

Online marketing strategy

Business



Digital Marketing Strategy Jacob Orquin Department of Business Administration Aarhus University E-business models Chaffey & Smith (2008) The e-marketing plan Chaffey (2009) Online strategy model Guava Media, Nyborg (2009) Which KPI's? Who are the customers? Qualitative/explorative analyses segments, position, messages Quantitative analyses Cross- & upsales, loyalty Qualify the customers/ market Touchpoint strategy Integration of digital strategy in corporate/ marketing strategy Implementation Acquisition & conversion Measurement / optimization Online marketing process Userpilot, Orquin (2009) Define Business Goals (re) Define KPI's Business goals drive KPI formulation that drive the data collection. Web analytics ask what is happening and directs other quantitative and qualitative studies to answer why it is happening. Qualitative Metrics Web Analytics Metrics Quantitative Metrics The data is analysed and action points are generated.

Ultimately, the purpose is to make data driven decisions on what to implement and optimize in the online marketing mix. Analysis Action points Control Online strategy model SOSTAC Chaffey & Smith (2008) Situation analysis Demand-, competitor-, intermediary analysis, internal marketing audit, (SW)OT, SLEPT/PEST Chaffey (2007) Internet and industry structure Porter (2001) Demand analysis Online resources like Google insights should be used to assess search volume and demand Chaffey (2007) Competitor analysis Diese et al. (2000) suggest the following equation to assess competitor brand perception: Customer value (brand perception) = Product quality X Service quality Price X Fulfillment time A shortcut to assess competitor performance on customer satisfaction: TDC : 3, 7/10 Telmore: 8,

6/10 Bibob : 9, 6/10 www. trustpilot. dk Intermediary analysis Chaffey & Smith (2008) Internal marketing audit The internal marketing audit assesses company performance on: Business effectiveness ? Internet revenue contribution ? Cost-benefit analysis of producing and updating website Marketing effectiveness ? Market share, sales, leads, retention rates etc.

Internet effectiveness ? Unique visitors, conversion rates, goals etc.

Opportunities / threats Chaffey (2007) Chaffey & Smith (2008)

Opportunities / threats Chaffey & Smith (2008) SLEPT/PESTS Social factors ·

_____ · _____ · _____ Economic factors · _____ ·

_____ · _____ Political factors · _____ · _____ ·

_____ What factors matters the most for an e-tailer like Amazon. com?

Legal & ethical factors · _____ · _____ · _____ Technological

factors · _____ · _____ · _____ Objective setting Clear

objectives are critical for the formation of strategies, tactics, and KPI's.

Remember the SMART mnemonic: ? Specific ? Measurable ? Achievable ?

Realistic ? Time-constrained Strategic objective setting Chaffey & Smith

(2008) Business value 4 ways of creating business value with ebusiness

proposed by Marchand et al.

(1999). Online revenue contribution Does online revenue contribution

cannibalize offline turnover or where does the market come from? Chaffey

(2007) Strategy process A generic strategy process model proposed by

chaffey (2007) 6 key decisions The strategy definition is driven by the

objectives and vision. Chaffey (2007) Market/product positioning What could

the positioning parameters be for a online music store? Suggested

parameters: _____ · _____ · _____ · _____ ·

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_____ · _____ Target market strategy Chaffey & Smith

(2008) Tactics and the marketing mix Defining the 7 P's in an online context:

Chaffey (2007) Product The internet allows for long tail economics which dramatically affects the product variety. Anderson (2008) Product The death of the 20/80 rule. Instead: 1) Make everything available. 2) Cut the price in half.

Now lower it. 3) Help me find it. Anderson (2008) Price Two main

approaches: ? ? Start-ups used low-price models to establish customer base Existing firms transferred existing prices to the web Customers have focus on price and often use price comparison engines kelkoo, pricerunner, and the Danish EDBpriser However, only 8% are aggressive price shoppers! Place The internet has large implications on place mainly because of global reach. This can lead to channel conflicts: A communication channel only ? ? Particularly when manufacturers offer an exclusive, or highly selective distribution approach; e. g.

