

9

Chapter Nine

Digital Marketing

9

Toucan

Getting Tobago on the Tourist Map

- Toucan: experts in SEO, online advertising and consumer engagement
- Internet as primary advertising channel – utilised social media
- Good timing critical in promoting tourism
- Needed to differentiate Tobago from other Caribbean destinations

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E-Active Marketing

Chapter Objectives

1. What is digital marketing?
2. How has the transition to Web 4.0 affected the field of marketing communications?
3. How can e-commerce programs and incentives build a stronger customer base and overcome customer concerns at the same time?
4. What makes e-commerce a crucial part of business-to-business commerce?

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E-Active Marketing

Chapter Objectives

5. How can companies use mobile marketing to reach customers?
6. What is interactive marketing?
7. What types of online advertising can companies use to reach customers?
8. How have online social networks, blogs, consumer-generated reviews, e-mail, and viral marketing become key components of market communication programs?
9. How can companies successfully conduct digital marketing programs in international markets?

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E-Active Marketing

Chapter Overview

- Web 1.0 → Web 4.0
- Customer engagement
- Digital marketing includes
 - e-Commerce
 - Internet marketing
 - Mobile marketing
- E-commerce programs
- Interactive marketing methods
- Digital methodologies



FIGURE 9.1

Primary Characteristics Web 1.0 to Web 4.0

- Web 1.0
 - Static content provided by creator
 - Dominated by institutions and businesses
 - Commercially and technically based
- Web 2.0
 - Content is socially-based and audience generated
- Web 3.0
 - Content driven by online metrics
 - Integration of content and communications
 - Instant real-time communications
- Web 4.0
 - Customer engagement
 - Cloud operating systems
 - Web participation a necessity

E-Commerce

- Click-only operations to bricks-and-clicks
- B2C and B2B online commerce
- Online sales 8 percent of retail activity
- Research online before purchase
 - 80% Americans
 - 50% Australians



FIGURE 9.2

Characteristics of Web 4.0 E-commerce Sites

- Customer-centric design
- Drill-down search
- Channel integration
- Brand engagement
- Customer interaction
- Customization and personalization
- Online and offline marketing
- Search engine optimization (SEO)
- Shopping cart abandonment strategies

Strategies to Reduce Shopping Cart Abandonment

- Show any additional costs
- Make checkout easy
- Easy to enter discount codes
- Provide safe checkout procedure

