

# Digital Marketing

Week 2 – Modern Marketing

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Thurs 28<sup>th</sup> Feb 5:30pm

[bit.ly/2sE0rVI](https://bit.ly/2sE0rVI)

# Test Your Knowledge:

- What is CTR
- What is CPM?
- What is a wiki?
- What is a hard bounce?
- What is a soft bounce?
- What does TICC stand for?
- What is RFV?
- What is FRAC?
- Click through rate
- Cost per mille (thousand)
- What I know is
- Email is invalid
- Mail box full
- Targeting, interaction, control and continuity
- Recency, Frequency, Monetary
- Frequency, Recency, Amount of money and Category of product

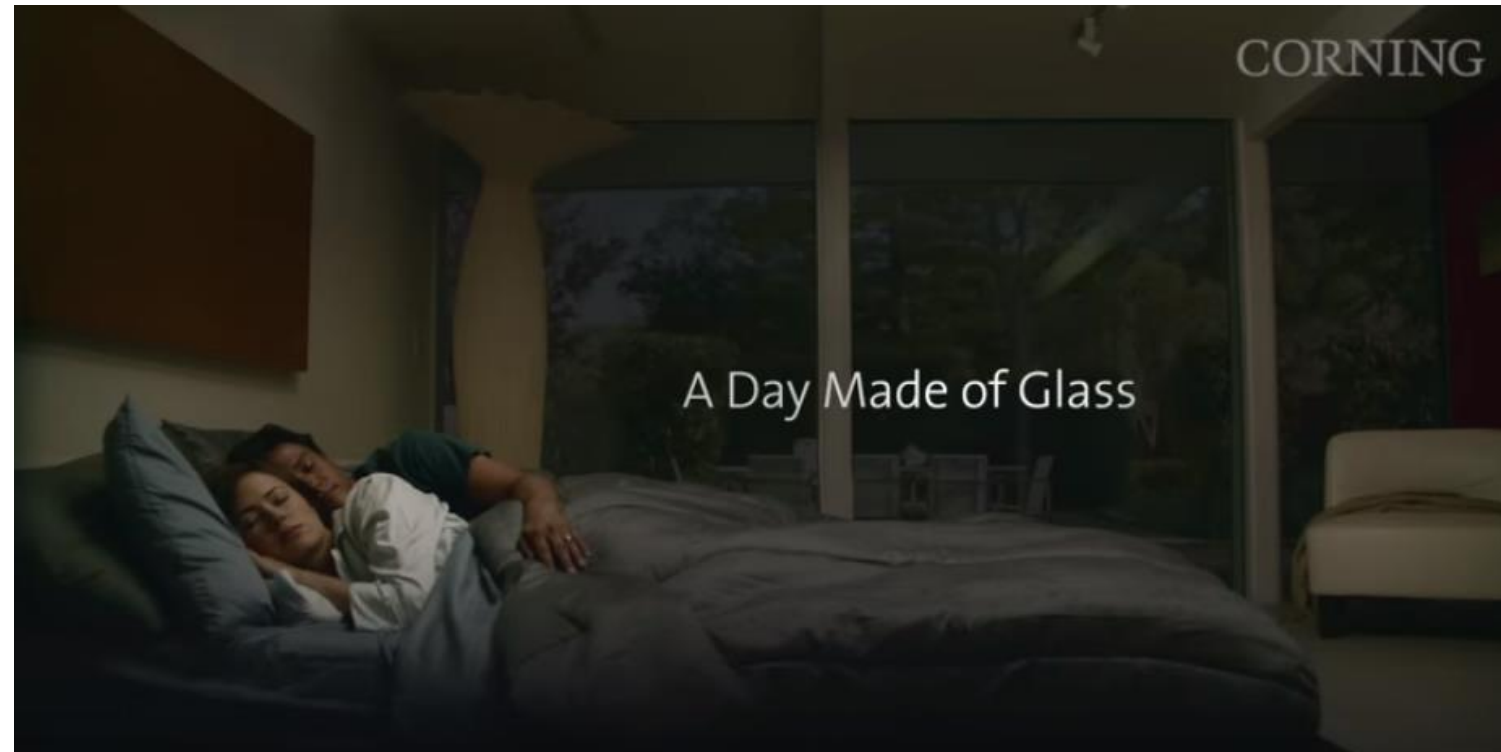
Who are we?





Who are we?





