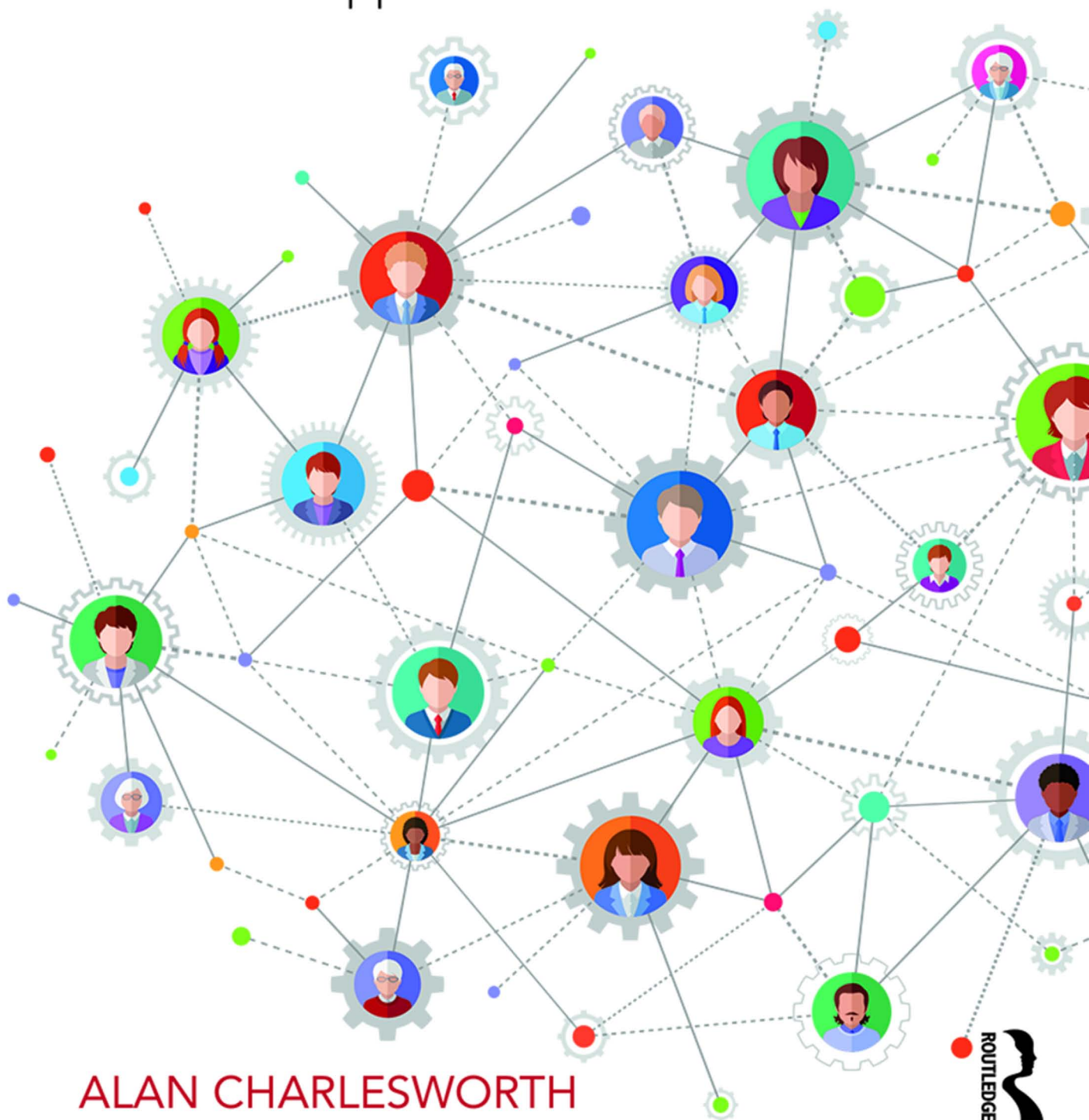**THIRD EDITION**

DIGITAL MARKETING

A Practical Approach

ALAN CHARLESWORTH

Routledge

Digital Marketing

Third Edition

As in the previous editions of this book, whilst strategic issues are included where appropriate, by concentrating on the operational and functional aspects of this dynamic subject, *Digital Marketing: A Practical Approach* provides a step-by-step guide to implementing the key aspects of online marketing. Similarly, although primarily aimed at an academic market, the practical – rather than purely theoretical – nature of the book means that it will be equally useful in both training and self-learning scenarios.

After reading this book – and completing the exercises within it – the reader will be equipped to undertake any digital marketing role within a variety of organizations. The practical case study exercises – based on theory and recognized good practice – will ensure that readers will be able to analyse situations within the workplace, identify the most appropriate course of action and implement the strategies and tactics that will help the organization meet its online objectives.

A key aspect to this digital marketing book is the use of a number of bespoke case studies that are designed to make clear how the impact of each online application varies between organizations and markets. For each section of every chapter there is a case study question that is pertinent to that subject – though readers are welcome to switch case studies for each question if they so wish, or even substitute their own organization. This makes the book an excellent text for work-based learning programmes such as Degree Apprenticeships.

As the subject has evolved in recent years, so too has the structure of the third edition of this book. The book is now in two distinct parts.

Part I considers the environment in which digital marketing is practised, digital buyer behaviour and has a chapter that includes sections covering strategic digital issues such as content marketing, attribution, influencers and digital marketing objectives.

Part II replicates the successful structure of the first two editions of the book by having chapters devoted to the key elements of operational digital marketing. Essential updates made necessary by both technology and consumer behaviour are made to all elements, but specifically to programmatic advertising and marketing on social media. There is also the addition of a chapter devoted to e-metrics and online analytics. Online support and subject updates that both compliment and enhance each chapter's content can be found on the author's website at AlanCharlesworth.com/DigitalMarketing.

Alan Charlesworth is a senior lecturer in marketing at a UK university and has been involved in what we now call 'digital marketing' in either practical, training, research or academic roles since 1996.

Digital Marketing

A Practical Approach

Third Edition

Alan Charlesworth

My profession is teaching
My hobby is digital marketing

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Preface

INTRODUCTION

This is a book on digital marketing – it is not a book on marketing per se. To get the best from this book the reader should be aware of – though not necessarily an expert in – common marketing theories, strategies and tactics. To spend time explaining aspects of marketing – segmentation, for example – within this book would be to diminish the focus on its titular subject area. The content is, therefore, driven by digital marketing applications rather than elements of traditional marketing – though naturally there is some commonality.

Nevertheless, it is inevitable that each chapter will integrate elements of marketing within its subject area. For example, facets of the marketing mix are a constant throughout the book – as are issues associated with buyer behaviour, product/service and customer/consumer. Any book that has pretensions as an academic text should have appropriate academic underpinnings, which this book has. There are, however, four addendums to this:

1. The practical nature of the content means that there are also significant *practical* underpinnings – that is, there are also references to the work of practitioners who have proved themselves at the coalface of digital marketing. Furthermore, data science has – in my opinion – negated the value of some academic research. For example, I read one article on online advertising that '…applied a vector autoregressive models analysis to investigate…'. The findings were pretty accurate. I – and others – knew they were accurate because Google's AdWords/AdSense analytics tell us the same as the findings – but in real-time.

2. References are also made to statistics or research findings from commercial organizations. Although there may be an element of bias in some of these, they are up to date and represent real-world issues.

3. The academic research in the subject area is out-dated. Not only does the process of researching and publishing academic articles work against contemporary findings – an article published in 2017 may have no references that post date 2015 (or earlier) as that is when the research was conducted – but whilst some *findings* pass the test of time, many *conclusions* do not. For example, any comments with regard to social

media marketing made in 2015 are not necessarily true for Internet users now; similarly, online advertising has changed so significantly in the last two years that any research into its effectiveness that pre-dates, well … *now*, is useless for anything other than history.

4. Some of the academic research in the subject area is of dubious quality. A continuation from the previous comment is that some later work uses the findings of earlier research without question, so making subsequent conclusions potentially flawed. In particular, meta-analysis (on academic articles) is popular in this field – I have yet to read one that questions the research rather than accepting the findings as presented. Also, a surprising amount of the research is conducted only on university campuses, with respondents being either (a) academics, or (b) students. Similarly, many requests to complete questionnaires are posted online – usually on social media. Whilst this might be acceptable in *some* research, when looking at anything Internet related these samples are not reasonable representations of the population.

However – and I am not sure whether this is a compliment or criticism, but it seems most academic articles on digital marketing include in them somewhere a phrase something like: There is still a significant gap in our understanding/research of the subject area.

I also find that the results of a great deal of academic research actually tell us nothing new. Or rather, tell practitioners nothing they have not already discovered by trial and error. For example, a special issue of *European Journal of Marketing* published in 2013 featured an article entitled 'The Impact of Online User Reviews on Camera Sales' by Zhang *et al.* (2013). Its abstract included the following:

> Practical implications – This research indicates that the retailers should provide channels for and encourage customer online reviews for search goods to improve sales. It is also beneficial for online retailers to provide detailed product attributes to help their customers make the purchase decision. Carefully designed and executed price promotions could also be effective ways to improve sales of searchable goods.

> Originality/value – This study is one of the first attempts to investigate the impact of online user reviews on sales of search goods.

Now, I do not doubt or question the integrity of this article's authors (or, indeed, that of any academic researcher), but – in my non-academic-research opinion – Amazon and a thousand other online retailers knew the first element of the *practical implications* back in the last century (*I* certainly did) and, by definition, a *search good* is a product that is easily appraised before purchase and so is subject to price competition – and so nothing new there.

As for the *originality/value*, Amazon – and its contemporaries – will have been, and are still, running real-time research on *the impact of online user reviews on sales of search goods*, again since the last century. This *might* have been one of the first academic studies of its kind (I have often come across references to an article by Godes and Mayzlin published

in 2004 as 'the first researchers to investigate the impact of the online review'), but it does not tell us anything new.

Also with regard to academic research, I find there is confusion in the crossover between computing, business and other subject areas – with examples of discipline *experts* making basic errors when they stray from their own field. This includes marketers making *technical* statements that are flawed as well as IT writers who – without the qualification or experience in the subject – make erroneous comments about business applications or, of specific relevance to this book, marketing applications.

An example that combines both of these issues (*nothing new* and *subject crossover*) is a paper by Hsu *et al.* (2013) entitled 'The Effects of Blogger Recommendations on Customers' Online Shopping Intentions'. The stated purpose of the paper's research was:

> to examine whether the blog reader's trusting belief in the blogger is significant in relation to the perceived usefulness of the blogger's recommendations; and how the blog reader's perceptions influence his/her attitude and purchasing behaviour online. The moderating effect of blogger's reputation on readers' purchasing intentions is also tested.

In my opinion, that describes research of a psychological nature – though as I am a marketer I would say the subject is consumer behaviour. Full biographies of the three authors are not available with the paper, but their university departments are listed, them being: Computer Science and Information Management. Whilst I do appreciate there are academics who have dual specialisms, there is no indication that any of the authors have any qualifications or experience in marketing, let alone consumer psychology. So, before I had even read a sentence of the paper I had my doubts about its value, let alone validity in the *real world*. Furthermore, as I do when marking students' dissertations, I started with a quick look at the reference list for the paper. Of around 80 references, fewer than a quarter were to marketing, psychology or even business-related journals, the majority being from computer science fields, including several related to the *Technology Acceptance Model* (TAM). My background of working with computer scientists within a digital environment means I am aware of this model. It is an IT concept that looks at how users accept technology and in particular considers the factors that influence their decision about how and when they will use that technology. Call me naïve if you wish, but in my opinion anyone who is using the Internet to read blogs that may influence their online purchase behaviour has already not only accepted the technology of the Internet, but is comfortable with it. So why would research into consumer behaviour even mention a model designed to evaluate a technology? By this point, I would normally have stopped reading the paper as I felt it carried little or no validity to my *practitioner* outlook to the subject of digital marketing. However, I still had this preface to write, and this paper looked to be a contender for an example of my view towards academic papers in my field of study. So I read on.

Sadly, I could gather no enthusiasm to continue further after reading the hypotheses, which included *H2a* 'Trust will positively affect blog readers' perceived usefulness' and

H3 'Blog readers' attitudes toward shopping online will positively affect their intentions to shop online'. My immediate thought was: *do the answers to those questions really need researching?* Anyone who has ever worked in any kind of sales environment selling any product in any industry, market or environment will tell you that if someone trusts a person who is recommending a product then they are more likely to purchase that product. As for shopping online, isn't anyone who is psychologically in a position to trust an online blogger already making purchases online? Bringing the subject more up to date, online retailers certainly knew the answer to these questions in around 1997. I certainly did. And I am not even going to mention the role bloggers played in the early Internet, except to say that they were – probably – the first Internet authors to be *trusted* by users.

As a footnote that builds on comments I make earlier in this section: I checked the sampling procedure for the primary research of the paper, which included placing a banner on one of the authors' Facebook pages, requesting the page's visitors complete the questionnaire. I'll leave a question hanging: is that a good example of a valid sample?

Another significant flaw within academic research in the field is that it relies on other academic research to maintain its validity. For example, in an article by Lowry *et al.* (2014), on the question of how quickly visitors judge a website when they arrive on it, the authors – naturally – rely on other academics to support their assertion, saying that:

> Research suggests that 80 per cent of web surfers spend just a few seconds viewing a site before continuing to the next site (Peracchio and Luna, 2006). Moreover, most web users are unlikely to look past the first few pages of a website (Thompson, 2004).

And yet the likes of Amazon knew these things in 1994. I knew them from reading the log files of websites in 1996 – as did thousands of other website publishers. Furthermore, we knew them *absolutely*, with no margin of error in research bias. So long as you know how to interpret them, computer-generated website metrics have no research bias. They tell you *exactly* how long visitors stay on your website and how deep into it they go. Furthermore, to conduct their research, Lowry *et al.* used *mocked-up* websites to test their hypotheses. In real-life research, there is no *mock* site – they are real. Lowry *et al.* also concentrate on the impact of logos on perceived credibility of the site – which is fine, but the logo is only part of the perception. In real life, using real-time multivariate testing, you can check all aspects of the page.

A final flaw I encounter in academic research is partially related to reliance on previous academic research, but is one that I can only describe as *ignorance of the real world*. For example, I have read *published* work that:

- assessed the quality of a website by a series of evaluations, one of which was the site's search engine optimization. However, the author used a totally inappropriate search term for that assessment (Google informs ad buyers on common search terms in all industries). The result, in *real* terms – useless findings.

- analysed the value to the organization of paid search advertising *versus* offline advertising – but the researchers ignored (didn't know?) that the highest bid does not automatically give a search ad the highest listing (I've covered the issue in all editions of this book) and so – in my opinion – the findings were so flawed as to be useless.

What I find most frustrating about issues such as these is that those people who work in digital marketing know the things that some academics seem to be ignorant of. And that is one of – if not *the* – key reason I will not reference articles such as that in this book. This book's primary objective is to help students understand digital marketing to an extent where they can find employment in the field. To direct them to flawed research as part of that learning curve will not only prevent them meeting that objective, it will hinder their progress.

Academic research, we are told, is used to test practical concepts. In some disciplines – predominantly scientific – this is perfectly valid. But where human behaviour is concerned, there will always be inaccuracies in the responses from participants (yes, I know this is built into research analysis) but with computer-generated website analytics the data is *absolute*. There is no need for academic research to validate it. For example, all other things being equal, if real-time multivariate testing of hundreds/thousands/millions of visitors to a web page shows they stay longer if it is predominantly blue rather than green – then blue works best. *Asking* people if they prefer blue or green in a controlled environment can never give the same degree of certainty. And yet we are meant to value that *academic* research more than data pulled from real-life events. I fundamentally disagree with this notion – and this is reflected in my books.

My scepticism towards *academic* research is not, however, absolute. Of course there are papers out there which challenge conventional thinking and so inspire marketers to reconsider practices. One which springs to mind is 'A New Marketing Paradigm for Electronic Commerce' by Donna Hoffman and Thomas Novak. Published in 1996 – and so written at least a year earlier – this paper predicts (almost) exactly what impact the Internet has had on *digital marketing* in the years since that time. It's available online – take a look and see what you think.

However, my scepticism towards research also extends to that I refer to as *practitioner* or *commercial* research (examples are many in this text). Independent bodies such as Nielsen (nielsen.com) deliver impartial data and analysis – but others have an in-built bias. An organization that sells software for use in marketing on Facebook will always present research into user's activity on the platform with a positive slant, for example.

CHAPTER STRUCTURE

Like its first two editions, this is not a book that evangelizes digital marketing with the aim of converting every marketer to its use. Its structure has always been to cover the concepts of each element of the subject, then consider the use of those elements in practical scenarios. As often as not, the answer to the question 'Is this element of digital marketing suitable for this particular business or organization?' is no, it isn't. Ten years

after the book's first edition, it is reasonable to state that digital marketing is still far from reaching maturity, but it is out of its infancy. We have reached a time when we can take a step back and take an objective look at marketing on the Internet. Without doubt, the Internet brought a change to society like no other technology before it, and quicker. And it brought changes to business too. Even those of us who were around before the Internet find it hard to remember life before email, for example. And how did we buy things without researching them online?

That step back, however, gives us a wider perspective. In the US, *online* represents only around 8 per cent of all retail sales. In the UK, it is higher – but its growth has stalled around 20 per cent. The increase in online advertising – to the loss of offline advertising budgets – has caused the spenders to look more closely at how effective it is compared to *traditional* advertising. And they do not particularly like what they are seeing. Then there is social media marketing. In the title of a book published just before this one, I pose the question: *Social Media Marketing – Marketing Panacea or the Emperor's New Digital Clothes?* The premise being that too many marketers have taken to social media without due diligence for their spending – and they are discovering it is impossible to measure any return on investment, let alone make the calculation as to its value. Marketing on social media does work – but only for the *right* organizations, brands and products, in the *right* markets. Similar questions on the effectiveness of online advertising have also been raised. But of course it is not all gloomy news. Would any of us consider booking a flight or hotel room in any way but online? So it is that this book continues as it started in its first edition – encouraging readers to question the suitability of every aspect of digital marketing before adopting it.

Earlier editions of this book committed the first couple of chapters to a background to the Internet and how it is used by shoppers and the public in general. Given that it is doubtful that anyone reading this third edition will not be aware of such issues, I have made the decision to omit that content and concentrate on the titular subject.

The book is now divided into two parts.

Part I – *Marketing in the digital world* – considers the environment in which marketers now work. These chapters take a holistic look at some of the key issues in the relevant subject areas – a sort of introduction to the digital environment. Three chapters make up Part I:

Chapter 1: The digital environment – doing business in a connected world
Chapter 2: Digital customers – the role of *digital* in buyer behaviour
Chapter 3: Marketing goes digital – concepts associated with online marketing that impact on more than one aspect of it

Part II – *Operational digital marketing* – continues the format of the earlier editions of chapters devoted to elements of digital marketing. Those subjects are:

Chapter 4: Search engine optimization
Chapter 5: Website development
Chapter 6: E-commerce

Chapter 7: Advertising online
Chapter 8: Email marketing
Chapter 9: Marketing on social media
Chapter 10: Metrics and analytics

Each chapter is divided into a number of sections that address specific aspects of the chapter's subject area. Each of these elements is then split into two parts. The first part examines the background – the concepts, theories and models related to the subject – whilst the second part, called *Decision time*, identifies the issues about which the digital marketer must make an evaluation of how they might impact on their organization, brand or product. At the end of each section, readers are presented with the challenge *You decide* – where a case study-based question is posed. The following sample is from the *Consumer reviews and ratings* section of Chapter 9:

YOU DECIDE

Advise the consortium that owns the Hotel Pillowmint (case study 3) on how consumer reviews and ratings might (a) impact on its marketing, or (b) be influenced by the organization's marketers.

Alternatively, conduct the same exercise on your organization or that of your employer.

Throughout the book you will come across a number of content boxes, each serving a specific function. They are:

RESEARCH SNAPSHOT

These are snippets of information taken from published research – sometimes academic, but often the information has commercial origins.

MINI CASE

As the name suggests, these are short examples that illustrate a concept or model. They are often examples of good or bad practice in that concept.

PRACTICAL INSIGHT

These give readers an insight into how elements of Internet marketing are practised in real life – with many serving as *tips* for students when they might become practitioners.

GO ONLINE

From these boxes, readers are directed towards the book's website. There, links are provided that take them to information, articles or comments on the subject being discussed in that section that will supplement the content of the book.

The case studies are designed to make clear how the impact of each online application varies between organizations and markets. For each section, I have tried to select a case study that is pertinent to that section – though you are welcome to switch case studies for each question if you so wish. Alternately, if you are employed or run your own business you can ask that question of your – or your employer's – organization. A similar format is followed at the end of each chapter, but at this time you are invited to advise one of the case study organizations on all aspects of digital marketing covered in that chapter. The following sample is from Chapter 8:

CHAPTER EXERCISE

Giving justifications for all your decisions, advise Howard Johnson and his marketers at The Rockridge Museum (case study 1) on all aspects of digital marketing covered in this chapter.

Alternatively, conduct the same exercise on your own organization or that of your employer.

THE CASE STUDIES

Throughout the book, case studies are used as both examples of how theory might be practised and as exercises for readers to complete. Although the case studies are fictional, they all characterize real-life situations. The cases are not intended to be comprehensive or exhaustive – merely a snapshot of a particular state of affairs within what is normally a complex environment. The case studies have been compiled in such a way that all aspects of digital marketing can be addressed, with each element of the chapters having its own case-related question, with one case being presented as an end-of-chapter exercise.

The case studies are:

1. The Rockridge Museum – a not-for-profit organization with a mix of public and private funding.
2. Clough & Taylor Engineering – a small engineering company that makes bespoke products.
3. The Hotel Pillowmint – a new boutique hotel opening soon in a prime city-centre location.
4. Cleethorpes Visitors Association – a publicly funded tourism centre.

5. BethSoft – a small business that sells a range of specialist software to the engineering industry.

6. Matthew Humberstone Foundation Hospital – a private medical facility with hospitals and clinics around the world.

7. 22 Catches Fish Products – a consumer packaged goods manufacturer.

8. Hill Street Motorist Shop – a chain of retail outlets with a limited online presence.

9. The Modeller's Stand – a single product sold in a niche market.

10. Huxley University – a small academic institution.

11. Two Cities Manufacturing Ltd – a medium-sized manufacturer and distributor of commercial and private grass cutting appliances.

12. Lindsey Naegle Consulting – a sole trader who works as a consultant in Internet marketing.

13. Phelps Online Department Store – a pure-play online retailer that sells women's clothes and accessories.

Note that all of the above are UK based, but their geographic location could be changed to suit readers' needs.

I have not included the actual case studies within the book – rather, they are online on the book's website where they can be printed off. Although I accept that might cause you a small inconvenience, I have made this decision for a very good reason. If the cases were within this text, I would not be able to change them – at least not until the next edition of the book is published! Online, however, it is relatively simple for me to change, add or delete any element of each case. This means that as the Internet, the way it is used by the public and how it is adopted by organizations changes, I can adapt the scenarios to suit the environment in which those case study organizations operate.

I have left the case study *subjects* the same. I hope this will help with continuity for teachers using the book for their modules, programmes or courses. However, times change and digital marketing is constantly changing; therefore, although the case studies and the questions might be the same – the answers might well be different (I acknowledge that when quizzed by a student with regard to an exam question being the same as the previous year, Albert Einstein is said to have replied that the questions are the same, but this year the answers are different). I have also made the conscious decision not to offer any answers to the case studies. The key reasons for this are fourfold:

1. As with all marketing – there is no single answer that can be considered to be unambiguously *right*.

2. Such is the nature of not only the web's development, but the global environment in which it exists, that the answers might actually change on a monthly basis.

3. As teaching staff may choose to use the case studies for summative assessment, I do not want sample answers in the public domain where misguided students might be able to get hold of them and present them as their own work.

4. The objective is that you should work to develop the answers yourself. If I put suggested answers in the book, too many students would succumb to the temptation to read them rather than doing the work necessary to understand the subject.

TERMS OF REFERENCE

Throughout the book I occasionally refer to 'companies' or 'firms', but in the main I use 'organization'. This is deliberately vague. Whenever you see the word 'organization' feel free to replace it with any other term that you feel is relevant to the context or your own circumstances. As well as 'company' and 'firm', other examples might include 'government department', 'university', 'hospital', 'foundation', 'school', 'society', 'not-for-profit', 'business', 'association', 'college', 'religious body', 'charity', 'club' or any other entity – including 'individual'.

In a similar vein, it is common for marketers to use the term 'customer' to describe anyone who uses or partakes in the service on offer – not just the person who pays for a tangible product. In some cases, the customer has their own descriptor – opticians have patients, universities have students, political parties have voters, sports teams have supporters, churches have members and so on. Likewise – and this is particularly relevant online – the objective is not always to have the target customer *buy* something. The objective could just as easily be to elicit a donation, a subscription, an order, an application or to have someone become a member. Again, please use whichever term you feel is relevant wherever you see the word 'customer' or 'buyer' within this text.

