

MKTG30009: DIGITAL MARKETING

EXAM NOTES

WEEK 1: ECOMMERCE: INTRODUCTION

CONSUMER EXPERIENCE TRENDS

- 92% of Australians use the internet – high in comparison with other countries
- Mobile now the most popular device to access the internet (increasing), laptop second (decreasing)
- Typically, disruptors start by servicing a part of the market that is not currently being served

HOW MODERN CONSUMERS SHOP

- People use different mediums at different product phases (may include showrooming)
- ¼ of people change their mind about a purchase after information on their smartphone
- 22% tell others about their experiences: through reviews or recommendations

REALIGNING PRODUCT OFFERINGS

Identify pain point in the consumer process and realign their business with that pain

- e.g. menu segmented into preparation times for busy professionals

CONCEPTS

CTAS	An image or text that entices a person to perform some type of behaviour (usually to drive someone to a landing page) – e.g. “try free!” on software ad
LANDING PAGES	A single web page that appears in response to clicking on a search-engine-optimised search result or online advertisement – e.g. download page for free trial
THE FOLD	In the fold = viewable without using the scrolling button <ul style="list-style-type: none">• Keep it above the fold: when a banner is allowed to pre-load being above the fold may be favourable in terms of generating awareness• 57% of viewing time spent above the fold
SOCIAL PROOF	Also known as informational social influence, is a psychological phenomenon where people assume the actions of others in an attempt to reflect correct behaviour for a given situation – e.g. putting the logos of the companies using the software
ANCHORING	People evaluate information by referencing → pay attention to the order in which information is presented <ul style="list-style-type: none">• Customer seeing \$1000 suit then \$50 tie more likely to purchase than one who sees a \$10 tie then a \$50 one
SEARCH VS. EXPERIENCE GOODS	Search goods: quality can be assessed without trial Experience goods: quality cannot be assessed without trial

WEEK 2: STRATEGY

About knowing: (1) where your company is today, (2) where you want to take it, and (3) how you are going to get there

- e.g. Google’s mission “to organise the world’s information and make it universally accessible and useful”

SWOT

Strategic planning technique used to help an organisation identify strengths, weaknesses, opportunities and threats

Strengths - identifying existing organizational strengths	Weaknesses - identifying existing organizational weaknesses
Opportunities - what market opportunities might there be for the organization to exploit?	Threats - where might the threats to the future success come from?

FIRST MOVER ADVANTAGE

Advantage gained by the initial significant occupant of a market segment, evident when:

- **Patents** on business methods (e.g. Amazon patent on 'one click' ordering)
- **Network effect** value of product or service to a given user increases with number of other users

CLIENT CONSIDERATIONS FOR ENTERING A MARKET

Need to determine:

- **The market potential:** determine existing customer demand for service, and find competitors and how successful they have been
- **Cannibalisation:** reduction in sales of a product as a result of the same producer introducing a new product
- **Cost of running the service:** costs involved with implementing and running additional service

If is some demand and extra capacity in the distribution centres, the client should try the service for a little while

THE FOUR P'S OF MARKETING AS APPLIED TO INTERNET MARKETING

PRODUCT

What are the competitive advantages of this product?

A product is essentially a bundle of benefits → 5 product decisions that comprise bundle of benefits to meet customer needs: attributes, branding, support services, labelling, packaging

VALUE

*Entire customer experience, from first contact to post-purchase. Involves **expectations***

BRANDING URLS	<i>Shortened URL built around brand name or related term that helps to associate company with links, content and information you share online - useful if you do not yet have recognition</i> <ul style="list-style-type: none"> • E.g. kabloom.com
MINIMUM VIABLE PRODUCT	<i>The absolute minimum specs or features – just enough features to satisfy early customers and provide feedback for future product development</i>
THE PIVOT	<i>change directions but stay grounded in what we've learned -. wrong segment/feature</i> <ul style="list-style-type: none"> • E.g. Netflix pivot from sending DVDs to streaming

