Digital Communications

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LESSON 1: FUNDAMENTALS OF DIGITAL COMMUNICATIONS
The first fundamental rule, whether it be in traditional marketing or that of digital communications, is that you must do everything with, you know, having your customer at the heart of everything that you do. Peter Drucker is one of the forefathers of modern-day marketing and he talks about the importance of actually knowing and understanding your customer so well that your product and service fits him, and sells itself.

This is as true within a marketing or digital marketing spectrum, that we need to truly understand what your customers are looking for to be able to deliver it for them. Whether that’s the type of digital communications that appeal to them, whether it’s the creative mix that fits within that digital communication, whether it’s the way in which your product is actually distributed in a digital way. So everything that we do needs to encompass or have a customer centric approach at the heart of it.

Now, let’s try and think about how do we get to that understanding? Well, actually, the first thing to understand is that digital enables us to have a much richer and unprecedented understanding of your customers, and the way that we do that is because of the level of tracking and analysis that we can do at the backend to understand how your customers are responding to the various communications that you’re delivering through the digital means. So, for instance, using data, we can understand the interactions that your customers are currently having with your digital communications. We can then start to determine what their preferences be through a number of different tracking tools that we will come onto as part of this module. And then thirdly, we’ll be able to understand their behaviors. What are they doing in a distinct way? And through testing mechanisms, we can optimize their journey to be able to then truly give them the best way to get to the final outcome that they’re trying to drive for.

Now, an important concept to think about is that of the customer life cycle. And now the customer life cycle, in essence, enables us to track the customer from the time that they’re thinking about the type of product and service that you may offer, all the way through to when they purchase that particular product; then coming on to how do you continually engage them and get them coming back for more, which also leads to them becoming a great advocate of that product; and finally, being able to understand the points in time or the bottlenecks when they may think about leaving you, and then you being able to do some sort of interaction in a digitally-orientated way that makes them stay.

So if we think about digital, or what the additional data aspects that we can get from digital to understand our customers better through the life cycle, we can then optimize each aspect of this life cycle to actually have better outcomes both from a customer perspective as well as a commercial perspective. We will go through a variety of tools and techniques that we can use to understand your customers better in this new digital environment and then be able to understand how we can resource to be able to optimize the approaches that we take at each aspect of this customer life cycle.

So taking a step back just for a few minutes, let’s think a little bit about the digital communications planning process, and in essence it’s not too dissimilar from what the traditional communication planning process looks like. It’s perhaps just more digitally-oriented and perhaps an enhancement of what we’re currently used to.
So, there’s six key stages to be thinking about when thinking about the digital communications planning process. The first stage is that of goal setting and tracking. Without understanding the goal or benchmark that we’re trying to achieve, it’s very, very difficult for us to then be able to determine whether we have actually been successful in the communications plan that we’re about to deploy. So it’s essential that the first stage is all around goal setting. As part of a subsection of goal setting, it’s also really important to then track exactly what we are going to be measuring.

The reason why we do this at the outset is because if we don’t have the proper tracking mechanisms in place to determine if the goal is achieved, it’s very hard to retrospectively track the certain outcomes to determine if we’ve hit our goal or not. So putting those various tracking mechanisms in place at the outset, to determine if you have achieved your goal, is essential in the digital communications planning process.

When thinking about the tracking mechanisms you can use, you should think about these in two dimensions. The first one is a qualitative dimension and then the second one is a quantitative dimension. So let’s take the first one first, the qualitative aspect. Think about some of the key in-depth understandings that you can gain by asking your customers for some sort of feedback on the journey that they’ve just had through your digital communications. So, for instance, doing an in-depth survey, which perhaps comes at the end of the digital journey, gives you a good understanding of actually how the process has worked. Two good examples of this is that of Dominos. They would send you an SMS at the end of the pizza delivery process to understand how they can optimize the journey moving forward. The second one is British Airways. So British Airways, after you’ve done your buyer journey or bought your airline ticket, send you some qualitative questions to see how well you’ve enjoyed and how well they’ve delighted you as they’ve gone through this process.

The second aspect to think about is quantitative analysis. Now, this uses a range of digital tracking tools to understand exactly how your user has gone through the journey. So for example, open rates, click-through rates, dwell time, are classic indicators to understand how well optimized your journey is. At what point in time did somebody leave the journey in a digital perspective, is another really good way to understand how you can optimize your journey moving forward. So putting those things in place are essential to track whether you’ve achieved your goal.

The second aspect of the digital communications planning process is campaign insights. And what do we mean by campaign insights? Well, in essence it’s about understanding what your customers want from the digital communications journey that you’re about to give them. You can use a variety of similar techniques that you used in the previous version on the previous things we talked about, to be able to get to the heart of understanding what your customers are looking for. So this will require qualitative and quantitative analysis to be able to truly do this. But if you’re able to do this in a compelling way, it, basically, means that when you put your customers through the journey, they will be delighted.

So the third aspect of the digital communications planning process is segmentation and targeting. Before we move into the details, let’s understand a little bit about what segmentation and targeting is all about. Well, segmentation is all about taking groups of customers with similar needs and wants and then, basically, putting them all together in a bucket. This enables you to be able to target them in a similar way, to be able to optimize the journey for that particular group of individuals. Now, remember you can have a number of different segments, which we will come onto in the following slides, and treat those different segments differently. So, for instance, you may take a group of younger customers or treat them very differently from the way you may treat older customers. Or you may take customers that are behaving in a similar way and group them together and treat them
as one segment versus customers that are behaving in a similar fashion, in a different way, for example.

Now, targeting, on the other hand, is all about how do you then meet the needs of those customers with similar needs and wants? This, essentially, means you can tailor the approach of how you reach out to them as well as the messaging that you have for them and perhaps even the product or service that you offer them.

Let's move on to the fourth aspect of the digital communications planning process. So in essence, this is all about how do you message up the creative approach to be able to appeal to these different segments that you've just identified? So for instance, you may want to tailor the message that you have for the different audiences. This could come in a small tweak to the wording or tone of voice that you may use or alternatively, you may choose to completely change the creative direction to meet the needs of those different segments. So for instance, if you have a younger based segment, you may want to tailor the message to fit into an optimized channel approach which may be mobile, for example; while to an older segment of customer may actually want you to... you may want to tailor your message for say, a TV commercial.

Now, those are sort of polar opposite examples. I think in reality in today's environment, it's really important to appreciate that actually there's a meshing of the channels. So it's not just about having a one approach for one segment and another for the other. In fact, you may want to actually have a variety of different approaches for that same segment. This, for example, could mean that a younger generation audience may view the communication on mobile, on their tablet, laptop, and may also be very excited about watching X-Factor on a Saturday night, which then sinks in very nicely to the different communications that they've just experienced on the various other channels that you've used.

At the heart of it, it's called an omni-channel strategy. Now, digital plays a fundamental role in the delivery of this omni-channel strategy. Now, remember that it's not just about online. It's also about meshing both the online and the offline journey. So what do I mean by that? Well, for example, it's about integrating your mobile strategy with what perhaps a customer sees when they go in store. You want everything to have a completely seamless approach. More about that later in the module.

The fifth aspect of the digital communications planning approach is to budget appropriately to ensure you've got the right channel mix, the creative mix, that enables you to reach out to your target audience. If you got the budgeting process wrong, for example, you can have an amazing creative, however, no one would see it because you're not able to put it in places where your target audience currently are. So you need to budget stringently to be able to make sure that your communication is in the right places that your target audience will be.

And finally, what you need to think about is this overall integration piece of the media plan, making sure it all hangs together in a really seamless way. If your digital assets are disjointed, i.e. you may have a campaign on social media which doesn't actually, you know, doesn't ring true when someone views it on mobile, consumers today are going to get confused and as part of that, they're more likely to switch off.

Another major technique when thinking about the overall digital integration is that of storytelling. Now, often what we have today, is a lot of the time people are viewing across multiple devices and often campaigns are built in such a way that it tells a story across these multiple devices. It builds up to something meaningful. And that's really important for a consumer engagement perspective because as we learn is one of the key trends is consumers' mindsets today are becoming
increasingly difficult to kind of keep entertained. So one of the techniques that we use is that of storytelling to try and overcome that challenge.

So that, in essence, is the six key stages you need to think about when developing your digital communications planning process.

**Customer Journey**

Let’s understand the customer journey. Going back to Peter Drucker, it’s all around understanding your customers in that compelling way. The way to think about doing this is by putting yourself in the customer’s shoes. Go back to the digital communications planning process and think about stage three, segmentation and targeting. Now if we think about segmentation and we go back to the heart of what it’s all about, it’s about having customers or grouping customers with like-minded needs and wants into different categories. What you want to be doing is understanding how the journey would work for those different segments and optimize the journey in that way.

Like I said before, you may need to tailor the customer journey for different types of customers or different type of customer segments. So for example, the way to develop a customer journey is think about the life cycle. The life cycle talks about the way in which a customer starts or understands your organization or gets to know about your organization all the way through to becoming an advocate and getting repeat purchase. So for example, the first stage that a customer may go through is that of research. Perhaps the best way to articulate this is through an example.

Take insurance. The chances are, a customer will be shopping around for their new insurance policy. For instance, they may go onto a price comparison website, they may come directly to your site, or perhaps they may download some mobile application which gives them a quick access to a variety of different quote from a variety of different companies. It’s important for you to understand the places in which that your customers are going to be going through that process. For instance, you may be able to tailor your digital communications to that particular segment.

So for example, if you know that a customer is likely to be doing a Google search to understand what different car insurance options they have, you may want to go along and create or optimize your SEO strategy, search engine optimization. This is where you have organic search which means that you essentially come to the top of the Google AdWords. The second approach that you could have is PPC which essentially means it’s a pay-per-click approach where you can get onto, for example, the sponsored links on Google, and that means the likelihood of someone clicking on your website is greatly enhanced.

Or finally, you can use display advertising as a great way to actually gain awareness of your product and brand in the marketplace. The second stage of that process is then a purchase stage. So a customer has decided that you are the best option for them to be able to purchase car insurance from. What do you do about it? They probably have landed on your website. It’s really important that you optimize the journey from the time they land on your website to when they actually click that payment button.

A lot of the time, we see that that journey can lead to a lot of drop off from the time of someone who’s interested in making the purchase and actually those that are actually gone onto make that purchase.

So what do you do to try and enhance that customer journey? A number of things.
Well, first of all, you could make it really, really simple for somebody to use your website and to actually, you know, fill in forms or applications, understand exactly what your pricing methodology would be, or for example, be able to make a payment in one or two easy clicks, for example. They may want to start the journey on a website and move to a mobile application, for example. You need to be able to give them the functionality to move into a multi-channel approach. You may also want to have an affiliate marketing type of approach, where in essence, people are able to purchase your product across other sites as well.

Now, clearly, this will expand your reach and enable more people to hear about you and to purchase your product. Now, once you've got them as customers, it's really important that you engage them in a compelling way. This, in essence, has a number of great benefits, from increasing the loyalty to you to up selling to cross sale as well, and also to actually create advocates of your customer base.

So the way in which to think about an engagement approach could be by using social media, engage with them on Facebook. A good example of this and in the car insurance world is that of Churchill Insurance. They have an extremely active social media presence and page. They constantly posting new things about what Churchill is up to in the marketplace. You could also gain or use online PR as a very good way to try and engage your customer base. This could be all about engaging with key influencers who can then write about you or blog about you for instance, and that enables customers to hear more about you and what your products are all about, and clearly, to then become advocates of your brand.

Another great example of this is Oscar Insurance in the U.S. They've done a great job of being able to continually engage with their customers in both an online and offline way. They use variable technology as a good way to be able to engage their customers and actually reward their customers for good behavior. And the final stage is that of repeat customers. Specifically, in the car insurance example or an example in any subscription-based business, there's a point in time where you have to ensure your customers renew with you for the next term.