E-Commerce Incentives

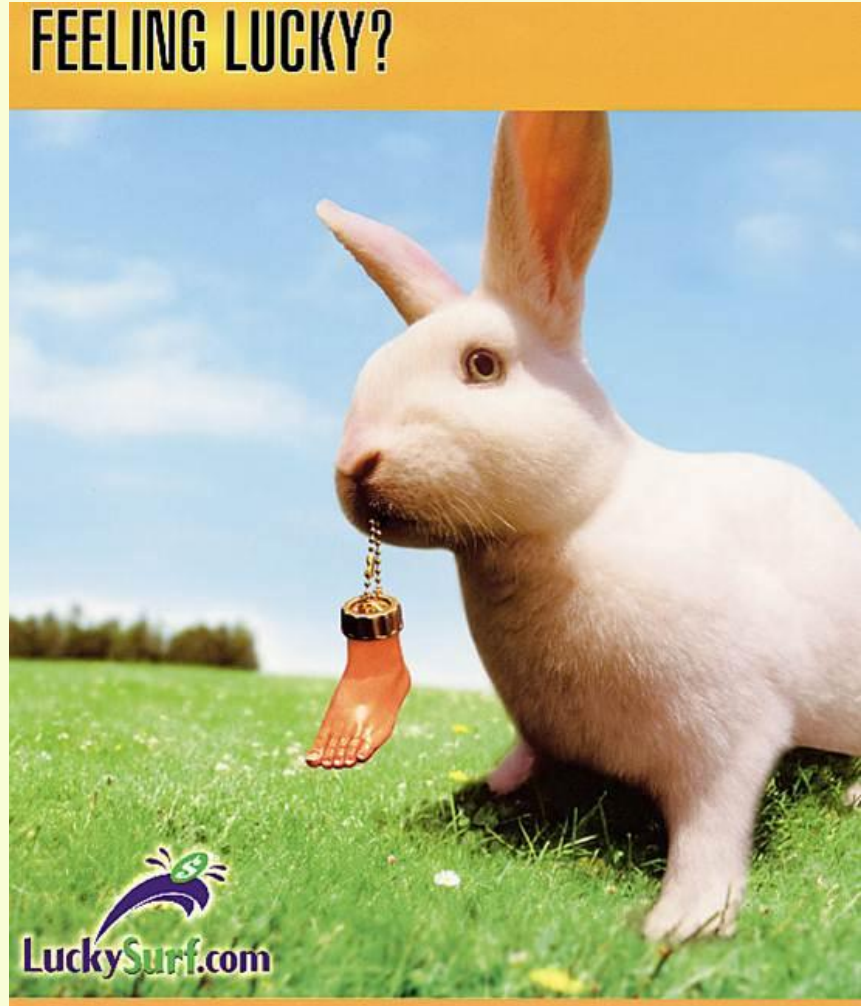


- Financial incentives
- Convenience incentives
- Value-based incentives

CYBERBAIT

Financial Incentives

- Attract first-time purchaser
- Effective incentives
 - Reduced price
 - Free shipping
 - Most popular (80%)
 - E-coupon
- Incentives must be
 - Meaningful
 - Changed periodically
- Reduces costs through
 - Lower shipping costs
 - Lower labor costs
 - Lower personnel costs



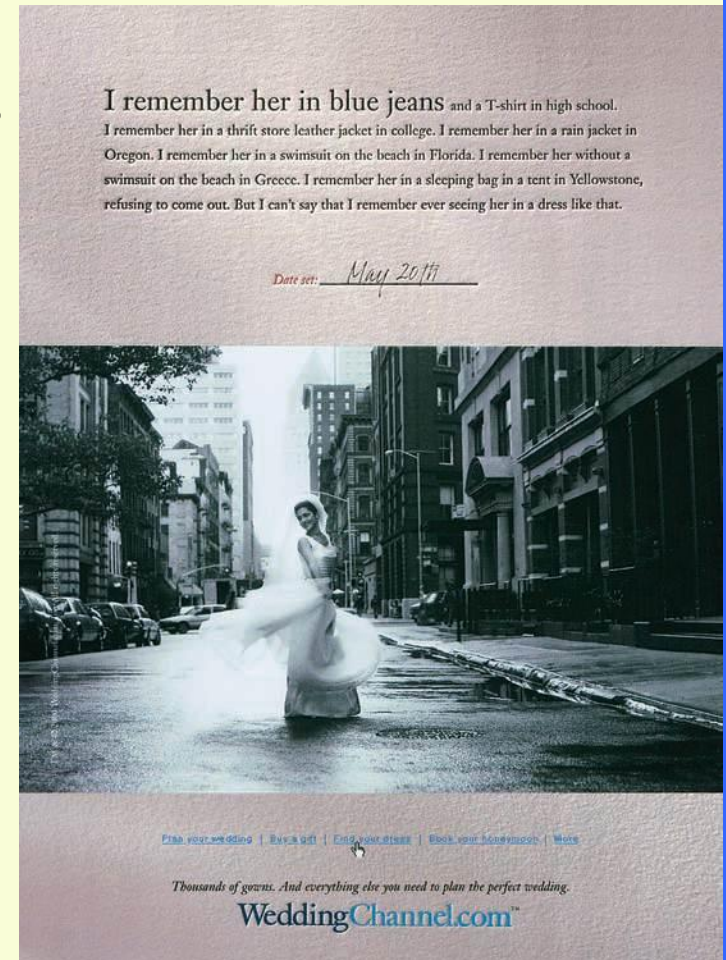
Convenience Incentives

- E-commerce available 24/7
- Availability of product information
- Online peer reviews
- Compared product features online



Value-Added Incentives

- Change purchasing habits
 - Long term
- Personalized shopping
- Examples
 - Merchandise available only online
 - Combination of incentives
 - Free information



I remember her in blue jeans and a T-shirt in high school. I remember her in a thrift store leather jacket in college. I remember her in a rain jacket in Oregon. I remember her in a swimsuit on the beach in Florida. I remember her without a swimsuit on the beach in Greece. I remember her in a sleeping bag in a tent in Yellowstone, refusing to come out. But I can't say that I remember ever seeing her in a dress like that.

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FIGURE 9.4

Privacy and Security Issues

- Fear of identity theft
 - \$21 billion lost sales
- Fears declining
- Sell personal information
- Trust key issue

Business-to-Business E-Commerce



Why do clothes have pockets.

