

01

Situating
digital in
marketing

1.1 Introduction

Today, no marketing strategy is complete if it does not incorporate digital strategy and expression. Understanding digital requires thinking beyond any one tool or channel, and towards an exchange of value: an economic system trading with attention as currency.

What is digital? Bud Caddell defines 'digital' as "a participatory layer of all media that allows users to self-select their own experiences, and affords marketers the ability to bridge media, gain feedback, iterate their message, and collect relationships" (Caddell, 2013). In other words, digital is a new way of exploring content (for users) and connecting with customers (for marketers).

Digital is not just a set of marketing channels – it's a different way of thinking about how people engage with media, each other and the world around them. Digital enables you to segment your audience and customise messages in a valuable and measurable way. The availability of information, our inherent desire to contribute, and user-friendly technology have rewritten the rules of engagement. People are not passive consumers; they are empowered as publishers, editors and commentators. The conversation is multi-directional and usually not started or controlled by brands.

In this chapter, you will gain:

- An understanding of the role digital can play in a marketing plan
- An approach to reaching people in a world of digital tools
- Insight into how to get the most out of this textbook

1.2 Understanding marketing

Before we can delve into digital marketing, it's important to understand the fundamentals that underpin marketing itself. After all, digital marketing has the same purpose, intentions and objectives.

Dr Philip Kotler defines marketing as follows, "Marketing is that function of the organisation that can keep in constant touch with the organisation's consumers, read their needs, develop products that meet these needs, and build a programme of communications to express the organisation's purposes".

(Kotler and Levy, 1969: p 15).

1.3 Understanding digital marketing

How does digital marketing fit into this definition? There is, in fact, no basic difference between 'traditional' marketing and digital marketing. They are one and the same.

Ultimately, the aim of any type of marketing is to keep customers and stimulate sales in the future. Digital communication tools make it possible to connect and build long-term relationships with customers.

Digital marketing helps to create consumer demand by using the power of the interconnected, interactive web. It enables the exchange of currency but, more than that, it enables the exchange of attention for value. This is referred to as the attention economy.

Digital marketing is powerful in two fundamental ways. First, the audience can be segmented very precisely – even down to factors like current location and recent brand interactions – which means that messages can (and must) be personalised and tailored specially for them.

Second, the digital sphere is almost completely measurable – every minute and every click by a customer can be accounted for. In digital you can see exactly how various campaigns are performing, which channels bring the most benefit, and where your efforts are best focused.

1.3.1 Crowdsourcing

Crowdsourcing is a powerful example of the way digital tools have enabled certain ways of thinking. In simple terms, crowdsourcing is a distributed problem-solving and production model that relies on an active community to find solutions to problems. Crowdsourcing relies heavily on the tools and communication forms made possible by the Internet.

Given that the Internet connects people all over the world through different publishing tools and technologies, the information and ideas on these channels have become commodities in themselves. In the past, we had to gather physically to create crowds. Now, with technology, crowds can be closely connected while being geographically distant.

By listening to the crowd and asking for their contributions, organisations can gain first-hand insight into their customers' needs and desires, and build products and services that meet those needs and desires. With an earned sense of ownership, communities may feel a brand-building kinship with the community through collaboration and contribution.

Using the Internet, a savvy organisation can tap a wider range of talent and knowledge than is contained in its own resources. Tapping into this resource can be done in one of three ways:

1. **Crowdsourcing**, which involves asking and enabling people to share their ideas or creations in exchange for an emotional or monetary reward. This is the most common type used for marketing and idea generation. Websites such as Threadless (www.threadless.com), Idea Bounty (www.ideabounty.com) and Wikipedia (en.wikipedia.org) are prime examples of crowdsourcing.
2. **Crowdfunding**, which involves asking many people in a large crowd each to donate a small amount of money in order to gather a large sum to fund a specific project or venture. Kickstarter (www.kickstarter.com) is a well-known platform where people who want to start projects can ask for backers to fund them. The higher the contribution, the more the backer will receive once the project is complete.
3. **Microtasking**, which involves breaking a big task or project down into tiny components and asking many people to each complete a few of these components, usually for payment. One company that uses microtasking is BrandsEye (www.brandseye.com), which pays members of its crowd to evaluate the sentiment behind mentions in social media.

Communities that use crowdsourcing platforms exist for different reasons. Some exist because there are people who have a keen interest in and affinity for those brands. They participate in the community because they want to improve the products and services they receive. Others want to gain a monetary reward or the prestige of devising the winning solution.

Whatever the case, crowdsourcing demonstrates the power of the Internet – it connects people, builds communities, spreads messages, and taps into a global source of ideas and inspiration.

1.3.2 Digital audiences

Both the media landscape and people's media habits have changed. There are many fragmented and highly specific niche communities at play across multiple digital media channels.

At the same time, people's attention is fragmented by the many new media channels and tools available – on top of traditional media, we now have social networks, emails, web tools, mobile devices and more splitting our attention. With so many choices and too little time, audiences have become very skilled at ignoring marketing messages.