Now, how do you do this in an effective way? Well, there's a number of great communication methodologies you can use in the digital spectrum to help that process along. So for example, using email marketing is a great technique to use to tell customers that they're coming up to renewal and, perhaps even giving them a little bit of an incentive or an early bird campaign to try and get them to renew early to make sure that they stay with you as a customer.

But furthermore, this is where integration of your offline channels can become very important. You, for example, could go about and ask them to come in for a review process as banks often do with their customers. This gives you the opportunity to have that face-to-face interaction with your customer. But for example, if someone isn't willing, or the approach is not conducive to an offline interaction, you could have a similar review process using technology such as web chat. This enables you to get the best of both worlds, where you're offering someone a personalized service but in a digital means.

Let's now move on to understand the customer journey in a bit more depth. It's quite apparent that different customer groups will want to go through the customer journey in a different way. For instance, if you look at generational profiling, one can understand that younger generations feel much more at ease with mobile communications, for example, whilst older generations still feel that traditional communications play a more or a larger role in what they feel comfortable with interacting with different organizations.
Now what does this mean for organizations? We're soon going to be coming on to talk about a case study with Direct Line. How about for one second, let's think about Direct Line Group as a whole. They adopted brand portfolio strategy, and that brand portfolio strategy is largely aimed at targeting different segments of the market. So for instance, you would get Privilege Insurance which is all about targeting generation Y, whereas Direct Line, for example, is all about targeting generation X and the proportionate baby boomers, while Churchill Insurance is all around targeting the silent generation.

Now, the way that they adopt and they use digital communications across their brands vary completely differently depending on the targeting approach that these brands have. So for example, with Privilege Insurance, everything is very digitally optimized using mobile as well as tablet and online to go through the complete end-to-end journey. In fact, telephoning as part of that journey plays a minor role. Within Direct Line, for example, they've optimized the website journey because that's the way in which generation X largely wants, you know, to be seen or to interact with the company. And finally, within Churchill, a lot of the time they spend is on the telephone speaking to advisers gaining that reassurance and perhaps they may use the online journey in a minor way. So as you can see, it's very important to tailor your digital com strategy to the type of audience that you're going after. Let's now move on to a case study about how to redefine a customer journey.

Let's take Direct Line, an organization that completely revolutionized the way insurance was sold in the 1980s. However, at the turn of the 21st century, it became quite apparent that the way consumers wanted to engage with insurance companies was dramatically shifting. They wanted to engage with their insurer in a much more digitally-enabled way. Direct Line at the time was actually going through quite a transformation process, divesting from RBS Insurance. As a consequence, they were now trying to understand the customer needs and wants much better than they ever had done before. They needed to encapsulate digital as a much more important channel in their overall channel mix.

So let's try and understand what they went about doing from a digital transformation perspective. They did a couple of things. The first thing they did was completely mobile-optimize their site, so no matter where and when you are viewing their website, it was easy to find what you were looking for. The second thing that they did was they highlighted key products and services that they felt would be very relevant for their customers. So for example, they had given a bigger prominence to car insurance followed by home insurance because those were the predominant products that customers came to them for. When going through the process, they made it much easier with simplified forms for people to gain a quote, therefore, they saw the number of conversions significantly increase as a consequence of the changeover of their site.

If we now start to think about some of the key aspects of their new site, they did things like mobile optimization. So in the next slide, what we see is a really good simple illustration of what someone may want to do easily and quickly on their mobile. You’ve got two options, you can find more information out, or you can use or start to do a quote online – very, very easy for the customer to then be able to interact with the organization. And finally, if you needed more help, you have the ability to actually access a web chat functionality which you could answer all your questions, which means that you wouldn’t have to sit in endless call center queues.

So it's a very simple, easy journey that Direct Line then moved to, from what was a very traditional-looking website. Now, this interestingly, fulfilled both the consumer insight about trying to simplify the process as well as their goal and vision, to be seen as an organization that fixes key problems of consumers.
So you can see how the digital strategy actually followed suit from both the core consumer insight of the target audience they were targeting, but also fulfilled that brand ambitions to be an organization which give customers access to simple efficient but comprehensive insurance. Direct Line Group now are making great strides because of their digital transformation to be able to become the insurer of choice for their core target segments.

**Digital Media Mix**

Let’s now move on to thinking about the digital media mix. According to Keith Weed, digital plays a fundamental role in any marketing-based activity – so much so that the term digital marketing, which sits as a niche function in an organization, is now much more defunct. It needs to play a central role in the way that we operate.

There are a number of distinct advantages that digital marketing and digital media give us over traditional media. Let me go through a couple of them. So the first thing is all around clear measurement of campaign effectiveness. It’s really easy to understand the level of impact that you’re having from a digital perspective. Take banner adverts. You know exactly the number of people that have clicked through. You know the number of people that have gone and then purchased as a consequence of that click-through. So it’s very easy to follow the chain along to determine the extent to which your advert made an impact to the bottom line. You also have the ability to move from the research stage in the customer life cycle all the way through to purchase and engagement. So it’s much more easy to do quicker conversions and engage the customer across the life cycle.

For instance, if you’re selling an insurance-based product, it enables you to move from a price comparison website straight through to your site, fill in a quick number of details, and actually make that purchase quicker; as opposed to watching an advert, say, on traditional channels like television, where you may have to call up. The chances of someone doing that are much more remote versus the digital option. You also have the ability to engage customers in a robust way through digital channels.

Email marketing is a great methodology to use for that. The third advantage that digital communications have over traditional communications is it gives you the ability to reach real niche target audiences. You don’t have to look much further than Facebook or LinkedIn advertising to understand that you can really drill down into the key target segments that you want your advert to be seen too. For instance, you can segment it by job profile or where you’ve studied, perhaps, in addition to all the regular things like age, geography, etc.

The next major advantage is it enables you to create test and learn campaigns. Now, what is a test and learn campaign? This is where you test two creative outputs and have an understanding of which one works better than the other. The scientific name is A/B testing, something we’ll come on to shortly. Now, once you have an understanding about which creative works better, you can then allocate your marketing budget more effectively to that area.

The next advantage is you have a greater shareability. It enables consumers themselves to share the content in an easy, accessible way and, therefore, expanding the reach and penetration that your marketing communication gives you. You have to look no further than things like the Ice Bucket Challenge just to see the viral nature of what digital communications give you over traditional ones. You can also have user-generated content. Now what this enables you to do is for consumers to interact and get in the mix of the type of message that you’re trying to drive through.
The previous example of the Ice Bucket Challenge is a great example of user-generated content. Think about the celebrities that then got involved, which then enabled family, friends, to be able to do the challenge themselves. This generated a much wider appeal, which was then shared across social media, which was a great advantage which could never have happened if it was using traditional communications alone.

And finally, you can track and understand the key people that are helping to spread your word. Using influencers as a way to try and gain greater reach is a must when it comes to digital communications. You’ve got people like bloggers or people who are constantly writing content marketing that enables you to get your word over, to get the reach of your communication over and above what you currently have.

So there you have it. There’s some advantages of digital communications over traditional communications. Let’s look specifically at some of the benefits that you have by driving through digital communications alone.

The first thing to think about is that of your budget. From multinational organizations to small one-man bands, anyone can use some of the digital tools to actually extend your reach to your target audiences. It takes a relatively small financial commitment. For instance, you can set the levels of pay-per-click that you actually have on, say, Google, or you can set the limits of Facebook advertising. It essentially ensures that you don’t ever go over what you currently have as a budget.

The second thing that digital communications do is it evolves in an organic way. What this means is that once someone shares or engages with your communications, say, on social media, it has the ability to go viral. This enables you to then basically expand the reach without actually having to incur any cost to the organization itself.

The third benefit is that it’s highly targeted. Think about an analytics tool like Google Analytics. You get a real insight into the type of audiences that are clicking on your website, for instance, drills down to things like demographics, age profiling, as well as attitudes. This gives you a much more in-depth understanding about the type of customers that are engaging with your product or service.

The fourth advantage that you have with digital communications is that it’s clearly accountable. You can truly understand the end-to-end impact that you’re having across the customer journey with the variety of digital tools that you use. So you know exactly where your bottlenecks are. You know when and where customers are leaving your website, for example. And then you have the ability to do something about it for that specific stage of the journey.

And then finally, one needs to recognize that, actually, digital communications complement your existing online infrastructure and channels. A great example of this is that one used by Burberry. Burberry has got great social and digital presence. So much so that they’re trying to integrate digital into their in-store experience. So no matter where you start your journey, whether it’s their website or a mobile, when you go to make that purchase in-store, you feel like you’re walking through to their website. It’s a great example of trying to blend both the online and the offline world.

Let’s think about the scalability of digital communications. We talked about one of the key benefits of digital communications being that you can start with a small budget. Now the beauty about that is you can scale up that budget based on a number of things. One, the level of revenue that that digital communication drives. And the second is the level of engagement that that communication is delivering for you as well. So, for instance, if you take a PPC campaign, a pay-per-click campaign, which then delivers you a certain amount of incremental value, you may want to take part of that
incremental value and invest it back into the PPC channel because you know that it’s going to deliver you that additional element of revenue. You can also start to evolve your digital communications approach.

Small businesses, for example, may set up small, simple things like Facebook pages. You then have an ability, once that’s effective and you’re gaining more fans and likes and shares, to be able to evolve that approach. Maybe the next stage is Facebook advertising? Or perhaps what you may want to do is start to develop small viral videos that can be then introduced onto YouTube. So you have this ability to start small and evolve that strategy as the momentum builds.

The beauty about the evolution is it doesn’t just have to come from you. You can get user-generated content to actually help that process of evolution along as well. The thing to bear in mind is that the channel approach needs to be conducive for the creative that you’re developing. So make sure that when you’re evolving your digital strategy that your creative always matches or marries up to the channel that you’re trying to drive it through. The classic example is that there’s no point developing a five-minute video if you’re trying to put it on TV. The converse is true when thinking about TV communications or adverts now no longer being relevant for, say, a YouTube audience. So there’s the way that we need to think about this in a holistic way where message needs to also marry up to communication channel.

And on a similar point or a complementary point, the third major ability that digital communications gives you is ability to integrate, integrate across multiple channels. Now the major advantage of this integration is it enables you to be more targeted and also develop a campaign which complements traditional channels. So, for instance, the many TV campaigns where you have a short, 30-second advert which then have an elongated advert which is then posted on YouTube. The classic example of the Super Bowl is a good one. Whereas 10, 15 years ago, delivering a TV campaign online was a very secretive thing, and if the advert was leaked prior to the engagement, it would actually be quite a disaster for the organization. But now, in today’s world, it actually is an advantage to leak some of the key communications across your digital media before it then gets released on Super Bowl day because it helps people to get acclimatized to the campaign. Also, it fits very nicely into the storytelling concept that we spoke about as part of the digital planning process.

Now remember, when thinking about digital strategy or integrating a digital communications approach in your organization, there are a number of key challenges that you must be very cognizant of. Because if you’re not, you won’t be able to do this effectively. There’s a great study done by Econsultancy, which talks about some of the key challenges that have been raised by organizations when trying to implement a digital strategy. So the first one is about gaining senior management buy-in or resource agreement. It’s really important that senior managers recognize the importance of actually having an integrated digital communications approach when thinking about their channel mix. Gaining buy-in from traditional marketing functions or brands which may actually see you as a bit of a threat is also critical. One way to overcome it is by actually suggesting that the approach should be integrated in a robust way. It’s not about substitution. It’s about complement.