What good is a pocket if it's empty? Go off on over 7,500 mobile technology products like handheld batteries, chargers and adapters to the coolest cell phones and digital cameras. To receive a 10% discount, visit us at www.igogo.com/emp or call 1-888-205-0665 and refer to code IGOC07.



10% discount on any product or service purchased through employees.igogo.com



- E-commerce is critical
- Websites hits directly related to advertising and sales promotions
- Requires incentives
 - Financial
 - Convenience
 - Value-added
- Online exchanges and auctions

Mobile Marketing

- Smartphones (43%)
- Ways people use smartphones
 - Social device
 - Search for product information
 - Method of shopping

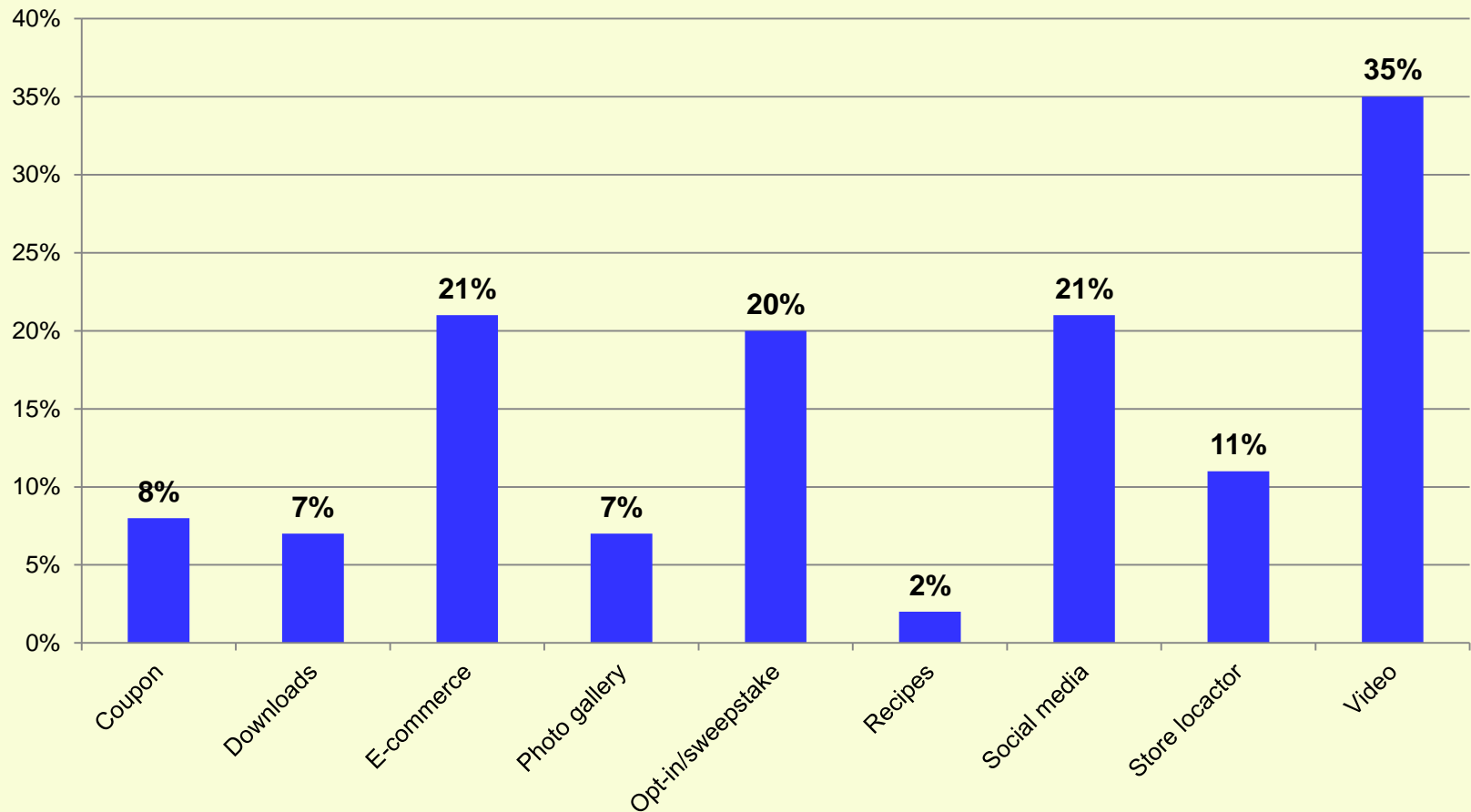
FIGURE 9.3

Types of Mobile Marketing

- Display ads
- Search ads
- Video advertising
- Text messages
- In-app advertising
- QR codes, digital watermarks, 2D barcodes
- Geo-targeting

