate blend of above and below-the-line marketing. To help you further understand the split, given below is a list of marketing channels that would fall into each bracket:

- Above-the-line:
  - TV;
  - radio;
  - press;
  - display advertising;
  - outdoor.
  -
- Below-the-line
  - SEO;
  - direct mail;
  - paid search;
  - e-mail;
  - direct selling.

These days promotion has moved far beyond simple advertising and into dialogue. Smart marketing requires the right promotion strategy, including being single-minded, insight-driven, integrated communicating the features and benefits, creating a clear call to action and many others. All of these apply to the digital acquisition channels.

CASE STUDY 4

Coca-Cola targets millennials with CokeTV YouTube channel

Coca-Cola has created popular YouTube channels in Europe, working with popular YouTube vloggers to take its CokeTV channel to the UK, Germany, France and Spain as the FMCG giant ramps up its content marketing strategy as a new way to engage teens with authentic "eye-level" communication.

The soft drinks brand first launched CokeTV in Germany back in 2014, where it attracted over 268,000 subscribers and 29m views making it one of the most successful brand channels

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in the country. The UK channel will be fronted by YouTube stars Manny and Dodie, with each episode focusing on entertainment 'passions' such as gaming, sports and music. The hosts will recruit other bloggers to take on challengers and the show will also get exclusive access to events.

(http://www.digitaltrainingacademy.com/casestudies/tag/coca-cola)

View the UK channel page below:

What Does this Mean for Digital Marketing?

One of the challenges with the digital space is that the company may have limited space or time to communicate its product promotion. Where a TV advert or press advertisement may have 30 seconds to get a point across, digital will often have 100 characters or less than one second. This therefore creates a real need for impact messaging and, more importantly than anything else, a test-and-learn philosophy. It is not always possible to predict the consumers' every possible outcome and so being in a constant and evolving test cycle is vital to a culture of continuous improvement – something that is a key value of effective marketing.

1.14 SEGMENTATION STRATEGIES FOR DIGITAL MARKETING

PersonaliSation is the ultimate goal of tailored communications and is far more possible than it was just 10 years ago. It is, however, still vitally important to understand segmentations well. Consumers will always have similarities in their behaviours, demographics, buying patterns and other factors that enable you to group them into segments. This enables smarter, more appropriate targeting and messaging within your marketing communications. These groups will have different users for products and varying perspectives on services. Their lifestyles will be inherently different as will be their needs, aspirations, opinions and much more. (Kingsnorth, 2006).

Five common forms of segmentation – geographic, demographic, behavioural, benefit and psychographic as identified by Kingsnorth (2016) – are listed below, including the advantages and disadvantages of each alongside how businesses use these methods.

1.14.1 Geographic
For the geographic base of segmentation, the location of the individuals is analysed. Businesses that have regional retail outlets will have some focus on this but it can also prove a useful tool to understand where to target your marketing. That could be outdoor or press advertising but from a digital perspective it may provide a geo-targeting approach or data selection for your strategy. The disadvantage is quite simply that this is very basic and does not provide specific insights into the individuals themselves.

1.14.2 Demographic
A very common form of segmentation, demographics includes factors such as age, race, gender, education, employment, income and economic status. It is therefore an area of segmentation that gives a reflection of the characteristics of a group of people. Demographic segmentation is used by governments and a very broad range of organizations as it can answer questions such as 'Who can afford to buy my product?' and 'Will this group of consumers be of the right age range for my product?'

The disadvantage of this type of segmentation is that there is a large assumption that people with similar characteristics will behave similarly, which is far from the truth. They will have

different passions, hobbies and much more. To understand this in more detail we need to understand behavioural segmentation.

1.14.3 Behavioural

Behavioural segmentation provides insightful information about consumers a lot more, especially those in the digital space. This method groups consumers by buying patterns and usage behaviours. This is an excellent way of talking to individuals in a way that is highly likely to resonate with them. It is useful when talking about specific products or use occasions.

Behavior can change with one's lifestyle. Divorce, children and retirement are key examples of when life changes could result in behavior changes. It is therefore vital to be working with data that is up to date.

1.14.4 Benefit

This form of segmentation is based around consumer perceived benefit. Many businesses use this to understand their consumer base and to inform product development and marketing opportunities.