The third aspect is that of gaining IT resource or technical support to be able to execute a digital strategy in a robust way. Make no mistake, it takes more time and resource than ever once thought. In fact, people always charmed the quote that social media was free. Actually, there’s a variety of different things that need to come together to create an effective strategy. We’ll get onto that as part of this module later on. Finding digital talent is another major area to be able to overcome when thinking about your digital communications approaches. Given it’s a relatively new area, a lot of the time there isn’t a lot of individuals who have got an in-depth understanding about digital in its entirety. Often what you end up having is different specialisms, an SEO specialist, a PPC specialist.
And as a consequence of that, it becomes very difficult to integrate them all together. So you must make sure that you have enough skills within your team to be able to pull off a great digital communications plan.

And finally, making sure that you have the right help and support you need to be able to execute this in a robust way. Using your agencies wisely is a really important thing to do when thinking about your comms plan. Often they do have the skills and expertise to be able to overcome some of the shortfalls about finding staff in-house to be able to deliver a great communications approach.

So there you have it. There are a couple of things you must consider when thinking about the digital communications approach and the challenges you may face in implementing one in your organization.

**Communication Models**

I’d now like to move on to talk about a number of different communication models that you can use within your organization. The most critical thing to think about whilst going through this next section is that which one best fits your organization. There are many different approaches you can take. So it’s all about tailoring and getting the right one for you.

The first one is that of one-to-one communication model. And what that, in essence, is all about is when you have a member of your team or staff engaging on a one-to-one personal basis with a client or customer. Now, think about an example where you’re offering advice. Perhaps financial services is a good example of this, where you need to have a holistic approach, where you have an advisory service. This can be done, as I mentioned before, either in an offline way, which is then captured digitally, or in an online way through things like web chat or even things like Skype calls.

Now the one-to-one communication model has a number of good advantages. The one clear one is that it’s personalized. You can tailor the communication to the actual individual in front of you. And you can build those relationships in a really robust way. It increases engagement, advocacy, and there’s no doubt about it that if you get that relationship right, it will stay with you for a long time. The issue that you have with the one-to-one communication model is that actually the advisor or the person at the other end of the table needs to truly understand your needs. Generic advice is typically not good enough in this kind of communication approach. Furthermore, it can get quite time-consuming. And the ability to actually scale this approach is greatly reduced because of the personal nature and interaction that you’re trying to drive through.

The second type of approach that you could use is one-to-many. Now this is, in effect, when an organization perhaps uses some sort of mass communication tool to be able to reach out to an audience. This works both in traditional media as well as digital. A digital example could be an ad display banner, say, on Yahoo! or a takeover of a popular website, which is in essence when your brand is completely transformed onto a partner’s website. This is often done in places like newspapers where the page one is then taken over by a specific advert.

Now, the advantage of being able to do one-to-many communications is it actually can convey a company’s message to a mass audience. It actually is quite easy to manage, and, in effect, it enables the organization to get that word and spread out there in a nice easy way. Scalability is one of the major advantages. The disadvantage with that or the challenge is that that could be deemed to be impersonal. In fact, it’s a one-size-fits-all type of approach. And that sometimes in today’s context may not work too well for a lot of consumers who expect more personalized communications. And it also only enables a one-way dialog. So what that essentially means is that it’s very difficult for
consumers to talk back or for organizations to get that consumer insight, which helps iterate that ongoing process.

And finally, the third communication model that we can talk about is that of many-to-many. And in essence, what that means, it’s a relatively new type of space which has been born as a consequence of social media. So this is when peer-to-peers talk to each other as a way to influence and advocate a variety of different products and services. Think about the influencer model as the classic example here. The ability for people to communicate on social media, leave reviews, to share, to have likes, enables people to give their friends and family a much greater insight about the products and services that they feel are of value. You can actually reach a much larger mass of audiences. You can build brand recognition which is really important coming from the people that matter most, really leveraging that word-of-mouth marketing approach. And, finally, it can be really cost effective. Because if done right, people will do the marketing for you.

Now finally, there’s some really interesting challenges that are faced as a consequence of many-to-many marketing. The first one is it’s actually quite difficult to control negative sentiment. And, in fact, a good example of this is that of Dell, when there was a time when they were trying to hide back some of the negative feedback they were getting as a consequence to adopting a many-to-many marketing model. Now, the consumer backlash as a consequence to them trying to hide the negative consequences were far worse than the actual negative comments were in the first place.

So there’s a key lesson for organizations: that if you’re going to engage in this in a social way, make sure you do so with an open mind. And in fact, sometimes the best form of getting your message across is any publicity being good publicity.

The last challenge that you will incur is actually it could be quite difficult to track. Now this is a consequence of many people trying to have different comments and leave feedback for their friends and family. Because of the diaspora of different people leaving the comments, it gets quite difficult to understand whether it’s a negative sentiment or a positive one. There are loads of social media listening tools that can help along the way, which we will come on to in the next part of the session as well. So there you have it.
LESSON 2: PLANNING A DIGITAL CAMPAIGN
Consumer Trends and Insights

Let’s first start by looking at consumer trends and insights. What’s become completely apparent in today’s landscape is that consumers want to interact with content dramatically differently than they ever did before. Their attention spans are actually dramatically getting lower, and also, the need for personalization is always increasing. In fact, as Seth Godin says, “It’s not about e-mail. It’s about me-mail.”

So, thinking about some of the major trends that are taking place in this area, the first thing is all-around global connectivity. This extends into the marketing realm, no doubt at all. So, for instance, global retailing is a massive area. No matter where in the world you are, you can get access to a variety of sales, and services, and products at the tip of your fingers through digital means.

The second thing is the use of mobile. Really importantly, even in developing markets, the real growth area is the amount of mobile penetration that’s taking place. This is creating unprecedented opportunities for both organizations as well as consumers to access a global marketplace. And finally, as mentioned before, the need to ensure that products and services are truly tailored to the needs of your consumer is becoming more critical than ever before.

The need for personalization is absolutely key. Now, make sure when you’re developing your understanding on consumer trends and insights, that you use a variety of global trend reports to be able to determine some of the key things, particularly in the marketplaces that you’re interested in. One of the great ways to really understand your customers in a very unbiased and robust way is that through social listening. In essence, it’s a relatively new way of thinking about your customers and getting core insights in an unobtrusive way, and can lead to real, unbiased results.

So, what is social listening? Well, it’s the process of identifying and assessing what is being said about a company, individual, product, or brand on the internet. Now, what are the key benefits to be able to do this? Well, you can listen in to consumers in a non-obtrusive way. So hearing consumers talk and chatter online enables you to gain insights about how they’re feeling, thinking, and behaving about your product.

The second thing is, if you can hear your consumers talk about your product, you can do exactly the same with competitors – both getting a sense of how consumers perceive your competitors, but as well as how competitors are engaging with consumers in his way. It enables you to gain greater insights into what they may be doing and their future strategies.

The third thing is it leverages the ability to gain new insights and ideas about new products and services as a consequence to what your consumers may be talking about. So, for instance, your consumer might make great suggestions about exactly what they want to see more of in your product, and you can then adapt that by gaining those insights. You can also understand new, upcoming needs which would help greatly as part of the new product development process.

And finally, there’s a greater need, more than ever before, to constantly iterate your product, adapting it to make sure that it’s always meeting your changing consumer requirements, so you can tailor your product to do just that.
Understanding Customers

Now, going back to the digital communication process, one of the key things that we were speaking about is that of segmentation and targeting. So, thinking about segmentation for a minute, how do you go about doing it, and how do you define your different segments? Well, in essence, there are a number of different approaches you can actually take to this. The first one is that of geographic segmentation. Now, this in essence is understanding where different people are located, and then being able to put them into clusters based on geographic location. Now, remember, it’s not just about primary home, but it can also be about where they have second homes, or perhaps the location could be whereabouts do they work.

So if, for example, you’re doing a food delivery business, that may be an important consideration for you. The second thing is demographic segmentation. Now, this identifies key characteristics of an individual, and then classes them together. So, for instance, things about age, or religious beliefs, or perhaps even profession are good ways to identify different people, which then gives them a desire to have common, or have common needs, which you can then fulfill with your product or service.

The final aspect you could look at is that of lifestyle. So, for instance, looking at the type of hobbies that people have is a nice way to group together individuals, perhaps how many holidays they take or what activities they do while they’re on holiday. So, for instance, if you were a business trying to deliver a lifestyle type of service, perhaps the gym or a sporting activity, you may think about targeting people who have an interest in going to the gym or that particular activity.

The converse works true. If, for example, you’re trying to define what your hotel could offer in terms of products and services, you may want to look at different lifestyles, or understand what different kind of customers would want to do whilst they’re on holiday, and then offer those very similar services, and target those particular customer segments with headlining with those type of services. So, as you can see, there’s a variety of different ways to be able to cluster up different customers with common needs and interests, and then you can determine your targeting approach.

Often, when thinking about segmentation, a lot of people fail to recognize that it’s not only done at an individual customer level. You need to do this across a multitude of different levels. So, for example, segmentation in the family, so different families may respond differently to different communications. You can also do this slightly larger, maybe across a household, or perhaps even an entire community. A good example of community-based segmentation is an organization called Bought By Many, the logo being on the slide. They, in effect, get people who have similar insurance needs together, and then they go and approach different insurance companies to get better deals for the entire community. Because they’re trying to bulk buy their insurance policy, it means they can get it cheaper than if they were just doing it as an individual.

The other thing to bear in mind when thinking about the different categories of segmentation is that if you upset a single individual, that too has consequences across the multiple layers as well. So how often, if you have a bad experience, say, with your telephone provider, does your entire family shift telephone providers, the same being true with banks or insurance companies? So, it’s really important for companies when they’re thinking about segmentation to think wider than just the single individual, and think much more on a holistic basis.
Whilst thinking about segmentation, one of the key aspects or key things to do is to develop a customer profile. What is a customer profile? Well, in essence it is an encapsulation of what that segment looks like. It's an easy way for a marketer to identify exactly what the customer segment looks like. So, for instance, it may be defining, you know, a fictitious individual that you can then build in all the characteristics of that segment into that individual profile. It’s just a nice, easy, quick way to be able to identify what the entire segment could look like. There’s a really nice, easy way of doing this. You can think about the five key, killer questions. So, these go: who are they; what do they do; who influences them; how do they think and feel; and how do they connect? If you can get a good understanding of these five key questions, you'll be able to really build up a good, robust, and in-depth understanding about your customer segment.

Once you do that, you can tailor your digital comm strategy to meet that segment needs. A good example of this is that by done by Kellogg’s. So, you basically map interest and expectations of the customers, and that enables them to determine and define different products or services. So, think about the different product portfolio that Kellogg’s has. You’ve got your healthy eaters. You’ve got your kids, who are interested in having a snack before they shoot off for the day; or you may have people who use or have cereal as part of a meal at lunch or dinner.

Now, by being able to understand those different segments, Kellogg’s is able to create products and services, and market those products and services, in a relevant way for that target audience, and that’s what they’ve been able to do really effectively with the likes of Corn Flakes, versus Special K, versus Coco Pops, for example. So, the way to think about segmentation is that you can do it across a number of dimensions, the first dimension being what you can see. Geography, demographics, lifestyle are all examples of things that you can largely demonstrate, whilst on the other hand, there’s another dimension around attitudes and psychology. It’s really important to also capture those through behaviors, and digital can really help with that. For example, Netflix is a way, or Netflix uses, a really intricate tool to understand the type of programs that different customer segments are engaging with. They can then start to build profiles and then provide you, or the user, with more individual listings of programs that may be appealing to them.

Tracking KPIs

Let's now move on to think about some of the key components of a campaign. In essence, it's really important that we get each element of the campaign development process spot on in order to ensure that we create a holistic campaign environment.

So, the first thing to think about is that of setting objectives. Ensure that you’ve got a set of robust objectives that an organization can be held accountable to, and that what a campaign needs to achieve in order to be successful.

The second element is defining the key tools, resources, and tactics that are going to be used to be able to achieve the type of objectives that you're trying to go after. It's absolutely no point in setting off lofty objectives if you don't have the resources in place to be able to execute, to realize the objectives you're trying to achieve.