Wherever possible, I have avoided any promotion of specific brands or products within the text. This is particularly the case where digital marketing tools, services or technologies are concerned – naming a particular website hosting company or software that helps with search engine optimization, for example. This is deliberate for two primary reasons: (1) I have not used all of the applications/companies and so am not in a position to rank one above another, and (2) to name one and omit another would appear to show favouritism, which may be construed as prejudice. There are instances, however, when to not name names would be to the detriment of the content – for example, some aspects of the ubiquitous Google empire have become common terms to describe elements of online marketing and so are difficult to replace with a generic description. Indeed, to 'Google' something is now recognized as a generic term for using a search engine. Note that it is also the case that for many of the tasks described within the text there are software applications that *claim* to do the job for you. As I have used very few of these I am not in a position to either recommend them or otherwise. I am sure some work, just as I am certain that some do not. I have deliberately not mentioned the availability, or suppliers, of any such software – effectively, this book is about the *manual* way of doing online marketing. A slight deviation to this rule comes where I have used organizations as examples to illustrate a subject, concept or practice – often with an accompanying image. This is not to promote any organization, brand or product; it is simply that these are examples I have come across as I surf my way around the web.

ONLINE SUPPORT

As well as the online elements of the case study exercises, this book makes extensive use of the Internet as a source of information. This includes the book's own website (alan charlesworth.com/DigitalMarketing), a feature of which is that each chapter has its own page that includes references to websites that provide more details on subjects covered within the text and links to information that will enhance the book's content.

In addition, the dynamic nature of the subject is acknowledged by there being – where appropriate – chapter *updates*. Whilst it is not feasible to produce complete re-writes of chapters, on occasion it might be prudent to add to or amend elements or sections in accordance with changes in contemporary practice. Whilst I cannot predict the future, before another edition of this book might be published, it is pretty certain that there will be (for example) changes in how search engine algorithms work. Similarly, any future mergers between key players in the industry would have a significant impact on the digital marketing environment.

In addition to the book's website (AlanCharlesworth.com/DigitalMarketing), I also maintain my own website (AlanCharlesworth.eu), which – amongst other things – has sections on digital marketing-related articles and practical tips, hints and advice. Judging by the visitor numbers around assignment time, this is already a popular site with students. On my Facebook page – facebook.com/AlanCharlesworth.DigitalMarketer – I post interesting articles and my opinion on digital news stories and events. All Facebook entries are repeated on my Twitter account. My blog – 'when you're inside the bottle, you can't read the label' – is a personal view on examples of good and bad digital marketing practices that I have come across.

Finally, whether you are a student, trainee, lecturer, trainer or practitioner, I hope you find this book *useful*. Note that I have refrained from wishing that you *enjoy* reading it. Although I have tried to make it easily readable, you should *enjoy* a John Grisham mystery or the series of Harry Potter adventures whilst relaxing in a comfy chair or sun lounger. I have written this book not to entertain but to help you achieve a professional or educational objective. Of course, if you do get pleasure from it, that is a bonus.

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Part

Marketing in the digital world

1

The digital environment
Doing business in a connected world

Chapter at a glance

1.1 INTRODUCTION

As is the case when writing about – or teaching – marketing, it is impossible to slice the subject into nice equal categories where no element of those categories overlaps with another. Even with that tenet of the discipline, the marketing mix, each of the 4Ps is inter-dependent on the other three.

So it is with Part I of this book. Many of the subjects I have placed in the three chapters of this part of the book could easily be in one of the others.

I have endeavoured to present the categories in a logical order, but if the subjects seem to jump around a little, bear with it … it will all make sense in the end.

This first chapter considers some of the aspects of technological development that will – or already do – impact on the digital marketer. They are *generic* in nature in that they are not marketing subjects – but they have either (a) an impact on marketing, or (b) can be used by marketers in the practice of their craft.

> ### GO ONLINE
>
> **A background to the Internet**
>
> In the previous editions of this book I assigned a section of the first chapter to a history of the Internet. I have omitted it from this edition – but if you do wish to read it, I have reproduced the relevant content online – follow the links on the chapter's web page.

1.2 DIGITAL TRANSFORMATION

Although some consider this to be little more than the latest buzz term being bandied about by those selling products associated with it – and authors – that would be to underestimate the concept behind it. A natural successor to the *digital revolution*, where changes to business brought about by digitalization were presented, the *digital transformation* takes the issue a stage – or several stages – further on into the impact of various technologies on business.

Although the term *digital transformation* has been around since the birth of the commercial Internet, it has previously been used to describe how organizations, industries or markets adapted to the digital world. Obvious examples are e-commerce (the sale of goods online) and the impact of digital technologies on the printing and music industries. More recently, however, digital transformation has become the term that indicates how the entire organization has adopted, adapted to – or ignored – the changes brought to society by the digital revolution.

> " Digital transformation is about organizing around the current customer. It is about putting the customer at the centre of the universe. "

In attempting to define *digital transformation*, Fitzgerald *et al.* (2013) suggest it encompasses the use of new digital technologies to enable major business improvements (such as enhancing customer experience, streamlining operations or creating new business models). Customer service writer and practitioner Gerry McGovern is more specific, saying that: 'Digital transformation is about organizing around the current customer. It is about putting the customer at the centre of the universe.' In a warning to those organizations that *follow a trend* rather than fully committing to digital transformation, McGovern has also said that 'Digital is the transformation agent, not the transformation.'

It is agreed, however, that for any organization to *digitally transform*, that transformation has to:

- be organization wide
- be understood by everyone in the organization
- involve everyone in the organization
- be cultural and not forced
- have no end date.

An effective digital transformation cannot be undertaken by one area or department of the organization. Furthermore, digital transformation is not about technology, it is about the strategic use of technology – an ethos I have always applied to marketing on the Internet and the series of books of which this is the latest edition. Unfortunately, however, too often the IT department is the least digitally *savvy* department within most organizations because they are still obsessed with the technology. A great many organizations still seem to think that the answer to digital technology is in buying the right technology.

Key components of the digital transformation include: big data, reverse marketing, mobile applications, the Internet of things and the automation of business processes. Let's consider each in more detail.

Big data

This is the collection of a wealth of data from and about everything internal and external to the organization and its interpretation to help make the business run more efficiently and improve customer service. It facilitates the ability to track customers and their communications across every channel, which can help measure and manage the *customer experience* – the sum of all the experiences a customer has with a business. In turn, this can:

- help improve customer service levels
- enhance customer retention
- improve overall customer lifetime value
- be used to deliver personalized services.

However, some are sceptical. As with other aspects of technology, those promoting the concept – and term – are more often those who will gain from its adoption; that is, those selling products or services associated with it. It is still not agreed whether it is the cutting edge of modern marketing or an overhyped buzzword. Commentators raise two other issues with regard to big data's value:

- Mathematical algorithms produce data in abundance on what has happened – or *is* happening – but they have difficulty answering the question of why things are happening. That is where the analytics come into play (the subject is addressed in the last chapter).
- Should we first learn to maximize value from *smaller* data before going big?

Sceptics who question the value of the *deluge* of data produced by data scientists have coined the phrase *weapon of math destruction* to describe the impact of *useless* big data on organizations.

PRACTICAL INSIGHT

Helping the buyer to buy

Despite search engine results seeming to credit me with the origin of this concept, I suspect I picked it up from somewhere around 20 years ago. As I said back then:

> Arguably one of the most significant developments the Internet has brought to marketing is to give impetus to marketers' objectives shifting from *helping the seller to sell* to *helping the buyer to buy*. Consumers now expect to be facilitated in their research on the product or service that best meets their wants and needs.

In 2017 I will stick with this description – and I would still give you a good argument that its change on marketing was so fundamental that it *is* the significant development the Internet brought to marketing.

Reverse marketing

Associated to the concept of helping the buyer to buy, this is where organizations and brands are increasingly distrusted by customers and so the customer has become the marketer, that is, the roles are reversed.

Although Internet technology is the driving force behind most, if not all, aspects of the digital transformation, it is one of the Internet's platforms – social media – that has had the most significant impact on the customer's perception of the organization, brand or product. On social media, customers tell their friends (and the rest of the world) what they think about organizations, brands or products. And because they no longer trust marketing messages, customers trust other customers more. This can be by way of:

- simply conversation on platforms such as Facebook
- posting reviews on platforms such as TripAdvisor or retailer websites.

Furthermore, there is the impact of how potential customers use search engines. In this scenario, the customer types their want or need into the search box. For example, a search for "cheap flight to London" is actually asking organizations to respond to a specific request from an individual for a low-price flight to London. How organizations react to that request will determine who gets the business.

There is an argument that *traditional* marketing tactics such as PR and advertising are wasted on contemporary customers as they are seen as tools to change customer perception or misrepresent what the product *actually* is or does. Advocates of reverse marketing suggest that if you connect with the customer in such a way that they are 100 per cent

satisfied with your product and service, they will do your marketing for you. However, traditional marketers suggest that this is another example of *new* marketers hijacking an *old* concept – in this case, relationship marketing.

Mobile applications

If ever there was a subject to exemplify the advances in, and acceptance of, technology it is in the development and adoption of mobile devices – specifically, the smart phone.

> ❝
> Technology doesn't *cause* our behaviours to change, it *enables* our behaviours to change.
> ❞

In the first edition of this book (published in 2009) I barely mentioned the use of smart phones as a platform for carrying a marketing message. By the second edition (published in 2014), the subject had risen in prominence so much that I devoted an entire section to it. However, we have now come full circle in that mobile is such an accepted mode of accessing the Internet – more Google searches are now performed on mobile devices than from

RESEARCH SNAPSHOT

Start the day with a smart phone

When a survey from Deloitte asked smart phone owners: 'Typically how long is the interval between waking up and looking at your phone for the first time?', the results suggested that addiction to your smart phone is endemic in the UK.
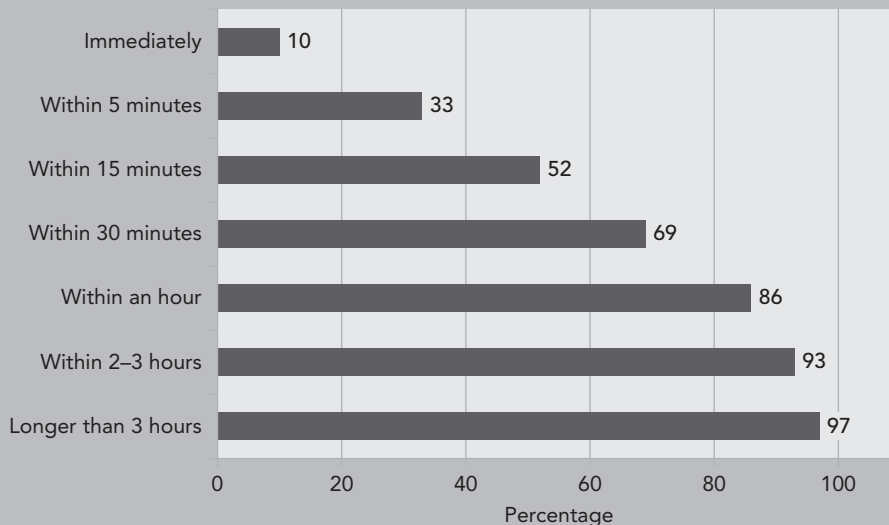
Figure 1.1 The interval between respondents waking up and looking at their phone for the first time

Source: UK edition, Deloitte Global Mobile Consumer Survey, May–June 2016.

PCs – that it does not warrant its own section. The subject is inherent to all aspects of digital marketing. Such is the impact of the *always connected* customer on the organization that it is their expectation that all tasks should be easily achievable from a mobile device.

However, this does give us a *chicken and egg* consideration: was the rise of the mobile Internet a result of consumer behaviour, or was consumer behaviour changed by the technology? Digital marketing practitioner and writer Gord Hotchkiss is more succinct; he said in 2010 that 'Technology doesn't *cause* our behaviours to change, it *enables* our behaviours to change'. I agree with this and suggest that it was the *convenience* that smart phones enabled that was behind their adoption, not their technology.

The Internet of things (IoT)

Essentially, this involves computers talking to each other to perform tasks without intervention from humans. Although the concept goes back to the early 1990s, and the term to 1999, it is only recently that the theory has become readily available as a usable – and saleable – reality. Internet-connected fridges that order more milk via a shopping app when you are running low is a popular example, though wearable devices that are used to monitor health, wellness or athletic performance are a better illustration of IoT in reality.

More advanced cases of what is already available is the Oral-B toothbrush that connects with your smart phone in order to track which teeth are being brushed. However, it is the car manufacturers who are making the greatest steps forward, with the BMW Group seeking to make customers' BMW cockpit the place from which they control their digital and physical life. From a marketing perspective, this currently focuses on ensuring that the car's onboard navigation system will connect the occupants with whatever they may wish to purchase, from hotels and restaurants to leisure facilities.

Further applications are limited only by developers' imaginations … because the technology is already with us. It is pretty certain that the aforementioned Internet-connected fridges will include a screen on which marketers can show adverts for products that the fridge has identified as requiring replenishment – although perhaps the next breakthrough in the concept will be when the fridge can decide for itself which supplier will be the best option for price and deliver speed … then place and pay for the order. When that happens, digital marketers will have to market to fridges. Others are more sceptical of the value of IoT to marketers – perhaps the concept is this edition of the book's *mobile marketing*?

The automation of business processes

Perhaps the most long-standing aspect of an organization transforming to the computerized world – the digital revolution – is the use of technology to automate processes. Examples include robots building cars and computer software doing jobs that once required an office full of clerks.

However, an illustration of the advantages of automating business processes to better satisfy customers comes from Richard Fain, CEO of Royal Caribbean Cruises Ltd (RCCL). At the Mobile World Congress in Barcelona (February–March, 2016), he said that: 'Digital has transformed our business. We are still a very personal business, but the technology has freed our crew and our guests from many of the mundane tasks that keep us from human interactions.' He went on to say that '…digital/mobile helps companies remove the *crap* out of customer experience', citing the example of RCCL having reduced the on-boarding process from 1.5 hours to 10 minutes with the use of their Smart Check-in app, which enables guests to complete the necessary governmental, security, customs and immigration forms at home – so only a quayside scan of a barcode and passport are required.

Once again, the technology is here – marketers should be looking for how its application can meet customers' wants and needs.

1.3 PROGRAMMATIC MARKETING

I feel it would be remiss not to include this subject in this chapter. However, since the majority – if not all – of what is referred to as programmatic (or automated) marketing is advertising I have decided that the subject is better addressed in Chapter 7.2 (where online advertising is covered) where it can be explained in context to its application.

1.4 ARTIFICIAL INTELLIGENCE

A long-standing subject for writers of science fiction, artificial intelligence (AI) is – according to Russell and Norvig in their best-selling book *Artificial Intelligence: A Modern Approach* (2003) – 'the study of *intelligent agents*: any device that perceives its environment and takes actions that maximize its chance of success at some goal'. The same authors, in a later edition of their book, added that 'the term *artificial intelligence* is applied when a machine mimics *cognitive* functions that humans associate with other human minds, such as *learning* and *problem-solving*'.

Although it is – as I write – a popular buzz phrase, not only has the concept been a reality for some time, but such are the advances in technology that actions once classed as AI are now demoted to being the mundane; for example, the character recognition used in scanning documents and voice recognition software such as Apple's Siri and Amazon's Alexa. Other examples include:

- Personalization of marketing messages – predominantly on websites. The subject is covered in detail in Chapter 3.4.
- Since late 2015, Google has been using its *RankBrain*, an AI system, to interpret some search queries.
- Chatbots – think of them as offering *intelligent* responses to questions which lead the user through a series of further questions, with each subsequent question being based on the answer to its predecessor.

RESEARCH SNAPSHOT

The marketing future of AI?

When CRM software suppliers Salesforce (2017) asked 3,500 global marketing leaders which areas will AI have a substantial effect on marketing, the range of applications was extensive. However, the percentage of respondents for each one who thought that *over the next five years AI would have substantial or trans-formative effect* was evenly spread – suggesting, perhaps, some uncertainty. It also indicates that it is likely AI will be used to improve existing marketing rather than introduce new initiatives.
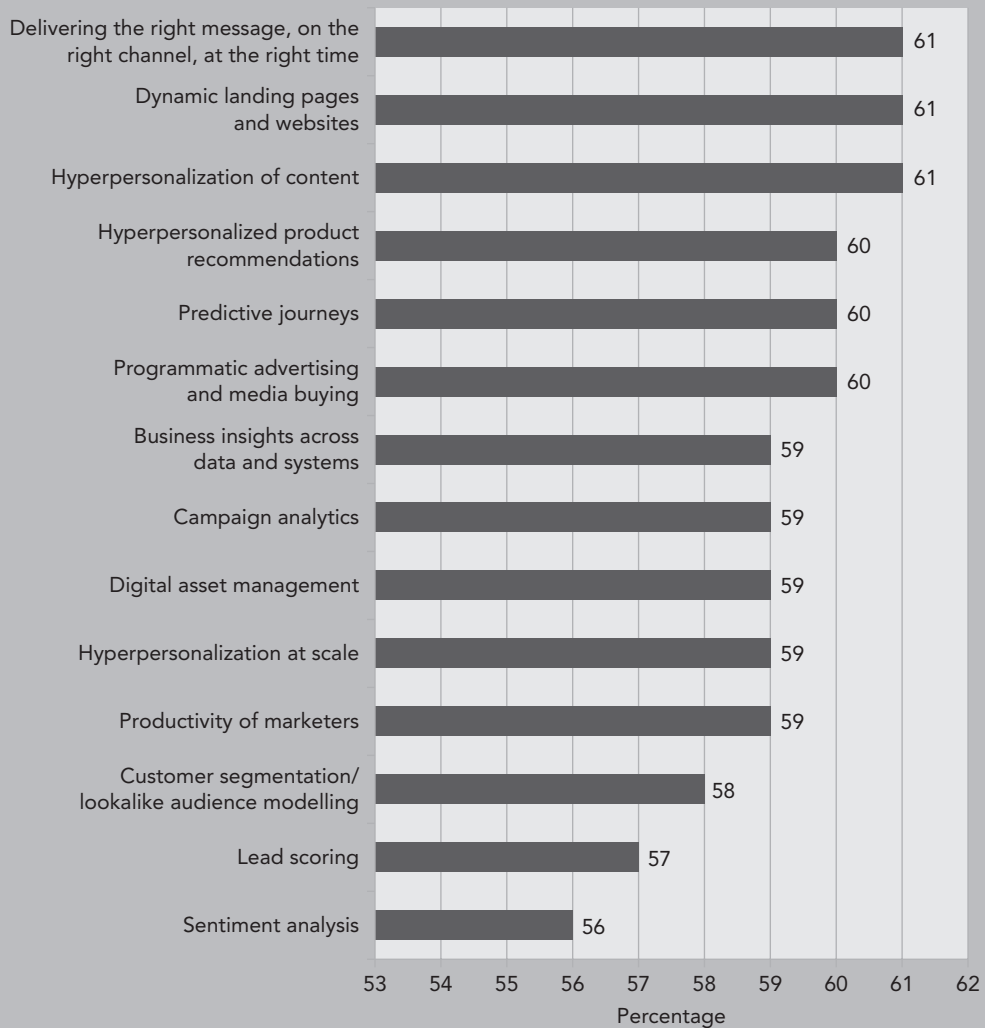
Figure 1.2 The areas of AI that will have a substantial effect on marketing

- Dynamic pricing is common in some industries and markets – budget airlines being one example. Using AI price trends can be correlated with sales trends, and then aligned with other factors such as inventory management.

- In its 2017 tournament at Wimbledon, the All England Lawn and Tennis Club (AELTC) used IBM's AI platform *Watson* to automatically create video highlights packages by selecting important moments from hundreds of hours of game time in dozens of matches based on a variety of cues such as noise of a crowd, the facial reaction of a player or the increase in social media conversations.

I'm sure that any AI scientist would hold me to task for rather *dumbing down* this subject – but it is not my intention to belittle the knowledge and skills that go into AI development. However, this is one section of an introductory chapter of a book on digital marketing, so it is intended only to introduce the notion of the discipline to the reader.

I'll leave the subject on a note of caution from someone who most certainly knows more about the subject than I. Speaking in an interview in July 2017, entrepreneur and Tesla chief executive Elon Musk said that 'robots will do everything better than us' and that government regulation of artificial intelligence is needed because it poses a 'fundamental risk to the existence of human civilisation'.

1.5 VIRTUAL AND AUGMENTED REALITY

Quite probably to the chagrin of those who work in the fields, I – like many others – have combined these two subjects into one, mainly because (a) they use similar types of technology, and (b) both aim to provide the user with an enhanced or improved experience. According to industry website augment.com, 'virtual reality (VR) offers a digital recreation of a real-life setting, while augmented reality (AR) delivers virtual elements as an overlay to the real world'. In further differentiating the two, the site goes on to say that 'VR is usually delivered to the user through a head-mounted, or hand-held controller. This equipment connects people to the virtual reality, and allows them to control and navigate their actions in an environment meant to simulate the real world' whilst 'AR is being used more and more in mobile devices such as laptops, smart phones, and tablets to change how the real world and digital images, graphics intersect and interact'.

Not only do both have numerous applications in the likes of entertainment, medicine and training, their marketing applications are not so wide ranging. This is more so for VR as it is usually delivered via a head-mounted or hand-held controller. While consumers still do not seem to be convinced of the value proposition for VR, they have accepted AR more readily, particularly as it is delivered on a PC or – more commonly – a mobile device. Indeed, AR is already being used by millions of consumers to change how the real world and digital images interact on smart phone apps. Perhaps the best example of this – and for many commentators the breakthrough event for AR – was Nintendo's *Pokémon Go* mobile game, which overlaid digital monsters onto the player's own real-world environment by use of some very clever *Global Positioning System* (GPS) technology.

However, it is becoming more popular for AR technology to be used to allow shoppers to visualize how products will look in the real world before purchase – for example, furniture being overlaid onto a picture of the potential purchaser's room. Watch out for the branded social media platforms to pursue the route of partnering with brands or products – Snapchat's *Colorista* lens for L'Oreal, which lets users change their hair colour, being one such example.

In pure marketing terms, perhaps the current most useful application of VR – but more so, AR – is through so-called immersive ads, which, as the name suggests, allow the user to be immersed into a scenario presented by the advertiser. As an indication of what is available, see Figure 1.3, which shows the results of research into the use of AR and VR in advertising by Vibrant Media (2017), who asked respondents: 'How compelling would the following VR and AR immersion ads be to you?' However, these same subject areas are equally suited to use on websites selling similar products.
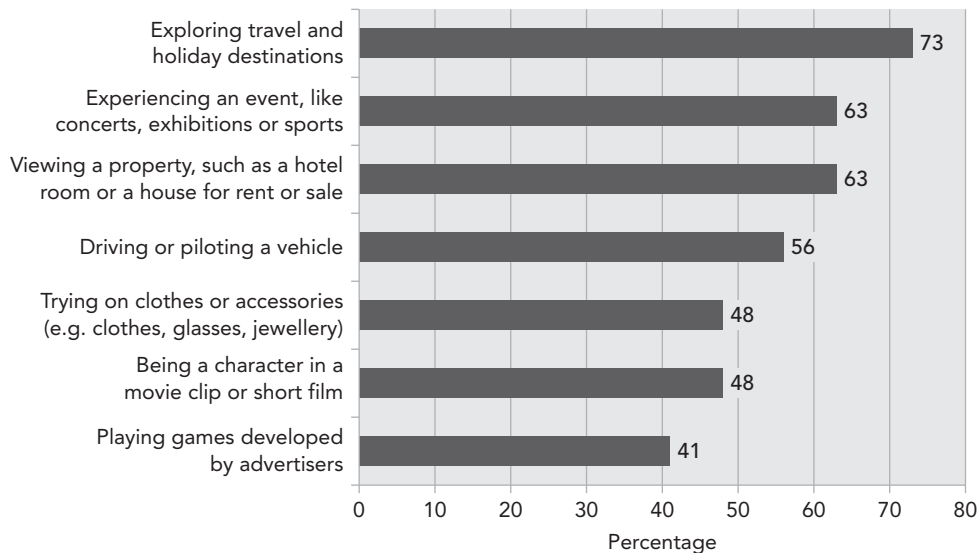
Figure 1.3 The types of augmented and virtual reality immersive ads that consumers would find compelling

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FURTHER READING

For additional content and links to articles and stories that supplement, enhance and update this chapter of the book, go to the chapter's web page on AlanCharlesworth. com/DigitalMarketing.

CHAPTER EXERCISE

Considering all of the elements of the digital environment covered in this chapter holistically, list the 13 case study organizations in order of the impact of those elements on the organizations. That is, the organization that will be impacted most at the top and that which will be impacted least at the bottom.

Alternatively, conduct the same exercise on your own organization or that of your employer and consider how these elements will – or will not – impact on it.

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Digital customers

Chapter at a glance

2.1   Introduction
2.2   Online buying behaviour
2.3   Privacy

2.1 INTRODUCTION

Although students and practitioners of marketing should have no problem with the notion, it is important that all readers understand that in marketing terms *buying* a product does not always refer to a transaction where a good is exchanged for a sum of money. Indeed, in a wider context, we are looking at an *exchange* being the result of marketing activities. Customer behaviour, therefore, refers not only to a financial transaction, but also when or wherever the *customer* agrees an *action* in return for a commitment on their part. Translating this online: it may be the case that the *aim* of a website might be to provide information. Therefore, downloading a pdf might be the required *sale*. Similarly, on a B2B site, the objective could well be to have the potential customer contact the organization – so as soon as (say) a phone call is made, the website has made its *sale*, i.e. met its marketing objective.

Furthermore, it is often the case that use of the term *customer* is not appropriate to the *selling* organization. Universities prefer *students*, hospitals *patients* and churches *worshippers*, for example – but essentially each of these groups will demonstrate customer-behavioural traits in choosing the provider of their education, treatment or religion. It is

also necessary to clarify two other terms which are pertinent to the content of this book: customer/consumer and buy/sell.