A good example of this is the fashion industry. If you imagine retailers of coats and jackets: some consumers will look for warm winter coats for their ski holidays, some for all-weather jackets for their outdoor lifestyle, some for lightweight jackets they can wear whilst exercising, some for smart coats for work and some purely for fashion. The perceived benefit of your coat will appeal differently to each different segment, so perhaps you need to change the perception of your coat or bring out a new range to appeal to a new segment.

1.14.5 Psychographic

Psychographic segmentation provides an understanding of a consumer's lifestyle. This includes studying activities, opinions, beliefs and interests. Understanding these elements can, similarly to behavioural segmentation, result in messaging and products that truly resonate with the individuals. Creating segments on this basis creates a more 'real' view of the individuals than geographic or demographic segmentation ever could.

1.15 PULLING TOGETHER THE FIVE FORMS OF SEGMENTATION FOR DIGITAL MARKETING -PERSONAS

By pulling together the above five forms of segmentation an organisation can create personas, as per the example shown below. These are effectively descriptions of your segments. Most businesses will create between five and ten of these, as too few results in large groups that are too generic and too many can result in segments that are too small or overcomplicate the targeting approach.

Many templates of personas include the same basic information- who the persons are , what are their values and how best to speak to them. Here is a quick overview on what should be included in a marketing persona template:
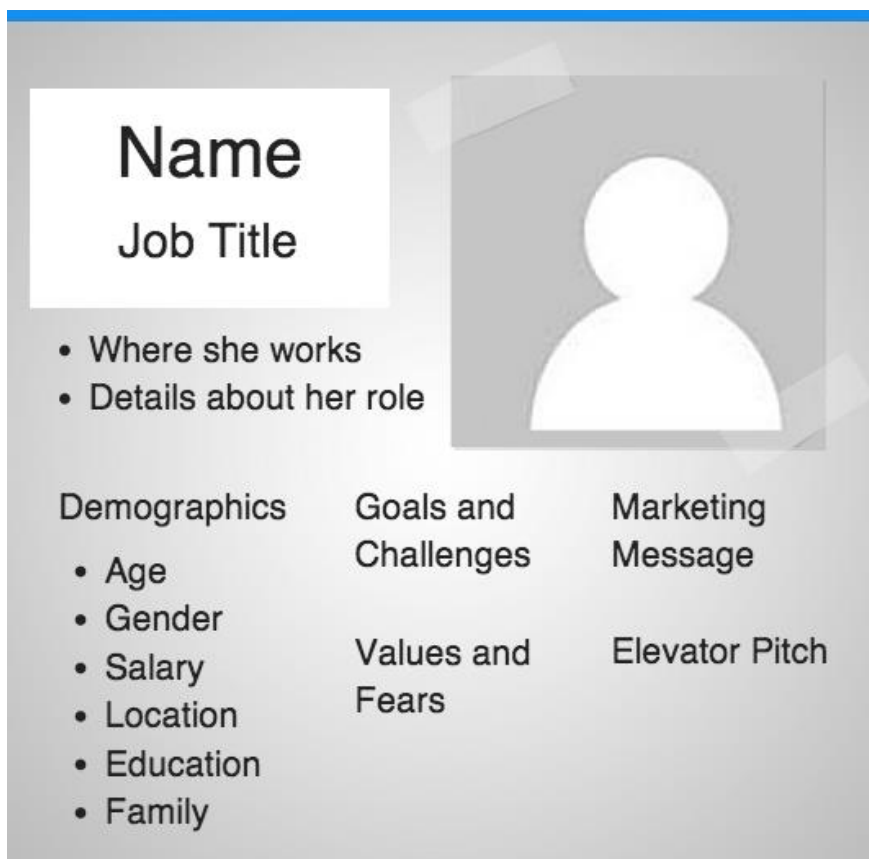
Name of the persona
Job title
- Key information about their company (size, type, etc.)