FIGURE 9.4

Marketing Uses for Action Codes in Magazines



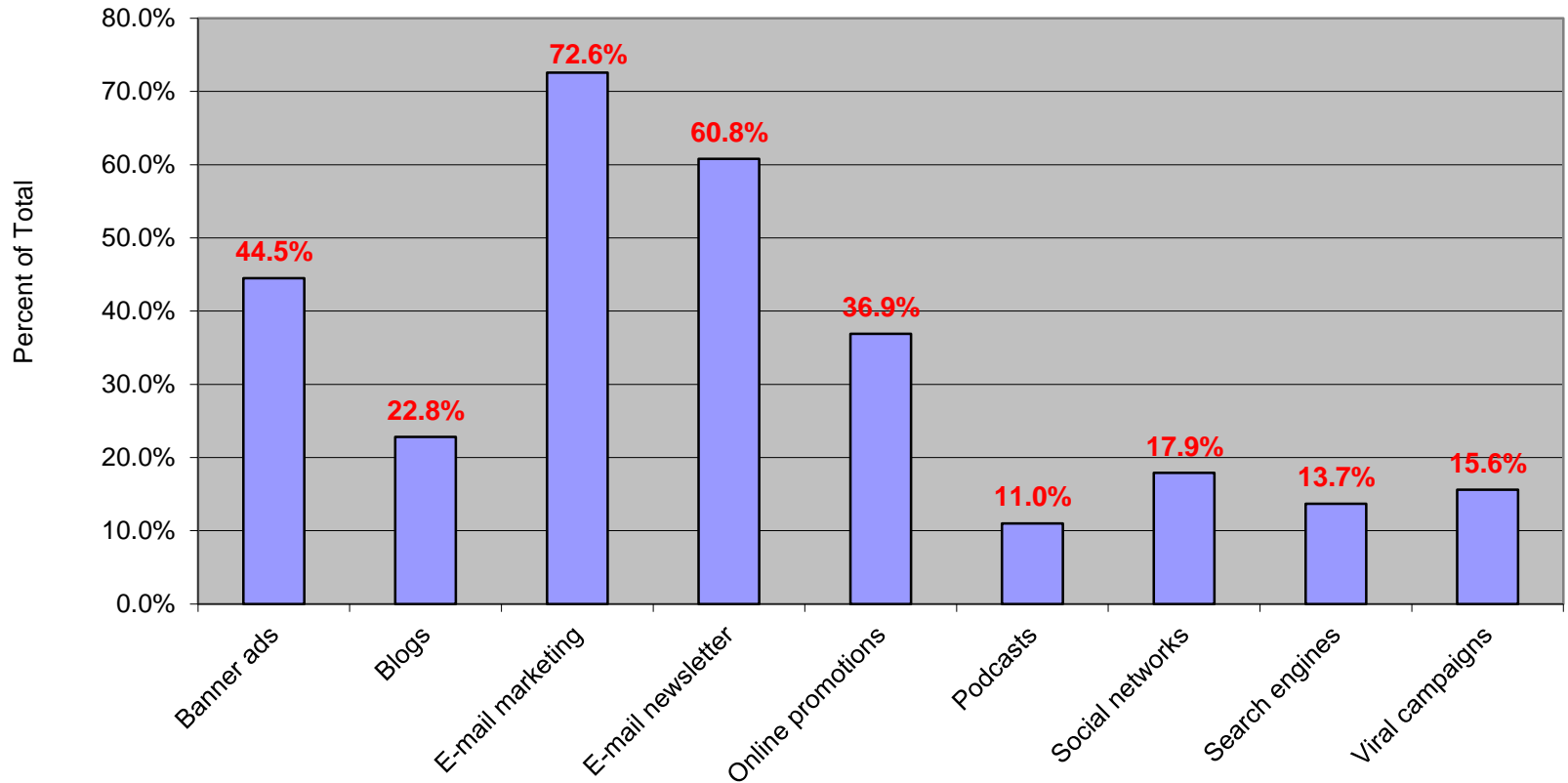
Source: Adapted from Roger Matus, "Mobile Action Codes in Magazine Advertising," Whitepaper from Nellymoser, Inc (www.nellymoser.com), p. 4.