- Put simply, a customer is the person who pays for a product; a consumer is the one who consumes it. The customer for a product *might* also be the consumer (I buy and drink a bottle of beer) but this is not always the case (I buy two beers, drink one and give the other to a friend, who drinks that bottle). This is particularly relevant in the case of B2B trading, where the person who agrees the purchase of a product is unlikely to be the one who uses (consumes) it.

- The definition of *buy* is to *acquire by paying*. The definition of *sell* is *to transfer ownership in exchange for payment*. Some decisions to buy are made at the point of purchase (the vast majority of grocery goods are in this category). In these cases, having the right product in the right place at the right time for the right price is enough to *sell* it. However, for other products, the buyer may take a long period – months or even years – to decide on its purchase (a car, for example); therefore, the marketer may spend years *selling* it. Once again, many B2B purchases fit into this category.

If you are not fully conversant with these issues, I suggest you read up on them in greater detail before tackling the various elements of this book. If you are conversant with these issues, you have every right to question the use of *customer* and not *consumer* in the title of this chapter. Realistically, I could have used either. Or both.

2.2 ONLINE BUYING BEHAVIOUR

As with all aspects of marketing, buyer behaviour can be divided into consumer behaviour and industry behaviour. Let's consider each in turn.

Business to consumer (B2C)

Rather than covering the myriad of theories that exist in the social science that is customer behaviour, in this section we will briefly consider how people behave *online* and how that behaviour can be best exploited by the digital marketer. One way to do this is to take one of the most common models in the subject and consider how it might be applied online. Before doing that, however, it is worth adding that buyer behaviour is inherent in many (if not most) aspects of marketing – for that reason the subject re-emerges throughout subsequent chapters of this book. Successful website development, for example, is dependent on the visitor being able to interact with the site (their behaviour) and in Chapter 10 we consider digital marketing analytics – much of which revolves around tracking users' online behaviour.

Perhaps the most commonly used model of buyer behaviour is that which considers the purchase process as a cycle, taking the customer in the following series of steps: problem recognition ⇨ information search ⇨ evaluation of alternatives ⇨ purchase decision ⇨ post-purchase behaviour. Normally presented as a flow chart, Figure 2.1 shows how the Internet can impact on that cycle.

Stages of the buying cycle   Potential role played by the Internet

Problem recognition	Potential customers can be made aware of potential problems within the content of any web presence – including websites, social media platforms or emails.
Information search	Normally using search engines, the potential customer looks for information on the products that can meet their needs. They might use the sites of manufacturers, dealers or retailers as well as review sites and social media. Some argue that it is this facility that is the Internet's biggest contribution to marketing.
Evaluation of alternatives	Having determined a type of product that provides a solution, the web is used to compare the offerings of various organizations and brands.
Purchase decision	Although they might be used in the evaluation stage, shopping comparison sites are particularly helpful at this stage where, for example, the best price for a particular product can be found. Selecting a specific seller would fall into this category.
Post-purchase behaviour	Although all previously visited sites can help reassure the buyer that they made the right purchase decision, they might also participate in forums on the product or mention the product on social media. Like their offline counterpart they are also more likely to notice ads for the product that they purchased.

Figure 2.1 The Internet's potential impact on the buying cycle

A further consideration is the length of time that the potential customer takes to progress from problem recognition to purchase. For some products, the decision-making process is swift – with all stages taking place almost instantaneously. For other products, the decision is swift by necessity – a distress purchase perhaps. Other product purchase cycles, however, might be much longer – a new kitchen would be an example of this, where the buyer might take months, or even years, in coming to a decision.

The aforementioned buying cycle (see Figure 2.1) is a development from the AIDA concept, which has been around since to the 1890s. Introduced by salesman St Elmo Lewis and given even greater prominence when E. K. Strong included it in his 1925 book *The Psychology of Selling*, the AIDA (Attention, Interest, Desire, Action) model requires the marketer to ask: Did the ad grab *attention*, arouse an *interest*, stimulate *desire* and provide a call for *action*? Naturally, the flip side to this model is that it mirrors the buyer's behaviour in making a purchase – their attention is drawn to a problem, which

then sparks their interest, creates a desire and they then take action to meet that desire. More contemporary models, such as the sales, or conversion, funnel, are also based on the AIDA principle and – like all study into buyer behaviour – are used to help develop marketing strategy (see Figure 2.2). Although the funnel concept can be adapted for many similar purposes – brand adoption, for example – in *online* marketing it is most frequently used in developing or assessing websites – where the top of the funnel is the home or entry page and the exit representing the site's objective being achieved. The funnel model can be seen as a useful aid to marketers in that it (unlike the buying cycle, which is more linear) represents the fact that people leave the buying cycle at various stages – hence the funnel narrows as it progresses to the *sale*.

A further extension of the AIDA/cycle/funnel concept is to combine them so that customer retention is taken into account – and so the process becomes circular; that is, the last stage of one purchase leads directly into the first stage of the next. Commonly recognized as *relationship marketing,* this is the concept that sales should not be considered as isolated events and that customers should be encouraged to develop a relationship with the supplier – so increasing the opportunities for repeat purchases from the organization or brand. This is reflected in Figure 2.3, which shows a contemporary sales funnel. Note how the arrows indicate that potential customers can leave the funnel at any time – though it is also likely that they could join at any point. If you know exactly what you want, you would go straight in at *purchase* (addressing this issue is covered in Chapter 6.5 on e-commerce websites).
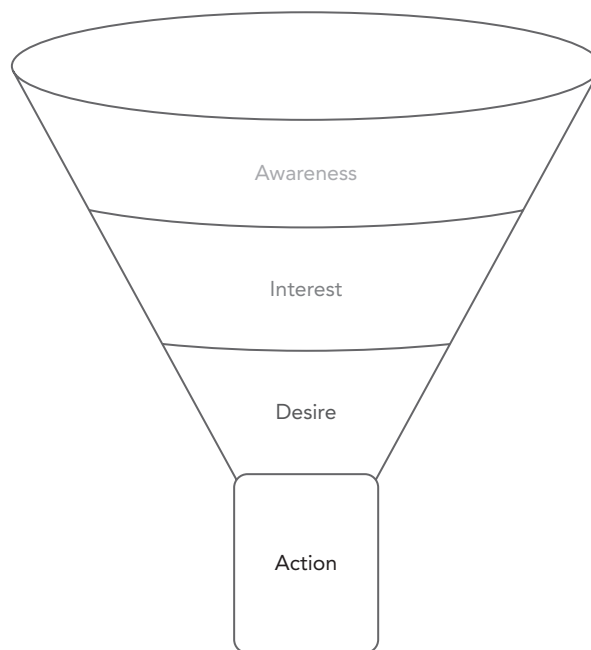
Figure 2.2 The basic AIDA sales funnel
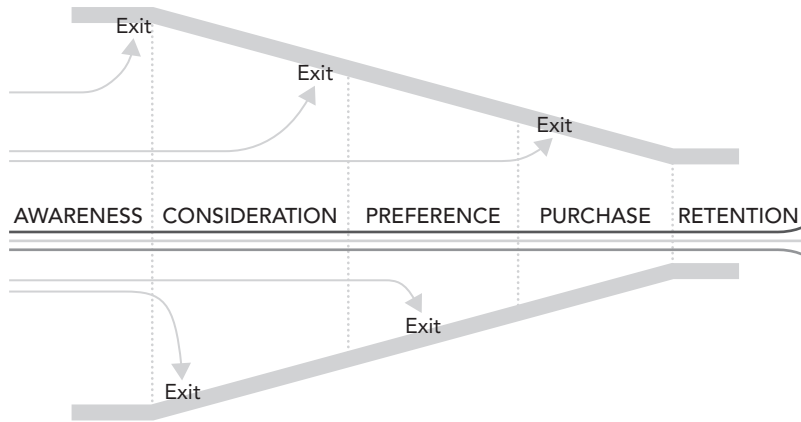
Figure 2.3 A contemporary sales funnel

Beyond the consideration of the relevance of traditional models in online buyer behaviour, we can also look at *behavioural* traits of people when they are online.

A number of authors have attempted to segregate online shoppers, but rather than some of the theoretical academic proposals, I prefer the more pragmatic submission from digital marketing practitioner and author, Bryan Eisenberg (2011). Most of his *20 forces that influence whether people buy things* are fairly obvious (and should not be new to marketing students or retailers) but the reason I have included it here is so that you can consider how people would make these purchases online – and more importantly, how the digital marketer can meet their expectations in making those purchases. And don't forget that each category will be specific to each individual – *people buy different things at different times for different prices for different reasons*.

Eisenberg's 20 forces that influence whether people buy things are.

1. **Basic needs.** We buy things to fulfil what Maslow describes as the bottom of his hierarchy; things like food and shelter.
2. **Convenience.** You need something now and will take the easiest or fastest path to get it. Think about the last time you were running out of petrol, or were thirsty and found the nearest drink.
3. **Replacement.** Sometimes you buy because you need to replace old things you have.
4. **Scarcity.** This could be around collectibles or a perceived need that something may run out or have limited availability in the future.
5. **Prestige or aspirational purchase.** Something that is purchased for an esteem-related reason or for personal enrichment.
6. **Emotional vacuum.** Sometimes you just buy to try to replace things you cannot have and never will.
7. **Lower prices.** Something you identified earlier as a want is now a lower price than before.

8. **Great value.** When the perceived value substantially exceeds the price of a product or service. This is something you don't particularly need; you just feel it's too good of a deal to pass up.

9. **Name recognition.** When purchasing a category you're unfamiliar with, branding plays a big role.

10. **Fad or innovation.** Everybody wants the latest and greatest of something.

11. **Compulsory purchase.** Some external force, like something your boss asked you to do, makes it mandatory. This often happens in emergencies, such as when you need a plumber.

12. **Ego stroking.** Sometimes you make a purchase to impress/attract someone or to have something bigger and better than others.

13. **Niche identity.** Something that helps bond you to a cultural, religious or community affiliation.

14. **Peer pressure.** Something is purchased because your friends want you to.

15. **The 'Girl Scout Cookie effect'.** People feel better about themselves by feeling as though they're giving to others; and especially when they're promised something in return.

16. **Reciprocity or guilt.** This happens when somebody – usually an acquaintance, or someone rarely gift-worthy – buys you a gift or does something exceptionally nice and/or unnecessary. Now it's your turn to return the favour at the next opportunity.

17. **Empathy.** Sometimes people buy from other people because they listened and cared about them even if they had the lesser value alternative.

18. **Addiction.** This is outside the range of the normal human operating system, but it certainly exists and accounts for more sales than any of us can fathom. How often have you bought something and not been able to give a rational reason for doing so?

19. **Fear.** Some things are bought out of fear of anything from flat tyres to personal protection.

20. **Indulgence.** Who doesn't deserve a bit of luxury now and then?

MINI CASE

At four pounds an hour, it's a bargain

In 1997, I worked on a project to develop a website selling a series of *past times* books that featured photo-histories of UK towns and cities. Books featuring specific towns or cities were readily available in local bookshops, but our target market was ex-pats who wanted to re-visit their past, but could not physically return to their home towns. The first subject city was our own – Sunderland. The office sweepstake for the country of origin for the first order had Canada and

Australia as joint favourites. So it was something of a disappointment when the first online order came in from the village of Whitburn, a couple of miles up the coast from Sunderland's city centre. Contact was made with the buyer. Why had he paid full retail price plus postage for a book he could have purchased at a discounted price in a city centre shop?

On reflection, his reason was obvious – and many others in the still emerging practice of e-commerce were soon to realize it too. Our customer ran his own business and worked 7 a.m. until 7 p.m., Monday to Friday. On Saturdays he played golf. Sunday was his family day. To travel to the city centre on a weekend, park his car, walk to the shop, buy the book and return home would take at least an hour, nearer two on busy days. To this gentleman, ordering online during the evening and paying an extra £4 or so to have the book delivered to his house was a bargain. He valued his leisure time at well over £4 an hour.

Fast forward 20 years, and people still value their time, and so *convenience* is still a – if not *the* – key reason for people buying online.

Business to business (B2B)

Two issues are significant in B2B marketing: they are that (1) the method of both the decision-making process and the actual purchase differs from B2C, and (2) the range of products varies dramatically. The diversity of products purchased by an organization means that the marketer must be prepared to adapt their online selling to suit different product lines. However, in a similar manner to consumer markets, firms make use of the Internet in their purchasing as a source of information and, sometimes, as a transaction channel.

For the majority of B2B products and services, although the organization's online presence can play a significant role in the commercial buying process, the website is rarely the medium on which the actual purchase is made.

B2B buying practices

Throughout this book it has been my intention to avoid covering *offline* marketing theory and models – there are plenty of books that do that – this book being about *digital* marketing. However, how organizations go about their business purchases is an essential consideration for the B2B digital marketer. Key to this issue is *who* makes the buying decision, and in this regard Webster and Wind's 1972 paper on the subject is still relevant. They suggested that the buying decision can depend on input from *some* or *all* of: initiators, users, influencers, deciders, approvers, buyers and gatekeepers. Dubbed the decision-making unit (DMU) these have remained the same in the online environment – with each of them being able to use the web to help them in their own aspect of the decision-making process.

Despite the popularity of the web in procurement, it would be rare for a purchase order to be raised based purely on information gleaned from a website. More likely is that the Internet will be used to gather information that will then be used to narrow down a field of potential suppliers, who will then be contacted on a personal basis. This reflects the way that B2B purchasing has been conducted for hundreds of years – with the web replacing (or supplementing) catalogues, brochures, trade shows and, to a lesser degree, advertising. This means that the B2B website has the key objective of *lead generation* – making the presentation of information an essential element of the B2B website. It is also the case that in a branding context, the site can also help develop the relationship that is essential in B2B commerce. Supporting the argument that in a B2B context there is little opportunity for direct sales, but opportunities for lead generation and relationship-building exist, Gummerson (1994) – one of the originators of the concept of relationship marketing – was insightful when he predicted that the Internet would only be exploited effectively as a marketing tool when practitioners moved beyond its ability to support transactions and recognized that information delivered online provides a foundation for developing relationships with customers. Needless to say, the quality of the web presence can end a relationship before it has chance to begin – this is particularly relevant where an initial order (once negotiated) will result in repeat orders over a long period of time. The buying process in a B2B transaction is very different to that in a B2C environment. Figure 2.4 illustrates a B2B buying process.

> 66
> …the B2B website has the key objective of lead generation.
> 99

2.3 PRIVACY

Zhou and Li (2014) describe the concept of *privacy concerns* as referring to individuals' beliefs about the risks and potential negative consequences associated with sharing information. This is a reasonable space to start when considering the issue of privacy online – but what it does not do is relate to people's actions as a result of those potential negative consequences. A quick glance at the research (the majority of which is published in psychology publications rather than marketing) suggests that, as the knowledge of the causes of these consequences has become more common, not only have the concerns increased, but so too have people's actions to address them. Throughout the first decade of the century, research found that, although individuals had concerns about privacy, they did little to address these concerns in their online privacy management – an experience dubbed the *privacy paradox*. However, more recent research – in particular, that of Baruh *et al.* (2017), which combined 166 studies in its survey – has suggested that those people who are informed about privacy issues have concerns which they address by using fewer online services, setting stronger security settings and revealing less personal information. However, that meta-analysis by Baruh and his co-authors also revealed a new paradox in that even individuals who have concerns ignore them when it comes to social media, where they seem happy to get involved in uncensored or inappropriate self-disclosure and allow a wide range of apps to access their

Problem recognition

Unlike B2C purchases, which can be little more than an *I need a product to replace one that has failed* decision, B2B problem recognition can be far more complex. This is particularly the case when the sought product will be an integral element of either (a) another product – a car part, for example, or (b) a manufacturing process. It is also the case that this recognition might take place some years before the product will be used in a production model of a finished product – a commercial aircraft, for example.

Develop specifications for required product/service that solve that problem

This can be relatively simple (the colour of paint for office walls) or extremely complex (component parts for a jet engine).

Search for products (if off-the-shelf) or search for supplier (if bespoke)

Again, the nature of the product will determine the complexity of this stage. The more unique the product, the fewer potential suppliers there are likely to be, and so the search may expand to other countries.

Evaluate products and suppliers

One-off buys will normally require less research than those that will be a repeat purchase. Relationship assessment will also take place at this stage. Continuity of supply might also be an issue.

Make purchase

This stage would also include the negotiation of terms and conditions of not only one-off purchases, but those made in the future – a rebate rate or delivery schedule, for example.

After sales service

In the case of transactional purchases, any after sales service (warrantee claims, for example) might influence repeat business. Negotiated service – on-site maintenance, for example – will also be part of this stage.

Figure 2.4 An example of a B2B buying process

data, so making much of their *digital footprint* available to the general public – and, significantly, both fraudsters and marketers. It would seem that most of us prefer to feel safe and protected when we go online, but the perceived benefits of using free sites and disclosing personal information outweigh the perceived risks (Chamorro-Premuzic and Nahai, 2017).

GO ONLINE

Data protection … now it's personal

The General Data Protection Regulation (*GDPR*):

An upgrade of the Data Protection Directive.

Enforcement date: 25 May 2018.

Aim: to protect all EU citizens from privacy and data breaches.

Key change: now applies to all companies processing the personal data of data subjects residing in the Union, *regardless of the company's location*.

To find out more, follow the link on the chapter's web page.

The digital footprint

At the core of people's privacy is the *digital footprint* that Internet users leave as they wander around the web. Every *click*; every web page they visit; every ad they are exposed to; every ad they click on; every search they make; every email they are sent, receive, open, delete or reply to; every visit to a social media platform; every tweet they receive; every comment they make on a feedback form; everything they buy; everything they nearly buy; everything they look at but don't buy; where in the world they are when they do these things; when they do all of these things – minute, hour, day, month and year; how often they do these things; what device(s) they use to do these things is recorded.

> " At the core of people's privacy is the *digital footprint* that Internet users leave as they wander around the web. "

To give you just an idea of how much data we provide, try a simple exercise: keep a record of your own online activity over a week or so – just the web pages would be enough. Then study those pages to see what they would tell a marketer about you. For many people, that exercise is enough to prompt them to turn on all the privacy settings on their devices and surf anonymously.

Another simple exercise will also give you some idea of the data that people give to digital marketers every day. This data comes not from the individual, but from their mobile phone. So that many apps work, people have the device's *mobile data* setting on. This means that the owners of any app on your phone can track where the phone – and its owner – goes (Snapchat's *Snap Map* facility essentially turns the app into a tracking device, for example). So, now list everywhere you have been in the last few weeks. Having done that, review it and assess what it says about you. Shops, for example, will not only suggest your gender, age and brand loyalty but also your lifestyle (health food or vegetarian stores, for example). Other destinations will add to this data – a gym and a swimming pool, perhaps. It will also tell them where you

live. And work. Once again, considering the data you provide to organizations might convince you to turn off the mobile data options for at least some of your apps.

You now have two examples of how/where organizations can gather data on you. Add that to information you may already have volunteered to organizations (registering on a website, for example) and any organization in the world can produce a pretty accurate profile of you. Note that this section is an introduction to the subjects of personalization, covered in Chapter 3.4, and digital marketing analytics, covered in detail in Chapter 10.

PRACTICAL INSIGHT

Signing away your privacy

Whilst staying in a hotel, I entered the password for a free WiFi connection and got this message on my phone's screen.

> After logging in, we will email you a link that will allow you to see what data we hold on you and manage your preferences.
> We collect personal information when you use the WiFi. As well as information on the device you are using and how you use the WiFi.
> The owner of the venue you are visiting will also have access to this data.
> For more information on the data we collect and how we use it, please see our Privacy Policy.

To be fair, it is much the same as the majority – if not all – free WiFi connections, but I wonder how many people realize just what they are giving away when they agree to such facilities. Follow the link on the chapter's web page for an article that outlines some of the main potential security issues.

This provider also allowed people to log on using Facebook. Next time you are offered this *convenience*, take a look at the terms and conditions. I'll wager you'll be taken back by what you are allowing the provider to do on your Facebook page.

With ironic good timing, just two days after my stay at the hotel, free WiFi provider *Purple* revealed that for all of the previous week it had included a joke *community service clause* in its service agreement. Only one user spotted that: '…the user may be required, at Purple's discretion, to carry out 1,000 hours of community service'. This service could have been *cleaning local parks of animal waste*, *manually relieving sewer blockages* or *scraping chewing gum off the streets*. Purple's aim was, of course, to show that most people do not read just what they are agreeing to.

FURTHER READING

For additional content and links to articles and stories that supplement, enhance and update this chapter of the book, go to the chapter's web page on AlanCharlesworth. com/DigitalMarketing.

CHAPTER EXERCISES

1. Identify three products and three services that are purchased without buyers using the Internet in any way during the buying process. Now identify three products and three services that are purchased with buyers using the Internet significantly during the buying process. Discuss your findings and try to spot differences or similarities between the different products and services in an attempt to categorize the *with* and *without* products and/or services.

2. Discuss the issue of the privacy paradox. Are you guilty of the phenomenon?

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Chapter **3**

Marketing goes digital

Chapter at a glance

3.1 INTRODUCTION

The second part of this book concentrates on operational elements of digital marketing – the *sharp end* of the discipline, such as website development, search engine optimization (SEO) and advertising. However, as *digital* has become an accepted aspect of strategic marketing, a number of concepts have developed that are not only associated with online marketing, but are holistic in nature, impacting on more than one aspect of it. Indeed, some have relevance to every element of the digital marketing mix – and every element of the digital marketing mix is impacted in some way.

Rather than trying to incorporate each of these issues in to each section in every chapter in Part II, those holistic elements are addressed in this chapter under the all-embracing title of *Marketing Goes Digital*. Think of Part I of the book as setting the scene for Part II in which digital marketing is played out.

3.2 DIGITAL ISN'T THE ONLY OPTION

Although it may seem strange in a book on digital marketing written by someone who has been an advocate of the discipline for over 20 years, marketers should always be aware that *digital* is just one aspect of marketing. Indeed, in the main, it is only one element of the promotional mix. Too often, digital marketing in general, and social media marketing in particular, are perceived as: (a) the only route to market, and (b) a panacea that will improve bad marketing in other channels.

Certainly, *digital* has revolutionized some industries in a way unimaginable before the Internet came along; for example, who books a hotel or flight anywhere else other than online these days? Similarly, for some products and services, the web plays an essential part in consumers' purchase decision-making process. However, for many products, if the marketer puts them in the right place at the right time at the right price then customers will buy them – the ongoing success of Aldi and Lidl (neither of which sell online) is evidence of this. If you doubt this, try this simple exercise that I ask my students to complete in the first week of my digital marketing modules. List all of your purchases – of products and services – over the last week or month (longer is better) and divide that list into two sections: (1) those where the Internet played a part, and (2) where the Internet played no part. Some will fall clearly into the first section. Online purchases, obviously, and products that you research online – though you will find these are *normally* of a higher price and are not regular purchases. Then there are some that could fall in either list. For example, you might visit a restaurant purely on spec or you may have searched for a restaurant in Google if you were not in your home town. However, it will normally be the list in category number two that will be longest. If you are still a doubter, your *non-Internet* list will include things such as: *anything* from the university café, *anything* from an on-campus vending machine, fuel for your car, that ice cream on a hot day or the bottle of water on your walk, milk or some fruit from the local shop. Or what about *every* item of groceries you have bought – be it from a corner shop or supermarket? Staying with your grocery list – have you *ever* visited the website of the

company that makes or processes *any* of those products? Or do you follow them on social media? And then there is your hairdresser, or the car wash, or that little shop on the high street that sells all kinds of craft accessories. Indeed, every shop that is not part of a national chain. Yes, of course there will be exceptions – but hopefully my examples will have encouraged you to give the concept of *digital isn't the only option* some thought.

Indeed, there are more businesses *without* websites than there are *with* – at least that is the case according to Google. Writing on a community help-site (Google My Business) in June 2017, Google Community Manager Marissa Nordahl made the comment that: 'Millions of small businesses (60 per cent of small businesses globally) don't yet have a website.' My *shopping list* will give you a good start on identifying the types of business in that 60 per cent.

> ❝
> Millions of small businesses (60 per cent of small businesses globally) don't yet have a website.
> ❞

However, if you are a student it is unlikely that you will have had experience of buying in a B2B context – though some readers may well be working in such an environment. Again, for some industries, products or services, the Internet has changed the mode of trading completely – but for others *offline* is still where business is done. In the B2B environment there is often a relationship between the buyer and seller that exists offline – if I was a buyer for Tesco, for example, I would expect sellers, with whom I might be spending millions of pounds each week, to show me a little more respect than communicating with me only via email or Facebook. Similarly, in some industries there will be a limited number of sellers of specialized products – so I have their phone number, I don't do a search on Google. The State of Pipeline Marketing report (Pipeline Marketing, 2016) considered not only the methods used by B2B marketers to drive growth, but also how effective they felt those channels were. This data is shown in Table 3.1.

In general, Table 3.1 shows clearly just how different B2B marketing is to B2C; there are no retail outlets, for example. Note how poor some of the returns are for some aspects of marketing – social media stands out. By far the most effective channel is word of mouth and/or referrals – as with many B2C products and services – if you provide the right product in the right place at the right price not only will customers return, but they will recommend you to friends and associates. Perhaps if businesses spent 100 per cent of their efforts into *delighting* customers they would not have to commit any resource to other marketing activities? The job of the marketer is, however, to identify which elements of marketing are most suitable to the product or service they are marketing. As Michael Porter famously said: 'The essence of strategy is choosing what not to do.' I'll go a step further and say that those elements you choose to implement must be done effectively and efficiently. And if that was easy, no business would ever fail.

