

WEEK 2: DIGITAL MARKETING

DIGITAL CONSUMERS:

1. **Dominant digital:** users where the internet is an integral force in their lives. Proactively to use at every opportunity.
2. **Hybrid:** take a functional approach where they use the internet to facilitate better perceived outcomes for their lives.
3. **Reluctant:** users who use it but not actively: have to use the internet but do not actively seek to use it in their daily activity. → reluctant to change to digital solutions unless they must



IBM identifies four digital personalities:

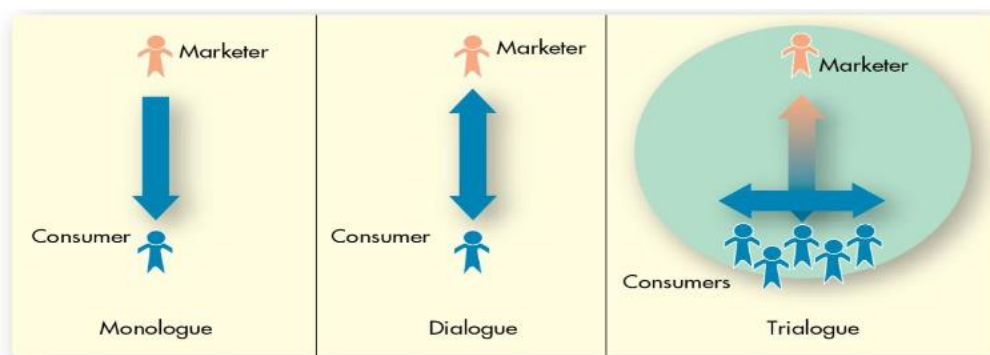
- Efficiency experts: (41%) seeds the adoption of digital devices and services as a way to make life easier
- Content kings (9%) includes dedicated gamers, newshounds, movie buffs, music lovers and television fans.
- Social butterflies(15%): cannot image not being able to instantly access any of their fiends
- Connect maestros (35%): combines content kings & social butterflies, e.g bloggers & video creators.

EMPOWERING CONSUMERS: The balance of power has shifted from the marketer to the consumer in many ways.

- Consumers have unprecedented access to information about products, prices & competition. (active consumers)
- As a result, consumers are more demanding, less forgiving and want appropriate relevant, individualised interaction → play a more active role in the interaction
- Consumer interconnectedness is the desire to be connected all the time with tier device, their friends, work and or study in social and non-social environment. → active involvement means there is some loss of control over what the company does in the online environment and cannot control all **touchpoint** engagement. E.g eWOM

Word of Mouth (eWOM): occurs outside the control of the firm, can be seen as a positive aspect because consumers have the ability to engage with other consumers.

- Helps to develop digital marketing
- E.g through social media



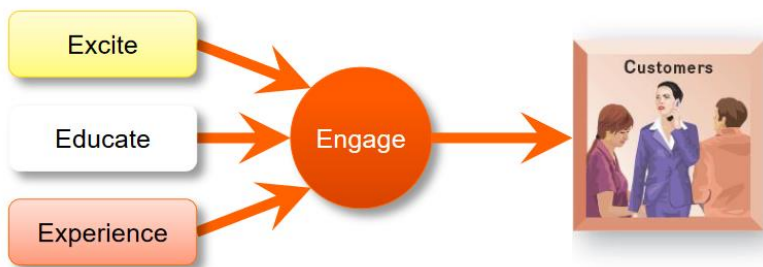
1. Transparency of information
2. Personalisation and customisation
3. Loss of control over the brand interaction
4. Demand for individualisation of exchange
5. Demand for relevant active interaction

THE DIGITAL CHANNELS: (touchpoints) where consumers can interact with companies

Customer engagement is a major trend in marketing, giving the customer a greater voice and more power in customer service, marketing messages and even product/service creation

- Social customer service: personally responding to customers
- Co-creation: co-creation of marketing campaigns or even products themselves. → letting consumers doing the marketing for the product themselves, feeling of involvement, higher trust
- **WEBSITES:** usually the main digital channel. Good websites are **interactive, engaging and have social resources**
- **SEARCH ENGINES:** important for firms to have relevant key words and content with good hyperlinks → search engine optimisation. E.g google adwords, search engine rank results
 - company targets how google search websites create its organic lists
 - owned media (e.g their own facebook) vs earned media (fan pages), paid media (e.g online ads)
 - content marketing: importance of relevant content on websites
- **EMAIL:** often used as a 'confirmation' for digital activity such as buying goods, booking services etc, one of the most powerful marketing tools. → many don't reach intended inbox
- **MOBILE PHONES:** Biggest growth are in digital marketing. E.g games, apps, messages
- **SOCIAL MEDIA:** content distributed through online and mobile technologies to facilitate interpersonal interactions.

THE 4E FRAMEWORK FOR SOCIAL MEDIA:



1. **EXCITE THE CUSTOMER:** Offer must be **relevant** to the targeted customer → Relevancy can be achieved by providing personalised offers, Instagram videos → behind the scenes, special offers, analytic tools
2. **EDUCATE:** provide potential customers with the opportunity to learn about the value proposition and benefits. Info may not be new, but it may also remind, helps to develop a sustainable competitive advantage. Social media tool – influencers: e.g blogger, twitter, youtube and reddit
3. **EXPERIENCE:** Provide information about a firm's g+s and how they work, how to use them and where they can be obtained. Stimulate real experiences. E.g facebook videos, trials,
→
4. **ENGAGE:** Action, loyalty and commitment. Positively engaged consumers lead to more profitability
 - Through social media tools such as blogging and microblogging: customers actively engage with firms and their own social networks.

GOING MOBILE:

- These consumers are generally younger and wealthier than those who own older mobile technology
- Such behaviour has resulted in the growth of price check and fashion apps
- Gamification: location-based apps that build loyalty by making games. E.g nike+ run club app

CUSTOMER ENGAGEMENT: → Gain loyalty

Engagement includes listening and responding to consumers, involving consumers and empowering consumers.

- Listening and responding: companies can learn a lot about their customers by listening to (and monitoring) what they say on their social networks, blogs, review sites etc.
- Involving: interactive nature of social media to actively involve consumers in marketing campaigns
→ 92% of consumers trust reviews from other customers so it is important for companies to encourage consumers to post reviews.
- Empowerment: engaging consumers into their product development team
 - Service co-creation: company lets the consumer create the level of customer service