The third thing is all around the implementation of that strategic approach. Having a robust plan and a critical timeline in place are some of the key tools that you will need to make sure that you can execute within the timeline set for that campaign. And remember, that in a digital marketing environment, it's important that you continually to iterate your approach that you have.
So optimization is absolutely key to the approach. That’s the final stage, where you get the ability to iterate and change what you’re currently doing to make it more robust. So thinking about the first stage within this process.

The key to consider here is that of tracking KPIs. If you’ve set yourself a lofty vision to achieve as part of your digital marketing campaign – perhaps a high volume revenue number or a number of potential new target customers that you’re going to then gain as a consequence of the campaign – you have to make sure that you’ve got key KPIs in place to know once you’ve achieved that. So there’s a couple of key important reasons why you’d have KPIs in place which you use or you have at the outset of the digital communication planning process.

So the first thing, clearly, is around goal measurement. It’s important to be able to determine when you’ve achieved the success that you want to have. The second thing is its vital information. It helps you to make key management decisions as part of the ongoing nature of the campaign. So for example, you may set yourself a campaign target to achieve a certain goal within say, a three-month period. After a couple of weeks, you can know and understand whether you’re going to achieve your target based on a specific run rate. If you feel they’re not going to, you can start to iterate and change up your strategy in a very quick and robust way. Had you not had the KPIs in the first place, you just wouldn’t have been able to do it.

The third thing is all around education. You want to make sure that whatever successes or failures that you have in the campaign that you can learn from them. Being able to use KPIs as a means to educate both yourself, your team, as well as other teams in the organization is absolutely critical. It also helps in terms of continuity. Keeping you going and striving for new heights and benchmarks is really important as part of the organization process to constantly learn, iterate, and better the outcomes that you have.

And finally, it gives you a good understanding of the key things in considerations you may want to adapt and iterate as part of that planning process as time goes by.

Now, when thinking about KPIs, there’s a couple of key things that are important to consider here. It’s really important that KPIs are absolutely actionable. We’ll come on to the concept of vanity KPIs later down in the module. Those are ones you need to stay away from because they don’t have any level of tangible output that you can use as a consequence of that KPI. Making sure that you can do something with a KPI is really, really important.

The second thing is, don’t overcomplicate. Don’t use more than, say, four or five key critical KPIs that you’re going to measure, and make sure that they’re realistic. One of the key tools that you can use is that of the scorecard approach, and the scorecard enables you to identify key areas in importance as part of your digital strategy and then be able to develop key KPIs as part of each of those key sections.

The third thing is around simplicity, making sure that you can gain easy access to understand and measure that key KPI. Now, what’s interesting is around interpretation of the key KPI is important. So for instance, understanding what is the definition of the KPI is equally important, and make sure that you get that standardized across your organization before you get started out in the digital marketing campaign. Also, being able to present that KPI in a robust way to convince your organization of the importance of the measurement is really important.

One of the key tools and techniques people usually use is that of developing creative infographics, that really helps to be able to convince people of the KPI. And finally, evolved goals. Don’t keep your
KPI static, make sure they’re constantly evolving over time so you can constantly stretch both your teams and your organization to achieve new heights. Make sure that you’re constantly iterating and you’ll be successful.

**Critical Path Method**

Now, thinking about some of the key steps that you need to take as part of the campaign planning process, it’s important that you identify a critical path to be able to achieve it. There’s absolutely no point in cutting both your timelines or your budget too short once you have lofty goals, make things realistic.

So what is a Critical Path Analysis? Well, in essence, it’s a calendar from which to plan all activities in the development stages. It also takes you straight through to implementation. Now, what that allows you to do is to understand the key timelines that are required for delivery of the project. Now, this is really important, because if you don’t plan in this way, you may miss a few milestones which will be important for the campaign.

I’ll give you an example. Take car insurance again. Every single year, there’s a critical point in the year when more people renew their car insurance than others. A lot of the in time, insurance companies want to plan their key campaigns around that cycle. If you haven’t done the key path analysis correctly, you may miss that cycle, and as a consequence, your campaign will go out too late. Now, the problem with that is your competitors get an advantage and can steal your customers. Really, really important that you make sure that you have this planned out robustly.

There’s a couple of different stages to consider when thinking about the critical path of development or methodology. So the first thing, is to list out specific individual activities. I also usually do this with listing key stakeholders in the organization as well. What’s really important to do is not to miss out any key stakeholders that can then come back later down the line and actually cause you trouble or delays to the process.

The second thing then is to determine the sequence of those activities. What’s most important that needs to be done at what specific time? There may be a specific time when you need to get certain input from people like, say, compliance or legal departments to ensure that you’re tone of voice or wording is actually spot on. It may be advantageous, however, to actually engage those departments further up the upstream process so it doesn’t get too late and you have to make dramatic changes to your entire campaign. Draw a network diagram which also helps you to plot out where those key individuals sit within that timeline. It’s also important to understand some of their priorities.

It may be the case that they’re resourceful and unable to help you at a certain point in time within the planning process. You need to understand that at the outset so you can build in those robust time and time plan to be able to then make sure your campaign hits an effective timeline. Remember, it won’t be their issue that they want available, it’s yours to ensure that you plan in a holistic process. Now, ensure that you estimate the complete timeline for each activity.

Now, the piece of advice that I’ve always felt in my career is that you need to leave a lot of lead time and room because things do happen which will somehow, you know, make sure that your timeline goes off kilter. Make sure that you have adequate timeline built in, in case, to overcome some of those issues that may come your way later down the track. And identify the critical path, the longest path through the network. This is really important that you do and define your critical path because if you don’t, again, you may miss out those steps that you need to be able to execute on that campaign.
And in essence, the CPM document needs to be a living and breathing document. In fact, I often find that by committing to getting regular updates to stakeholders through the document is a very useful way to ensure that it’s constantly updated and also everybody knows where they are. Throughout the campaign planning and execution process, it’s absolutely critical that you communicate to all the key stakeholders within the organization.

A great example of this is one where I worked at HSBC, where we were planning a current account campaign. It was absolutely critical that we developed a robust timeline because we had to hit a regulatory deadline to be able to execute the campaign. It was only by defining a key critical path solution that I was able to ensure that we hit the campaign and that it went out the door at the right time.

### Big Data

Let’s talk about some of the benefits of Big Data. An interesting study done by Kenneth Cukier on America’s favorite pie reveal some of the real benefits to be had around Big Data solutions. Popular notion always thought that apple pie was America’s favorite pie. However, on closer analysis and understanding, it was actually deemed as America’s second favorite pie. It was the ultimate compromise, and actually, when you looked at data from smaller pies, you found that America’s favorite pie wasn’t actually apple. It was only possible because the use of Big Data which enabled you to drill down in a much more in-depth way to gain some true customer understanding as opposed to what the popular notion was all about.

So thinking about that in the context of benefits, it enabled marketers to actually drive more profitable advertising because now you truly understood what was some of America’s favorite pies based on different segments. It enabled you to identify new customers where you could develop new products and services, or new pies for people that you hadn’t traditionally thought were eating apple pie.

The second thing is it actually helps you to measure the impact of the campaigns more effectively because you can break down the data into more sizable chunks and actually marry up different data sets enabled you to understand in a more robust way of the times of day when people were more likely to eat pies, the type of pies they were eating, when they were doing it, and how they were talking about it, marrying up different data sets.

The other interesting thing, it was revealing new marketing opportunities because you could actually then start to sell ancillary services as a consequence of that new knowledge around different pies. So you’re creating new market opportunities where you didn’t have them before. And finally, if you’re offering more relevant and detailed products and services for your customers, i.e. you’re getting more personalized, it clearly means that they’re going to be more engaged with you and more likely to want to stay with you, become advocates of yours, and buy more from you.

Now, another great example of this Big Data analysis has been done by Argos. Argos in the U.K. is one of the leading retailers that have just recently been bought over by a major supermarket as well. And one of the key reasons why the buyout happened was the consequence of Argos’ digital transformation and use of data as a way to gain true customer understanding. They were able to predict some of the key customers’ requirements from a goods and services perspective which enabled them to gain incremental value. So for instance, if you were shopping online for a certain
product or service, they then could make predictive statements about what other services may be relevant for you.

This had two major benefits, one for the customer, because they got more relevant products and services, but clearly for the organization, they were able to gain a commercial value as a consequence of this data. To be able to do this, Argos actually implemented a host of different listening tools on that platform to be able to understand what customers want more of. And it's not just about products and services, it's also about the channels that customers use to engage with Argos in.

So for instance, one of Argos’ major players has been done on click and collect. In fact, digital now plays over 60% of where they derive their revenues from. So it’s a really interesting way to think about how you can gain insights by drawing up different data sets that suit both within the organization and without the organization.

Now, one of the outputs or outcomes of using Big Data in this way is it enables you to be more predictive in understanding both the liked and value of your customer, but also what their needs and wants could be moving forward. So for example, from a predictive perspective, we use a technique called propensity modeling, and what that propensity modeling allows you to do is to make certain assumptions on an aggregate level to determine exactly how someone or a segment of customers will behave in the aggregate. So take an insurance example; you can predict the level of people that are going to leave you. You can then cluster those different individuals into groups and then determine the extent to which a propensity that group has to then want to move insurance the following year. It then becomes a job where you can then determine key things you can do to be able to keep them and retain them more effectively. So combining propensity modeling with techniques like A/B testing is a great way to determine if you can add incremental value to different customer groups that would otherwise not stay with you any longer.

There are some other benefits that you can actually have as well. You can predict people who are more likely to want to purchase your product in the future and therefore gain incremental value. It may be more worthwhile selling to them than other people who are not going to purchase a second product with you. You can also predict things like engagement levels, the ability for people to unsubscribe, ability to convert people from one part of the customer journey to the next, ability to then acquire that customer, and clearly as I mentioned, to lead as well. So there are many benefits of using Big Data to be able to predict certain customer outcomes.

Let’s now talk a little bit about mobile marketing. Not only do you have an ability to understand when people are interacting with you, you can also find out exactly where they are at that point in time. It gives you an entirely new dimension to think about in your marketing mix. A popular method to use is that of SoLoMo – social, local and mobile. You can introduce social tools as a way to understand where people are that point in time – think about check-ins – you have the ability to then think about the location where you can give people location specific offers. So for example, a consumer may be walking down a high street passing their favorite retailer and then have an ability to get an offer straight to their phone, which they can then avail on in a time-bound way. So there’s a whole range of things that you can do to be able to determine exactly what your customers are doing and then have an ability to do something with it.

Now, enabling the new targeting options that you basically have enables you to marry up both your traditional targeting as well as the online targeting options as well. Putting these things together gives you a more holistic and robust way to target your audience. Remember that it’s not essential that you have a digital-only strategy, but actually that you integrate both the online and offline world to create
a holistic strategy which can target your consumers in a robust way, that adds value to them and is relevant to them.

Now when thinking about your channel approach, you can select your approach based on the strategy that you’re going for. So for example, when thinking about the approach and strategy you have, it’s critical that your target audience is fully engaged with that channel of choice. You can provide engaging content on that channel of choice and actually, it may enable you to have a wider choice of marketing options to penetrate new markets as well as engage existing customers.

A simple way to try and understand where your customers are and what they’re doing is to do a day in the life of your customer. Simply try and understand whilst you put yourself in the customer shoes the type of interactions they will have during the course of a typical day for them. It gives you a true insight to understand the type of channels that they may be exposed to on any given moment in time.

**Channel Selection**

Let’s now move on to talk about digital marketing channels. The good news is that there’s been an explosion on the different number of channels that one can use both in the offline and digital space. Now this gives us unprecedented access to different type of customers. Some of the examples are on the screen things like tablets, laptops, desktops, mobiles but also thinking about some of the techniques and methodologies that we use within each of these channels.