> ❝
> The essence of strategy is choosing what not to do.
> ❞

Table 3.1 The most popular and effective B2B marketing channels

	Marketing activities/ channels used to acquire customers (%)	Activity/channel which makes the most positive impact on revenue (%)
Email marketing	88.6	8.3
Social media	85.0	3.1
Content marketing	81.2	9.1
Search engine optimization	78.0	9.1
Word-of-mouth/referrals	74.9	22.0
Conference/trade shows	74.5	9.1
Search advertising	59.6	6.7
Public relations	59.2	1.2
Outbound calling	58.0	8.3
Retargeting	52.5	0.8
Partner marketing	48.6	5.1
Display advertising	47.5	0.8
Video advertising	22.0	0.8
TV, radio and print ads	12.5	0.4
Other	5.5	4.3

3.3 NON-MARKETING DIGITAL MARKETERS

Since the birth of online marketing (1994, in my opinion) there has always been a battle between marketers and *techies* (my affable term for anyone with a computer science qualification). My argument – as a marketer – is that *digital* is a platform for marketing messages, and so it is a *marketing* discipline. Techies – well, some of them – feel that anything that happens on a computer is a *computer science* discipline. However, TV engineers never claimed that adverts on TV *belonged* to them, so why should computer scientists claim that marketing on computers is part of their domain?

The fault is not wholly one-sided, however. In the early days of the web, too many marketers eschewed the new media – mainly for *fear* of computers because they knew little about them or what they could do – and were happy to let the IT department control the organization's web presence. The realization by the successful online businesses (the likes of Amazon and eBay) that to be effective you need input from both technical staff *and* marketers has – too slowly – filtered down to some *lesser* organizations when another, related, problem came to be recognized by *some* of those with a recognized status in the discipline.

> " There are a lot of people working as *digital marketers* who do not know even the fundamentals of marketing. "

The problem is this: there are a lot of people working as *digital marketers* who do not know even the fundamentals of marketing. These people may well be good, excellent

even, at one aspect of digital marketing (search engine optimization is an obvious example), but they do not appreciate how that element is – or should be – an integral part of a wider digital operation. In turn, this means they certainly do not understand how *their* relatively small element fits into the organization's strategic marketing. And the situation is getting worse because some of these non-marketers are being promoted to positions of *digital managers,* or even *marketing managers*. That's a situation that will rarely end happily for everyone involved.

Similarly, these experts are finding jobs writing about digital marketing – though normally online rather than in books. In one leading industry online publication, I recently read an

PRACTICAL INSIGHT

A matter of attitude?

Research by ClickZ Intelligence (2017) considered the opinions of senior marketers and IT professionals by seeking their responses to the same survey. One of the questions was on their organization's priorities – and the results reveal an interesting difference in the two groups' attitudes to business.
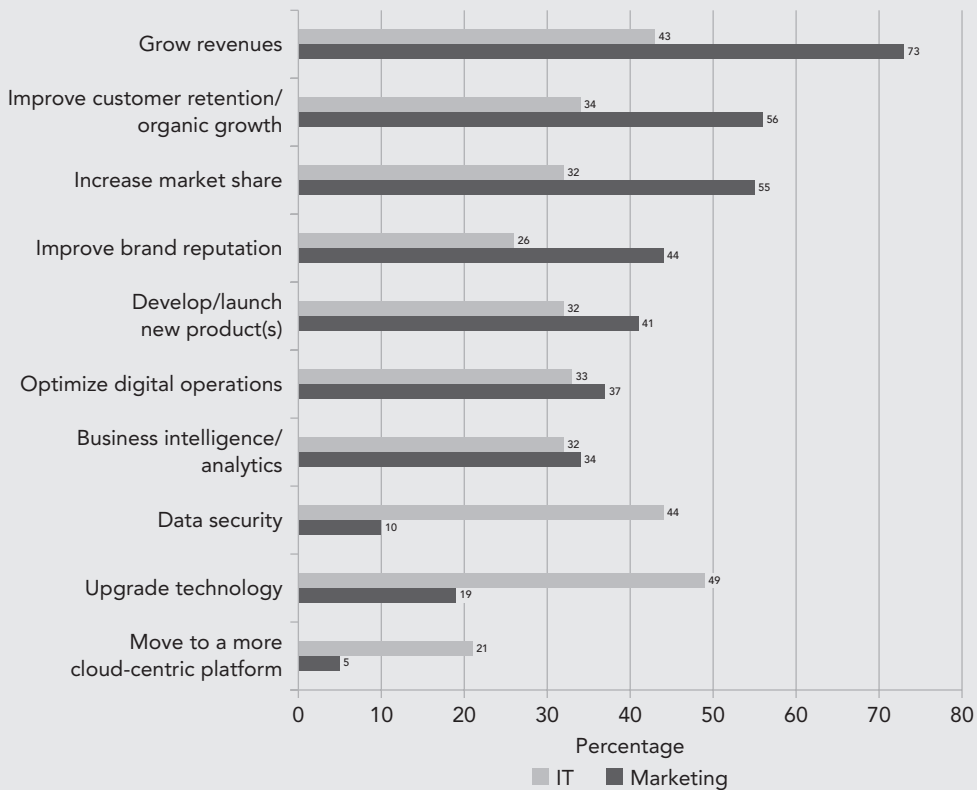
Figure 3.1 What are your organization's top five business priorities for the year ahead?

> "
> New marketing isn't about technology any more than fast food (and the drive-through window) is about cars.
> "

article whose non-marketing-qualified author said: 'Return on investment (ROI) has rapidly become a buzz-word among marketers: a phrase that is often used, but rarely defined.' Sadly, the young writer is correct in that these non-marketing marketers have never come across the concept of ROI and so it *has* become a buzzword. However, for anyone who has studied marketing, ROI is a prerequisite of any marketing strategy, tactic or campaign. ROI is business 101 – and marketing is part of business. And as for 'rarely defined', what's simpler than returns should exceed costs? In a similar publication, I read advice for e-commerce product pages that read as if the suggestions were revolutionary. Sadly, to the non-marketers they probably were. To anyone with any sales experience, they were things you picked up as *the way it's done* in the first week on the job. Note that *account-based marketing* covered in the next section is also an example of this phenomenon.

Completing the circle back to 20 years ago, these non-marketing digital marketers come from technical and/or computer science backgrounds where their degree and/or experience does not include *any* knowledge and understanding of strategic marketing – of which *digital* is just one part. The contents list of any Strategic Marketing text book or any marketing degree programme syllabus will confirm that not only is *digital* about a tenth of all marketing, but it comes near the end where it requires the reader/learner to understand the basics before studying that element – how can a SEO specialist target a specific market segment if he or she does not know what market segmentation is, what its advantages are, what its failings are, or how – if you get it wrong – it can alienate potential customers rather than attract them?

Furthermore, as was the case at the end of the last century and into this one, computer scientists in marketing posts will invariably produce tactics and strategies that are led by technology – not by the needs of the customer. As Seth Godin said in his influential book *Meatball Sundae* (2007): 'New marketing isn't about technology any more than fast food (and the drive-through window) is about cars.' That said, I also freely accept that too many marketers have shown little enthusiasm to learning the *very* basics of digital technology that they need to know in order to practise or teach contemporary marketing.

PRACTICAL INSIGHT

Marketing experts?

When a practising digital marketer published a blog article entitled *24 Marketers You Should Follow on Twitter*, outspoken marketing professor (of Marketing at Melbourne Business School) Mark Ritson took a look at the background of the 24 named *marketers*. He found that only four had any formal marketing training or education.

Ritson's subsequent article in marketingweek.com caused something of a furore amongst the non-marketing marketers – but then it would, wouldn't it?

3.4 PERSONALIZATION

I have called this section *personalization*, but (a) I could have given it several other titles, or (b) I could have divided it into several sections. However, as I think the very word describes the models, concepts and actions included in the section, *personalization* fits the bill.

The very nature of personalization brings in aspects of not only the previous two chapters, but elements of this chapter also. Furthermore, it can be applied to all aspects of digital marketing as covered in Part II of this book and is actually made possible by a combination of digital metrics and analytics (which are covered in detail in the final chapter). Fundamentally, the philosophy of the concept is that each customer – be that an individual or organization – receives a marketing message that is bespoke to that individual or organization. That is, the marketing is *personalized* to him, her or it (an organization) rather than being *broadcast* to a wide audience – some of whom will have no interest in that message. In basic website personalization, AI algorithms can analyse the geographic location of users and how they arrived on the site before personalizing content. A retail chain, for example, might personalize its home page to show where the nearest *physical* store is to the user and, if they have arrived on the site from Google after searching for a brand-name product, they are shown promotions for that brand. However, such is the broad scope of applications of personalization and so wide is the range of tools available to achieve it, it is rarely identified as a strategic objective in itself. This is unlike customer relationship management, which is covered later in this section.

As all those who do or have worked in a sales environment will testify, one-to-one personal service is the most effective way to sell something. It is, however, extremely resource intensive – and so expensive. Which is fine if you are selling high-ticket items like cars, not so if you are selling fast-moving consumer goods like bread. So it was that, when the commercial Internet was gaining popularity in the mid-1990s, some commentators predicted that the new medium would provide a platform where sellers could communicate with buyers on an individual basis, with each customer having their own personal interaction with the vendor – something that many consider to be the Holy Grail for marketers. That communication – or *touch-point* – could be in person, on a website, in an advert, in an email or via social media. Offline, the seller can ask pertinent questions of the customer and by listening to the answers can (if they are any good) provide a product that will meet the needs of that customer – resulting in satisfaction all round. Online, the idea is that by their very actions online (for example, websites visited, search terms used in search engines, products viewed and/or bought, discussions on social media) the customer indicates their interests and buying preferences.

In addition, the organization may have personal details on the customer (perhaps from registering on a website or making an online purchase) indicating their possible buyer behaviour. Taking Amazon as an example of this kind of website-based personal service: in much the same way as the offline salesperson gleans information from the shopper, as they navigate around their site, the customer provides valuable information to Amazon's

database – the online sales *facilitator*. Searching for, and visiting the pages of, books on horse riding, for example, will result in the ads featured on future Amazon pages that person downloads being related to the subject. In addition, by registering with the company the buyer gives permission that permits sales data to be stored – so allowing *actual* purchases to be included in the recommendation algorithm. Personalization can then be taken a stage further by having promotions presented for authors or subjects that are related or similar to those purchased. Amazon's *people who bought this product also bought this* facility is an example. Taking the model a stage further is that the seller becomes proactive, and rather than waiting for a potential customer to arrive on the website, they use personalization promotions such as direct marketing emails to entice the consumer to the site – perhaps with special offers that reflect the person's buying behaviour (they are known to respond best to price reductions, for example).

Whilst Amazon is a good example of the science, Google takes the matter several steps further. Because of the ubiquity of the organization's grip on key aspects of Internet use, Google can – effectively – track users around the web, picking up snippets of data on the way. These snippets all add up to a big chunk of data that is bigger than most folk realize – or would be happy about if they knew about it. The difference with Amazon is that, although Google does use the data to its own ends, it is made available to its customers to use in their own marketing.

In B2B environments, sites can personalize content that increases primary engagement – demonstrating the quality of services and value of the brand, for example. This serves to move the potential customer down the buying funnel to a stage where they contact, or are contacted by, a member of the sales team who will – hopefully – close the sale.

As yet another example of traditional marketing being adopted – though often without recognition – personalization is, in effect, the concept of *segmentation, targeting and positioning*. However, whilst in the traditional application of the model it is difficult (though not impossible for some products) to narrow the constituent parts to specific individuals, the Internet, mobile technology and the availability of data have made it possible for segments of *one* to be targeted. However, the rather simplistic product-recommendation system type of personalization is considered by many to be standard fare on any e-commerce website, and pretty much the norm in other aspects of digital marketing. Research from Salesforce (2017) found that 52 per cent of consumers are likely to switch brands if a company doesn't personalize communications to them, and 65 per cent of business buyers are likely to switch brands if a vendor doesn't personalize communications to their company. Yet despite this, marketers are being slow to adopt personalization. Research from Evergage and Researchscape International (2017) found a limited application of types of personalization (see Figure 3.2). Given that the top application, email, is – almost by definition – personal (you have to address an email to a person for it to arrive), these figures are rather disappointing. Note also that this survey included a mix of B2C and B2B marketers, and some practices are more common in each. For example, it is common in B2B trading for differentiated pricing to be a key aspect of segmentation; therefore, it is likely that the 22 per cent shown is nearly all B2B.
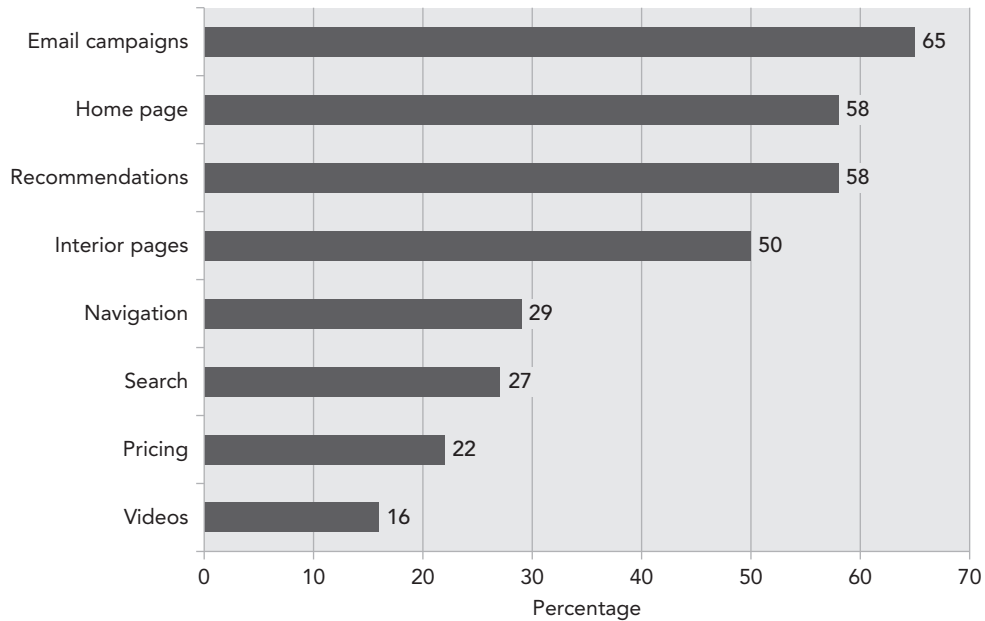
Figure 3.2 Types of personalized experiences used by marketers

Customer relationship management

As the ultimate goal of effective customer relationship management (CRM) is to develop one-to-one marketing where a bespoke marketing message can be delivered to individuals or organizations, my reason for including it in this section on personalization should be obvious. As with other elements of the discipline and practice we call marketing, CRM is a subject in its own right and is not exclusive to the Internet. Indeed, some practitioners and commentators now consider CRM to be limited to offline, with personalization as the online version. It is for this reason that I have elected to include it only as an element of this section and not address the subject as a whole. That Internet technology saw an advance – and a boom – in CRM practice is a mask to the issue that it is not based, or dependent, on the Internet. Although the concept of CRM pre-dates the development of digital technology, the mid- to late 1990s gave light to the concept that intelligence on customers could be managed using those technologies. Thus, the end of the twentieth century saw many organizations spending vast sums of money on CRM software and/or systems – many of which were sold as the panacea to all marketing ills. Not only is history littered with empirical evidence of the failings of these systems, but academic research supports the view that they did not achieve their objectives (see Ebnar *et al.*, 2002, for example). The principle problem with CRM (at that time) was that it was perceived as being about IT, and so it was predominantly IT-led. Systems were developed that gathered vast mountains of data simply because the software had the ability to gather it. That few (if any) organizations had staff with the ability to (a) turn the data into information, (b) interpret that information, and (c) use it in any kind of tactical or

strategic planning was almost irrelevant because no one had the time to keep pace with the data being spewed forth on a daily basis.

CRM practice changed fundamentally when IT consulted other departments about their requirements of any system, and then developed the software to meet those needs. Contemporary CRM systems, when installed and implemented correctly, can be extremely effective. Badly considered and poorly implemented, they can alienate the very customers they seek to *manage*. As this book is about marketing I am bound to say that CRM is a marketing discipline – indeed, I think that *managing relationships* with *customers* is a better description of the objectives behind the concept. This rewording shifts the emphasis to customers – as it should be – and away from *management*, where the title suggests the task of managing something that is a burden to the organization – like waste disposal, for example.

MINI CASE

Seth Godin's rules on permission

Seth Godin, like many others – myself included in the first two editions of this book – put elements of marketing into a category called permission marketing. This is where the customer has given permission for the organization to contact them with a marketing message. Email is the obvious example of this – but other aspects of personalization fit the same criteria.

Although he doesn't actually mention CRM, Seth Godin is critical of the concept in this rant against 'permission'. His rules reflect my view on customers not wanting to have a 'managed' relationship with sellers; they are taken from his book *Meatball Sundae*.

1. Permission doesn't exist to help you [the marketer]. It exists to help *me*. The moment the messages you send me cease to be anticipated, personal and relevant, then you cease to exist in my world.

2. My permission can't be bought or sold. It's non-transferable.

3. I don't care about you. Not really. I care about me. If your message has something to do with my life, then perhaps I'll notice, but in general, don't expect much.

4. Privacy policies and fine print are meaningless to me. When I give you my permission to follow up, we're making a deal and you're making a promise. An overt and clear promise. If you break that promise, whether or not you are legally in the right, we're finished.

5. I demand your respect. I can get respect from plenty of organizations, so if you disrespect me [by mistreating me, by breaking your promise, by cheating or lying or by undervaluing our relationship], then sure, that's right, you're history.

Another significant flaw in CRM is that it assumes there is a relationship between the organization or brand and the customer, and that the customer *wants* a relationship (this might be the case for some brands and some customers, but does anyone want a relationship with, say, the airport café you visit a couple of times a year, or the *pound* shop you call into every so often?). Marketers, and particularly frontline sales staff, recognize this and adapt their actions accordingly. However, the all-encompassing CRM systems of the last century (designed by non-marketers) took no account of this and attempted to *force* CRM where no relationship existed. The results were the exact opposite of what was intended.

3.5 VIRAL MARKETING

The concept of viral marketing is based on the centuries-old practice of word-of-mouth marketing – an oral, person-to-person communication between a receiver and a communicator (whom the receiver perceives as a non-commercial) regarding a brand, a product or a service (Arndt, 1967).

The term *viral marketing* was originally penned in a newsletter by the venture capitalist behind Hotmail, Steve Jurvetson. He defined it as 'network-enhanced word of mouth'. Since then the term has become 'a buzzword that is used, misused, abused, and co-opted to cover whatever marketers are trying to push' (Wilson, 2012). Although the subject of the text is not strictly viral marketing, in his excellent book *Unleashing the Ideavirus* (2001), Seth Godin uses the phrase 'digitally-augmented word of mouth'. In essence, viral marketing describes any marketing strategy or tactic that encourages individuals to pass on a *marketing* – that is, promotional – message to others. Successful execution means the message's exposure grows exponentially – like a virus. As with all online activities, this one is also based on a tried and tested offline business concept. Although Jurvetson used the phrase 'viral marketing' to describe an online phenomenon – Hotmail – the notion has been around much longer. *Word of mouth*, *referral marketing* and *network marketing* are descriptions given to offline viral marketing. *Turn your customers into your sales force* is another phrase that has stood the test of time. It is interesting, however, that when seeking to describe 'viral marketing' some authors use offline examples that pre-date Jurvetson's creation of the phrase. It is not difficult to see why this has happened. Some of the best illustrations of viral marketing do actually precede the existence of not only the phrase but the Internet as well.

The contribution made by digital media – as was the case with the printing press, the telephone, radio and television – is that once the word is out, it can get around faster than ever before. However, rather than being simply used to represent online word of mouth, the term *viral marketing* has been somewhat hijacked by what social web expert Larry Weber (2007) describes as 'silly virals'. He used Burger King's 'Subservient Chicken' (www.subservientchicken.com) promotion as an example of this phenomenon and goes on to suggest that true online word of mouth is about content-based *virality*. In other words, it is something about the product, brand or organization that the marketer wishes to be passed on by – hopefully satisfied – customers. To be employed

successfully, it is the marketing message that should be communicated by the consumers. Seth Godin expands on the word-of-mouth origins of viral marketing by making the point that a viral message (his *ideavirus*) gains momentum by spreading across multiple media, so helping it reach more people. His point is well made – many online *virals* only move away from a niche audience when they are featured in offline media. However, bringing that notion up to date (the online world was very different back at the beginning of the century), perhaps it would be better to say that a viral message gains momentum by spreading across multiple media *outlets*. In 2001, news was carried predominantly on *traditional* platforms – newspapers, TV and radio – so for the viral to spread it needed to be featured in these media platforms. Now, however, news – albeit from the same publishers – is delivered and read on (mainly) social media platforms. Therefore, the essence of bringing this up to date is to have a viral featured on non-promotional media platforms (in a news bulletin, for example).

GO ONLINE

Walking the viral walk

Note that Seth Godin doesn't just talk the talk when he eulogizes viral marketing. *Unleashing the Ideavirus* can be purchased as a hardcover book from a shop, but he also gives it away as an e-book. Follow the link on the chapter's web page for your free copy.

There are, however, a couple of significant – and linked – problems with the continued use of the term *viral marketing*.

First, there is the general public and news media's use of the term *gone viral* – this has led to its common use – often out of context to the concept and usually not associated with marketing. Second, there is the common misunderstanding and/or misinterpretation of viral marketing. This has evolved from the inherited issues of similar problems with word-of-mouth marketing. If a customer buys a product, likes it and then tells her friends how good it is, that is not word-of-mouth marketing – it is the social phenomenon of people spreading something from person to person. Naturally, marketers would like that to happen – but it is not an explicit element of their marketing. Indeed, as they cannot control who says what to who it is beyond their control – all they can do is meet customer expectations and hope those customers tell others about it; if you exceed those expectations the chances of this happening increases – but that is still not word-of-mouth *marketing*. For it to be marketing, the customer has to be encouraged to pass on the message. Traditionally, this would have been by way of reward, e.g. *tell five friends about this offer and we will give you a free gift*. Online, this became so much easier – some viral marketing was as simple as a link on an email or website that said *forward to a friend*. The development of social media – and marketing on it – follows this principle. Indeed, some social media marketing assesses the success of a marketing message by how many

times it has been *re-tweeted* or *liked*. Therefore, it is reasonable to suggest that all social media marketing has the intention of being *viral marketing* – and so the term has become somewhat redundant. Although the skateboarding dog and its like might still become a viral sensation, it just isn't marketing.

PRACTICAL INSIGHT

YouTube's top ten global trending videos of 2016 were:

- Adele Carpool Karaoke – from the TV show.
- Pen-Pineapple-Apple-Pen/PIKO-TARO – a bizarre song about fusing pens with fruits by DJ Piko-Taro, a fictional character played by Japanese entertainer Kazuhiko Kosaka.
- What's Inside a Rattlesnake Rattle? – a Rattlesnake Rattle is cut open.
- Nike Football Presents: The Switch ft. Cristiano Ronaldo, Harry Kane, Anthony Martial & More – a Nike brand video.
- Grace VanderWaal: 12-Year-Old Ukulele Player Gets Golden Buzzer – from America's Got Talent 2016.
- Water Bottle Flip Edition | Dude Perfect – men flipping water bottles.
- Channing Tatum & Beyonce's 'Run The World (Girls)' vs. Jenna Dewan-Tatum's 'Pony' | Lip Sync Battle – from the TV show.
- Donald Trump: Last Week Tonight with John Oliver – from the TV show.
- The $21,000 First Class Airplane Seat – a YouTube personality gets upgraded on a flight.
- Brothers Convince Little Sister of Zombie Apocalypse – a rather cruel prank.

Note that only one video – Nike's – is overtly part of a marketing campaign, though the *flight seat* video might have been a smart promotional move from Emirates. Considering how many promotional videos are made, few – it seems – go viral in a big way.

Source: YouTube

A final point is that the most successful viral marketing campaigns are strategically planned and executed, they do not *just happen*. With very few exceptions (and industry insiders will argue there are none), commercial videos – that is, planned marketing activities – are not simply put on YouTube and suddenly thousands of people choose to watch them. That the video becomes *most watched* is all part of a coordinated effort to publicize that video. Commenting in a controversial exposé of viral marketing practice, Dan Greenberg (2007) opined: 'How the hell did that video get so many views? Chances are pretty good that this didn't happen naturally, but rather that some company worked hard to make it happen.'

PRACTICAL INSIGHT

Viral tricks of the trade

For some of the secrets behind successful social media marketing, follow the link from the chapter's website to read the controversial articles *The Secret Strategies Behind Many 'Viral' Videos* and *You Didn't Make The Harlem Shake Go Viral – Corporations Did.* Follow the links on the chapter's web page to read them both. The first article, in particular, caused quite a furore (make sure you take a look at some of the folks commenting on it).