, Rolex watches The choice of distribution channel may dilute brand image A distribution channel to intermediaries A direct sales channel to customers ? ? ? May not be appropriate when prices vary geographical areas; no existing contracts/agreements; low pre-sales and after-sales support Any combination of the above ? Sales representatives may be threatened, however they are important for generating leads Hanson and Kalyanam (2007); Chaffey (2007); Allen and Fjermstad (2001) Promotion Chaffey & Smith (2008) Matching communication and buying behavior Chaffey & Smith (2008) Service P's Parasuraman et al. (1985) suggest that service quality is judged on following parameters: tangibles, reliability, responsiveness, <https://assignbuster.com/online-marketing-strategy/>

assurance, and empathy. Which service parameters do you think matters the most to online shoppers? · _____ · _____ · _____ ·

_____ · _____ Wupti. com uses their customer support actively as a value proposition Branding on the internet Transfer traditional brand online ? Leverage existing brand equity; cautious of the risk that if website is of poor quality in terms of performance, structure & information content, brand identity is negatively affected. ? ? ? Companies like Guinness, Orange, Argos Companies create slightly different version of their brand on the web; target different segments Used to distinguish from rivals; however might be problems with brand recognition; brand trust & quality associations may be damaged Promote it products in association with a strong Internet brand such as Yahoo! or MSN, example, Waterstones and Amazon Entirely new brand; for example, if offline brand has negative connotations or is too traditional; Egg banking service - part of Prudential; can attract younger segments Extend traditional brand: variant Partner with existing digital brand ? Create new digital brand ? Brand architecture Branded House Important branding advantages Efficient use of branding resources Lower cost of new product introductions Allow demographic segmentation House of Brands Avoids stretching of confusing the brand Can dominate product category association with powerful name Helps reduce channel conflicts Allows focused content Permits short click trails from homepage to interest areas Simplifies the imagery and look & feel decisions Allows better measurement of brand specific campaigns Hinders cross-selling opportunities Reduces likelihood of frequent customer visits due to fatigue Separate URLs for each brand Important online advantages Allows traffic-building efforts targeting a single homepage rather than many Reinforces <https://assignbuster.com/online-marketing-strategy/>

authority statues by sharing in-bound links Creates multiple reasons for user visits Allows easier tracking of visitors Complicates content choice Creates possible navigation problems Creates difficulties measuring ad effectiveness of individual brands Homepage URL is umbrella brand Important online challenges URL choices Hanson and Kalyanam (2007) Getting real on internet tactics A list of internet marketing tactics from a review of exsisting research and best practices Pughe (2006).

Actions What's missing? Adapted from Bager (2009) KPI 1 KPI 2 KPI 3 KPI 4 KPI 5 Action 1 X X Action 2 X X Action 3 X X Action 4 X Action 5 X X X Tasks Chaffey (2007) e-CRM proces Visitor Attraction efficiency OVP URL Strategy Online PR & Backlinks Partner & sponsor deals Online ad reach Retention E-mail marketing efficiency Targeted Online Reach Focal point Offer plan Permission % Form Attrition % R Offline communications Search marketing reach CPA Touch frequency policy Event-triggered e-mails R Campaign e-mails Touch strategy List size Profile depth List quality R Offer quality Online value Proposition (OVP) CPC CPM Cost Template effectiveness Copy writing Layout Relevance Demand generation Macroconversion rates Persuasion MicroConversion rates Number of members Unsubscribe rates Offer quality Satisfaction With Customer Experience Availability Performance Usability Touch frequency R Reactivation campaigns Touch frequency R R Value proposition R Value proposition Activity or response levels of members (% active and R - Recency Reactivation F - Frequency campaigns M - Monetary value) Key Portal Retention Efficiency Cause Category R Research cause Primary cause Secondary cause (metrics= blue) Site Conversion Efficiency Required Effect Chaffey (2009) Organizational structure Chaffey (2007)

Control - Performance management Chaffey & Smith (2008) Performance measurement Chaffey & Smith (2008) Performance measurement Chaffey & Smith (2008) Performance measurement Chaffey & Smith (2008) Recap ? 1 ? 2 ? 3 ? 4 ? 5