Now, this creates both opportunities as well as challenges for marketers to be able to get this right. With a number of different operating systems, channels, formats as well as different media that needs to be appropriate for the different channel, it does make a marketing role quite complex to make sure that we’ve integrated all the relevant assets and aspects into a specific channel.

So how do we go about thinking about the actual channel strategy? Now the way that we do this initially is by considering what we call a digital audit. Now the way we do that is by defining exactly what’s our current status of digital activities with an organization. It’s almost trying to uncover where are we now type of situation, and it consists of a number of different stages that we can use.

Now, the first one is that of channels. What current channels do we use in the offline and online world to reach out to our current customers? What type of data do we currently hold to enable us to expand the reach of those activities and channels? Now, duplicate accounts can be a major issue for organizations in digital. So, for example, take an email marketing campaign if we have a variety of duplicate accounts it means that customers will start to reach and get more than one communication. Now, this starts to build inconsistencies.

The third aspect is access and login details. It’s becoming more important than ever, particularly in a world of personalized communications, to give people access to a variety of different tools and techniques that the customers then can themselves use. So for example, some sort of portal, whether it be an education portal, or whether it be an insurance-based portal, to figure out what information you have, it’s really important that we basically use and have access to these details. That creates its own issues when relating to data protection for example.

The other aspect, the fourth aspect we’ve got to think about, is that of administrators. Who are going to be the custodians to our digital marketing processes and data that we hold on our customers? This is becoming extraordinary relevant both in Europe as well as other parts of the world with new regulations like the GDPR, the General Data Protection Regulation, which has recently come into
force by the European Commission. We also then need to think about exactly what existing resources and capabilities are. Clearly, we have an ambition to be able to stretch that into new areas of digital marketing, but we need to have a baseline of understanding exactly what we can currently do in the organization today, and then build some sort of roadmap and strategy to both upscale ourselves as well as build a new capability to be able to reach out to our customers.

And then finally, thinking about the history and chain of command. Company culture, as we outlined, some of the challenges of digital marketing play a critical role in getting buy-in. It’s essential that our top management have the appetite to want to change in this way. Now clearly, the senior management can see the merits and benefits of a digital marketing strategy – one being that you can actually do things much more cost effectively and reduce the need for manual intervention into your processes.

A really good example of this is that by West Jet. They’ve done some great campaigns, such as the ‘miracle of Christmas’, where they’ve been able to really get to the heart of what customers are looking for and then use digital channels as a means to reach out to new audiences. So for example, they’ve got 400 media outlets in over 214 countries – it’s really, really impressive when you think about it – got over 2 billion media impressions. Now that’s an impressive number and the way they do that is by optimizing the way they use their digital strategy.

**Digital PR and Social Media**

The other aspect to think about when you’re thinking about digital marketing is that of digital PR and social media. Now, what do we mean by some of these terminologies? Now like traditional PR, digital PR enables you to gain an influencer base where you’re actually getting people to write positive notions about your product and services online i.e., spreading the word in a digital way.

Now, this concept starts with an influencer base. So who is an influencer? It’s an individual whose actions and opinions carry more weight with the general public than other individuals. So for instance, in the marketing sphere you may have key influencers like Seth Gordon or Simon Sinek for example, and what they say about marketing theory and trends is probably more valued in the marketplace than perhaps Joe Blogs on the high street. So getting to them and being able to target them to become an influencer for your organization could be very important in gaining traction.

Now, the other major benefit of having these influencers on board is simply that they themselves have massive networks online. So take for example the number of people that they have in terms of ability to tweet out to a base or the number of Facebook likes they have. All of these things in essence helps you to generate greater awareness and actually gain new markets as a consequence of your influencers.

Now, on the other hand, you have someone called an advocate. An advocate is a person who’s highly satisfied with your services and they are more than happy to promote your brand to others. Now, these individuals play an extremely important role. So, for example, everyone talks about word-of-mouth marketing being some of the most important aspects of marketing, and why is that the case? It’s because advocates have close groups of friends who are trusted and they highly trust. As a consequence to that, if an advocate tells you that a product or a service is good, the likelihood is that you will value their opinion more than any sort of advert out there. So being able to target these key influencer groups is a really vital thing. So let’s take these in turn.
So digital PR. The main element of online PR is maximizing favorable mentions of an organization, its brand, products and websites on third-party sites, which are more likely to be visited by the target audience. In essence, it’s another way to get the feelers out and to spread the word. So for example, a number of great sites that do this very well would be people like econsultancy.com. They are a thought leadership site which enables people in the digital marketing space to get access to some of the current thoughts or tools and techniques that can be used. Now, what are some of the key benefits when I think about the digital PR landscape? Well, clearly in a world of social it’s so easy to share different views comments in this landscape particularly when you’ve already built up a particular base of fans that you have.

The second thing is that actually these influence and advocates become a key way for your organizations to be able to move ahead and penetrate in the marketplace. You want to be utilizing your network as a means to actually reach out further because that is a very cost-effective way to get your marketing voice heard. Whilst not spending a huge amount in either traditional or digital comms, so become cost-effective. And finally, by using this you have an ability to gain measurable results. So when thinking about social media and digital PR a great quote by Jeffrey Rohrs from Salesforce in his latest book The Audience really encapsulates the power of social media and digital PR. So let me read this: “The moment you begin flipping through these pages you became a READER. I’m hoping you’ll soon purchase a copy and graduate to a CUSTOMER audience. And if the subject really strikes a chord with you perhaps you become a website VISITOR an email SUBSCRIBER or a FAN of the book on Facebook. Who knows you may even become one of my FOLLOWERS on Twitter LinkedIn or Google+.”

Now, what Geoffrey was trying to encapsulate by that quote is to talk about the various ways that you can interact with the content that he’s providing, but also contribute to the fan base that he is building with the insights that he’s developing. There’s so many different sites that he mentions there and so many ways for consumers to become advocates of his brand, as well as being able to play a role in shaping for the content for the future. So that not only does it become an advocacy thing, it also becomes a user generated content type of approach as well. A great example as I mentioned before was that of Econsultancy – they’ve built up a great user base of bloggers as well as avid readers who contribute constantly to their knowledge section on their website. It’s really valuable piece for any digital marketer.

Now, what are some of the key things we talked about word-of-mouth marketing? What are some of the key things that we think about as part of that process? Well, there are three key elements, the three Es of word-of-mouth marketing. Digital PR and social media play a key role and have these following advantages. The first, it enables engagement. Get people talking to each other, get people talking about your brand in the digital space, and then get them to spread the word. It gives them the key tools and techniques to be able to use, to be able to then go on to engage more with your product or service. And it puts them largely in the driving seat; it empowers your customers to actually take charge of the key things that are valuable to them which hopefully is your brand and service.

Now thinking about amplifying your message, how do you go about doing that in the social media and digital PR space? Well, there’s four key ways to think about this. The first thing is to connect with your influencers. Don’t think that they come easy, and don’t think that you can just put out messages and they’ll pick it up. It’s important to have a two-way dialogue with them and constantly engage them in that process. First Direct set up a First Direct lab. First Direct is a bank in the UK and they set up a lab which connects directly with influencers getting their views comments. And in fact, Google is a great example of doing beta test where they integrate the influencer comments or give the influencers priority when actually rolling out new products.
The most valuable content is really important for influencers to latch onto as well as people that constantly share with other people. You’re promoting a landing page as a consequence. It’s quite often when you’re posting content that it leads on to a page which has further information. So a key consumer trend is actually being able to... the desire to have small snippets of information which is important for, say, things like email marketing campaigns. But then that leads on to a landing page which has more information for those who are avid readers.

And then social to email conversation are really important as well. Once you strike up a good two-way dialogue on a social channel, actually trying to take them on to a separate channel, say email, is a great way to grow and foster that relationship in a more in-depth way.

**Channels for Digital Communication**

So the first thing, perhaps the most obvious, is using social media networks. Now, clearly some of the most growing ones are the most popular—Facebook, LinkedIn, Instagram are great ways to actually start to put your message out there.

The second thing, using forums and web communities, are another great way to think about how you can get your message amplified. One of the most important web communities is that of Mumsnet for instance. The third one is live chat—there’s no substitute for real-time engagement and that can be done in a live chat way. If you’ve got thought leadership piece to try to talk about, engaging your audience in some sort of free webinars are another great way to be able to do this. You may want to publish a blog and in fact some of the most successful bloggers do so a couple of times a day. Take a good example of that is our onlydeadfish.com by author called Neil Perkins. He actually publishes at least once a day, and also has a blog of the month a really good example.

The next one is that of streaming, enabling you to put content out there or becoming creator of content is really important. You can also think about your email marketing strategy and in essence it gives the ability to write out to say a subscriber base on a regular basis keeping them engage with this key piece of information that you think are relevant then.

The last two digital channels you can use is that of screencast, which enables you to put out pieces of information in the ether, and finally the messaging apps. WhatsApp is becoming a very popular way to try and get new marketing messages across as well. And it’s really important when thinking about a digital communication strategy to ensure that you get the right channel for the message that you want to deliver. All too often you see on LinkedIn people are criticizing the type of message posted as being too “Faceooky”. And it’s really important therefore to get the message right. So the slide gives you a few hints and tips about the type of channel you could use for the type of messaging that you may want to have.

Let’s now move on to talk about a case study, let’s use Starbucks. They are a great example of how they’ve been able to transform themselves as a consequence of digital and social media. Now, Starbucks weren’t always doing this well. Back in around 2008, in fact, we were losing market share and they were going through a time or a turbulent time where they needed to think about how they could re-engage with the target audiences. And the strategy they came up with was one of digital transformation.
Now Reading The Court by Adam Brotman, the Chief Digital Officer of Starbucks, he talks about that everything we do in digital is enhancing and strengthening the connections with our customers in only the way that digital can, and that only the way that Starbucks can. So it’s really about identifying the key ways in which Starbucks could actually integrate digital to enhance the engagement levels with their customers. It’s a truly tailored approach that they actually use.

Think about the Starbucks app as a good example here. They basically have used the ability to transform the way people pay for their coffee. They have over 2 million people currently on the Starbucks app, and they reward their customers is through the desire for them to use the app as a payment solution for coffee. Now one of the major advantages of this is that people become sticky customers of Starbucks, because they’re using a Starbucks-based currency. One of the major benefits of having a loyal customer base is that you can create a robust organic social media strategy which then entices advocacy from their customers.

In fact, Starbucks was the number one ranked socially engaged company in the world. What’s interesting about their media strategy is that they tailor their social media across the spectrum of the customer journey.

So for instance, they often post really interesting new innovative products which people who attach their social media hear about first, but also post a whole load of different offers that Starbucks customers can avail of. They also do really interesting promotions. Now, for example, they tweet interesting type of deals of the day as well as ways to make the perfect cup of coffee. You can also see the number of followers that Starbucks has with Facebook being about 36.4 million likes and I’m sure they are growing by the day. So you can just see Starbucks has done a dramatic amount to be able to change from what was a traditional coffee company into what is a digitally enabled company by using both the digital tools available to them as well as social media really, really effectively.

In fact, when you think about some of the content that’s been generated, it actually is quite user led. A couple of months ago there was a couple of acapella groups that went into Starbucks and actually created a Starbucks song based on the user journey. So you can just see what started off as an embryonic sort of method for them to reach out to their customers has now turned into this two-way dialogue of consumers actually interacting with the content as well. Starbucks has done fantastic as a way to try and promote their products and services as well as engage customers through that social media.
LESSON 3: EXECUTING A DIGITAL CAMPAIGN
Situational Analysis

The first thing we need to think about is that of a situational analysis and what this essentially refers to is the review of activities both competitors as well as various things that are happening in the marketplace like trends, as we have to truly define what exactly our digital communication approach is going to be. There are a number of different benefits of actually utilizing a situational analysis.