My view? Did you really believe that the video that launched a new pop career (or whatever) was made by some young girl on her mobile phone in her bedroom and then she put it on YouTube and millions of people just happened to see it? Yeah, right – of course it was. Hello, welcome to social media marketing. The conclusion to this article sums it up: 'You simply can't expect to post great videos on YouTube and have them go viral on their own, even if you think you have the best videos ever. These days, achieving true virality takes serious creativity, some luck and a lot of hard work.'

3.6 PAID, EARNED, OWNED

Although, like many concepts, based on a practice that has existed for as long as mankind has traded goods for reward, *paid, earned, owned* (PEO) is a digital concept if ever there was one – and one that has its roots in the non-marketing marketer phenomenon in that it is heavily dependent on technologists and automation. Many argue that its swift rise to prominence is being followed by an equally swift decline, but as it is still referred to by some digital commentators and writers, it is included here. Indeed, this could well be yet another of those concepts that look good in theory but are rarely used in practice – and when they are it is as a guide rather than strategic tool. Although theoretically PEO can be applied to the offline environment, it is generally perceived as being an online model. The three elements are:

- Paid (also known as *bought*) is marketing in any media where the promotion is paid for by the selling organization. Effectively, this is advertising and direct mail.
- Earned is where the product, brand or organization is deemed worthy of custom and/or loyalty from consumers based on the organization's way of doing business (e.g. offering excellent service as the norm), which generates consumer-generated content in social media and review sites – the reason the concept is prominent in digital marketing.
- Owned is marketing in any media where the product, brand or organization has control over that media and/or the content in it. This is websites, apps and – though to a limited degree because the platform is not *owned* – social media marketing sites such as Facebook.

Perhaps in an attempt to revive an ailing patient, some commentators have added a fourth component: *shared*. However, as this refers predominantly to content that is shared on social media platforms, this is seen by most as an extension of either *owned* (a post by the organization is *shared* by users of the platform) or *earned* (a complimentary post by a customer is shared with other users).

3.7 CONTENT MARKETING

Although the tactic of creating content to attract potential customers is not new, the concept of *content* marketing has become increasingly popular in recent years – so much so that it is now recognized as a discipline in its own right. Defined by the Content Marketing Institute (contentmarketinginstitute.com) as 'a marketing technique of

RESEARCH SNAPSHOT

B2B content marketing objectives

When Pulizzi and Handley (2015) of the Content Marketing Institute asked B2B marketers how important each of the various content marketing goals were to their organization, they got the following results.

Goal	Percentage
Upsell/cross-sell	52
Customer evangelism	57
Customer loyalty	69
Lead nurturing	74
Sales	75
Engagement	81
Lead generation	83
Brand awareness	84
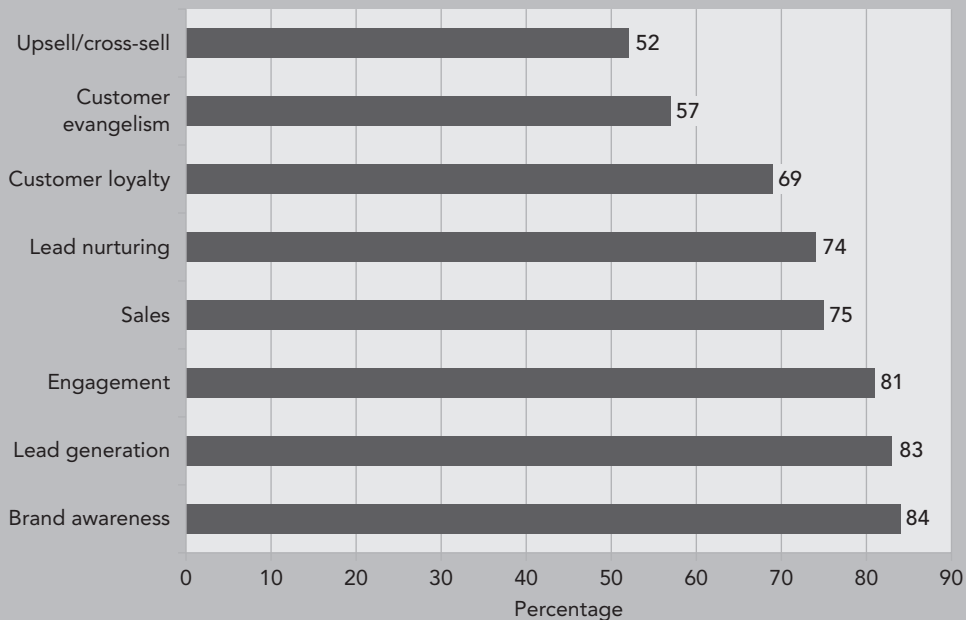
Figure 3.3 The importance of content marketing goals to organizations

Perhaps a little confusing is *engagement*. Presumably, the content would be industry or product specific that would provoke a response – *engagement* – from new or existing customers.

creating and distributing relevant and valuable content to attract, acquire, and engage a clearly defined and understood target audience – with the objective of driving profitable customer action', the practice has seen increased relevance due mainly to changes in search engine algorithms and the growth in social media, which have placed an emphasis on the quality of online content. This focus on the importance of quality content is, in itself, a result of consumers blanking out traditional marketing messages – and focusing on information they find useful. The objectives of content marketing can include: sales, increased web traffic, direct sales, customer retention, brand awareness, brand loyalty, customer acquisition, customer retention, lead generation or thought leadership, and it is equally valid in both B2B and B2C markets.

Whilst content can simply be the *non-sales* content of a website (e.g. describing how products can be used – which many would consider to be good practice anyway), *strategic* content marketing would include the specific development of content to be published in such formats as: social media (e.g. tweets, Facebook entries), blogs, articles, white papers, case studies, research reports, guides, webinars, shared documents, podcasts, Q+A pages, videos, forums, infographics and PR. It is because all of this content – which is not necessarily hosted on the organization's website – can bring visitors and links into the site that it is sometimes referred to as *inbound marketing*. For the same reason, those new to the concept have promoted *content* marketing as *demand* or *demand-generation* marketing – presumably to move an established traditional form of marketing into *their* digital age. As is covered in Chapter 5 with regard to website content, *content* for marketing purposes also includes non-textual items, such as webinars, videos and podcasts. Throughout this book, I have emphasized the importance of having the right talent and management in place for effective digital marketing, and this is no more valid than if the organization is considering strategic content marketing.

MINI CASE

Smile, please

An example of *educational* content marketing comes from sellers of dental health-care products Colgate. Their website is designated as an Oral Care Center, which provides information on all things teeth – from basic cleaning through to cosmetic dentistry and oral health during pregnancy.

There are also links to authoritative journal articles on a variety of subjects, one of which gives an effective example of how *content* and SEO combine. The paper is on metallic tastes in the mouth, and so has the header: *What Causes Metallic Taste in Mouth?* Is that not exactly what someone would type into a search box if they had the problem?

See: www.colgate.co.uk/en/uk/oc/oral-health (regional versions are also available).

Practitioner and author Rebecca Lieb (2017) suggests that any content marketing strategy should have four key elements determined before any content can be developed. They are:

1. Brand. What does a prospective customer think of when they consider the organization or its products? What is the promise the brand or organization is making?

2. Messaging. What does the organization want to say and convey? What does it not want to address? How will the organization deliver its messages?

3. Positioning. Where does the organization stand in its competitive landscape? What sets it apart from other organizations, brands and products? What are its unique strengths and key shortcomings?

4. Values. What are the organization's core values? What aspect of the organization does it want to promote, e.g. innovative, corporate responsibility, its staff?

Whilst these are eminently sensible, experienced marketers would include these things in a *situational* analysis prior to developing any aspect of strategic marketing.

3.8 INFLUENCERS

Marketers have always been aware of influencers; the concept goes back as long as mankind has traded. However, like all marketing practices, the concept was only *formalized* much later – in this case, by Katz and Lazarsfeld in 1955 – though the latter had proposed the concept some ten years earlier. Traditional influencers were personalities chosen to promote particular products or brands – but they were, by necessity, famous people who commanded attention from the public and high fees from marketers. Furthermore, being personalities in TV, radio or print made these offline influencers a kind of *elite*. Digital influencers however, as Chris Anderson points out in his seminal book, *The Long Tail* (2006), '…aren't a super-elite of people cooler than us; they are us'.

PRACTICAL INSIGHT

More or less like us

Chris Anderson's assertion that digital influencers *are us* is perhaps behind findings in a study by Markerly Inc (2016), which suggests that – on Instagram, at least – as an influencer's follower numbers rise, the rate of engagement (likes and comments) with followers decreases, with 1K to 10K followers seeming to be the optimum. As follow counts increase, it seems the super-influencers are considered to be *less* like us.

Every society – be it national or related to a niche hobby or pastime – has always had (and always will have) a very small number of people who will carry an influence over other people. In a marketing context, this refers to the influence an individual has over the segment of society which has potential customers of any product, brand or

organization. These individuals wield a significant impact on the buying decisions of people who seek advice, guidance or recommendation on particular products, brands or organizations – particularly if they act as advocates, or even evangelists. Many such people tend to act in an altruistic manner, offering their opinion for no financial gain – gaining notoriety within their chosen society is generally sufficient reward for them.

However, the development of the Internet – social media, in particular – gave these influencers the opportunity to reach thousands of listeners instead of dozens, and millions instead of hundreds. Furthermore, digital media gave those influencers who were more mercenary a platform to make money by selling advertising space around their comments and proclamations. Digital marketers soon realized that these online influencers were not famous personalities, and so could be *hired* for much lower fees – often simply the products they were being asked to endorse. Furthermore, where identifying those who held influence over others *offline* was very difficult – *online*, the opposite was true, with marketers being able to use digital technology to assess influencers' power by monitoring the blogs, reviews, social media content and websites created by these online brand advocates.

The use of influencers in marketing is not, however, free. Nor is it infallible. Influencers are professionals and as such have demands. However, in the great scheme of things that is strategic marketing, the sums paid to influencers (negotiated by agents with fees being dependent on the number of readers, followers or friends the influencer has) who can reach a specific targeted audience in a voice they will respond to are negligible compared to other marketing activities. However, the fees are seen by many people as little more than bribery for publicity. Figure 3.4 shows the results of research by Roy (2014), which suggests what influencers expect in return for endorsing an organization, brand or product.
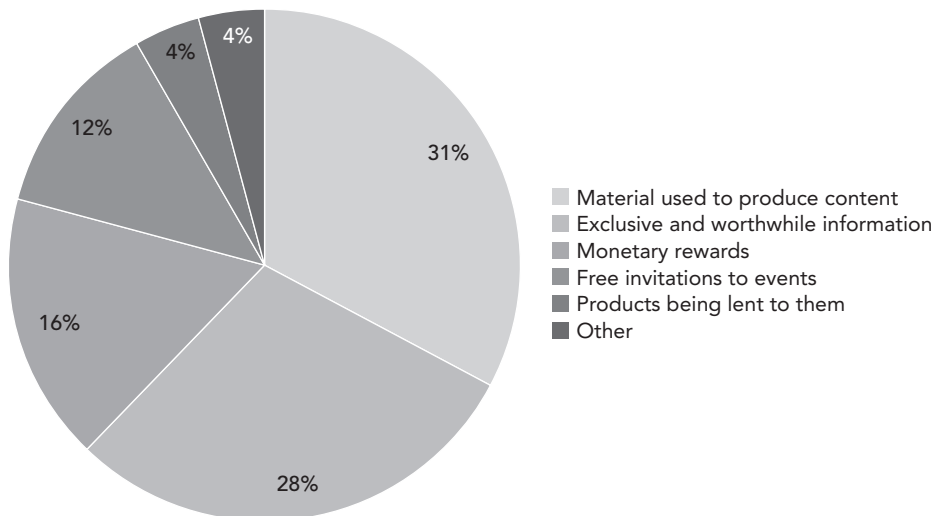
Figure 3.4 Influencer expectations

As well as the cost, there are other issues the digital marketer must take into account. One is that, from a marketing standpoint, many endorsements are – effectively – adverts. The US *Federal Trade Commission* (FTC) takes the view that paying influencers is advertising, and so all endorsements must be identified as such. However, having a blogger start an endorsement of a product with the words 'I have been paid to say this' rather defeats the objective of the exercise. As the social media marketer has little control over the influencer's output, the brand might find itself being cited by the FTC because the influencer has broken the rules.

Furthermore, as is the case with all social media marketing, calculating ROI can be difficult – *engagement* does not necessarily translate into purchases. There is also the issue of the quality of the influencer's followers; are they *real* or the product of an astute – or dubious – recruitment strategy? Finally, influencers can go from hero to zero overnight and even if the brand can extract itself from the misdemeanours of an influencer, the time and resources put into the relationship are all wasted.

3.9 AFFILIATE MARKETING

As is the case with several subjects in this book, affiliate programmes are a business model in their own right. However, as the book is about using the Internet as a medium for marketing, in this section we will consider using affiliates as a means of marketing a product – not how to make money by setting yourself up as an affiliate.

Affiliate programmes are a form of performance-based marketing where a commission is paid only if a sale is completed. Because multiple affiliate programmes can function on multiple websites, the notion of selling things through the practice has been dubbed *affiliate marketing*. Based on the offline practice of referrals – a tourist excursion company rewarding a hotel for any recommendations made by its staff, for example – affiliate marketing is where the website publisher is paid a fee for each user that clicks on an affiliate ad and ultimately makes a purchase (or whatever the affiliate conversion objective is). Because many affiliated sites simply use display or text ads to promote affiliated products, it is common for affiliate marketing to be associated with online advertising. As far as the user is concerned, an affiliate link is an *advert* and it is difficult for the uninitiated to tell the difference. However, just as the hotel owner will do more than simply display a leaflet for excursions, *effective* affiliates go further than simply posting ads. Although the description might be a little unkind to the former, affiliates can be divided into two camps: (1) the *amateur*, or part-timer and (2) the *professional*, or network affiliate.

The amateur sees being an affiliate as a way of generating a little money from their website, which – although a money-making venture – is not a full-time job or sole source of income and any income often barely covers the costs of the site. It is this kind of member that originally made up many of Amazon's affiliates. This is not to undermine the online retailer – it is said that much of their early success and brand development was through their affiliates and, if nothing else, was instrumental in developing the brand. However, having a significant number of affiliates is no use if they are not actively

referring customers. It is also the case that sites like Amazon will retain the customer after their first referral from the affiliate site – which, as commission is paid only once, is good for the merchant but bad for the website publisher.

Professional affiliates, on the other hand, see the concept as a business model in itself, as Seda (2004) observed: 'with an affiliate network provider, you'll tap into thousands of commission-based sales people who are eager to deliver sales'. Although each *amateur* might deliver sales, they will be in limited numbers – and so a vast number is required to generate significant sales income. The professional affiliate networker, however, will deliver a much greater quantity of customers, but at increased cost per sale. The network will take a big commission and may include annual fees and software costs as well as transactional commissions. Furthermore, the professional affiliate is seeking to become rich from the practice and so they seek products that they can sell in large quantities – they are not interested in small volume sales.

> " …it is believed that at least 10 per cent of online sales involve affiliate marketing. "

Accurate figures are difficult – if not impossible – to determine, but it is believed that at least 10 per cent of online sales involve affiliate marketing, with some estimates for specific industries (such as online gambling) rising as high as 20 per cent. If these figures are correct, affiliate marketing has to be a consideration for some digital marketing. For the business promoting goods through affiliate networks, the major advantage is that not only is their reach into different markets increased, but the affiliated site effectively *sells* the product for them. If done well, affiliate marketing can provide a cost-effective and highly measurable way to acquire customers and grow sales. Indeed, some industry observers acknowledge the commission-only basis of the affiliates and point out that they can do a far better job of selling than the advertisers' own marketing team. Whilst this may send marketers reeling in indignant rage, it is the case that in non-marketing oriented organizations (a product-led firm, for example) employing affiliates is much the same as bringing in consultants to handle their marketing and sales.

That not all companies opt to use affiliates is an indication that there are problems with the concept, however. Not least is that the firm can easily lose control of its marketing efforts. For example, affiliates are often criticized for over-aggressive tactics, such as the heavy use of price and discount messaging. This can be a concern for marketers who feel affiliates are misrepresenting the brand or cheapening the product. Merchants can even find themselves competing against the advertising of affiliates for their own products. This is particularly the case with regard to search engine and network advertising where the merchant and a number of affiliates might all be bidding for the same keywords, so driving up the cost of that advertising. In a longer-term scenario, it might also be the case that an affiliate might be higher in the search engine's organic listings than the organization that makes the product.

Furthermore, as an affiliating merchant, it is your responsibility to put in place the systems that will track and record any activity so that sites hosting ads are paid their due

rewards as and when they refer customers. Poor practice in this regard soon spreads around the affiliate community and you will find it hard to find high-quality sites to carry your affiliate ads. There are few companies that have the resources to manage their own affiliate programmes, however – but as with advertising, there are agencies (affiliate networks) that will handle your affiliate trading. Gaining a good reputation as an affiliate merchant will depend on how you treat your affiliates and the service you offer – as well as your commission rates of course.

3.10 ATTRIBUTION

This is another element of digital marketing that has its origins in offline marketing – specifically, *promotion* and *advertising*. It is also a subject that could have been included in the earlier chapter where various aspects of digital data were examined. However, although it relies on complex algorithms and statistical modelling to produce *visual* analytics that marketers can read, interpret and use in developing strategic and tactical marketing plans, I have included it here – not least because, despite the available technology, 42 per cent of marketers are still resorting to manual attribution using spreadsheet data (AdRoll, 2016). The original notion – that has evolved into *digital* – comes from social psychology where attribution refers to an individual's explanation of the causes of behaviour and events. It should come as no surprise that the model became attribution theory, and the same name was taken up when the theory was adopted by business. As far as marketing is concerned, attribution is identifying what – if any – aspects of marketing prompted someone to take the action desired by the marketer. Generally, this would be to buy a product, but it can be other things, such as contribute to a charity or vote for a candidate.

When first used in online marketing, the concentration was to answer the question: where did the customer make the final *click* to arrive on the website where a purchase was made – and so became known as *last click attribution*. In the main, this was a battle between advertising and search engine optimization. Then advertising became more complex, so advertising was divided into *network* and *search* engine (these are covered in depth in Chapter 7). Primarily, marketers were seeking to use the data to help build an understanding of customer buyer behaviour – but they also wanted to know what was working, what wasn't and which gave the best return on investment. However, as is covered in several other chapters in this book, rivalry between the factions took hold, with budget allocations (and so, jobs) being the prize. The argument was that although someone might, for example, have searched for a generic product, and several days later have been shown an advert for it (again, this is covered in the chapter on advertising), it was only when they read a review of the product on a retailer's website that the customer made the purchase. So, in this scenario, it is the retailer's review page that takes the kudos of being the *last click*. Some have likened this to team sports, where the goal scorer takes all of the credit to the exclusion of teammates who contributed to the play that resulted in the goal. Patently, this is a nonsensical conclusion. And this is a relatively simple example. The more complex the product or service, the longer the time

taken in the buying process is likely to be – and the more channels taken in that process. Online alone, we can add: the organization's own website, social media networking sites, third-party websites, price comparison sites, direct marketing emails, review sites, blogs, infomercials and chatbots, as well as the various platforms that host adverts which might be text or image-based.

> 66
>
> What if the customer uses, or is subject to, a whole host of online marketing that convinces her to buy a product – but she goes into a physical store to make the purchase?
>
> 99

In addition there is the mass of offline marketing – so-called *multi-channel* marketing – any element of which might have contributed to that *last click* being made. And it gets worse for the digital marketer. What if the customer uses, or is subject to, a whole host of online marketing that convinces her to buy a product – but she goes into a physical store to make the purchase? Or what if there are several months, years even, between the first time the customer is made aware of the product (a branding TV ad for its launch) and clicking on *buy now* on a website? And equally important to the marketer: which element might have caused the potential buyer to reject the product? This might have been because they simply decided the product was not for them, but it could have been as a result of poor marketing. Even worse, after *coaxing* a potential customer down the purchase funnel with a series of well-executed marketing tactics, the last element is poorly executed and the customer makes the last click onto a competitor's website?

The answer to these issues lies in the concept of the *customer journey*, where every aspect – *touch point* – is optimized to maximize customer satisfaction (essentially, *the marketing concept* in business where the organization's reason for existing is to satisfy the customer). However, it is still necessary to identify good or bad practice (that is, success or failure) within the customer's journey – which brings us back to attribute. Before any algorithm or equation kicks in, there are a limited number of basic models. They are:

- Last click – the final link in the chain gets 100 per cent of the credit.
- First click – whichever element that sets the customer off down the buying funnel takes 100 per cent of the credit.
- Time decay – the last link takes the most credit (e.g. 50 per cent), and each other link takes less, with the first link taking the lowest percentage.
- Position based – the first and last links take equally high credit with other links sharing the remainder.
- Linear – every link takes equal credit.
- Post click – where the marketer concentrates more on completing the sale through the creation of an excellent website customer experience than how the potential customer arrived on the site.

Naturally, none of these can be seen as being ideal for every product or brand in every industry or market; therefore, the marketer must identify what is best for their

organization, brand or product. However, that is not easy – research by AdRoll (2016) found that 72 per cent of companies agreed that the perfect attribution model does not exist.

A caveat to all of these that applies to all, but makes the last – linear – appealing is the concept of any chain only being as strong as its weakest link (hence the term *the weakest link in the chain*). A model I am fond of, within *attribution* this means that if the smallest, perhaps most insignificant, element of the buying funnel is flawed the potential customer can fall out of the funnel. To revert back to my sporting analogy: a football team made up of ten good players and one bad one will probably win more games than it loses – but it will never win the championship.

3.11 PUBLIC RELATIONS AND REPUTATION MANAGEMENT

Public relations

In the two previous editions of this book, this subject was included as part of digital marketing with a section dedicated to it within the chapter on social media marketing. That was because digital media had become the focus of public relations (PR) activity and so – I concluded – needed to be covered under the blanket of digital marketing practices (having a public relations section on a *corporate* website, for example, or the use of social media platforms to disseminate PR messages). However, the intervening years have seen *marketing* get a better – though still far from perfect – grip on all things digital, and so I have decided to give PR back to the employees and agencies that specialize in the art and not include it as an element of digital marketing. That said, of course, the PR people do use digital as one of – if not *the* – primary media for disseminating their PR messages, and corporate websites should always include a *virtual press kit* that includes PR contacts and other relevant information, so much of the content of this book is relevant to them in that regard.

Reputation management

As with public relations, earlier editions of the book treated this subject as an element of digital marketing – something I no longer feel is the case. Reputation management is a role that is (almost) exclusively committed to managing the organization or brand's reputation when it is at risk – that is, when something has gone wrong. In these scenarios, it will almost certainly be the PR department that manages and takes the lead in any response to the public. Taking a wider perspective, maintaining the good reputation of the organization or brand is something that is the responsibility of the whole organization in that if everyone does their job properly (that is, satisfies the needs of the customers), there is little to do by way of managing the organization's poor or damaged reputation.

However, although *online* is the best place to respond to something that *has* gone wrong – and the adverse publicity that it generates – it is also the place where the organization will feel the brunt of the public's complaints, anger and frustration. In this case, it will

be the staff that works on the organization's social media team. If the PR department is to manage any reputation management in a crisis it is the social team that will be in the front line and their training should include how to respond to the adversity of a threat to the organization or brand's reputation – be that a relatively minor one of embarrassment (an employee behaves badly) or something far more serious (the brand's product is responsible for fatalities) – the latter commonly being referred to as disaster recovery. Similarly, social media staff must be included in any contingency planning that the organization or brand has to deal with in any *disaster*.

MINI CASE

Dell Hell demonstrates the power of the blogger

Although this case study is now several years old (and every month sees new examples happen – see *Say it with a song* in Chapter 9), this case is seminal in that it was one of the first big instances of the power of social media – and how *not* to manage a brand's reputation in the digital age.

When Dell computers gave Jeff Jarvis poor-quality goods and even worse quality after-sales service, they didn't realize the publicity that could be generated by someone who is (amongst other things) a former television critic, Sunday editor of the *New York Daily News*, journalism professor at the City University of New York – and keen blogger.

Jeff's blog post – *Dell lies. Dell sucks* – snowballed in size as readers added their own tales of *Dell Hell* and dozens of bloggers added links to the page from their own sites. Despite Jarvis emailing Dell advising them to read his comments and the blog appearing high in the search engine returns for searches on "Dell", Jarvis only heard from the computer company when he sent an email to the company's chief marketing officer. By this time, however, the story had been picked up by mainstream media around the globe, Jarvis had become a celebrity and *Dell Hell* was a pseudonym for bad service. Not the sort of brand association any organization would seek.

3.12 INTEGRATED MARKETING COMMUNICATIONS

Although some academics – and maybe some practitioners – do not agree with me, I have difficulties with the *discipline* of integrated marketing communications (IMC). The American Marketing Association (AMA) defines integrated marketing communications as 'a planning process designed to assure that all brand contacts received by a customer or prospect for a product, service or organization are relevant to that person and consistent over time'.

I agree that this is a reasonable ambition, but would argue vociferously that to be effective *all* marketing communications must be integrated – indeed, all *marketing* must

be integrated, not just the communications. Yes, have marketing efforts observed to ensure they are coordinated (the marketing CEO/manager's job?), but is IMC a distinct discipline – i.e. one that is taught as a programme in universities? I say no, it is part of the strategic marketing *management*, but it is not an element of marketing in the way, for example, advertising, branding and – dare I say it – elements of digital marketing are. A strategic marketing *manager* has to be aware of all facets of marketing (though not necessarily an expert in them all), and yet I see IMC books, training and education programmes cover all aspects of marketing communications (MarComs), including PR, advertising and digital, as if they were part of IMC and distinct from the likes of PR, advertising and digital as elements of strategic marketing.