# A Changing World

**9/10** have home internet access (Ofcom: The Communications Market 2017 [August, 2017])

**83** hrs online per month (Ofcom: The Communications Market 2017 [August, 2017])

**50** million access the Internet per month (ComSocre: The UK Digital Market Overview: June 2017)

**47** million access a Google site (ComSocre: The UK Digital Market Overview: June 2017)

**40** million access Facebook (ComSocre: The UK Digital Market Overview: June 2017)

# Social media use

**94%** of online adults

**118** mins per day on average

**8** social media accounts on average

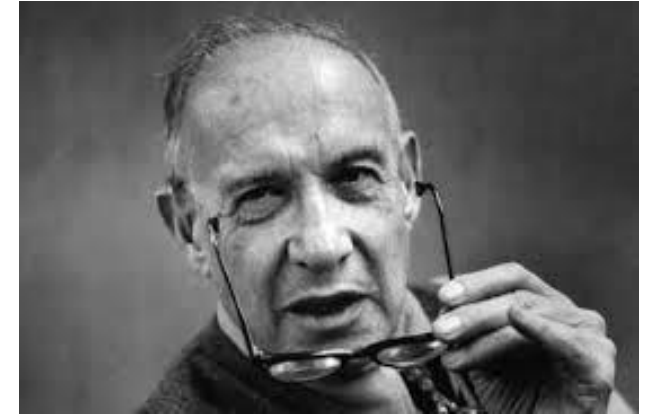
<https://cdn2.hubspot.net/hubfs/304927/Downloads/GWI-Social-Q4-2016-Summary-Report.pdf>



# The Purpose Of Marketing

Marketing Is the whole business - seen from the point of view of its final result - that is from the customer's point of view

Drucker



“Marketing is the management process responsible for identifying, anticipating and satisfying customers’ requirements profitably.”

CIM

# So what is marketing?

- A shout?
- A conversation
- “A relevant abruption” Steve Harrison
- How do we cut through the clutter?
- Sex, Death and Laughter?



# Better maybe to be

- Personal
- Relevant
- Timely
- Courteous
- Trusted
- A partner in creating value



# Think about the following

- Engagement across channels
- Direct response communications
- Measurement and accountability
- The role of the database
- TICC
  - Targeting , Interaction Control and Continuity (Tapp et al 2013)

# Market Research vs Market Reality

## Market Research

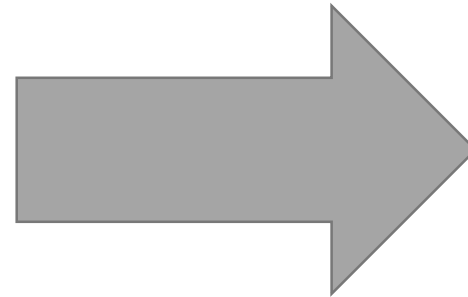
Polls

Questionnaires

History

Focus Groups

Research



## Market Reality

Search: keyword  
research tools

Social: listening tools

Digital: analytical  
tools



# Modern Digital Marketing seeks to

- Improve targeting
- Provide measurable results
- Historical and predictive information
- Long term development of retained customers through engagement and conversation
- Improve gearing on marketing

# Digital Marketing

“Achieving marketing objectives through applying digital technologies.”  
Chaffey 2012

“Using digital channels to promote or market products and services to consumers and business”

DMI

# “What makes modern marketing different...

...is precision targeting”

**Targeting**

...is that it generates direct responses from prospects and customers”

**Interaction**

...is that it is accountable because direct responses are more measurable”