So the first one is to be able to define your target market and define your target audience in a robust way. Ultimately, what you’re looking for is to try and identify new targets and new audiences that are not currently targeted by competitors. You’ll be able to then understand your competitors’ weaknesses and strengths. This helps you to define the digital marketing approach that you then take to find a gap in the marketplace to be able to penetrate in a better way and be more successful than your competitors. And finally, it lets you identify opportunities and threats to your offering. Being able to identify these will be critical for you to be able to overcome some of the hurdles and challenges that you may find in your way. So let’s think about a competitor analysis.

There are, in essence, seven key stages that you need to be thinking about. The first thing to do is to identify your current competitors. Now the issue that you have is on the face of it, it may seem pretty reasonable to understand who your competitors are. In reality in today’s environment, it’s very difficult. For example, who was to ever think that Vodafone was going to become one of the biggest financial services institutions in Kenya with M-Pesa, for example? So it’s very difficult to identify who your current and future competitors could look like.

There are a number of different techniques that you can use to do this. The first one is by being able to determine who your primary set competitors are. The next thing is to look at who could possibly be your secondary set or even competitor substitutes. What I mean by that is if it’s not the product that you are currently offering, what other products could it be? A simplistic example would be if a customer’s not traveling by train, they may take a plane or car so those individuals or those companies operating in that environment actually become your competitors as well. And then the third layer to think about is who else could potentially move into your space given their core capabilities that they have around? So for example, organizations may be able to leverage data to be able to start a bank which is what a number of institutions are thinking about doing.

Now the second thing is around identifying future competitors which in essence is that third layer. Who are the key people that could be competing with you in the next five to 10 years? Once you’ve got an understanding of who your current and future competitors could be, you want to start mapping out what exactly are their market share in that environment. This will give you a good understanding of exactly who are the leaders in that environment which can then help you to identify who are the organizations you need to worry about, who are the organizations you may not need to worry about, but also where can you gain valuable insights about what they’re doing versus what you’re currently doing. It can give you some great benchmarks to work to against as well from a digital perspective.

You may also want to identify your competitors’ strengths and weaknesses. This will help you to determine where you are better than others and perhaps where you have to position your own strategy.

Now to give you an example, if you look at the insurance space you have some traditional players, think people like Direct Line Group or Aviva, versus new age players, say Hastings Direct in the UK. Now one of Hastings’ major advantages is the fact that they haven’t built up heavy infrastructure – offices, as well as people – and they have a much more digitally-inclined approach. So in essence
their cost base is much less than that of Aviva or Direct Line Group. Now one of the big advantages of that is it enables them to be able to offer cheaper pricing.

So from our Direct Line or Aviva perspective, understanding that dynamic enables them to move in a more digitally-agile way which then enables them to shed cost from their business letting them offer similar pricing to their customers, enabling them to retain their customers as well as acquire new ones because they’ve got greater brand equity.

Also thinking about the future opportunities and threats is a great way to be thinking about how to avoid some of the pitfalls that organizations may fall into. Take the insurance example again where you’ve got price comparison websites Now over the last five to 10 years, they’ve pretty much democratized the insurance sector. Now for example thinking about a world of comparison websites, you know, 2.0 or 3.0, what does that potentially look like? And is that a threat for the key insurance companies to think about when thinking about their strategies?

Now, when you have that, you can start thinking about the offerings of your current competitors and what those strategies could be for the future. If you’ve understood the holistic seven points around your competitors, you’ll be very well placed to be able to identify, capitalize on opportunities, as well as mitigate the threats that these competitors could do for you at the moment and in the future. Now one of the ways to think about how you gleam this information from competitors as well as consumers is through digital insights.

**Creative Approaches**

Now this is a relatively new way of gaining insights but there’s some really good advantages that you have because as we mentioned at the outset, it gives you the ability to monitor preferences, behaviors, and interactions. It’s a real holistic way to think about how your competitors are actually engaging with their audience.

So for example, competitors have the ability... sorry, customers have the ability to interact with you and you can capture those interactions: for example, how long they want to talk to you could give you a good understanding of the level of customer services that you need. Customers will also give you qualitative feedback on certain key aspects around your digital strategy. You must listen and iterate those using that feedback loop.

You may also think about intelligence gathering. So you could use a number of different services and tools – Radian6, Twitter search, Brandwatch, Mention – as a way to intelligence gather across your company as well as the sector. You may also want to develop context content and then get feedback from your customers as to how they are responding to this.

So one of the really useful techniques that I use in this area is brand analysis. So for example, the level of recall is a really important aspect of brand measurement. So what typically happens is companies will do online surveys and ask customers to talk about say the top five insurance companies that spring to mind first. So you have this ability to then use digital as a way to be able to gain further insights about where you sit, and are positioned relative to your various competitors. You can also demonstrate an appreciation and give back using digital means so you can understand if someone is posting positively about you and then either tweet back, or for example, you have the ability to offer them a gift of some description.
And finally, you have this ability to do customer standardization, where you’re offering a similar level of service across your various channels. So you can just see there’s a whole range of insights that could be gained through digital conversations.

Now, the important thing to note, as we’ve discussed before when we talked about segmentation and targeting, is that it’s not a one-size-fits-all approach at all, and actually one of the key flaws or ways that organizations fall down is when they try and rehash the same content into a different channel – and it’s essential that you don’t do that. It’s really important that you actually tailor the content for the channel of choice that you’re using to reach out to your core target audience in the most effective way. So by doing that you won’t get customers bored, you’ll have a tone of voice and style that’s fitting to the channel, and you can tailor it to suit the expectations of the audience. Now clearly if you don’t do that the converse issues arise.

Now there’s some real issues in today’s landscape of developing cutting edge content for a variety of these different channels. So the first thing is thinking about that core consumer insight or unique idea that you’re going to use to create the channels. It’s a unique idea that’s really, really important because that’s the linchpin that your entire digital creative campaign strategy hangs on. In essence, it could be around a core consumer insight.

The second one is then standing out from the noise because there’s a democratization largely developed through digital communications, where anyone can put key messages out there through social media, for example. It’s becoming increasingly difficult to actually again standout. A really great creative director called Paul Arden from Saatchi and Saatchi talks about the need to astonish customers and that’s a really important thing when thinking about your creative approach. Achieving balance of appeal is very important. Understanding the key tone of voice and what exactly are you call to actions is critical because that needs to place or be front of mind when determining what you go for, and also ensuring that actually it appeals to a wider frame of audience.

Now getting your right message across is critically important, and what I would suggest is make sure you do a range of user testing before your campaigns go live, because what you interpret to be the key message is not necessarily the message that your consumers actually get to see at the last bit.

Now, when thinking about styling guides, it’s really important from an integration point of view and a consistency point of view to make sure that you have a consistent styling guide across the entire approach.

Now, what’s the benefits of having this styling guide? Well, the first thing is it saves time and boosts efficiency. If everybody working across the business and throughout your agencies know exactly what the boundaries of your brand are, it’s extremely easy for them to replicate those key assets that they need sticking within the boundaries of what is acceptable and what’s not. It also helps to set the tone of the conversation.

Now tone of voice is extremely important for a brand perspective. The way that you want to come across to your customers is very, very important. Now setting the tone in the right way through your style guide gives you access to be able to do that. It also makes sure that there’s no, or reduces the redundancy and basically there’s a consistency across the entire end to end message. And finally, it enables clear messaging of the entire approach.
And what is a resource map? Well, in essence, it’s a clear layout of all of the resources that you will require and that they will be required for. And the reason why we do this is so we can actually create a holistic understanding on the various costs that will be associated with the development of the campaign. It also helps us to allocate financial resources in a much more robust way. The final thing that it does, it also enables us to not waste team time and effort. So creating efficiencies is absolutely critical, and one of the interesting things is planning ahead of time, this resource map, will actually save us a lot in budget thereafter.

So when defining a budget, what are the key considerations we need to take in this process? Well, in essence, there are four key things that you need to think about when actually putting a budget together. The tools, creative costs, media costs, and human resources. So tools, in essence, are the key things that you would require to be able to bring everything else together. Creative costs are the production costs. Depending on the level of expertise and quality of production that you require will clearly have an impact on the type of budget that you need.

The fourth aspect is that of media costs, and in essence, that’s the distribution capability and costs that are required to be able to make sure that your customers or the target audience actually gets access and views your creative that you put out there. And finally, all of this needs a variety of human interactions to be able to bring this together in a robust way. So being able to actually outline who the humanistic elements are is really important.

Now that’s perhaps a bit generic from a budgeting perspective. What are some of the key things that you need to think about specifically for digital? Well, actually the level of investment that you have in digital media is absolutely critical. And the second thing is the mix of that digital media aspect. So when defining our budgeting process, make sure that you robustly determine the level of investments and how you’re going to invest across your various digital assets as well.

Now thinking about the budgeting process a little bit more widely, there’s a number of different ways in which you need to think about this. Budgets are broken down straight from a high-level strategic point of view, which is clearly done within perhaps an annual budgeting cycle. This is done through our many organizations, where in essence they know at a high level what is the marketing budget for that following year.

The second thing then becomes a quarterly planning process, which is largely business driven. Think about heads of marketing trying to determine exactly what they want to spend their money on, perhaps what type of media resources, perhaps it’s all about trying to understand what the big campaigns could be from a quarterly perspective.

And then finally, you have more operational decisions, which are either done say on a monthly basis or actually even on a daily basis. So, for example, you’ll get marketing managers understanding exactly how they need to tweak their budgets from month to month to be able to optimize the actual campaign that they’re trying to drive. So it’s really important when thinking about budgeting to do it across these three key spectrums. Now how do you go about optimizing your budget?

Well, there’s a couple of key things to think about here, and you use data and analytics to be able to do this. That’s at the heart of the optimization process. So being able to determine the overall communication effectiveness or payback, often referred to as ROI, it’s important to understand how the campaign is performing for you. And remember when I talked about the need and desire to...
actually set out those key KPIs at the outset of the process, it's simply because you can then benchmark and measure the overall communication perspective.

You may want to also determine some comparative campaign effects. And what in essence this is trying to benchmark your campaign versus other ones that have either been done by yourself, or perhaps the results of competitor campaigns or related campaigns. This gives you a sense of benchmarking.

The third aspect to consider is that of efficiency. Efficiency enables you to determine how best to, or how cost effectively can you do a certain key activity. Now there's been a whole movement around frugal innovation. Agile movement where you're trying to basically do things in short sharp fire way which enables you to gain maximum efficiencies across the marketing campaign.

And finally, cross brand effects. How can you optimize the partnership approaches that you may have with different brands and gain synergies from those different brands? Or another you're thinking about it is leaning on those brands as a way to gain incremental value for your marketing campaign. A lot of the time, actually being able to partner with different brands are a great way to be able to gain incremental value and use their media space as a means to create greater efficiencies across the entire network.

So when thinking about the budget from a digital integration point of view you need to be very conscious of a couple of key things.

The first thing is you need to ensure that you're exploiting existing resources. As I mentioned in the partnership example, it's absolutely critical that your understanding exactly what resources you have available to you at this point in time. Make sure you use full use of them. A nice framework to use in this area to identify with existing resources that you have is think about owned media, bought media, and earned media. You'll be able to quite rapidly identify those various channels that you have under each of those sections and then make sure you are utilizing them.

The second thing is actually been able to maximize your ROI from existing investments. And what we mean by that is basically understanding through your digital auditing process exactly what investments you've currently made. Usually you have a variety of digital tools that are already in the marketplace. Social pages, bought or earned media assets, your website, etc... use those to maximum effect. You need to also be experimenting with different creative and media outputs.

Now using A/B testing is a great methodology to use, where in essence you put a variety of different creatives into the marketplace using what's called a champion challenger approach. You're being able to compare the performance of those different creatives which then enables you to determine which one is the one which is the champion.