- Details about their role

Demographics
- Age

- Gender

- Salary / household income

- Location: urban / suburban / rural

- Education

- Family

Goals and challenges

- Primary goal

- Secondary goal

- How you help achieve these goals

- Primary challenge

- Secondary challenge

- How you help solve these problems

Values / fears

- Primary values

- Common objections during sales process

An example of a persona
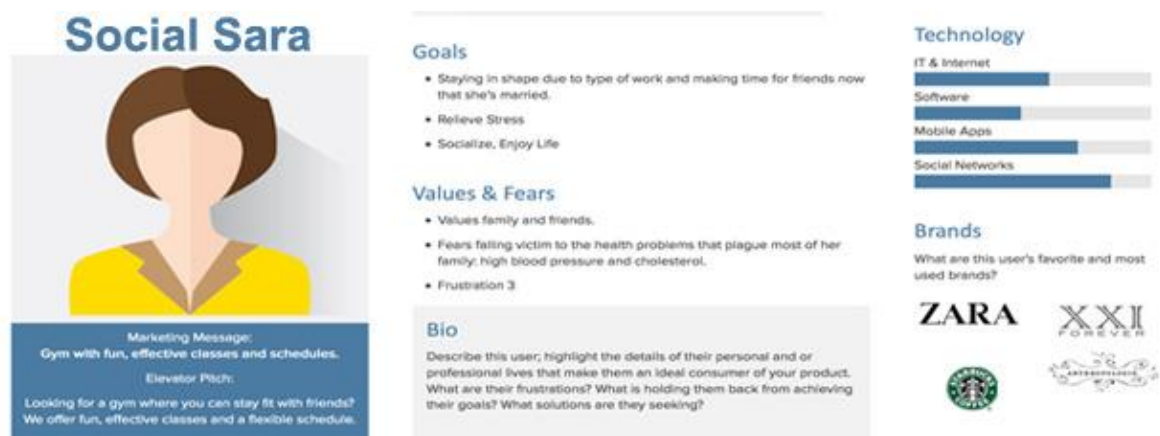
1.15.1 Segmentation in the Digital Age

How Digital Marketing is Redefining Customer Segmentation

According to Brondo (2015), the bases of segmentation as outlined above have to be redefined in the age of digital marketing. In classic marketing, customers are segmented into groups with like buying patterns. Marketers focus on trying to deliver the right message to that group of customers and hope for the best.

In digital marketing, no two customers are exactly the same. That is the core and central theme of personalised digital marketing. And just like how execution is the driver for classical marketing, execution of personalized digital marketing is even more important. Emerging digital marketing companies are developing tools, platforms, and strategies that enable retailers and brand leaders to reach their potential customers by using mobile technologies. Each "touch" to a potential customer is customised and based on a unique set of preferences that can be accelerated in the moment.

Brondo (2015) has developed a new way of thinking about customer segmentation in the digital age and identified three bases of segmentation in digital marketing which is shown below
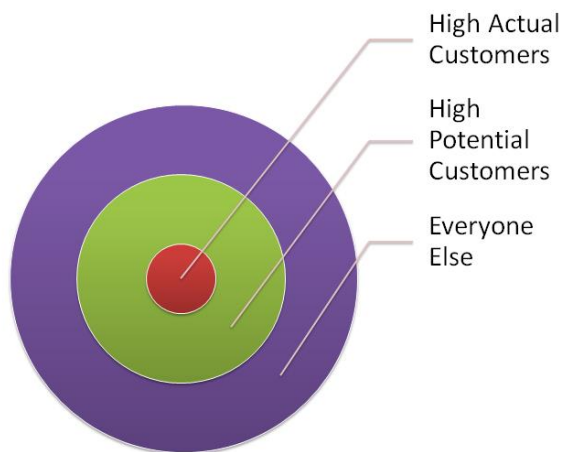
Figure 1.3 - "Segments for Digital Marketing strategies'

The High Actual Customer Segmentation is a segment that wants to buy, has made a decision to buy, but hasn't decided which brand to buy from yet. Customised and personal digital marketing is the perfect solution for this customer segment.

The Potential Customer Segmentation is a segment that has thought about buying, but hasn't had the full reason or desire to yet. Customized and personal digital marketing is a great tool for this segment because some sort of additional value proposition like a coupon or one-time discount can be the deciding factor that turns the potential customer into an actual customer.

Everyone Else is the segment you don't waste your marketing dollars on. They are most likely not going to buy your product and the cost to know who is not going to buy your product is a much greater investment then the cost wasted on them trying to convince them to buy a product they are never going to buy.