I feel that it is inherent that all digital marketing (every aspect of which is part of the organization's communication with its existing and potential customers) should be coordinated – integrated, if you will – and so this book does not require a section on how to manage the various elements of digital marketing. That's the role of a digital marketing manager.

3.13 GAMING

Although the potential of gaming as a vehicle for marketing has been around for some time (it was included in the first edition of this book), the initial enthusiasm interest in it faded as it was labelled as a niche pastime and the habitat of introverts (I did not include it in the second edition) – but now it is back on the agenda again (hence, it is here in this edition). This recent transformation has been driven by two significant factors: (1) the rise and popularity of Massive Multi-player Online collaborative games (MMOs), where players compete via the Internet with contestants from around the world, and (2) the phenomenon of eSports competitions that attract millions of spectators both online and offline. Estimates by Electronic Arts and Unity Games suggest that the number of gamers has risen from around 100 million in 1995 to more than 2.6 billion in 2016, with most of the players being under 40 years of age. Indeed, research compiled for the Mary Meeker Report (2017) suggests that gaming is more popular than social media – with video gaming taking more daily minutes of participation than Facebook (see Figure 3.5). Though by its very nature, users will spend significant periods of time gaming, anything with that level of participation cannot be ignored by marketers.

> " gaming is more popular than social media – with video gaming taking more daily minutes of participation than Facebook. "

Although sponsoring eSports events or star players is an option for marketers, realistically that is limited to major brands – Red Bull, for example. More common is advertising within mobile gaming apps, with display, native, rich media and video ads all being available within online gaming apps. A further consideration is that the top gamers and those who comment on the *industry* (e.g. bloggers) are also ideal candidates for hire as influencers who can reach a number of targeted segments.
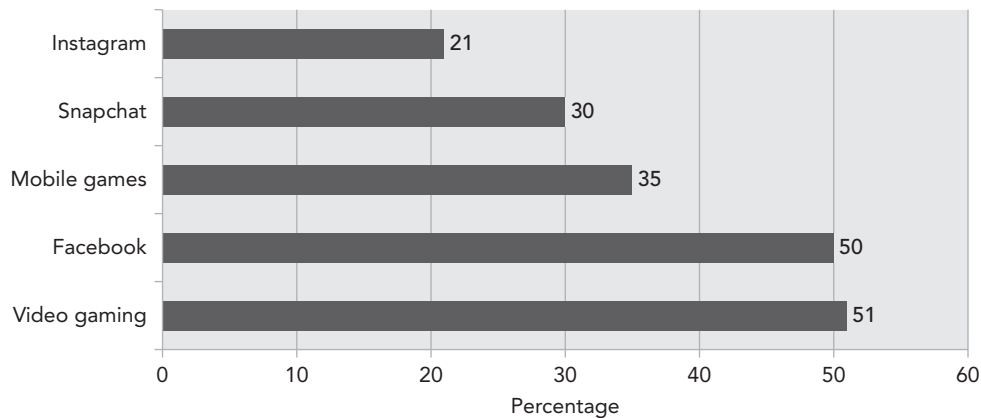
Figure 3.5 Daily activity on select digital media platforms

3.14 LEGAL CONSIDERATIONS

This section offers only to raise awareness of issues upon which the online marketer should seek specialist help. Essentially, therefore – as with all aspects of offline trading – the law is not a subject to be (1) taken lightly, (2) ignored, or (3) guessed at. It is my experience that these three are far from uncommon, with *hoping nothing goes wrong* being the dubious strategy – and cost being the reason behind the poor practice. Because the legal aspects of any organization are best left to experts in that discipline, in this book we will not consider legal aspects of online marketing in great detail. However, as a basic guide – and so that digital marketers are aware of when they seek professional legal advice – the following should be considered for any website:

1. A copyright statement that makes it clear that you own the content on your website and that no other parties have the right to reproduce it without your permission. Note that by the same token, if you publish content from another source (perhaps comments in a blog, or from another website) that owner's copyright should be acknowledged and the source identified.

2. Terms and conditions should outline the conditions for using your website.

3. A privacy statement explaining your commitment to keeping users' data private. This must comply with any data protection laws of the seller's home country. In Europe, the new EU data protection framework, the General Data Protection Regulation (GDPR), will replace the current Directive and will be directly applicable in all Member States without the need for implementing national legislation – it takes effect in May 2018. Note that the USA – and other countries – have no similar law.

4. A disclaimer against any legal responsibility for how any content on your site is used or interpreted by users.

5. If used – a notice explaining your site's use of cookies. This might include brief details of what a cookie is, which types are being used on the site, why they are used and why the user should know about them.

Naturally, all of the above must be developed by legally qualified personnel – which for most organizations means outsourcing the work.

Other, more generic, online legal issues worth considering include:

● Unless you have an agreement to the contrary, the website designer will have copyright in that website – in other words, they hold the copyright, not you. Check the contract, if you have one.

● Using trademarks of other companies in the meta tags of your website is legally problematic.

● If you sell goods online then the 'offer' should be designed in such a way as to present an *invitation to treat*. This means the supplier makes a request for a potential customer to make an offer to the supplier. This gives the seller the freedom to reject the offer if they so wish. For example, you can reject orders for products that have been incorrectly priced because someone typed a decimal point in the wrong place.

● Any site selling goods online must bring the buyer's attention to the 'terms and conditions' of that sale. The best way to do this is to have the site designed in such a way that the buyer must either (a) open the 'terms and conditions' page in order to buy the goods, or (b) tick a box confirming that they have read them before the transactional page is opened.

● As with any form of advertising, your website must not say anything that is misleading or that may be misinterpreted.

● The EU's Consumer Protection (Distance Selling) Regulations 2000 lay down certain regulations in order to protect consumers. Key to this is that consumers purchasing at a distance – including online – can cancel an order within seven working days without giving a reason.

● Ensure that customers are aware of any tax issues related to the product, e.g. is it included in the price or is the customer responsible for paying any tax due when goods are delivered outside the home country of the seller?

● In March 2016, the German courts ruled that German websites with Facebook *Like* buttons (i.e. *Like us on Facebook*) must include cookie-like disclosures with regard to the company transferring data to or from Facebook (I wonder how many users realize that happens).

The website is not the only source of potential problems, however. Just some of the many other legal issues the digital marketer should be aware of include:

● If an organization sponsors any element of digital marketing, then that sponsorship must be made clear. For example, if a personality is paid to extol the virtues of a product in a tweet, that association must be made obvious in the tweet. Similarly, the payment of influencers is advertising – so says the Federal Trade Commission (FTC), which means all endorsements are ads and so must be identified as such.

- Not only is overt commenting on review sites (e.g. going on TripAdvisor and saying *your own* hotel is the best in town) a questionable practice in marketing terms, but in Europe, under Part 2 of the Consumer Protection from Unfair Trading Regulations 2008, it is likely to be deemed an offence.

- In the US, December 2016 saw the Consumer Review Fairness Act being passed through legislation. The Act is designed to stop unscrupulous businesses adding *non-disparagement* clauses to their terms and conditions of consumer reviews of service agreements; for example, *if you say bad things we'll take you to court*. Note that *genuine* marketers should not resort to this kind of tactic.

3.15 STRATEGIC DIGITAL MARKETING

Before considering the importance of online objectives, let's consider the role of *strategy* in digital marketing. I am in that group of commentators who believes that it is not possible to have a digital marketing strategy. To be effective, a strategy needs a certain amount of stability in the environment in which it is to be deployed. Arguably, the global environment is in such a volatile state that *any* strategy is difficult, if not impossible. However, the *digital* environment is in a permanent state of volatility that no strategy can ever achieve its objectives.

Being rather pedantic, however, I'm going to emphasize the difference in the words *strategy* and *strategic*. The term *strategy* suggests some kind of document exists that has been agreed by all the parties concerned and that is then developed into a plan, which is then disseminated around those interested parties (departments) who then unquestioningly follow the plan because not to do so *would be more than my job is worth*. That may work in more stable environments, but the *digital* environment continues to change on an almost daily basis.

> "
> the *digital* environment is in a permanent state of volatility that no strategy can ever achieve its objectives
> "

So if not *strategy*, why *strategic*? Definitions of strategy abound, but all allude to it being long-term in nature – though the length of that term is rarely included within those definitions. The length of a strategy varies from industry to industry, but it is generally accepted to be over a year and normally closer to five years – more than that in some examples. Let's assume the average strategy is planned to be delivered over three years. With regard to digital marketing, that is three years in a discipline where new developments in technology not only change the tools at the practitioners' disposal many times over, but the way in which customers and consumers buy products is being changed by digital tools at their disposal.

However, to be successful, any business needs to have a plan that looks further to the future than the next *big thing* – or even the Google algorithm change or alteration in Facebook's *Newsfeed*. Some aspects of business require longer-term planning: *strategic* planning. Finance is the obvious example, something that is generally planned and assessed on at least an annual basis. Similarly, production requires raw materials to be ordered and

shipped long before the production process starts. So, if *strategy* is a formal document, *strategic* is looking beyond day-to-day operations, but at the same time is flexible enough to react to change or be proactive when opportunities arise. For those who might argue that is too simplistic, I would suggest that *simple* generally means *easy to understand and implement* – something that cannot be said of the vast majority of strategies.

GO ONLINE

Throughout this book, references to the work of Gerry McGovern out-number references to any other single source. His view of online strategy, *How online is changing the game and the playing field for strategy development*, is available online. Follow the link from the chapter's website to read it in full.

A further consideration is one that applies to other aspects of marketing and is an argument made by many; that is, if the organization has a marketing strategy, then any element of that strategy cannot be a strategy in itself, though each element might be *strategic* in its development. For example, some – and I would include myself in this – argue there is no such thing as an *international marketing strategy*. If the organization trades internationally its marketing strategy addresses international issues. Similarly, I believe there is no such thing as a *digital marketing strategy*. Digital is simply one aspect of a marketing strategy. For some organizations, digital may be the foremost element of its marketing strategy, for others it may play a key role and for others it may play no part at all – as is recognized in the first section of this chapter: digital isn't the only option.

3.16 DIGITAL MARKETING OBJECTIVES

Without specific objectives, the likelihood of any venture succeeding diminishes significantly – and this is equally true for digital marketing – and yet perhaps the biggest failing when organizations go online is that they fail to determine their objectives for doing so. Without specific objectives, the organization cannot (1) determine whether the online activity has been successful, or (2) assess the return on investment (ROI) for any online operations.

The reasons for any lack of strategic direction are many, though the IT departments' *ownership* of the web presence was certainly a significant factor in the mid- to late 1990s. So, too, was a lack in understanding of what the new medium of communication had to offer. While these reasons are (sadly) still in evidence today, another problem has moved to the fore – a lack of joined-up thinking between:

● off- and online marketing efforts, where too often *online* is considered to be separate from other marketing activities – and so is treated as such in strategic planning;

but perhaps worse for those studying this subject…

● the various elements of digital marketing – particularly where different aspects are *owned* by separate departments, PR, social media and sales, for example.

Since 1997, I have proposed the concept that there are three key objectives to any marketing-related Internet presence or activity (it was first published in a book I co-authored: Gay *et al.* (2007) *Online Marketing – A Customer-Led Approach*). Those objectives are: branding, revenue generation and customer care. Before we consider these in more detail, I'll add the caveat that – as I intimated earlier in this chapter – to perform branding, revenue generation or customer care you have to know what they are. Any marketer reading this book will know the theories, concepts, tools and applications because they are part of the basics of the discipline of marketing; computer-scientists-come-marketers may not know these things.

Brand development

Brand development is where the online presence complements and enhances the branding efforts of the organization. For the business that trades offline only, the web-based branding will be an element of an overall branding strategy. For organizations that depend on their brand for sales success, *online* is unlikely to be the leading element of their branding efforts. The likes of Nike, Apple, Coca-Cola and Mercedes, for example, will spend far more on offline branding than online. There is a certain irony that online-only businesses will conduct much, if not all, of their branding efforts offline. (According to full-year revenue figures provided to Thinkbox – part of thedrum.com – by UK commercial TV broadcasters, in 2016 online brands were the biggest spenders on TV advertising.)

Revenue/income generation

Revenue/income generation is where the online presence acts as a *commerce* or *acquisition* channel in order to increase revenue into the organization by direct sales or lead generation. 'Direct sales' is self-explanatory – it is when a purchase can be made directly from the web presence. If you are not clear on what lead generation actually is, I would advise you to research it fully – if you are going to work in B2B you will almost certainly be involved in it rather than direct sales. As a basic guide, with regard to a website: if there is a link that says *click here to buy now*, that is direct sales. If there is a link that says *click here to speak to a member of our team to find out more about our product*, that is lead generation. (Note that the subject is covered in more detail in Chapter 5.6.)

Customer care/service/support

This is where the web is used to enhance the service and support offered to customers – it might be considered part of the customer experience of the product or service. The term *customers* is the key to this objective in that it applies to people or organizations that have already purchased the product or service. When I first proposed this objective 20 years ago, there were very few applications of it. Fundamentally, it was limited to aspects of a website that – for example – gave customers instructions on assembling or using a product. However, about that time I saw how computer networking provider Cisco used

forums on its website to support its engineers around the world. The increased popularity of social media platforms and the use of mobile devices to access them has, however, led to this objective becoming *primary* for many offline organizations.

Note, however, that these objectives are based on the organization's web presence. It is possible – but highly unlikely – that an organization, brand or product might advertise online but have no permanent online presence and so these objectives do not apply. In those cases, the objectives for online advertising (covered in Chapter 7.3) are appropriate.

For simplicity, I have stuck with my three objectives concept, although others have broken it up into more sections, such as:

1. Brand development
2. Revenue generation:
    (a) Direct sales
    (b) Lead generation
3. Customer:
    (a) Care
    (b) Service
    (c) Support

Or even – as some authors have done:

1. Brand development
2. Direct sales
3. Lead generation
4. Customer care
5. Customer service
6. Customer support

However, such is the nature of the web that:

1. It is possible for a single website/presence to address one, two or all three of these objectives.
2. It is uncommon for a website/presence to address only one.
3. It is feasible for different elements of digital marketing to address different objectives.

Therefore, for clarity in identifying *strategic* online objectives, it is necessary to identify the *primary* objective, expressed as a percentage. Table 3.2 gives examples of how such a percentage breakdown might apply to different organizations. Having determined the percentage allocated to the primary and other objectives, the marketer must then decide what elements of digital marketing will best meet those objectives. As a guide, think of the percentage breakdown of objectives as an indication of the effort, budget or resources to be

committed to each objective. In the examples offered in Table 3.2, the online-only retailer has only one source of income – the website – therefore, 90 per cent of effort and resources must be given over to generating sales. This would include not only the website design, but also driving potential customers to the website via – for example – SEO and/or online advertising. Or perhaps, as alluded to earlier, some of the overall marketing budget should be committed to offline advertising that drives visitors to the website. In the offline-only retailer example, the 75 per cent for customer care might be on social media, with only a basic corporate site and some network advertising for the 25 per cent branding.

As you will come to realize as you make your way through this book, some elements of digital marketing are more suited to one objective or another. Several of these are overt; network banner ads being better for branding, for example. Other elements, however, are intrinsic to the objectives; prominent calls-to-action on e-commerce sites, for example. But by identifying what you are aiming to achieve, and understanding all aspects of digital marketing, those intrinsic elements will become obvious.

There are a couple of caveats to the examples given:

- As with all marketing, there is never a single answer that is right for *every* organization, brand or product *all* of the time. Not only might the percentage breakdown be different, but the elements used to achieve those percentages will differ for each organization, brand and product – even if they are in the same industry or market.
- Meeting one objective effectively may have a positive effect on another objective. For example, the offline-only B2B service provider that has an objective of 100 per cent customer support may well increase customers' perceived brand value of the organization because of the after-sales service. This might be identified as a *spin-off* effect of good practice in one area having a holistic influence on the entire organization.

A final comment on determining objectives is that knowing what you aim to achieve makes it easier to identify what elements of digital marketing are best selected. Furthermore, to achieve your objectives it is as important to know what *not* to do as it is to know what to do. Simply undertaking every element of digital marketing that is included in this book will (a) not guarantee success, and (b) cost a lot of money – with little by way of ROI.

Table 3.2 Objectives expressed as a percentage of importance to the organization

	Branding (%)	Income generation: sales/lead generation (%)	Customer care/ service/support (%)
Online-only retailer	5	90 (sales)	5
Offline-only retailer	25	0	75
Offline-only B2B service provider	0	0	100
Offline-only white goods manufacturer	90	0	10
Offline-only SME B2B service provider	0	100 (lead generation)	0

PRACTICAL INSIGHT

The pure online organization

A concept that has stood the test of time comes from David Rappa. His 1998 list of *online trading business models* is not so much about digital marketing as it is income models that are available to the online-only business. Rappa's models are:

1. The Brokerage Model – buyers and sellers are brought together in an online environment. Income is from fees charged for each transaction.
2. The Advertising Model – the website provides content that attracts readers. Income is from the sale of ads on the site.
3. The Infomediary Model – the website is used to collect data on visitors. Income is from the sale of that data to third parties.
4. The Merchant Model – the website is a retail or wholesale outlet. Income is from the sale of goods or services.
5. The Manufacturer Model – income is generated by selling goods direct to the end user, so reducing the dependence on channels of distribution.
6. The Affiliate Model – visitors are encouraged to purchase goods or services from businesses to which the website is affiliated.
7. The Subscription Model – income is generated by charging for access to the site. This model requires high value-added content to attract subscribers.
8. The Utility Model – online services that are accessed from the site are offered for a fee.
9. The Community Model – a model that relies on income generated through affiliates, ads or subscription, but where the content is community oriented. Because of the visitor's investment in both time and emotion in the site's subject, community sites are ideal for targeted marketing.

Such is the nature of the web that whilst a model can be used in isolation, it is common practice for several to be employed within one web presence.

While it is worth noting that – like all aspects of online marketing – all of these models existed in other media or industries prior to the development of the new digital media, I wonder if David Rappa could have imagined just how those models would be presented online some 20 years later.

FURTHER READING

For additional content and links to articles and stories that supplement, enhance and update this chapter of the book, go to the chapter's web page on AlanCharlesworth. com/DigitalMarketing.

CHAPTER EXERCISES

1. Consider the research results presented in section 3.3 in the Practical insight: 'A matter of attitude?' and reflect on the reasons why IT and marketing opinions differ so widely.

2. In section 3.15 on *strategic digital marketing* the statement is made that: 'Digital is simply one aspect of a marketing strategy. For some organizations, digital may be the foremost element of its marketing strategy, for others it may play a key role and for some it may play no part at all.'

   Identify organizations, brands or products that fall into these three categories.

3. Sections 3.4 to 3.9 inclusive relate to methods or models that can be used by organizations, brands or products in digital marketing. Using the book's 13 case study organizations, identify which of the six models are *potentially* suitable for each by completing the following chart. Explain your reasons for your decision. If you are employed or run your own business, add those to the list. Note that if you select *yes* for every option you have taken no notice of Porter's edict that: 'the essence of strategy is choosing what not to do'.

	Viral marketing	Paid, earned, owned	Content marketing	Influencers	Affiliate marketing	Personalization
The Rockridge Museum	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no
Clough & Taylor Engineering	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no
The Hotel Pillowmint	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no
Cleethorpes Visitors Association	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no
BethSoft	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no
Matthew Humberstone Foundation Hospital	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no
22 Catches Fish Products	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no
Hill Street Motorist Shop	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no
The Modeller's Stand	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no
Huxley University	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no
Two Cities Manufacturing Ltd	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no
Lindsey Naegle Consulting	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no
Phelps Online Department Store	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no

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Part **II**

Operational digital marketing

Chapter **4**

Search engine optimization

Chapter at a glance

4.1 Introduction
4.2 How search engines work
4.3 Keyword selection
4.4 On-site optimization
4.5 Off-site optimization
4.6 Strategic search engine optimization
4.7 Third-party search engine ranking

4.1 INTRODUCTION

In the first two editions of this book, search engine optimization (SEO) was addressed *after* chapters covering website development. This is no longer appropriate. Furthermore, its promotion in the running order is not associated with it being the most important aspect of digital marketing – quite the opposite. Since the birth of the commercial Internet, search engines have been seen as the portal – *front door* – to the Internet. Anyone looking for a product or service started on a search engine – so if you wanted to sell anything you had to have a high ranking on the search engine results page (SERP). Whilst that is still the case for the majority of products, users – that is, potential purchasers – are no longer solely reliant on the likes of the ubiquitous Google; add to that the way in

which search engine listings have matured. Effectively, the chances of a new product or brand getting to the top of the *organic* SERPs in an existing industry or market for recognized keywords are pretty much zero. If you are already dining at Google's top table you *may* be OK, but gate crashing the party is not an option, so you will need different tactics to reach those elusive customers.

> " search engines have been seen as the portal – *front door* – to the Internet. "

And therein lays the reason this part of the book starts with SEO. The beginning of your route along the digital marketing trail starts with a fork in that trail. If you have a history of SEO success then that can be the mainstay of your operations, *supported* by other aspects of the discipline available to marketers. But if you have no SEO *juice*, it has to be relegated to second, third or fourth choice. Or discarded completely. As with all marketing problems, there is no single *right* answer, so caveats are necessary: (a) if a new organization, brand or product has at least *some* aspect of uniqueness it might reach the first page of the SERP for targeted keywords, or (b) if an established organization, brand or product takes its eye off the SEO ball, competitors can move up – or changes to the search engine algorithm may demote listings off the first page of search results.

Perhaps more important, however, is that some customers are moving away from search engines as the start point of a product search. Reasons for this include:

- As the web has matured, customers have identified sellers that meet their needs – we have done this for years, it should be no surprise it has happened online. These suppliers are listed in our browser's *favourites* facility, or we simply type the first characters of their name into our browser box and it auto-predicts and finds the site. We might even use a search engine – but as we already know, and will find out *why* later in this chapter, if you type the name of an organization, product, brand or website into the search box, the top of the SERP will be that organization, product, brand or website.

- Some users employ a social media platform as their search engine. If you want to find a garage to service your car, for example, you type the appropriate search term into the likes of Facebook and search – or you post a message asking your *friends* if they can recommend anyone.

- The ascendancy of key third-party websites has made them the go-to place for some product or service searches. Amazon and eBay are the obvious examples, though neither carries the power over the market as does Alibaba in China and Asia (though watch for its inevitable spread into other parts of the world). In other markets, product or service-specific third-party sites dominate – hotels being an obvious example. Few travellers book on a hotel's own site; they use the likes of Booking.com or Hotels.com. Insurance is another industry governed by third-party sellers. This is because – as you will already be aware – for many product or service searches, third-party sites will top the SERPs anyway.

Any strategic decision on digital marketing is, therefore, decided – even dictated – by (a) your standing in the search engine algorithms, or (b) the habits of your existing and potential customers. As rather basic examples: a brand new hotel opening in a popular tourist destination can forget about finding customers via Google because no one will search for the name of the hotel (they don't know it exists) and the competition for "hotel *name of city*" is so fierce from established hotels that the new hotel will be on a page so low down on the return that no one will scroll that far to see it. On the other hand, if Apple were to launch a new product, such is the power of that brand that the new product would be at the top of SERP for searches for it.

RESEARCH SNAPSHOT

It starts with a search

It is a constant in this book that readers are made aware of digital marketing being holistic, and not the combination of a series of unrelated elements. An example of this comes from research conducted by BrightLocal (2016) into the public's use of reviews – a subject covered in Chapter 9.3. This research found that when users read positive reviews 54 per cent of them went to the businesses' websites – so those sites should be effective (Chapter 5). Furthermore, 63 per cent of respondents said they use a search engine to find online reviews – which brings us round to why these statistics are included in this chapter.

A final point on the role of SEO in digital marketing is that it is no longer a secret art known only to a few experts. The basics of SEO have not really changed since it started in the mid-1990s and they are now common knowledge (Google has free guides online and books like this one have helped with that) and *relatively* straightforward to practise. Indeed, contemporary content management systems (CMSs) now prompt users for effective SEO input. Essentially, any competitor selling a product similar to yours is in with a chance of matching – or bettering – your own SEO efforts.

Given the role search engines play in digital marketing, it is, therefore, essential that their potential impact on the marketing of any organization, brand or product is determined before any other elements are considered – hence this subject's promotion in the running order of the subjects presented in this book.

GO ONLINE

Google in crisis?

The latter months of 2016 and into 2017 saw Google have a number of problems, not least *fake news* and some very questionable search results. Danny Sullivan is *the* authority on search engines – go to the chapter's web page for access to his excellent article: 'A deep look at Google's biggest-ever search quality crisis'.

What is SEO?

Before looking in some detail at the *what* and *why* of SEO, it is worth considering the issue from the point of view of the search engines – or at least, those who own and publish them. The operation of a search engine (SE) is a business model in which a service is provided that attracts users to a website, and any site that attracts significant numbers of visitors can sell advertising on that site. To be successful in attracting users, the SE must satisfy the needs of its users. To satisfy them best, the SE must respond to the users' searches with results that address the problem for which the searcher is seeking an answer. Therefore, for example, if I am having problems with green fly on my roses, entering the phrase "green fly on roses" should return pages that will tell me why it is happening and how I can prevent it.