And, finally, there are trial paid-for solutions. Now one of the major advantages of digital in today's landscape is the origins of the freemium model. And what this freemium model allows you to do is to actually trial a variety of products and services, largely either free or in a very cost effective way. And then in essence, when you know something is working and when you are looking to ramp up, that's when the model starts to become more of a paid for type of structure. For example, in the email marketing type of world using MailChimp at the outset of a campaign enables you to deliver campaigns literally free of cost to begin with, and then as your volumes increase you need to pay more for those services.
And finally, the key thing to think about from a budgetary perspective is to continually invest in a variety of different assets and techniques. It's important that you don't see our digital integration as a static type of approach, but actually a way more comprehensive one where you're constantly investing in new assets.

Now thinking about the creative budget at the moment, relative to the media budget, what do we think is the optimal level and why do we do it? This is called the Creative Media Ratio, and in essence what it means is the level of budget you attribute to creative versus your media spent. Now, in essence, what's the purpose? It's actually to help you maximize the support you can offer each activity and a lot of the time ensuring you're not only investing in creative work that won’t receive enough paid through support or paid support.

Now one of the things to consider with this is clearly if you're building a creative you need to make sure you maximize the reach. So being able to do so by monitoring your creative media ratio enables you to determine if you’re spending way too much or too little on the creative or media. Typically speaking, there is no right formula for what that ratio should look like. Traditional marketing functions have tended to go for an 80:20 split between creative and media. However, when you think about the digital disruption that's currently taking place, one can start to argue that that ratio may well be a bit imbalanced in today’s context.

Now when thinking about the creative considerations, if in the creative budgeting space, one needs not to underestimate the amount of time and effort that actually goes in to developing creative assets. Time, effort, money are just some of the key pillars that actually need to be considered when thinking about the creative approach. So the cost involved, for example, are things like copywriters, art directors, creative personnel etc. And they largely are quite expensive individuals, given the talent that they bring. And if you think about spending more than 50% of your budget on creative actually could negatively impact performance.

Again, consider the creative media ratio. Thinking about some of the resources for digital communications is really important, particularly from an in-house digital marketing perspective. This is because largely it’s a fixed cost that you must consider, and it’s one that your department would have spent anyway.

So there are three key things to think about when thinking about in-house resources: the amount of time that it’s going to take to develop key campaigns, the amount of money that’s required and, mostly, the amount or number and skills of the people that are required to be able to execute a digital marketing campaign.

So when thinking about the resources required, one must also reflect on the structure in which a digital organization will take shape. Now largely speaking, organizations have put digital into a silo. In reality, and moving forward, it's going to become much more of a mainstream part of any marketing base function and the structure must reflect this. So we must think about digital marketers being proficient in a variety of different ways, analytics, customer behavior, and channels. That then feeds into the traditional marketing approaches that are then taken. So what you can then start to see is from a resource and budgeting perspectives is that marketing starts to take on a much more all-encompassing role than it ever did before in the mix of an organization.

Let's now move on to thinking about how you develop your in-house social media monitoring. It's essential that you give a broad spectrum of individual access to social media monitoring across the organization. But why do you do this? Well in essence it's because you can get surefire, quick
insights about your customers on a fairly regular basis, which allows you to iterate your approach pretty much instantaneously.

There are a couple of key considerations that you should make when thinking about your in-house social media monitoring approach, but the first thing is it gives you an invaluable feedback loop to your customers. You can ask specific questions and they give you answers in real-time. It also helps you establish and refine your tone so you can start to think about your overall communications approach based on pure customer insight. You can also use it as a way to proactively negate against any other negative social buzz that’s kind of floating around in the ether.

Remember we talked about digital PR, and that’s a key way that you can do this here. Monitor what’s going on that could harm your brand and then negate against it. You may also want to monitor your competitors, see what they’re saying, what they’re talking about, and then respond to them in a robust way.

The other major aspect of digital is the ability to monitor hash-tags. Now hash-tags are essentially cues with which you can categorize different key things that people are talking about. By monitoring hash-tags you can get key themes of things that people are talking about you. You’ll also be able to understand location-based social listening tools, and what this basically means is that you can gain a robust understanding of the different... where someone is talking about you to and then be able to get into those areas.

And then finally, thinking about your content strategy. By able to have an in-house approach and listening, you can then gain new ideas about what customers want to hear about and then basically build a robust content strategy on the back of that.

**Marketing Department**

Let’s now move on to talk about how to structure the marketing department in an era where digital plays a much, much more important role in the overall structure. There are a couple of key things to bear in mind when developing a marketing department organization structure. So we should look at them across two key dimensions. The first is that of a group level where, in essence, you’ve got four key things to consider. The wider strategy, the creative approach, the communication approach, and then finally the auditing or measuring approach. Now taking each of these, in turn, helps us to determine a functional approach as well to each of these key group areas.

So strategy, for example. We need to understand exactly how we can gain key customer insights, and then build a strategic plan within the marketing function. So looking at roles such as audience research or channel research is absolutely critical in devising a strategic function within the department. You can then go on as part of this to create a strategic positioning function, perhaps a brand strategy function, that helps to outline exactly what the information is telling us, and then how do we translate that into an overarching approach?

The next stage then becomes a creative group function. How do we ensure that we are creatively delivering to the target audience’s insights that we’ve just now found from the strategy group? So thinking about functional areas around ad development or blog development, even creating assets such as e-books or podcasts, are key critical skills and areas that we should be thinking about as part of that strategic, creative element that goes into the marketing function.

Thereafter, the third aspect of that is that of communication. How do we ensure that we are creating the communication approaches and developing strategies to reach out to our core target audiences
in a compelling way? So functions or skills, such as PR skills or ad campaigns? Community-based understanding? So social media plays a critical role. And also other media buying skills as well are important as part of that communication group that we’re thinking about.

And then finally the audit function, the last function on the list, is all around critical measurement. How do we ensure that the activities we’re doing currently match up to the right approaches that we’re taking to maximize the return on investment we’re making in the marketing function? So things like web analytics play a very important role within this function. But also things like understanding conversion levels or sales and revenue levels, and ultimately measuring return on investment all become critical skills that we need to have within the marketing team to be able to develop a holistic campaign.

So when thinking about designing the future of the marketing department, it’s not necessary that they need to be functional areas, but think of it as part of group areas. And then, what key skills and functions fall into those various groupings to help us build what the capability is for the future. Now bear in mind that we already talked about the extension of the marketing department in many ways. So thinking about customer behavior, or customer experience, analytics. All these aspects are starting to play a much wider role in the development of the marketing function than ever before. These were traditionally borne by operations functions, but now they’re becoming way more strategic in their nature. And because marketing has access to insight and to the data, it’s enabling them to widen the scope. So when thinking about the marketing department, think about it very holistically to ensure you create these great campaigns.

Now, another key aspect to be mindful of is that of a marketing structure. There are a number of different ways to think about how the marketing department is organized holistically. Now, traditional departments have been very functional in nature. And what they essentially have been is a hierarchical view straight down from marketing director, all the way through to heads of various functions, and then marketing managers and marketing executives. Now one has to start to challenge that predominant approach and thinking in a new world of marketing techniques, particularly in digital. The level of empowerment that we are seeing across the function is completely and dramatically changing where marketing managers are starting to get much more hands-on strategic role and executional roles than ever before. And that’s simply because they hold the keys to, say, tweeting or digital media buzz, for example. A lot of marketing managers can have presses of the button where they can access literally hundreds of thousands of their target audience by a few clicks on their mobile phone.

So the predominant methodology about how the marketing function is now structured is also changing. It’s becoming a more flat-lined based structure where there’s larger empowerment that built across the function. Now the major advantage of that is the ability to be more agile and actually be more flexible in the approach that you take. When you have too many sign-offs, as potentially was the case in traditional structures, it becomes really difficult to actually become agile and get campaigns out there in real time, or respond to key events that happen in the external environment.

Well, what happens now with a more flat-lined based structure, is that people can respond quicker. And that’s a great thing from a marketing perspective. Because think about the contextual nature of the communications that could be driven as a consequence of doing that. Now, remember the target audiences are looking for personalized coms and are looking for marketing functions to respond to things that are happening instantaneously. A flat-lined structure enables a department to be able to do that.
A tiered structure is another approach to be thinking about, and that’s when larger teams have two or three managers and are team-led. Now, this collaborative effort in from the team as well as across other teams play a valuable role in being able to create a variety of skill sets in and across the marketing function, which is essential. You’re playing across the dynamic between specific skill sets and general skill sets. Now, thinking about some of the ways to monitor performance is really, really essential in this team. Now, the thing to be doing when monitoring performance is to regularly have check-ins to be able to determine the level of performance that needs to be adhered to. Setting expectations for performance management across the department is really, really important. So being able to have robust, say, objectives at the beginning of each year with robust KPIs and smart KPIs to be able to understand what you need to achieve is really important to achieve success within this area. So regular reviews to determine progress and how progress you are making is really, really good.

Traditionally the cycle has worked that you’ve had reviews twice a year. Now there’s a lot of organizations that are determining that this may not be the most robust approach to take. And in actual fact, some organizations have decided that an annual appraisal is probably not necessary anymore. Because you have more agile teams, smaller teams, and more flat-based teams, regular feedback can be more valuable than actually having cut-out year-long type of processes.

The second thing to be thinking about is that the need to have automatic reports of channels. And this enables you to get a real-time understanding of the level of impact that you’re having by your various communications. Now, remember, it’s not just about the marketing inputs by the department that are important, it’s actually those outputs which are really, really important or impact that you’re making on your customers. Automated reporting enables you to get a really quick understanding of how your campaigns are impacting your customers. We spoke a lot about KPIs, as well as tools that you could reach out to understand how your, say, digital communications are performing. Think to things like click-through rates or dwell time as an example, to help you to determine what some of those automatic KPIs and reports could look like.

And finally, the key message is to develop continual feedback across the business. At the end of the day, there’s been an emergence, an integration, of different departments across the business. And it’s essential that everybody works together collaboratively. I already mentioned the merging of the role between operations and marketing. And, hence, why it’s becoming really essential that we continue to integrate and gain feedback from each other, both from a performance perspective but also from how customers are reacting to certain things that are being put out there by the organization.

One of the critical tools to remember when thinking about the way that the marketing department functions is thinking about the role of individuals and the skills that are required for organizations to maintain relevance with their consumers. And the way to think about that is essentially to use a wider source of agencies and freelancers.

Now there’s a reason why you would want to potentially do this over and above having the cost of capital of your full-time employees. The first thing is that it’s largely dependent on the type of jobs that come about. So you can be much more specific and focused about the requirements you need, and then be able to get those people who are specialists who have been working on these types of projects day in and day out and actually get them into your organization for a defined period of time. You could also use them as a way to maintain the brand image because you’re delivering... you have the best people on the job.
The other areas that are good to use freelance members and outsourced members of staff is because it saves you a lot of time. Because you don’t have to retrain people, but you’re getting people to do the job in real time at the moment. So there’s a number of different reasons why you would want to outsource and actually create opportunities for freelancers to come in for a defined period of time to be able to work on specific campaigns.

**Influencers**

Now, we talked a little bit about who the influencers actually are, and in essence, we’re going to cover why exactly are they so important. A great quote to encapsulate this is that by Seth Godin. He talks about, “It doesn’t scale because we tell the world, it scales because if we treat five people so well they will tell other people... And they will tell five, and those become twenty and that’s when it scales.” So when thinking about your influencers and advocates, it’s really beneficial to make sure you’re treating your customers in a robust way to delight them. Because, in essence, what that creates is advocacy, which then extends on and on and on, creating a scalable rule for your organization.