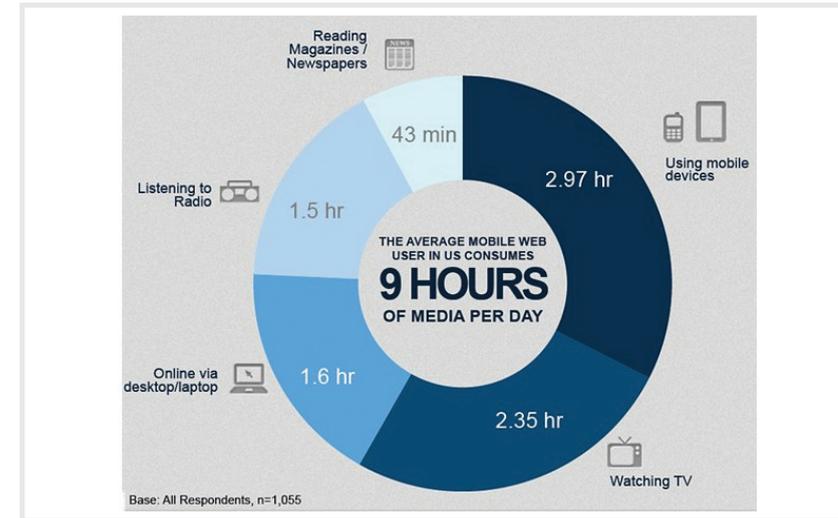


Figure 1. The ways in which people use digital media. (Source: InMobi, 2012)

The key to succeeding is two-fold: ideas must be remarkable, and you must find a niche group who are obsessed with your product and willing to devote their scant attention to it. These fans may tell their friends and, in doing so, spread the word over their interconnected digital networks. If most consumers are likely to ignore your marketing message then the goal is to speak to those who are actually listening.

This leads to another key digital consideration. These days, people themselves are media channels. After all, most of us create, share, comment on and link to content that we find interesting – or that we think will interest our friends and followers. These personalised digital broadcasts are intercepted by people who are interested in what we are saying and have chosen to listen to us. Through this, individuals have become conduits for information, ideas and news in a powerful way.



Figure 2. YouTube user ComicBookGirl19 broadcasts valuable content.

This exchange of ideas comes down to creating communities and nurturing relationships. Digital helps us to understand these relationships better.

1.3.3 Segmenting and customising messages

All of these ideas about niche communities, influential media personalities and fragmented attention spans tie in to the ability to segment online audiences and customise messages.

Segmentation is the process of taking a single, general audience and dividing it up according to specific groupings or characteristics. Once this is done, each group can be targeted differently depending on their needs from the brand. For example, a bank may serve a wide range of customers, but the messages it sends to segments such as young high-income earners, small-business owners and retirees will be very different – necessarily so.

Digital offers a wealth of user information, the ability to target users based on these factors, and the availability of technology for creating and managing large databases. In digital marketing segmentation, customers can be reached across a wide range of communication channels depending on their preferences and needs. The focus should not be on separate channels, but on how digital channels can enable and work with the strengths of what may be considered 'traditional' media such as TV or billboards. Today, digital often plays the role of a bridge for customers between different marketing media, allowing them to respond to a broadcast message on TV through a social media property for instance, where they can obtain a deeper, richer and more interactive brand experience.

Once an audience segment has been created, the message sent to it can also be customised (often automatically) thanks to the availability of the necessary information and digital tools. This can be as small as adding the customer's name to an email greeting, or as significant as tailoring an entire page of content to their buying history, connections and brand interactions. For example, Amazon provides product recommendations to users based on the items that they have bought as well as similar products purchased by others.

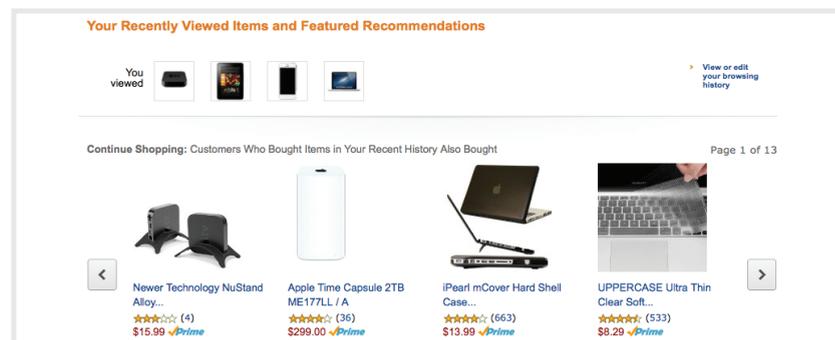


Figure 3. Amazon recommends items based on past purchases and views.

1.3.4 Measurability

The second factor that distinguishes digital is its measurability. Because of the technology on which it is built, almost every action on the web can be tracked, captured, measured and analysed.