PRACTICAL INSIGHT

It's not easy

In his best-selling book *Everything I Know About Marketing I Learned From Google* (2011), Aaron Goldman describes SEO as 'the practice of improving a brand or website's visibility on Google and other search engines'. He goes on to say that 'it's not that complicated' but that '…doesn't mean it's easy to get to the top of Google'. I concur with Mr Goldman.

To present that information, the search engine will look for pages that appear to address the issue raised by the query. They do that by seeking pages that include the words *green*, *fly* and *rose* somewhere in the content or coding (more of this later). Naturally, there will be millions of pages that include the word *green*. The same goes for *fly* and *rose*. If the American gridiron football team the Green Bay Packers reached the Super Bowl with a running back called Rose who has a reputation for flying down the pitch, then it is likely a web page would exist which included all three words but it would have nothing to do with problems with insects in gardens.

However, it is reasonable to assume that a *genuine* web page about problems with aphids and the like on roses will include the words green, fly and roses. Indeed, the title of the page might be *Growing Roses*, and have a section called *Dealing With Pests*, and that section will include advice specific to killing green fly. The SE, therefore, will pick such a page as the top result for the searcher. Following on will be every other web page that has the three searched-for words on them – ranked in order of what the SE decides is most relevant to least relevant (on the day this was written, the phrase "green fly on roses" gave 7,030,000 results on Google and 22,400,000 on Bing, and they all led with gardening-based pages (there is a certain irony that the search also returns this example in the second edition of the book as presented on Google Books). Of course, the SE has to deduce in what context the searcher is using the sought words (gardening or gridiron football teams, in the example above), but then the whole issue is far more complex than my simplistic example above.

In essence, SEO is the practice of making a website attractive to a search engine by presenting its code and content in such a way that the search engine will assume that it will address a specific enquiry from a (human) searcher. In the gardening example above, I would be striving to make my web page about roses and green fly appeal to searches on *keywords* on that subject. The issue becomes more important to me if I am trying to sell green fly-related products – a spray, for example – on my web page rather than simply presenting a hobby page.

> ### PRACTICAL INSIGHT
>
> **Search terms are (still) a key issue**
>
> Throughout this book, when reference is made to what a user might type into a search box, the term I use is *normally* keyword (or keywords) – hence the title of the section later in this chapter.
>
> However, as the proficiency of search engines has increased and users have become better practised at using them, it is now common for searchers to type in terms or phrases to describe what they are looking for – therefore, keywords is often substituted by *key terms* or *key phrases*. It is also the case that *search terms* is a better description of the word and/or words typed into a search box. However, as it is still the norm to speak of *keywords* for SEO – even though they may be used to make up a phrase – I will use the word in this book.

For many, this aspect of digital marketing is both mysterious and somewhat mystifying, not least because (1) it is dependent on some extremely complicated mathematical algorithms, and (2) the term *search engine optimization* is something of a misnomer – suggesting that it is the search engines that are being optimized, rather than the web pages, and (3) is it the same as *search engine marketing* (SEM)? Let's address these issues in turn:

1. Yes, the algorithms by which the search engines determine their listings are complex (more on them later), but the maths element is all behind the scenes, and the digital marketer need not hold a computer science or engineering degree to practise successful SEO.
2. Though widely known as search engine optimization, the phrase *optimizing* (your website) *for search engines* better describes the activity. Essentially, the digital marketer is looking to optimize a web page so that it best *attracts* the search engines.
3. The term search engine *marketing* is used to describe the wider impact that search engines have on not only *digital* marketing, but marketing as a whole. In that context, SEO is an element of SEM.

Let's consider this last issue in more detail. In this chapter, we will look at how a web page can be optimized so that it appears high up in the search engines' *organic* listings.

In the next chapter, we consider the use of SERPs as a medium for carrying ads (also called *paid placement*). Both of these issues might be considered to be elements of SEM. It is the ubiquity of search engines and the way in which they encroach into all aspects of online marketing that prompted me to avoid a chapter that concentrates on SEM. Although many might argue, with some validity, that marketing which employs search engines is a sub-discipline of digital marketing and so is a subject in its own right. I disagree, preferring to divide the use of search engines in marketing into two distinct elements:

● search engine optimization (SEO); and

● the use of search engines as a medium for hosting ads – which is covered in the next chapter – and is commonly referred to as *search engine advertising*.

That both rely on keywords and that organic results are listed on the same SERP as paid ads is normally the basis of any argument to include them both under SEM is, I feel, too simplistic a notion. Although the same keywords are the fundamental reason that organic returns and the paid returns appear on the same SERP, the way in which their presence is orchestrated is very different. In a nutshell – though as you will see in this and the next chapter, I am being simplistic when I say this – the marketer can pay to be top of the ad section, but it is the *search engine* that decides who is top of the organic listings. It is for this reason that I choose to cover the organic – or *natural* – search engine optimization in this chapter, and leave the paid advertising aspect for inclusion on the chapter covering online advertising.

PRACTICAL INSIGHT

Searching for what you know is there

Although eBay is one of the best-known brands on the web, its name is also amongst the most searched for keywords. Quite why a user would open up a search engine and type "eBay" or "facebook" into the search box instead of simply typing *eBay* or *facebook* into the browser – or click on the link in the browser's *favourites* – is a mystery to some.

The answer (probably) lies in a practice known as *navigational search* (or *navigational query*). There are two main reasons for this: (1) in order to reach the required website, domain names must be typed into browsers *exactly* – and in some instances specific spellings of domain names can be tricky to remember – including which suffix is used, and (2) surfers are so used to using search engines that they automatically start with them. A third reason – that people are lazy – is probably inherent to the second point.

For those who may doubt that navigational queries take place, simply check the end-of-year announcements from the search engines on most popular search terms used in the previous 12 months.

4.2 HOW SEARCH ENGINES WORK

As you will discover in this section, search engines are something of a law unto themselves, caring little for the businesses in their listings (remember, their objective is to provide a service for the *searcher*, not those who want to be found). Therefore, any business – but particularly pure online traders – should be wary of total dependence of search engines for their online traffic. A simple change in a search engine's algorithm or increased SEO activity from a competitor could see a prized top organic listing disappear overnight, reducing new customers to zero. Naturally, paid advertising might take up some of the slack, but it is doubtful that referral numbers will be maintained.

GO ONLINE

The Periodic Table of SEO Success Factors

The influential Search Engine Land purports that to the uninitiated, search engine optimization is a form of alchemy.

To see their informative *periodic table* on the subject, follow the link on the chapter's web page.

When considering how a search engine performs its expected duties, there are two issues to address. First, how it assesses websites for suitability in matching the search criteria (the algorithm), and second, how it presents the results of its assessment (the SERP). Before we consider these two in more detail, it is worth mentioning that the search engines use *spiders* (or *bots*) that spend their lives touring the web gathering up

> 66
> The fact of the matter is that there is no *magic bullet* solution to SEO.
> 99

information on websites which the SEs store in their vast indexes. It is from these indexes that search results are gleaned. If I could present here an absolute list of ranking factors of a website that score highly in the search engine algorithms – and so help propel a site to the top of the SERPs – this book would become an instant bestseller, and I could retire to a luxury villa in a sunny location. The fact of the matter is that there is no *magic bullet* solution to SEO. Those people who are outside the search engine companies can only really guess at exactly how they work – calculated guesses certainly, but still guesses. Despite the spurious claims made by some less scrupulous search engine consultants, there is no guarantee of achieving a place in the top ten results of a search. There are a number of reasons for this, not least that:

1. The specific factors in the algorithm used to calculate the rankings are unknown – Google is *said* to have around 200.

2. Other than that they are not equal, the weighting apportioned to each factor is unknown. Furthermore, it is changed regularly – so no one (outside the search engines) knows which elements of SEO gain most benefit and which have little value.

Whilst the question of their weighting is important, it is the actual factors in the algorithm that take the concentration of the search engine optimizer – though naturally, if a specific factor is identified as having a significant weighting, it is common sense to make sure that factor is addressed correctly.

The relationship between the search engines and search engine optimizers is a strange one. On the one hand SE optimizers help website developers to ensure that their sites feature in the SERPs for keywords representing the content of the pages – which is exactly what the SEs want. That is, the searcher finds a page that will have the content they are looking for. Without some kind of optimization, a web page – no matter how good the content is – might not be found by searchers. On the other hand, however, the search engines do not want their indexes *influenced* by search engine optimizers to the degree that the optimizer is dictating search results – particularly if *black hat* spamming techniques are used to distort the search results. Indeed, recent years have seen the SEs penalizing sites that have been optimized by these nefarious means.

PRACTICAL INSIGHT

The search engine results page (SERP)

The search engine results – or *returns* – page is the page that appears as the result of a request on a search engine. As it is the page that shows the results of a search, appearing on it is the objective of the search engine optimizer. The SERPs of the major search engines include the *organic* listings (the results of SEO) and paid advertisements. It has been an evolution of the way in which we use the Internet (and in many ways a tribute to the abilities of contemporary search engines) that we rely on only the highest listings when we practise online searching – in how many searches do you go beyond the first page of listings? If featuring anywhere in a SE search result is the objective of SEO, then appearing at the top of the first SERP is nirvana for digital marketers.

So what are the elements of the algorithms? For some facets there is a certain level of agreement between the industry experts. However, for many aspects of SEO there is a big grey area where confusion and controversy reign. For the purposes of this book, we'll consider only what are deemed to be the most popular optimization elements, dividing the optimization into (1) the on-site placement of keywords, and (2) off-site issues that can improve the site's SE popularity.

> **PRACTICAL INSIGHT**
>
> **Google doesn't want to lose you**
>
> Website publishers have long been aware that links away from their site could mean visitors leave – and never return. In essence, search engines are the exception to this rule as they want to send searchers to a website that most suits the search query.
>
> But things change at Google. The search giant makes money from advertising, and so *lost* visitors reduce that income. Google's answer: put the answers to straightforward questions at the top of the SERP. These are known as Knowledge Graph boxes – unsurprisingly part of the Google Knowledge Graph, a system launched in May 2012 that understands facts not only about people, places and things but how these entities might be connected*.
>
> As an example, type "NAP acronym" into the search bar. The results page will start with a chart (drawn from an online dictionary) of the various definitions for NAP. Beneath that will be a box titled *People also ask*, which contains questions based around the original search – for example, 'What does NAP stand for in nursing?' Each of these questions provides a brief answer – which is usually sufficient – when the searcher clicks on the question.
>
> To date, these results are used in only informational searches, but who knows what the future will bring? Try searching on Google for a hotel in any major city. After the paid ads at the top of the SERP, you are likely to be presented with a section headed by a map that identifies the location of hotels in the city. That section also lists hotels – presumably from third-party booking companies. Effectively, Google is promoting those hotels from which it will get a cut if searchers make a booking.
>
> Again, who knows what the future will bring?
>
> * The Knowledge Graph boxes may impact on website metrics as searchers will not have to visit the actual pages of a site featured on a box to find the answer to their query. This is OK for the likes of Wikipedia, which carries no ads, but it could impact on the income of commercial sites.

Personalized searches

In the first edition of this book – published in 2009 – I alluded to the fact that many practitioners and commentators thought that Google was personalizing users' search results depending on each searcher's search history. In other words, two people typing in the same search term at the same time will get different SERPs. In less than a decade not only have personalized searches become the norm, but there is a strong argument that it is now the *key* aspect of organic results – and such is something the marketer cannot influence. Personalized search considers the user's activity on the web: the

websites they visit, search terms used, favourites in a browser, ads clicked on … and so much more of the data the likes of Google collects on users. For example, if a user's normal response to a product search is to click on an eBay link, then future product searches will have more eBay pages on the SERP. I have had whole classes search on the same term on their own devices and each student had a different SERP to the *neutral* one I got on the room's Internet connection. Essentially, over the years Google has changed from being an *information* engine to a *knowledge* engine with the aim of understanding each user's intent for searching – and then providing the best answer it can on the first page of the search results. This knowledge aspect is emphasized in results of searches for well-indexed subjects, such as movies or countries, which feature a *knowledge panel* to the right of the main results.

PRACTICAL INSIGHT

Surfing incognito

Much of the search engines' data on users comes from tracking their journeys across the Internet. This helps with personalization – but for many users there is a concern for their privacy.

For this reason some folk surf *incognito* by activating the *privacy mode* or *private browsing* facility of their browser, allowing them to browse the web without storing local data that could be retrieved by third parties at a later date.

Decision time

Before considering the decisions to be made with regard to SEO, it is worth noting that these issues are equally relevant to B2B traders as they are in the B2C environment – organizations use the web to help with procurement, and search engines are used to find business products and services in the same way as B2C products. Indeed, commentators make the point that business buyers expect the same online experiences in their work environment as they have become used to in their personal online shopping.

The decision on involvement in SEO is determined by the organization's marketing objectives. These can be divided into three significant business categories: (1) online pure-play, (2) bricks and clicks, and (3) offline only. As stated in the previous paragraph, these are equally valid in consumer and industrial markets. Issues for the three categories include:

1. The online pure-play business is dependent on the web for its income – therefore, featuring high in the SERPs is essential.
2. For the bricks and clicks business, it will depend on the ratio of their off- and online sales and how any online marketing efforts complement or replace offline sales – though it is normal for this type of organization to seek high search engine listings. However, offline marketing will always drive traffic to the website so it is not as essential as for the pure-play.

3. With the offline business, this issue is more difficult. Although it is more and more common for customers to use the web to find products or offline sellers, for some organizations the web will always be a minor source of customers. For these, obviously, high visibility in the SERPs is not a priority. Similarly, in some industries, businesses have operated offline for years – and their marketing is *relationship-* rather than *transactional-*oriented. For these, the web offers little by way of generating new business. In other areas, however, the web brings much to marketers. A further consideration to this is if the potential customer has been made aware of the existence of an organization – at a networking event, for example. Such is the nature of how search engines work, that – providing the organization has a website with its name on it – simply typing the organization's name into the SE will bring up that organization's website on the SERP.

With regard to search engines, there are three significant categories: (1) competitive markets – if you're not high in the SERPs, your competitors will be, (2) niche markets – where it is relatively easy to get to the top of the listings, and (3) companies that trade only locally, but whose customers use the web in the same way as they might a telephone directory to find local products or sellers. This has gained importance in recent years as *local* search has gained prominence.

Essentially, if you want your organization, brand or product to be found by potential customers, then appearing high in the listings on SERPs for pertinent key search terms is a given. As covered in the chapter's introduction, not to be high on the organic listings means that resources must be committed to other ways of driving traffic to your business, be they anything from offline marketing to online advertising – including advertising on the SERPs, which is covered in a subsequent chapter.

YOU DECIDE

Take a look at all of the case study organizations and consider the importance for each of having high listings on SERPs for relevant keywords. List them in order of significance of SERP listings, with the organization for which high listings are essential at the top and the one for whom it isn't so important at the bottom.

Alternatively, consider the importance of high SERP listings for your organization or that of your employer.

4.3 KEYWORD SELECTION

As I explained in the previous section of this chapter, I have chosen to differentiate SEO and advertising on search engines. However, there is one area where they are inextricably linked – keywords.

This is because the structure of both organic and paid listings is governed by the keywords that are used by the searcher. Therefore, although this section is included in the

chapter on search engine optimization, it is equally relevant in the sections on both SERP and network advertising in Chapter 7 as they are also developed around keyword matching. So why is deciding which keywords your website should be optimized for so important? Simply put, keywords are the core of all search engine marketing. If the search engines are striving to match the searcher with websites that address their needs, it is the keywords that the searcher types into the search box that form the basis of how the search engine makes that match. The issue for the online marketer is, therefore, to decide which terms the user will type into a search box when they want the product or information your website sells or provides. But, like many marketing problems, the question revolves around trying to get into the head of the potential customer to discern what they are thinking – not what *you* are thinking.

Some examples of mismatches are rather obvious – holidaymakers search for "cheap flights", but airline marketers sell flights that are *budget*, *bargain* or *best value*, for example. Similarly, someone seeking medical advice after a relative has had a *heart attack* would search on those words – yet website content written by a doctor would talk about an *acute myocardial infarction*. Inward-looking keyword decisions also place too much emphasis on product names, jargon and brands. Even if your latest model, the *123-500 series rodent eliminator*, is the best in the business – and already well known in pest control industry circles – if I am new to the industry or if I am looking for the solution to a rat infestation problem, I'm going to type "rat killer" in my search box, not "123-500 series". This notion is reinforced by research from Jansen *et al.* (2008), which found that 80 per cent of searches are *informational*, 10 per cent *navigational* and 10 per cent *transactional*. The definitions for each – as identified in Andrei Broder's seminal paper 'A taxonomy of web search' (2002) – being:

- informational – looking for a specific fact or topic
- navigational – seeking to locate a specific website
- transactional – searching for information related to buying a particular product or service.

Subsequent research confirms these statistics still hold pretty firm, and Broder's work is so influential that Google used the three in how their algorithm *rates* human searchers – its guidelines calling the three categories *know* (informational), *go* (navigational) and *do* (transactional). Interestingly, Andrei Broder now works at Google.

For content developers this means that they should be looking to provide keyword-rich information that helps the searcher meet their needs. That may lead to an (eventual) sale or traffic that will achieve website objectives (e.g. advertising income). Note that in research into search engine use, it is now common for the *keywords* to be categorized as:

- a *term*: a series of characters separated by white space or other separator – essentially, a word
- a *query*: a string of terms (words) submitted by a searcher – with *query length* denoting the number of terms (words) in the query.

> **PRACTICAL INSIGHT**
>
> Developing keyword lists for products, brands or organizations is problematic. One answer is to use the old sales and marketing trick of not selling the product, but the benefits it can provide (in Chapter 5.5, I talk about selling green lawns, moss-free lawns or weed-free lawns, rather than lawn products).
>
> Brad Geddes (2010) suggests that keywords can be chosen based on:
>
> - explicit keywords, which directly describe the product, e.g. "plumber in Sunderland"
> - problems keywords, which describe the conditions the product solves, e.g. "flooded bathroom"
> - symptoms keywords, which describe the problem, e.g. "leaking pipe joint"
> - product names and part numbers, which are the actual product names and/or part numbers, e.g. "copper joint 234/567B".
>
> Source: Geddes (2010)

Furthermore, the English language does little to help the digital marketer, with some words being a heteronym – the same spelling, but different meanings. For example, *bow* could be the front of a ship, a weapon used by Robin Hood, a hat decoration – or something you do when you meet the queen or emperor. Similarly, *lotus* can be flower, a car or yoga position. Furthermore, if you wanted to buy films featuring the secret agent with a licence to kill, typing "Bond" into a search engine will not give only returns devoted to 007. Somewhere in the SERP will be DVDs from the James Bond franchise, but the chances are the top return will be something to do with financial services. Plus there will also be entries for the UK organization for international development, which has the same name as the sought-after spy with a licence to kill. There are also words for which foreigners use localized versions of place names instead of the name that natives use – for example, *Munich/München* and *Majorca/Mallorca*. Similarly, in different countries or regions products are known by different names. For example, that device you save digital files on is either a *flash drive*, a *USB drive* or a *memory stick* depending on where in the world you are.

Still considering grammatical issues, search engines will usually identify misspellings – offering auto-corrected alternatives – and treat singular and plural as the same search, but this is not always the case (try searching on "hotel Berlin" and "hotel*s* Berlin" and check both returns). A similar situation arises with *stemming*. For example, a search using the word *swim* in a phrase may produce different results than the same term but with the word *swimming*. In this example, the chances are that the searcher was referring to *movement in water*, but the issue can be more complicated – the word *swimmingly*, for example, in a search term would have nothing to do with aquatic pursuits, but be referring to something going well. In most of these cases, the search engine will pick

up on the context in which the search is made – but it will be worth checking before you make keyword decisions. It is also the case, however, that the search engines' personalization will make the decision for the searcher – taking control away from the marketer.

A Chinese puzzle solved?

Visit any Chinese website and you will find it to be much *busier* than a Western site. One theory put forward for this is that the Chinese language does not use stemming in the same way as English. This means that delivering search results of Google quality is much more difficult. Hence, Chinese surfers use sites as *portals* to the web – hence the preponderance of links on sites making them seem so busy to the Western viewer.

Keyword problems do not end there, however. The level of competition in the market is also a consideration. If your product is represented by popular keywords then your website is competing with every other website that has been optimized for the same term. This is particularly true if you sell a product with a generic identification – such as *smart phone*, *hotel* or *insurance*. One way out of this is to optimize for phrases (combinations of keywords) that searchers might use the so-called *long tail* of keywords. The long tail concept refers to search terms that are not the most common for a given item, but are more specific to what is being sought. Someone seeking car insurance – aware that there are companies that sell all kinds of insurance – might simply type "insurance" into the search engine. On the day this page was written, Google returned 1,320,000,000 pages for a search on that single word. To be more specific, our searcher could use "car insurance", or if they were just checking prices, "car insurance quote". If they were of a more mature age, "car insurance quote over 50" or if it was for a specific car, "Range Rover car insurance quote over 50 Sunderland". Although insurance is frequently used as an example of the long tail, it is not very representative for two reasons: (1) it is not feasible to optimize pages for all alternatives – consider how many combinations of types of car and customer locations in the UK a car insurer would have to optimize for to match all potential queries, and (2) insurance seekers are aware – often through TV advertising – that shopping comparison sites exist that will conduct a search for an insurance quote, and these are always at the top of the SERP, be that organic or advert.

Localization

A subject that has evolved along with the development of the search engines is that of serving searchers with results that are locally relevant to them. Not only did this come to the fore with the widespread adoption of hand-held devices, but users' *local* searches on mobile devices continue to increase in popularity as the practice becomes the default

action for the generation that has grown up with smart phones. No longer does the searcher sit in an office or house when seeking an outlet with a product in stock; they are on the high street, in a café – or even in one shop and looking for a cheaper price for a product in another store close by. Which brings us to *proximity* searches. Searches now use terms such as "nearest Greek restaurant". In those bygone days of opening out a folded paper map to find somewhere, the first task was to find your present location on the map. In the digital world, however, the map on your mobile device puts you – literally – at the centre of that map. So when you conduct a *near me* search, the search engine uses your location to serve up results that are closest to you. And then gives you directions.

Localization impacts on keyword selection in a number of ways, not least that it can favour the smaller – local – business. The most obvious is in the address of the business, which – by definition – will include region, city or district that might be searched for by the customer. For the national (or even global) organization, having a web page *optimized* for every outlet can be problematic – though not impossible for the can-do company. Another, less obvious, factor that can favour the local company is the use of *regional* phrases and terms. These are often difficult for the national company to adopt as they exist – and so are known – only in their own locale.

However, there are more practical steps that can be taken to improve your chances of appearing at the top of a *near me* search. Having a listing in all local business directories is essential. Now frequently referred to as *citations*, these listings should already have been addressed as most will include links to your website (more on the importance of this later in the chapter). Websites that host these lists include telephone directory sites (e.g. Yell.com and ThomsonLocal.co.uk), local business associations (e.g. Chambers of Commerce) or commercial business-listing sites (e.g. CityLocal.co.uk). Such is the way the web has developed, customer reviews (covered in detail in Chapter 9) are now ubiquitous – and positive reviews can help establish the authority of your brand in the eyes of the search engine's algorithm.

Finally, the search engines themselves have their own listings from which they draw data for their results pages. Google, for example, has its *My Business* facility. The fields businesses complete on their Google My Business application seem to increase on a regular basis, but they do give the business chance to sell themselves to Google – and its users. A restaurant, for example, can fill in fields ranging from menu options, payments accepted, takeout, delivery, outdoor seating and just about anything else a searcher (that is, potential customer) would want to know. Essentially, these fields represent key terms searchers might use – but they can out-weigh the *website* keyword in that they are better suited to verbal searches made via digital assistants.