Consumer Engagement Interactive Marketing

- Two-way communication and involvement
- Internet ideal medium
- Can track activity
- Personalize messages
- Emphasizes two primary activities
 - Targeting individuals
 - Engaging consumers

FIGURE 9.5

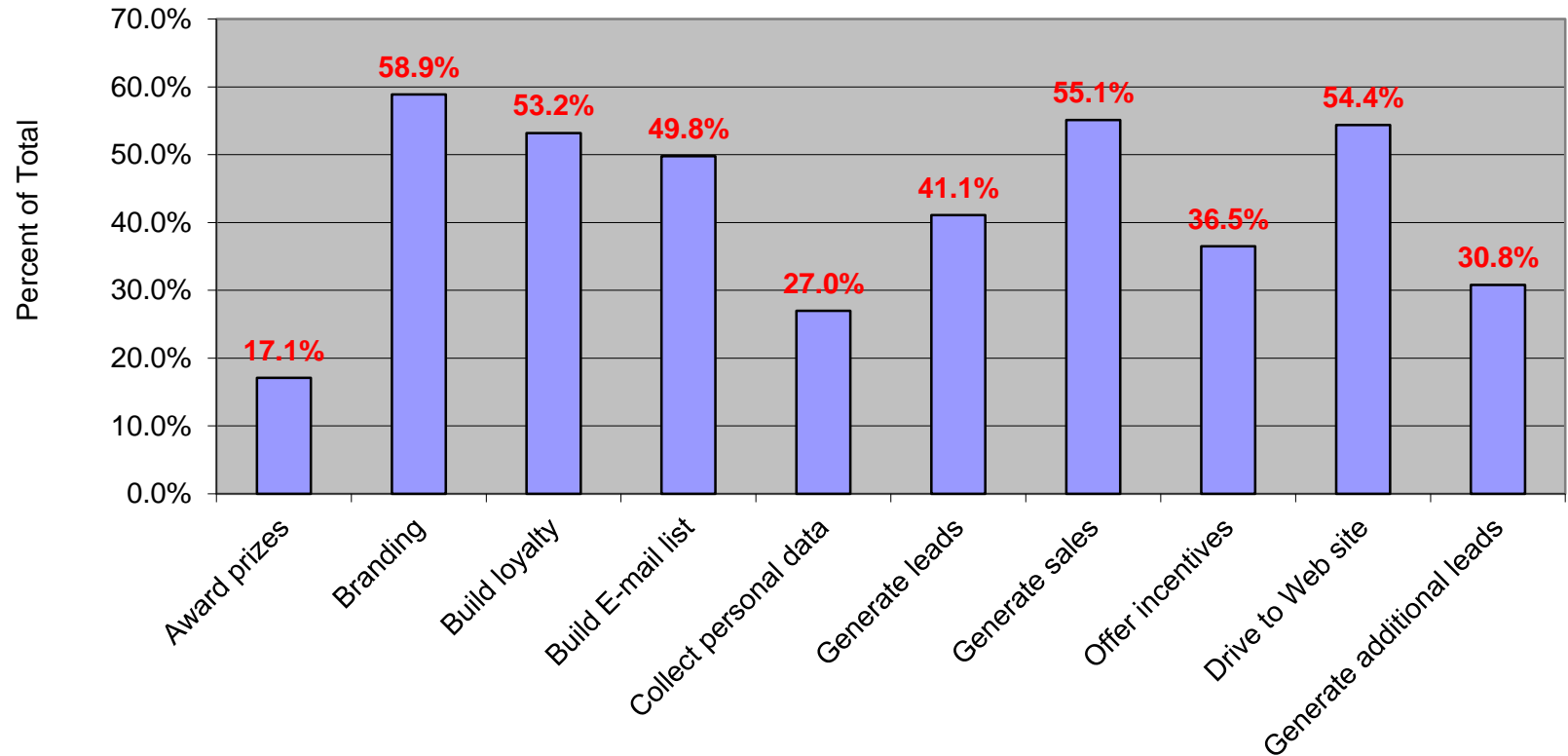
Online Interactive Tactics



Source: Based on Larry Jaffee, "Follow the Money," *Promo*, 20, No. 11 (November 2007 Sourcebook), pp. 5-10.

FIGURE 9.6

Interactive Marketing Objectives



Source: Based on Larry Jaffee, "Follow the Money," *Promo*, 20, No. 11 (November 2007 Sourcebook), pp. 5-10.