1.16   DIGITAL MARKETING PLATFORMS

1.16.1 Definition of Digital Marketing Platforms

An integrated digital marketing platform is a combination of integrated tools and technology that allow marketers to manage big chunks of their digital marketing responsibilities. The world of business just can't do without digital media. From targeting new people to maintaining relations with loyal customers, everything happens digitally. Also, all business sectors from retail stores to manufacturing companies are present on the digital platforms and are thinking of ways to develop online connection with their targets.

Digital marketing platforms expose key elements as standardised services via a programmatic application programming interface for building custom applications and extensions and integrations .So any platform in digital marketing needs to address requirements specific to a limited number of neighborhoods or domains. In the era of digitisation, organisations are surrounded by digital ideas, concepts, and thought-processes. To make the most of the creative digital ideas, Jenni (2017) has outlined the different types of digital marketing platforms where organisations can place their brand communication and enjoy productive maximum response.

1.17   DIFFERENT PLATFORMS FOR DIGITAL ADVERTISING

1. Display Advertising

Display Advertising for Brand Awarness & Direct Response Campaigns

Based on your audience profile and your products, select ad space in specific websites from where you can get good traffic. Display ads can be anything from the banner ads to videos. In the online world, it is considered as one of the most effective ways of digital branding. Instead of developing text-based communication, create interesting videos or images that will speak on behalf of your brand. Also, take time to follow your targets and wisely choose the websites, which in turn are followed by your audience group.

2. Search Advertising

While your visitors enter certain search keywords, specific to your brand and business; you can take this opportunity and promote your ad through the search engines. To do so, you have to coin down certain keywords, with which you shall sync your advertising message.

With this, your business or company might not have a good rank in the search engine pages, yet you will expose your audience to your brand. Often, search engine ads can give you better leads since people eye-witness a solution that they are just looking for. It also saves their research time. You can also consult with any SEO Company for getting good position in Search Advertising.

3. Mobile Advertising

Mobile-centric ads are the current trend. From the in-app messages to the videos, mobile advertising is the most effective way to promote your brand. With the entire world going mobile, developing short and crisp communication targeting the mobile users is the best practice. As people carry their mobiles your brand communication stays in their mind, for a longer time.

While developing mobile ads, ensure that it fits the screen sizes of all hand-held devices. In this way, your message will be clear and you shall successfully position your brand name in the minds of your targets.

4. Social Advertising

Social media sites mostly Facebook, Twitter, LinkedIn, Instagram and other similar platforms provide lucrative opportunities to promote your brand. The best thing about social ads is that you know your targets well and can propose your brand message.

Also, based on certain audience profile, you can personify your advertising and suit to the specific needs, interests and desires of your large target audience. If strategically done, social ads can also bring leads which are sure to land into sales.

5. Video Advertising

Contrary to texts which lack visual appeal, video ads serve as effective stimulant that influences your audience to try you out. Video ads can be placed in any platforms - mobile, website, social media sites. Just like television ads, online video ads quickly hit your targets and with frequent exposure can enable them to purchase your product or avail your service.

6. Cross-Channel Advertising

Another new-age form of digital advertising, cross-channel advertisement is an intelligent way to follow your online visitors and track their interests and desires. With the help of cross-channel ad software, you shall become aware about the digital journey of your target audience.

Accordingly, you can choose specific online platforms and promote your brand only in those spaces and reach individual audience. It is the best way to develop personal communication and have better connect with your target group.

7. Demand-side Platforms

Last but not the least, DSP or Demand-side platforms allow you to manage multiple ad exchange and various data exchange accounts, using only one interface. With DSPs, you can track real-time bidding, optimize algorithms and get maximum value from each audience. In milliseconds, the search engines try to determine the value of prospective impression and places a bid accordingly. Using DSPs, you can also integrate ads with third-party vendors and ensure more impressions from various sources.

With all the above digital advertising platforms, you must also realize that not all are required for your business. Based on your communication objective, purpose of advertising, nature of product, and target audience profile, you must choose the most suitable platforms that will provide maximum reach and exposure to your brand. Such decisions are time-consuming, and with adequate time and in-depth research and analysis; you can arrive at the right online destinations.