Now, there’s a number of different tools and techniques that you should be thinking about to use when thinking about engaging with your influencers. The first thing is give influencers creative control. Let them be a part of the organization process that you have to be able to let them create their own type of versions of the content you’re creating. Give influencers... engage with them, people who love your offering. Because, in essence, if you engage with them, they will only get more ingrained in what you’re trying to achieve and love you more.

You also need to understand what exactly is in it for them. A mutually-beneficial relationship is critically important from an influencer perspective. Remember, this is always a two-way street, and we need to be very mindful to make sure that we understand what’s in it for them and play to that. There’s nothing wrong in having a mutually-beneficial relationship.

Look for an influencer with a dedicated audience. Now, largely, a lot of these influencers will have their own very big fan bases. And once they tell one person, or once they tweet one tweet, it could actually go to hundreds of thousands of people. So choose those people carefully, and actually reach out to them and embrace them. Use influencers as reporters for your brand. So make sure that you’re giving them news first. There’s nothing wrong with trying to basically drip-feed information out into the ether through your influencers. They will be your strongest advocates. Give them priority.

Sponsor influence-run competitions. Making sure that you actually are part of their word and giving value back to them. And respect their judgment when they give you feedback. It’s a great way of being able to understand what your core consumers may be thinking ahead of time. And don’t confine your search for influencers to celebrities. In fact, very often the key influencers are ones that are not so well known by the mainstream public, but actually, in a niche area are extraordinarily well known. So seek those individuals out. And have actionable goals for influencer campaigns. Make sure you’re targeting them in the right way and have key KPIs that you’re leading up to, to make sure that you track how well you are responding to your influencers.
LESSON 4: ANALYZING A DIGITAL STRATEGY
Performance Review Process

Let’s start by thinking about performance measurement process. In essence, it’s really important to define the key aspects of measurement ahead of time, in any digital marketing campaign. Creating a holistic understanding of the key KPIs you’re looking to measure is going to be critically important for the success of the campaign. These largely fall into four buckets.

The first is productivity; second, performance metrics; third, quality metrics, and last, self-service metrics. Let’s take each in turn.

So productivity metrics enable you to understand the level of productivity that your organization has towards its digital assets. So, for instance, the average time it takes to respond on a digital channel, for example, is a good metric to determine how quick you can be responsive to your customer’s needs across those platforms.

The second is performance metrics. This enables you to understand the level of ROI that you’re getting from your various digital campaigns. So, for example, level of conversions on number of customers that have been newly acquired on a channel are great metrics to think about.

The third is that of quality metrics. Now, quality metrics give you sort of a qualitative understanding of how your customers are responding to your various channels and your campaigns. So things like customer satisfaction or net promoter score are great metrics to use when trying to understand the quality of those campaigns.

And then, finally, self-service metrics is the last I mentioned. Largely, customers are being, in today’s environment, are being asked to fulfill various product and services themselves. This is enabling you to create greater efficiencies in your organization. Measuring the extent to which customers are satisfied with these self-service mechanisms, is really important. So, for example, when thinking about an insurance portal, you may give customers the ability to renew online themselves by logging into a specific area.

Being able to measure the effectiveness, by having repeat purchase on that portal is going to be critical for you to be able to determine the success of that particular area. Now, coming up with a defined measurement strategy is really, really important.

Measurement Strategy

Now defining this measurement strategy, you should create it across, kind of two key levels. The first is digital metrics, and the second is customer service metrics. Now, clearly, they come together and integrate into one to provide the holistic service.

So, for example, digital metrics, being things like click-through rates or cost-per-click, are really good ways to understand how your customers are responding to various communications out there. Balance rate is another really good metric to determine the extent to which your customers are coming to you and then how quick are they leaving. If they’re instantly leaving, then perhaps your communication is actually misleading them onto your site, and they’re quickly coming off when seeing it’s irrelevant for them.
The next stage, when you're thinking about customer service metrics, it's all about defining how well a customer needs to be treated when they arrive at your site or digital asset. So time-to-resolution or first response time is really important to determine whether you can solve a particular problem, say in a reasonable timeframe for a customer. Think about how that would apply in a web chat scenario, for example.

Now when thinking and defining your KPIs, it’s really important to think about return on investment or customer acquisition costs. We'll learn more about them in other modules. So the number of customers and profit that you will actually have is another key metric which sits overall and overarching the digital and customer service metrics, to determine how successful your organization is being in this area.

Now when thinking about the quantitative and qualitative aspects of your measurement approach, one can start to use a variety of analytics tools that are currently out there.

**Analytics**

Using Brandwatch as a social listening tool enables you to get a qualitative understanding about both your customers and competitors. Whilst, on the other hand, using things like Google AdWords to redefine and integrate your SEO is another really good way to determine how quantitatively you are actually performing in the marketplace.

Now when thinking about social media monitoring, it’s really important to pick the right metrics that you have, to be able to determine what is working for you and what’s not. A useful framework to use is that of reach, act, engage, and conversion. If you use these four key areas and populate them with relevant KPIs, you can’t go far wrong in understanding the holistic journey of monitoring your social media activity. Let’s take each in turn.

So in terms of reach, you may want to understand the number of page likes or retweets or followers that someone… or that you would have per a particular campaign or a page. It’s really important because that gives you a sense of the level of penetration that you have into the marketplace. Perhaps, potentially, the number of people that you’re reaching out to. You know you’re doing a good thing if you’re constantly gaining incrementally new people, either liking your page or retweeting about you.

The other thing to think about is act. So the number of posts being shared or retweeted. Now, this is a stronger level of engagement because it’s not just about passively liking a certain thing that you doing. You’re actually getting customers to want to contribute and actually, you know, re-forward on certain key things that you’ve done. It shows a higher level of engagement.

The third thing then is engagement metrics, so response rates, for example, average response rates, even things like customers contributing to the content, perhaps leaving comments is another really nice way to think about, an even more extended of engagement from a customer perspective to your brand or service.

And then, finally, think about conversion. The extent to which you can gain commercial value as a consequence of your digital and social activities. The extent to which your leads are then leading you to actually get a higher sales rate, completely important both from a commercial perspective, but to also know that you’re on the right lines.
So thinking about this holistically, we need to start to understand the terminology around analytics. So what exactly is analytics? So it’s collecting relevant data, deducing significant information and reaping actionable insight in order to implement the strategy that you’re going for. Now there’s a couple of different things to think about when defining your analytics strategy. It’s all about understanding how you get growth to the future.

So the first thing is ensuring that your analytics are actionable, and the reason why that’s important is because they need to be anchored to the strategy that you’re trying to drive. It also means that you can make decisions in a better, more robust way. So those analytics need to drive some sort of decision-making process. It also helps to determine future development within your various activities you’re trying to drive. So it’s not just good enough that it’s working well and functioning well, and telling you what you know today. It needs to help further action in the future.

And then finally, the key aspect is measuring the overall impact that your various campaigns are having. Doing this across some sort of holistic scorecard is really advantageous. So you not only understand the commercial benefits, but you’re also understanding the customer and operational side of things, too.

Now when thinking about the iteration or the future focus of what analytics can drive for you, there are a number of different drivers that help you to influence the strategy. Now the key to these drivers is being able to get actionable, measurable analytics from them. So think about things like search engine optimization, being able to adjust keywords based on what the analytics is telling you will help to make improvements to your campaign. Think about email marketing, adjusts based on split testing. So if you do an A/B test, and understand how one creative is performing over the other and one’s incrementally gaining in more value, you know which one to go out to the wider book with.

The third thing is all around search marketing or PPC, and you essentially adjust the key dimensions of PPC, things like your bid price, for example, and keywords that you’re going to bid for, based on the analytics. Think about display, essentially looking at click-through rates and determining what different display advertising is working better for you across what different channels. Think about interactive advertising, adjust based on responsive rates, understanding what people are clicking on more, and then doing more of that. Mobile marketing, adjust based on response rates again. Social media marketing, basically constantly iterating, and getting new things on the go. Online PR, and then, finally, online partnerships. All of these things can be actively measured by having actionable analytics.

And then on the back of that, iterating the approach that you have based on what the analytics is telling you. It’s critically important. Understanding that we need to track across both online and offline metrics in a holistic way is really, really important.

Now, ultimately, when thinking about the customer journey, customers both interact with organizations largely on both online and offline means. So combining them together is a really good way to be able to understand the overall success of a campaign. Largely speaking, 10, 15 years ago, this was never the case, and as a consequence of that, you had siloed thinking. Go back to times past when you could get a better online offer than you could do in-store. As a consequence of that, it created a great customer dissatisfaction and, actually, led the channels to move further apart.

Largely speaking, organizations today recognize this and now start to have an omni-channel approach, but it becomes critical to make measurement strategies follow in-line with that approach.
So what are some of the important things to think about from an online and offline perspective? So, for example, measuring traffic to the homepage address is a great way to integrate the two. Static, campaign-specific URLs means that you can have a physical type of brochure in-store, but then leading to a specific campaign URL to track the level of traffic that it's driven, as a consequence of that particular offline campaign. You can redirect campaigns, specifically using Google Analytics tracking codes, for example.

Again, a lovely measurement to determine the online activity based on what the offline, you know, activity drew in as well. You can redirect campaigns through a specific domain name which, again, enables you to determine where the customer originated from. This often happens where, for example, if you take the London Underground where there's a special promotion for you to type in a specific URL which gives you an additional discount, but enables the person to track how effective that actual campaign or offer has been on the London Underground.

The next thing is around measuring customer service contact levels, pre- and post the campaign. So, clearly, if you are basically, have an effective campaign offline, it may generate more traffic for, to say, your web portal or web chat, for example. And then being able to determine what the level of activity was before the campaign and after, gives you a really good sense of how effective your offline channel strategy has been.

And then another way to measure this is actual conversion or sales. So, understanding the tracking of the pre- and post-campaign across your channels is another really nice way to determine the level of impact that your offline campaign has actually delivered to you across your online channels.

A really good example of a really good meshing or integration of the online and offline, is that done by Marks & Spencer. Traditionally, as I mentioned before, the online sales channel will be very different from that of the retail stores. Now, today, they've brought them together, where actually you can attribute a digital sale to someone who has actually started the conversation in-store, and that individual gets rewarded for it, which is great because it basically means everybody wins and you know exactly where that sale has come through.

Now one of the key things that you need to be very mindful of when thinking about metrics, are those of vanity metrics and these essentially, don’t deliver you any actionable output. So vanity metrics are those data points that make us feel good if they go up, but they don’t help us make better decisions. So let's say your visits look like the graph displayed on the left-hand side box. Just because you know the level of increase in the number of people engaging with a piece of content, what do you do about it? Well, in reality, it’s very difficult to ever know whether, you know, what factor actually helped to increase that content, whether it be the type of the content, the type of day, where you actually advertised that content to.

So you need to have a more in-depth understanding before you're able to truly understand what was happening in that campaign. So that comes back to what we call holistic measurement planning. And holistic measurement planning, essentially, is the requirement to develop a holistic view of your measurement capability and requirements before your campaign goes live.

So there’s a concept of baked-in measurement and that’s the measurement that is decided upon ahead of any activity, so that at every step, campaigns and activity are built with a measurement in mind. It’s starting with the end goal in mind. It’s critically important.
And then finally, identifying how you would measure the activity before it goes live allows you to include that process throughout the campaign cycle, and that’s another really important thing to do when you’re developing a digital communications plan.

So thinking about the measurement cycle that aligns to the strategy that you’re trying to test. So use a number of different techniques to determine what is working for you and what isn’t. Now clearly, as we mentioned before, digital gives you that unprecedented insight to optimize your approach based on what you learn about your customers in real-time.

We spoke a lot about testing ad creatives, A/B testing, for example, testing an offer with different things, optimizing the way you actually put your adverts, and how will you display your adverts is another way of doing it. And effectively using a hypothesis-led approach is really good way to be able to actively determine whether you can prove or disprove what you believe to be the best course of action for your digital communication activity.