FIGURE 9.7

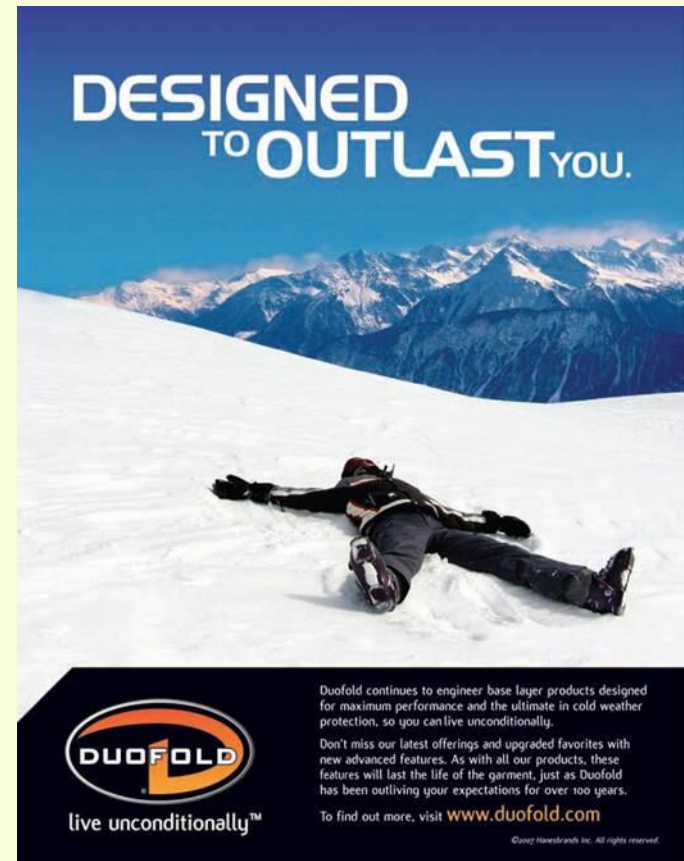
Steps in Developing an Interactive Marketing Strategy

1. Cultivate an attitude of giving
2. Gain trust
3. Identify your one word brand
4. Define your ultimate vision
5. Choose your communication channels
6. Evaluate and adjust

Source: Adapted from Shama Hyder Kabani, "Online Marketing Plan" *The Marketing Zen Group*, www.marketingzen.com, pp. 9-13.

Online Advertising

- Highly effective
- Online budgets have increased
- Online Metrics
 - Measure results
 - Almost simultaneously
 - Major advantage



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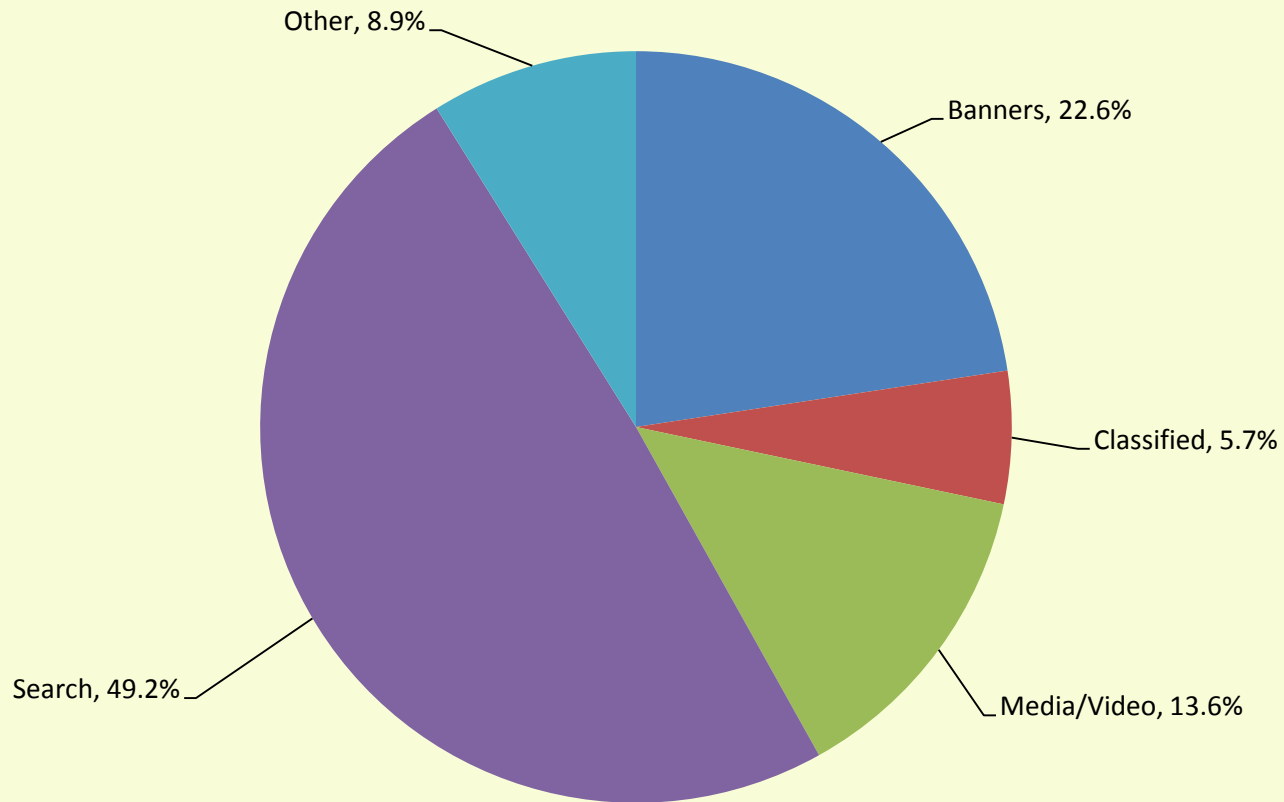
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FIGURE 9.8