The benefit for marketers should be clear. While traditional media are undoubtedly effective, it's sometimes hard to know exactly what is working, how well it's working, and why. Digital can help you pinpoint the success of campaigns down to the channel, audience segment, and even time of day.

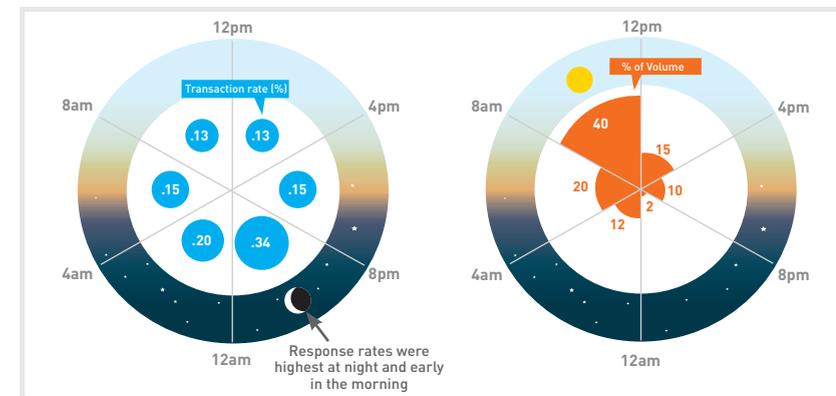


Figure 4. Measuring online data can tell you, for example, when the best time is to send an email. (Source: Harvest Retail Marketing, 2013)

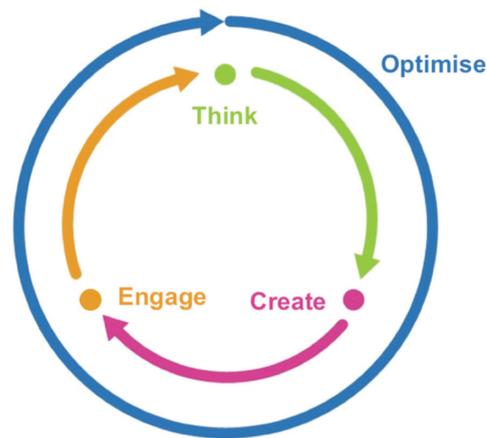
Web analytics – the discipline of tracking, analysing and drawing insight from online data – can also go a step further to helping a marketer understand the audience's intent. While the data merely answers what people are doing, looking at this in conjunction with other insights can help you understand why they are doing it as well.

Measurability in digital is not just about understanding the technology, although that is a necessary first step. It's about understanding how people and technology intersect – with the ultimate goal of using this information to craft the most effective and relevant marketing messages. As Kotler would say, it circles back to the notion of "creating and satisfying customers at a profit" (Kotler, 1991).

1.3.5 The TCEO model

There are many models for approaching digital marketing but we have found it most effective to group it into four interrelated disciplines: Think, Create, Engage and Optimise. This grouping creates a process that will result in the optimal use of digital tactics.

The diagram below illustrates the interrelation between the disciplines and highlights how the Optimise function should be present at each stage:



THINK is the starting point in our approach. It is tasked with developing strategic plans for the digital world. Like traditional communications planning, it includes topics such as consumer insights, research, concept development, budget allocation and channel planning.

CREATE brings concepts to life by executing campaigns and shaping platforms. It covers all aspects of creating web assets, from web design and development to conceptual copywriting, the creation of social media assets, mobile development, engineering business systems and social media integration.

ENGAGE is responsible for driving traffic and building relationships. Media buying and planning, search engine optimisation, email marketing, social media and campaign management are some of the key activities here.

OPTIMISE is about continuous improvement. It delivers insight and lessons through analytics, data mining, conversion optimisation and testing. Optimise is relevant at each stage of the process.

1.4 Accounting for change and how to use this book

It must be acknowledged that the term 'digital' is becoming increasingly insufficient for discussing the topics shared in this chapter. The idea of an analogue system is increasingly irrelevant and so referring to something as 'digital' can suggest a very broad meaning that, at its worst, is so vague that it becomes meaningless.

eMarketing, the title of this book, is also a term that has lost some relevance since our first edition. As the field matures and the effect of digital thinking, for lack of a better phrase, becomes both more evident and acknowledged, terms and practices will evolve to account for this.

For those with inquisitive minds who would like an introduction to how the Internet itself works (and we know there are many of you!), we have included a break down as an appendix at the back of this book. There you will also find a history of the Internet. Both sections contain valuable information that will likely inform your interactions on this powerful medium.

At its core, marketing is about conversations and the Internet has become a hub of conversations. The connected nature of the Internet allows us to follow and track these conversations and provides entry points for all parties. What follows in this book are ways of conversing with existing and potential customers using the Internet. This textbook can be read from back to front or used as a reference guide. Key terms, concepts and interrelated subjects are highlighted in each chapter. Apply the knowledge you gain for success and let us know how it goes!

1.5 References

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