**Control**

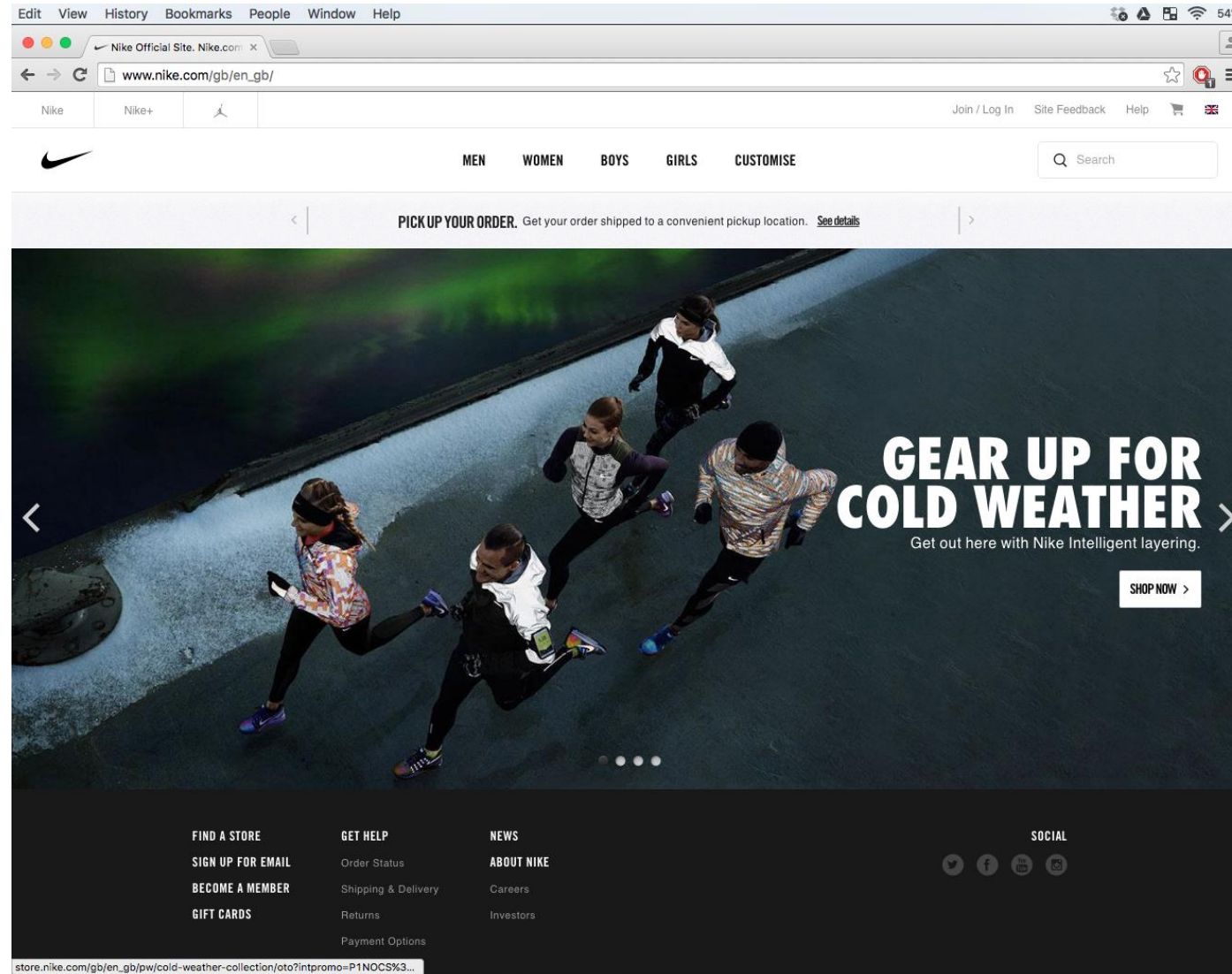
...is that it is about increasing customer business over time, as well as developing new customers.”

**Continuity**

# Interaction

- At the heart of digital
- Includes the stimuli we produce to get a response
- Need to associate a response with the correct stimulus
- Their responses
- Their orders
- Any other interaction including returns, queries, questionnaires, complaints, suggestions
- Via any channel

# Is a hit on a website a response?







# Targeting

- Who do we want to reach?
  - Best customers? Lapsed customers? Enquirers? Prospects?
- How do we want to reach them?
  - email, phone, TV, press, salesman?
- Where are they in their buying decision?
  - Just looking? Test drive?
- Past information helps refine the plan

# Control

The management of our marketing efforts

- Setting objectives and strategic plans
- Operational plans
  - what happens in detail, by whom
- Budgeting
  - how much to generate each action
- Measurement & Results analysis
  - more measureable
  - multi-channel confusion?
- Continually refine the plan

# Continuity

- Building a customer's relationship so they stay with you over time - profitably
- Rarely a once off sale
- Project a LifeTime Value for each audience
  - *LTV is the value of a new customer over a given period of years, at today's monetary value*
- Enables you to calculate
  - How much it is worth investing to acquire
  - How much extra it is worth investing to keep more



- Guest ID tied to personal and demographic data as well as purchase history
- Aim of tying customer in for baby/child's future needs
- Large quantities of unscented lotion + calcium, magnesium, and zinc = likely to be in their 2<sup>nd</sup> trimester
- 25 products analysed together = pregnancy prediction score and due date within a small window