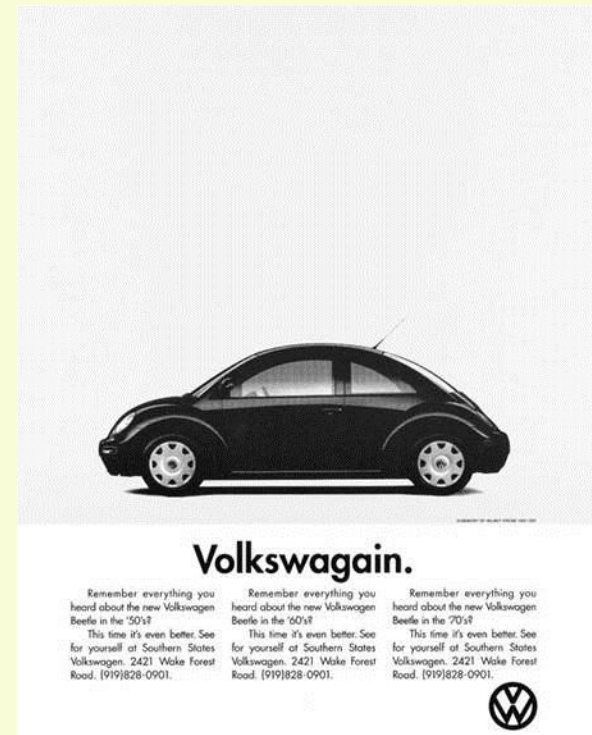
US Online Ad Spending by Format



Source: Based on "Online Ad Spending Consolidates Among Search, Banners, Video," eMarketer Digital Intelligence, February 3, 2012, www.smarketer.com/articles/print.aspx?R=1008815.

Banner Advertising

- First online advertising
- Accounts for 32% of online advertising
- Can embed videos and widgets
- Target display ads
 - Auction exchanges
 - Matches audience



Widgets

Banner Advertising

- Mini-applications embedded in banners
- Access external dynamic content
- Provide personalized access to information
- Micro-site landing pages
- Geo-targeted ads

Classified and Media/Video Advertising

- Online classified ad popular
- Media/video ads fastest-growing format
 - Mobile phones and hand-held devices
- Dwell rate higher for video ads
- Dwell time higher for video ads

Video Ad for Swimways



A video ad produced for the Internet by Newcomer, Morris, and Young showing two surfers playing soccer from surfboards.

Search Engine Optimization

- Largest category of online expenditures
 - Text ads on search results
 - 41% of online advertising
- 80% of Web traffic begins with a search
- Three methods of SEO
 - Paid search insertion
 - Natural or organic emergence
 - Paid search ads
- Results of SEO
 - Click rate 5% (0.2% for online ads)

Offline Advertising

- **Brand spiraling** - use of traditional media
- Traditional media → drive consumers to Web sites
- PURLs – personalized URLs
- Integrate online and offline advertising