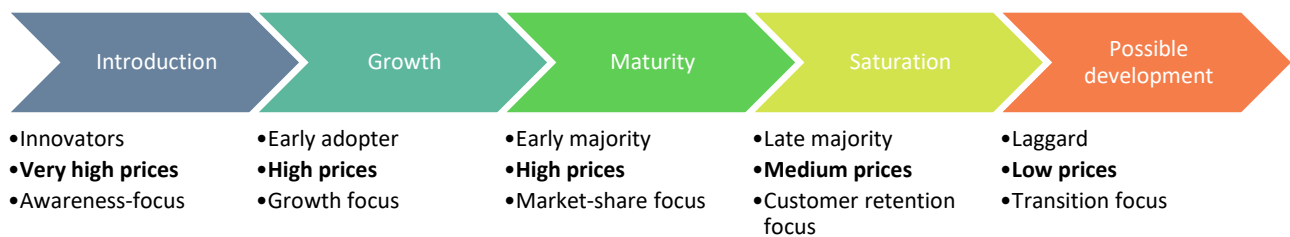
PRICE

How much do the target customers value the product? Will the product be priced at or below its perceived value?

Price transparency: *Where consumers can find a product and compare its cost to thousands of other channels*

- E.g. Brunswick pet shop not charging similar prices to Sydney before the internet
- **Will this lead to a more efficient market?** Not all the same prices because people will pay a premium for risk and trust associated with a brand

PRICING DEPENDING ON MARKET MATURITY LEVEL



PROMOTION

Will promotion be adequate to educate prospective customers of the product's existence?

MARKETING FUNNEL

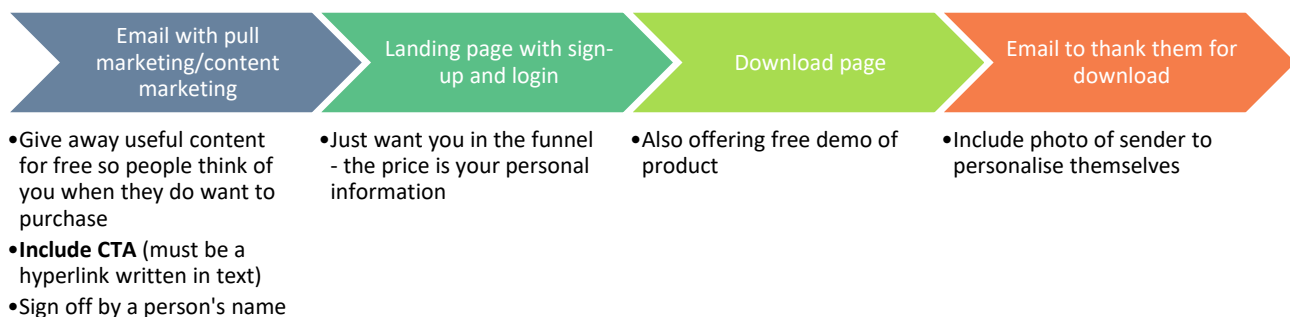
Funnel because it represents the volume of consumers – there will be leakage

- As move down the funnel → increasing influence of social media marketing



Demand creation vehicles: multimodal lead generation (e.g. branding through advertising, associations, events, public relations through editorials, press releases, website through SEO, landing pages)

TYPICAL FLOW OF PROMOTION



PLACE (DISTRIBUTION)

PRACTICE QUESTIONS

DEFINE 'A/B TESTING' AND EXPLAIN WHY IT IS USED BY DIGITAL MARKETERS

- **Definition:** A/B testing is where one version, Version A (control/existing design), is tested against version B (hypothesis/new design), and whichever performs better we keep and discard the less performing version
- A/B testing is repeated over time in a process of continuous improvement
- Why is it used? Marketers test version A against version B as a way to increase the probability of conversion.
- Example: testing two ads, one where benefits are highlighted, and one where cost is highlighted
- The one with the higher conversion will be kept. For this test it is likely that the one listing benefits will be kept, and the one listing cost will be discarded, as consumers think in terms of benefits (i.e. $Value = Benefits - Costs$)
- Marketers should use this testing closer to the conversion event to have the greatest effect on revenue

DESCRIBE TWO SOLUTIONS TO THE PROBLEM OF 'HOOKING PEOPLE IN EARLY' IN CREATING NARRATIVE-BASED CONTENT

- There are two solutions to this: creating suspense and intrigue
 - **Suspense:** an expectation that something important is about to happen
 - **Intrigue:** a heightened state of fascination or curiosity
- The best way to transmit these emotions is through an actor who experiences these emotions strongly, via emotional contagion
- For example, a narrative could begin with a child looking up towards an ominous house on a hill, creating suspense and intrigue about the house.
- This will keep the viewer watching until you can release some spikes of emotion and make the movie memorable and sharable.