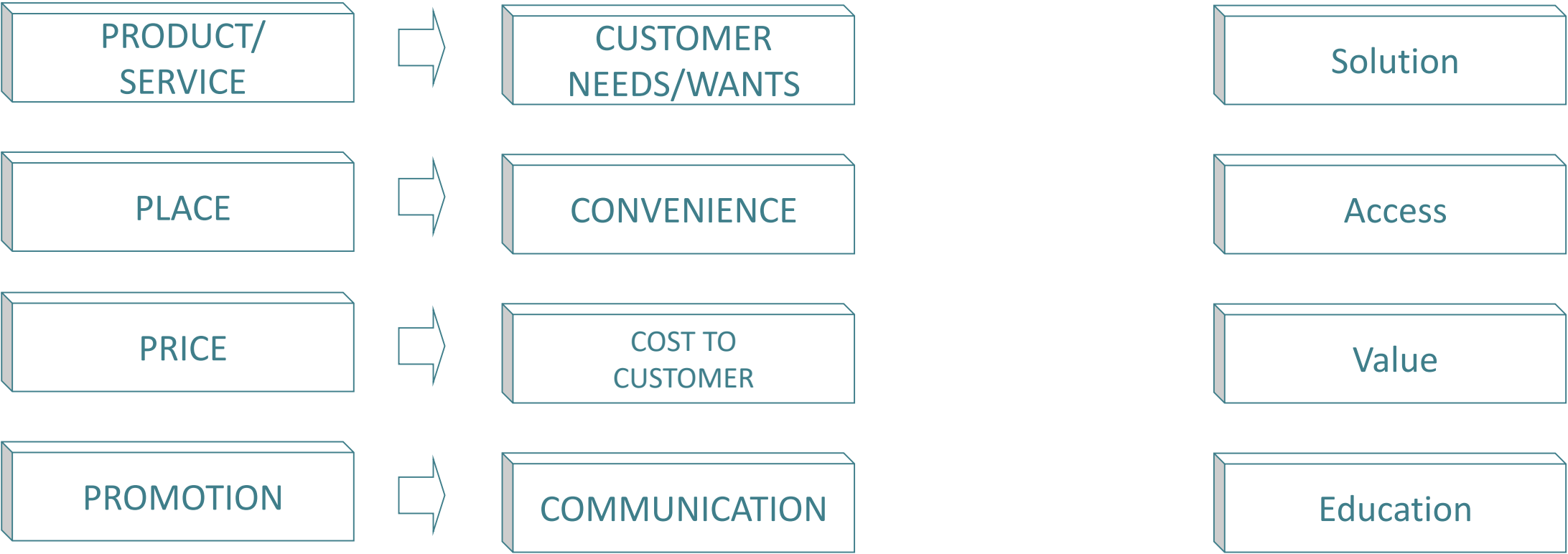


# However

Things can go  
wrong



# 4Ps to 4Cs or SAVE



Source: Based on Kotler, P., Armstrong, G., Saunders, J. and Wing, V. (1991) *Principles of Marketing*, 2nd European Edition. New York: Prentice Hall

Adapted from Kotler *et al* 1999

Ettenson et al (2013)

# TM vs RM

## Transactional Marketing

- Orientation to single sales
- Discontinuous customer contact
- Focus on product features
- Short time scale
- Little emphasis on customer service
- Limited commitment to meeting customer expectations
- Quality as the concern of production staff

## Relationship Marketing

- Orientation to customer retention
- Continuous customer contact
- Focus on customer value
- Long time scale
- High emphasis on customer service
- High commitment to meeting customer expectations
- Quality as the concern of all staff

*Source: Adapted from Payne, A., Christopher, M. and Peck, H. (eds) (1995) Relationship Marketing for Competitive Advantage: Winning and Keeping Customers. Oxford: Butterworth Heinemann*

# Questions?



# Group Exercise

- What are the reasons for the growth of digital marketing?
- From a corporate perspective
- From a customer perspective
- Examples good/poor practice B2B, B2C; from your industry
- Something to benchmark your work against



# Google Digital Garage

- Ensure that you are signed up for the [Google Digital Garage](#) as we will be using this throughout the module

# Impact Filter

- What is the purpose of this? What do I want to accomplish here?
  - Why is it important? What's the biggest difference it will make?
  - What's my ideal outcome? What does the completed project look like?
  - What's the worst that could happen if I don't take action on this?
  - What's the best thing that will happen if this is a huge success?
- 
- Be the buyer!
- 
- Sullivan (nd)

# Reasons for growth

- Demographics and lifestyle change = fragmenting audiences
  - Single person households
  - Cash rich time poor
  - Cocooning
- Competition
- Media and channel proliferation
- Media/channel convergence
- Data processing and technology is cheaper
- Able to measure the output
- Increasing media and sales force cost
- Distribution channels/ retailer power
- Need to focus on customers