Online Social Networks

- 75% of Internet users participate in social media
- Advertisers spent \$7.72 billion on social media
 - 2/3 went to Facebook
- **Facebook**
 - 800 million users worldwide
 - Display ads
 - Companies have pages – fans
 - Offer discounts or special promotions
- **Twitter**
 - Micro-blogging service
 - Monitor what customers are saying
 - Interact with customers

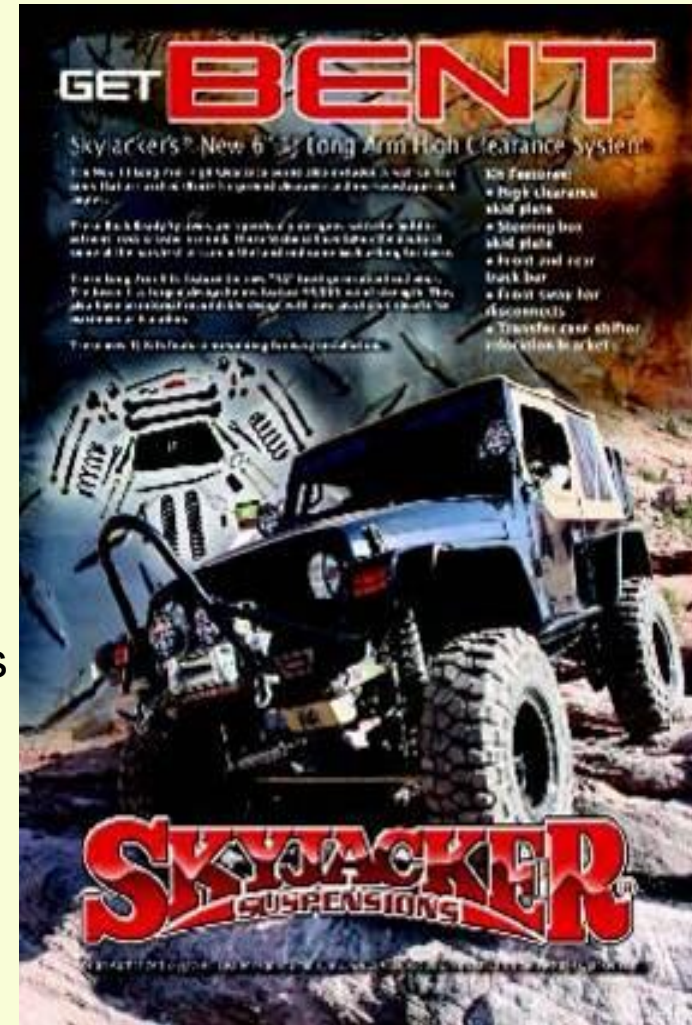


Blogs

- Online musings
- Power of online buzz
- 47% go to social networks
 - Download coupons
 - Search for information
- 45% go to social networks
 - Upcoming sales
 - Discounts
- 22% read or write a product review on a blog

Company-Sponsored Blogs

- Bluefly.com – Flypaper blog
 - Fashion news
 - New styles
 - Fashion faux pas
- Do they work?
 - Blog visitors spend more
 - Online 23 hours/week versus 13
- Benefits
 - Reassure shoppers
 - Glimpse of how firm deals with customers
 - Release company information
 - Customers can voice opinion
 - Company controls site
- Must be honest



Consumer-Generated Reviews

- Amazon.com – leader
- Best Buy – online reviews of brands
- Provide important information
- Challenge – manage reviews



E-Mail

- Important component of interactive strategy
 - Integrate with other channels
 - Resemble information on Web site
- Using Web analytics to direct e-mail campaign
 - Individuals who visit Web site
 - Individuals who abandon shopping cart
 - Targeted e-mails have higher conversion rates
- E-mail newsletters
 - Build brand awareness
 - Drive Web traffic
 - Customers sign up for newsletters
 - Provide value
 - Free subscription
 - Tie-in with Web site

Viral Marketing

- Message passed from one consumer to another
 - E-mail
 - Blogs
- Form of advocacy or word-of-mouth endorsement
- Viral marketing messages
 - Advertisements
 - Hyperlinked promotions
 - Online newsletters
 - Streaming videos
 - Games

FIGURE 9.9

Keys to Successful Viral Marketing

- Focus on the product or business
- Determine why individuals would want to pass the message along
- Offer an incentive
- Make it personal
- Track the results and analyze the data

International Implications



- Shipping issues
- Communication issues
- Technology issues

Ouachita Independent Bank

(Part 9)

Theme of campaign - Local people, local trust



OIBank.com

Integrated Campaigns in Action

Interstate Batteries