LIST THE FACTORS THAT IMPACT QUALITY SCORE IN PPC ADVERTISING, AND HOW THIS IMPACTS YOUR CAMPAIGN

- Quality score is determined by: **(CLASH)**
 - CTR – largest factor
 - Landing page quality
 - Ad relevance
 - Search relevance
 - Account history
- Quality score affects:
 - How much you pay
 - How many times your ad is shown
 - Where your ad is listed in the SERP
- To increase quality score, use A/B testing

SERVICE RECOVERY PARADOX

A) DEFINE IT

Satisfaction and word of mouth are higher for customers who have had a transgression and had it fixed, than customers who don't.

B) HOW COULD YOU USE IT TO SIGNAL EMPATHY IN THE CONTEXT OF SOCIAL MEDIA?

- Humanise the source of the crisis
- Use senior staff to make a statement, rather than nominated spokesperson
- Prove you are sorry e.g. finding examples where you have been the good guy
- Example: an experiment where responses to dissatisfied group A were sent from Sam (Head of Sales), vs, group B (no signoff) → people saw group A as more genuine and trustworthy

LIST 3 TYPES OF AROUSAL AND GIVE AN EXAMPLE OF HOW EACH CAN BE ACTIVATED TO MOTIVATE CONTENT SHARING

- **Cognitive arousal** – intellectual, mental stimulation – driven by curiosity and interest
 - For example: “90% of people can’t solve this in 30 seconds” → activates cognitive arousal → activates content sharing
- **Affective arousal** – emotional arousal – often activated with emotions
 - For example: in an ad, highlighting people’s faces when reacting to something → activates affective arousal → activates content sharing
- **Physiological arousal** – biological reactions: neural, hormonal, visceral and muscular changes
 - For example: a point-of-view Go-Pro video filmed of bungee jumping → activates physical arousal → activates content sharing

SELF-ENHANCEMENT

A. DEFINE IT

General behaviour to build and protect our self-esteem by highlighting positive traits about ourselves and negative traits about others

B. LIST AND DESCRIBE 3 WAYS PEOPLE SELF-ENHANCE WHEN IT COMES TO SHARING

‘AIM’ high to self-enhancement

- **Approval cues** – tendency for people to seek approval from others from information shared
 - E.g. getting a laugh from someone after sharing a meme with them
- **Impression management** – people share content to manage other peoples’ impressions of themselves
 - E.g. a person sharing an inspirational quote to signal their values
- **Membership cues** – share information to legitimise your group membership
 - E.g. a motorbike rider sharing content about motorbikes vs. cars to signal their membership to

DEFINE EFFECTIVENESS AND EFFICIENCY WHEN CONSIDERING USABILITY AND USER EXPERIENCE (UX), AND GIVE METRICS YOU COULD USE TO DESCRIBE EACH ONE

- **Effectiveness**: could they achieve their goals?
 - Use goal-based metrics – roadblocks and task success
- **Efficiency**: how long did it take them?
 - Time-based metrics - test help time and productive time

EXPLAIN HOW ‘MEMBERSHIP CUES’ AFFECT MOTIVES TO SHARE

- Membership cues are where someone shares information to legitimise their group membership
- Members of the same group may share similar value systems
- Therefore, people are more motivated to share content that signals that they share the same values
- For example: members of the surfer community are motivated to share ads that signals their love of the ocean – a billabong ad that shows pollution in the ocean

EXPLAIN HOW KEYWORDS CAN REVEAL A CONSUMER’S PURCHASE INTENTIONS

Keywords can indicate which purchase stage the consumer is in.

1. **Awareness** – e.g. best smart phone
2. **Consideration/evaluation** – e.g. compare android and iPhone
3. **Conversion/purchase** – e.g. iPhone 6 at Optus

Therefore, as the consumer moves through these stages, the keywords become closer to conversion, and therefore have higher value

DRAW AND DESCRIBE THE AROUSAL/EMOTION CONTINUUM