RESEARCH SNAPSHOT

Local search factors

The *2017 Local Search Ranking Factors* produced by Darren Shaw (2017) accumulates the conclusions of more than three dozen local search engine optimization specialists to offer an opinion on the key factors that influence local search results on Google. Note that many – if not all – of these could be considered important factors in *any* search results. In particular, the two with the highest scores are the two most important aspects of all search engine optimization.
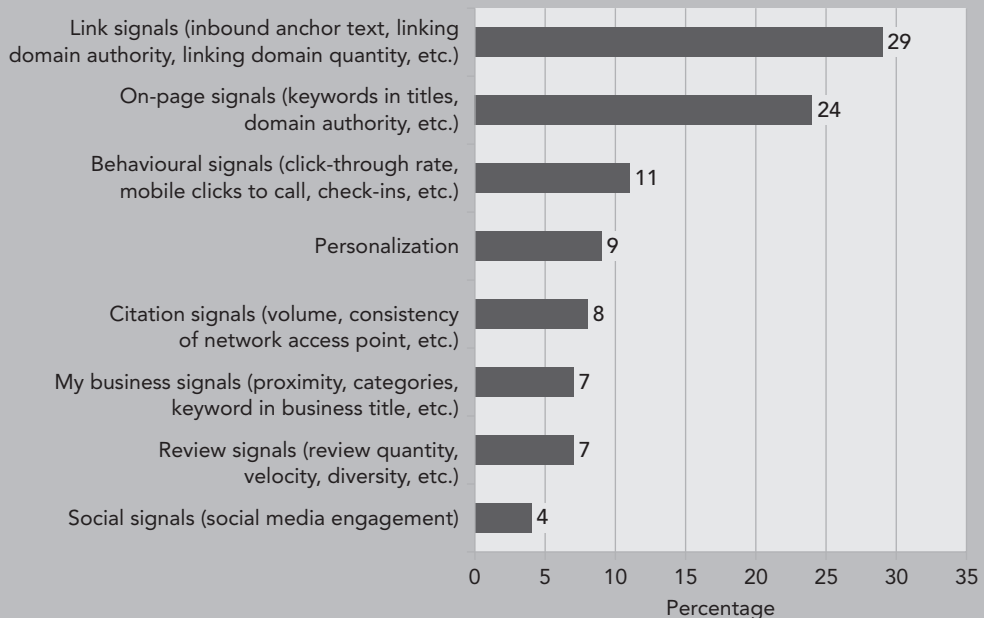

Figure 4.1 Key factors that influence local search results on Google

Voice search

Prompted by developments in technology, every smart phone now comes complete with a voice search facility. Siri has been part of the iOS smart phone platform for several years, for example, and we now have Google Assistant, Microsoft's Cortana and Amazon's Alexa. Such searches are on the increase – back in May 2016 Google CEO Sundar Pichai stated that 20 per cent of queries on its mobile app and on Android devices were voice searches. Although at the time of writing Google has not updated that figure, industry commentators say voice searches will out-number typed searches before long – for mobile searches, that will be sooner rather than later. Advances in the application of artificial intelligence (AI) will help ensure that search responses meet the expectations of their users. Expect the quality of AI in digital personal assistants to

improve as the practice becomes more common, but they are already more discerning than typed searches as spoken searches give the search engines more information to work with. This is because searchers do not simply insert truncated, verb-less key terms; they ask questions in the same way as they would to another human being. No one would stop a stranger in the street and say "nearest Greek restaurant", and so the voice search might be something like:

> "Hi Google … is there a Greek restaurant nearby that does Giouvetsi but also spinach pie for my vegetarian friend. And it's a warm night, so is there one with seats outside. Oh, and I have no cash so it has to take credit cards. And we're hungry, so one with a short wait time please".

All this helps the search engine to deliver fewer – typically, around four rather than tens of thousands – but more specific, returns to voice searches. But it will undoubtedly impact optimization strategies as brands strive to be the most relevant, particularly for local searches. Not least of this is that digital assistants often read web page content out loud, so website copy needs to sound *natural*, which means it is written for humans first, not search engines – as is the case when content is *stuffed* with keywords.

Decision time

The best keywords must have both (1) strong relevance to your site – and so the product or service you are offering, and (2) high search volume – they should be the terms people *actually* look for. But how do you identify the right keywords? The following three options are available, and in most cases all should be practised:

1. Ask yourself. The chances are that you can think of a dozen or more keywords off the top of your head, but looking no further than these is a mistake. Your own ideas of what potential customers will use may differ wildly from what they will actually use.

2. Ask your customers. This can be offline or online, and can be part of a formal campaign or customers can be questioned in ad hoc fashion as and when they have contact with the organization. Simply asking a regular customer (of an offline business) what keywords they would use to find your website can be quite an eye-opener.

3. Use technology. An extension of asking your customers, the first step is to look at the metrics of your website to see what keywords people who actually visited your site used to find it. This concept can be taken a stage further by visiting one of the many websites that provide keyword research tools. Such tools collect data on search engine queries that have been conducted over a period of time. You can see what terms are searched on – normally by market or industry – as well as getting advice on related terms, including synonyms and popular misspellings. Although the most comprehensive keyword research tools must be purchased, both Google's AdWords Keyword Tool and Yahoo's Keyword Tool both provide keyword volume for free.

Another route to follow is to match your keywords with the *reason for a purchase* of anything that you sell. Perhaps most obvious is where the purchase is a gift – so the search term a distant uncle might use is "Christmas present five year old girl". Similarly, those looking for inspiration might use "engagement gift ideas" or "surprise present for my wife". Along similar lines – and common practice in traditional advertising – is to provide a solution to a problem. In this scenario, the searcher does not type in the name of a product (the solution), but the problem. For example, if the local wildlife is thwarting attempts to improve your lawn, you might use "birds eating grass seed" as the search term.

YOU DECIDE

Advise Robert Terwilliger on what keywords might match up with what potential customers for The Modeller's Stand might type into a search engine. Bear in mind that most customers will not know of the existence of the product (case study 9).

Alternatively, conduct the same exercise on your organization or that of your employer.

4.4 ON-SITE OPTIMIZATION

Search engine optimization is based around two distinct categories: those that are concerned with the website itself, and those that are outside the parameters of the site. In this and the following sections of this chapter, we will look at these two elements in turn, starting with the on-site aspects.

Keyword placement

The SE algorithm will consider the placement of the keywords within the web page, so let's consider some of those placement factors – or at least, what they are perceived to be. To fully appreciate these issues, it is a good idea to put yourself in the place of the search engine. Its aim is to provide the searcher with results that will best satisfy their objectives of making that search. With this in mind, it is necessary to optimize your web pages to help the search engine achieve that objective.

The keywords can be placed in two aspects of the website: (1) that which is visible to the human visitor – its *content*, and (2) that which is part of the source code of the page and so is visible only to the search engines. Let's consider them both in turn.

The web page content

Also known as the body text – because it fits into the source code in the *body* command – this is the textual content of the website that the visitor will read. Some put forward the argument that this is the most important aspect of SEO, and there is some validity – and

sense – in their line of reasoning, which is this. If the search engine is looking to meet the needs of the searcher then the keywords that they use should be an inherent, organic aspect of the site's textual content. For example, consider this chapter as if it were a web page. Obviously it is about search engine optimization – that is its title. Now consider the keywords you might type into a search box if you were seeking answers to the sort of questions and issues I address in this chapter. I will (almost) guarantee that those keywords appear within my text. Three obvious search terms would be: "search engine optimization", "SEO" and "keywords". Now have a quick look to see how many times those three phrases appear on the pages of this chapter. How could I possibly write about the subject area without using those words? And that is the search engines' view as well – with the contrary also being true, a page that does not include those terms can't really be about SEO. Having said that, no matter what the benefits of keyword inclusion, you do not want a web page with content that reads something like:

> Search engine optimization, keywords, SEO are important to keyword, SEO and search engine optimization for web page's SEO, keywords and search engine optimization.

This too contains the keywords, but it makes no sense to the human reader – and the search engine spider also realizes that it is search engine *spam* (nonsensical content designed to appeal to the search engine). How often the keywords should appear within the text is debatable, though there is evidence that the search engines take *frequency* into account. For this reason, there is some sense in keeping textual content short – keywords appearing twice in 50 words is a better ratio than four times in 400 words. There would also appear to be an advantage if the keywords are the first words on the page, or at least in the first sentence or paragraph. Once again, however, I refer you to *organic* content – a web page (or book) about apples would be strange if the word *apple* wasn't in the first sentence or two.

The source code

The argument in favour of including keywords in a web page's source code is that it helps the search engine spider identify the page's subject. In reality, with the exception of the page title – on which most agree – search engine optimizers disagree on the validity of this practice. However, given that each entry takes only a few minutes, the investment is not extreme – and as all of the entries should correspond with the actual content of each page it does encourage good content development.

The first batch of source code entries are the meta tags. These describe the contents of a web page, and can include *status* information, the author's name or the name of the web design company, for example. In the early days of SEO, because the meta tags were there to describe the page, the search engines focused on them. However, they are easy to abuse and, for this reason, the search engines reduced their reliance on them. The exception is the title tag – because it actually appears in the browser (at the very top of the browser window) it is a valid descriptor and so it is abused only by the foolish. Other meta tags include the *description* and *keyword* tags. The latter is – it seems – universally

ignored by the search engines. The former is also useless in SEO terms, but it is worth consideration as it can appear as the descriptive text for the web page on the SERP. Other places within the source code that may – or may not – be useful for SEO include:

- The *alt attribute* for an image. These are textual descriptions that appear as an alternative (hence *alt*) for an image. Alt text tells the visually impaired what the image is – a legal requirement in the UK and much of the EU. Once again, the process is an exercise in *natural* SEO. If the image is a picture of the church in Humberston, the alt text should be 'Humberston church'. Not only does the visually impaired user know what it is, but the SE does also – so anyone searching on "Humberston church" will be presented with the page that features that picture. This is particularly true if the user has searched on the *images* facility of the search engine. Sadly, many web designers treat both the disabled and search engines with some disdain and simply tag the image as the file name – for example, 123.gif – or with nothing at all.

- The H1 tag. This is the source code instruction that is used on page or paragraph *headers* (hence 'H') which makes the text bigger and bold. Again, the *natural* aspect of SEO comes into play. If a website on Manchester United has a section on former players, there is likely to be a page for David Beckham. That page will – naturally – be headed with the player's name. Consequently the words *David Beckham* would be in an H1 tag at the top of the page. It is obvious, therefore, that a search engine looking to match a search on "David Beckham" would offer up that page as containing content that is about the footballer. Note that other H tags present the text smaller than H1 – although H2, H3, H4 and so on are not thought to carry the strength of H1 in optimization terms. The same principle applies to the *bold* command – the notion being that if a word is bolded within a paragraph then it is important to the reader and the subject – so the search engine gives it more credence than other words on the page.

- Hyperlink text. These will be relevant to the SEO of the page to which they deliver the user. Rather than making a link on, for example, *click,* or *follow this link* – which mean nothing to a search engine – keywords should be used as the link text. Continuing the example of a Manchester United website, the *former players* page would have a link on it to the David Beckham page – if that link is on the words *David Beckham*, then that is telling the search engine that the target page is, indeed, about that player.

- Part of the technical/design aspect of the website, but not in the source code, is another opportunity for keyword inclusion – the inclusion of keywords in the domain name and directory and file names used on the website. For example, consider the aforementioned David Beckham page. A logical URL for it would be: www.manutd website.com/former-players/david-beckham.html. This makes it clear to both humans and search engines what the content of that page is. Although some doubt is laid on the SEO value of these, giving web page files names that match their content seems to be the type of logical practice that search engines favour. My own website – alan charlesworth.eu – is not likely to be about David Beckham, for example. By the same token, however, having too many slashes (/) in the URL might serve only to dilute the value of the page.

Worth noting at this point is that websites originally featured text and images only. Now they include such things as videos, PDFs, music files and maps, which should all be optimized for the search engines. This is achieved by incorporating keywords in the titles and names of the various files. Other aspects of on-site SEO that fall outside of keyword placement include the following:

- Outgoing links to external sites. In the next section we will consider the value search engines place on incoming links; however, outgoing links also add to the validity of your site in SEO terms. This does not mean that a page of links to every site you can think of will be looked on with any favour. As with all the other aspects covered so far, there is an element of how appropriate the link is – with search engines considering the quality and relevance of pages you link to. A link from my website to a site on dolls' houses, for example, will gain no credit from a search engine. However – as is frequently the case on my site – if I have a paragraph of text describing an element of SEO, and it includes a link to an article on a search engine-related website that is rated highly by the search engine, then that approval will rub off on my site.

- Search engines also try to assess the validity of the sites they are – effectively – recommending to their users, and so they look for elements of the content that suggest the site (or its publishers) are trustworthy. This might include such things as how comprehensive any contact details are – no phone number and only a PO box number as an address suggest the organization might have something to hide. Similarly, a comprehensive privacy policy would indicate that the organization takes its duty of care towards its customers seriously; a lack of one suggests the opposite. On a more technical side, any checkout facilities should be hosted on a secure server (denoted by having 'https' at the beginning of the page's URL); a lack of secure trading does not reflect well on the trader. Indeed, to address the issue of hacking by folk with nefarious intentions, many sites are now routinely hosted on secure servers – and the search engines *reward* such hosting arrangements.

It is worthwhile adding at this point that none of the issues raised in this section are absolute. I have presented what is the most popular conception of the best way to develop on-site SEO at the time of writing. Indeed, by the time you read this, the *rules* – the algorithms – will have changed. It is also the case that no two SEO professionals agree on *all* aspects of on-site optimization. And finally, it is quite possible to find a web page that appears at the top of a SERP for a specific search term and that page not feature the keywords anywhere in the content or code. Furthermore, there may be no evidence of any *black hat* operations. Such are the mysteries of search engine optimization.

> " by the time you read this, the *rules* – the algorithms – will have changed "

Having introduced the term 'black hat', it would be remiss not to give a brief explanation of the concept. However, as it is a practice that all legitimate organizations should avoid, I will spend little time on the subject. *Black hat* search engine optimization is a

description given to the profession of those who seek to gain high search engine listings by nefarious means. The term is based on the old cowboy axiom of good guys wearing white hats and the bad guys black. The concept is to use technology to present one set of content for a website to a search engine and another set for a human user – so-called *cloaking* of the real content. Although some legitimate businesses use this illegitimate method of SEO (normally following ill-judged advice to do so), the practice is most common for dubious business practices and adult websites. For example, the source code and content that the search engine spider sees might say the website is about advice on buying property in Spain – but the site that downloads for the (human) user is an advert for (often spurious) overseas property investment. Search engines constantly look for the practice and ban any sites that they identify as being guilty of it. Google's recent algorithm changes have targeted these practices and to a degree the practice has reduced in frequency.

PRACTICAL INSIGHT

Poor rankings? Some negative aspects of on-site optimization

- The site's content is poorly written and presented – the search engines downgrade such pages.
- The site's content is very similar to, or the same as, that on existing sites that have already been indexed. The search engine assumes you have copied, rather than developed, the content and so downgrades your site.
- The content of your website is little more than a list of links to other sites.
- External links from your site go to sites judged by the search engines to be of *low quality*.
- Duplicate title and meta tags on pages. The purpose of the tags is to identify the content of each page – if every page has the same title and description, the search engine cannot give credit for them.
- Keywords used in meta tags and title do not match the content of the page (a kind of low-level black hat SEO).
- If a website requires a registration and/or password to get in, the search engine cannot get past that page.

Decision time

As is covered in the next chapter, writing website content is no easy task – and one normally best left to experts in the art. However, there have been problems in content development where the author develops content that reads *properly* (i.e. correct grammar, syntax, etc.) and then along comes the search engine optimizer and changes the text so that it contains more keywords. The result is that the content might satisfy the search engines – but not the visitors that the SEO is designed to attract. The best content

writers already know about SEO, and will ask to be briefed on what important key-words should be included in the text (note that it is not his or her job to decide on the keywords – that is for the online marketer to do). That the search engines now read content in context to the search term(s) adds to the requirements in content development.

GO ONLINE

Back to basics

Although some things have changed, the fundamentals of search engine optimiza-tion were established around the turn of the century, which is when I wrote my own guide to SEO – to read it, follow the link from the chapter's web page.

For the most part, keywords will fall *naturally* into a page's content. However, there will be exceptions. For example, I would like my website – AlanCharlesworth.eu – to be the number one return when anyone searches on my name. However, if you take a look at the home page, my name is not naturally part of the content. To address this, as well as including my name in the source code (the header image, for example), I have *artificially* added it to the textual content. For example, I have *signed* the *three purpose*s message with an image that has my name as the alt text, and finally I have added a copyright notice in my name. I don't think any are out of place, but strictly speaking, none is necessary for the non-SEO objectives of the page. Had I started the page something like: 'Hi, my name is Alan Charlesworth…' it would – I think – have detracted from the validity of the site by making it too much like a sales pitch.

YOU DECIDE

Write some textual content for The Modeller's Stand website (case study 9) that will appeal to the search engines for the keywords that the text contains. Use the keywords you selected in the previous section.

Alternatively, conduct the same exercise for your organization or that of your employer.

4.5 OFF-SITE OPTIMIZATION

Off-site search engine optimization can be divided into two key elements: (1) the web-site's history, and (2) the links that go into it from other sites. Let's consider these in turn, starting with the one that search engine optimizers have little control over – the site's history.

Website history

One of the more intangible aspects of SEO that is not obvious to researchers – and so can be why an apparently *un-optimized* site ranks highly – is the site's history. The search engine seeks aspects of the site into which it can place trust – a trust that is then passed on to searchers. Things the search engine might consider include:

- How long the site has existed – its age. This is not so much that a ten-year-old site *must* be better, but that a new one has still to prove its validity. Note that the site's age is normally determined by the age of its domain name – that is, when it was registered.
- Within the overall maturity of the site, the age of each page is considered. This can be a two-way street, with older pages being perceived as authoritative while newer pages seen as being more contemporary.
- Frequently updated pages might be considered more valid in a dynamic environment. A page with the word *news* in the title that has not been updated for three years, for example, carries little authority.
- The search engine's own metrics can be used in its judgement of the site. For example, a site that has – over a number of years – had a high clickthrough rate when it appears on a SERP would be rated higher. Some commentators are suggesting that this aspect of its algorithm has moved up the league of importance since Google introduced *RankBrain* – a machine-learning artificial intelligence system that helps process search results for all Google queries.

Inbound links

Although SEO staff can actively seek out inbound links, an effective and efficient integrated marketing strategy will *naturally* result in links going into the organization's site. For practitioners, this *natural* phenomenon is recognized as being SEO at its best as it goes closest to meeting the expectations of the search engines – that the website will best provide a solution or meet the needs of searchers. That such an approach is strategic – rather than tactical – also appeals to the search engines as the site's value is built over a long period of time, so endorsing its validity. However, many – if not most – search engine optimizers do not have the luxury of time, with publishers wanting high rankings not only immediately, but consistently. It is to this more tactical approach that the rest of this section is devoted – though it should be noted that any or all of the following might also be part of strategic SEO which is covered in the next section of this chapter.

The philosophy behind the importance of inbound links is that the search engines use them as part of their search algorithm – in essence, a site with lots of links going into it *must* carry some legitimacy with those sites that include the links and so the site's search engine validity rises also. The more links to the site, the more valuable it is assumed to be, and so the higher the rating. Like other elements of search engine ranking, however,

the system is open to abuse, with black hat optimizers manufacturing links to increase a site's rank. In an effort to take advantage of link popularity, those less scrupulous search engine optimizers (the black hats) look to create links into their site by nefarious means – so-called link spamming. There are a number of ways to accomplish this, including:

● Create websites that exist only to include links to your site, or sites. Content for such sites is often *scraped* – stolen – from other sites. Given the low cost of registering a domain name and hosting a page or two on it, this is an inexpensive way of creating links.

● Visit websites that have facilities for visitors to leave comments (for example, chat rooms and blogs) and leave messages that include a link to your website. Although this can be done manually, it is more likely that a software programme would be employed to complete the task.

● Pay for links. Whilst this can be borderline legitimate (Stanford University has sold links on its site), there are sites that are developed as a business model where profit is made by selling links – often called *link farms*. For a relatively small fee, links are added to your pages. Considering the legitimate side of the argument, if on my website I – on my own initiative – endorse a website or company, is it unethical for that organization to pay for me to add a link to that site? Others argue, with some validity, that any ad carried on a third-party site serves the same purpose as a paid link.

● Partake in reciprocal linking. This is where you contact other site developers and trade links. Again, this can be legitimate – there are a number of websites to which I link from my site where their publishers have then considered that some content on my site would be of interest to their readers – and so add a return link. However, dubious reciprocal links are those that are the only content on a page that is hidden away from the site's visitors – rather like a link farm.

Like other dubious SEO activities, the search engines look for and penalize link spamming. A crackdown which began in 2007 saw the search engines clamp down on the practice, with links from sites that have no obvious connection with the subject – or are paid for – being penalized in rankings. This was taken even further as part of Google's *Panda* algorithm update introduced early in 2011 and has been continuously improved since, as the battle between black hats and the search engines continues.

> ### GO ONLINE
>
> Although the search engines and publishers are aware of the situation and have implemented measures to address the problem, blog spamming is where messages left on blogs have the single purpose of gaining an incoming link to a site with the intention of increasing that site's search engine rank. Each message will include the URL of the target site – so creating the link – but nothing relevant to the subject of the original blog. For an example of this, follow the link on the chapter's web page.

A further attempt by the search engines to address link spamming is to assess the quality (rather than just quantity) of links going into a website. Hence – in theory – only sites considered authoritative (so-called *authority* sites) are used in assigning ranking value. A few links from quality sites will far out-weigh hundreds of *spam* links. The appraisal of quality can include consideration of such issues as:

- The linking site's own standing in the search engine rankings.
- The suffix of the linking site's domain name. A .ac.uk site (.edu in the USA), for example, denotes a college or university and so is considered unlikely to include spam links, whereas a site with a *novelty* suffix would carry less authority as it is rarely used by reputable organizations. To this end, July 2011 saw Google remove from its index all websites with a .cc suffix as so many spammy websites were hosted on that domain.
- The relevance of inbound links to both the linking and linked-to sites. To address this, the search engines will consider the text around the links to assess its relevance. As with all aspects of SEO, for genuine links this would be a *natural* aspect of the textual content of both sites.
- The frequency and timing of new inbound links to the site. A steady trickle over a long period of time is considered better than occasional surges.

Although link spamming is not considered acceptable by legitimate search engine optimizers (or the search engines), leveraging the publishers of third party sites to link to yours is perfectly acceptable. However, a grey area exists between what is acceptable and what is spam – with practitioners and commentators unable to agree on where black and white meet. Although not directly an element of linking, a related issue is that of how

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PRACTICAL INSIGHT

Poor rankings? Some negative aspects of off-site optimization

- Your website – or pages within it – has no links from other sites.
- Your website is either inaccessible to the search engine spiders (it is *down*) or the server response time is slow – normally due to an unreliable hosting service. The search engine is not going to recommend a site that is not available too often. Slow download speeds – which may or may not be the fault of the host server – are rewarded with low marks by the search engines.
- Participation in link-trading schemes or buying/selling links. Having to buy links suggests that your content is not good enough to attract genuine links.
- Low visitor numbers to the site, in particular, clickthrough rates from SERPs. This is something of a vicious circle for the newcomer and virtuous for the established site.
- Your IP address – or that of your hosting service provider – has been blacklisted by the search engines.

the search engines use the social media standings of an organization. Facebook shares, likes and comments, Pinterest pins and Twitter tweets all add to the brand's, organization's or product's SEO rating.

Decision time

The website's history is something that the optimizer has or has not – there is no opportunity to change or influence the way the search engines see the past of that site. However, there is a way around this – though generally, it is suitable only for pure online businesses or at least those offline businesses that rely heavily on their web presence for branding or sales leads. This potential solution is to buy either a domain name or a name that has hosted a site for a long period of time. In the case of the domain name only, how long a domain has been registered – whether it is used to host a site or not – is part of the search engine algorithm. Hence, a name registered in 1994 will carry more status than one registered in 2016. Careful research on any of the hundreds of sites that feature domain names for sale, or simply checking on the owner of a not-live name or publisher of a website, and making them an offer may result in not only a name with history, but a website also. In the case of the latter – though it will cost more – it may even be the case that the website is already listed in the search engines for keywords that are relevant to your organization. Obviously, there is a cost involved with buying a name or site, but that cost should be considered as either a justifiable marketing expense – or even a prudent capital gain.

Once it has been recognized that link spamming is neither a sound, long-term strategy nor one that any legitimate organization should undertake, link development takes on a role that is akin to the offline practice of networking. That is, you need to get your organization, brand, product and reputation known in the online circles in which your customers move.

Before embarking on any link-building campaign, however, it is worth conducting an audit of what you have to offer, and how good you are at delivering it. This is for two reasons. First, it is pointless *promoting* anything that users will not be impressed with – they are not going to link to anything that does not in some way benefit them. However, more importantly, if you offer a good product at a reasonable price and deliver it with excellent service then satisfied customers will talk about you online – and that will inevitably lead to links to your site. Essentially, this is the *natural* growth of links that search engines are looking for and value so highly.

Linking strategies

In order to be proactive in building inbound links, there are a number of things the web marketer can do, including some or all of the following:

- Reciprocal links – although they can be considered to be link spam, there are limited opportunities for genuine exchanges of links between associated or related sites. It is

important to try to get links from web pages that are read by the audience you want. The best way to find suitable sites is to search on the same keywords that your site is optimized for – and then contact those non-competitive sites that top the listings. Because these sites are rated highly by the search engines, any links from them are considered to be authoritative.

- List a limited number of products with shopping comparison or auction sites. This does not have to be part of a distribution strategy, but simply part of the SEO strategy to create links.
- Submit to key industry, geographic and specialized directories – the advantage is twofold: (1) they direct traffic to the site, and (2) the link is recognized as quality by search engines.
- Participate in social networks and online communities. When you add comments, replies or responses to forums or blogs, for example, there is normally the facility for your URL to be included, so creating a link.

There are a number of further practices that can be used in order to attract links into a site – these are collectively known as *link baiting*. Although the term itself has negative connotations, the practice is not spam-related. Link baiting is all about encouraging people to link to your site by producing quality content that attracts – *hooks* – those links. Baits might include:

- *news* hooks, normally in a specific environment, industry, etc.
- *contrary* hooks, where the writer takes up a contrary stance to expert, or public, opinion on a given subject
- *resource* hooks, where the website gains a reputation as the place to go for information
- *humour* hooks, which attract those looking to pass on to others some light relief.

<div align="right">(Charlesworth, 2007)</div>

More specifically, there are a number of ways the baits can be laid – though there are two formats: (1) where the bait is cast to attract users to a specific web page's content, and (2) where the bait itself is the attraction, with readers then being directed to the organization's website. Types of baiting include:

1. Writing articles for inclusion in third-party newsletters or websites. This is common in the service industries, where the writer can develop a reputation as being an expert in his or her field. Obviously, every article includes a link to the corporate website.
2. Submitting articles to article directories. Such directories are used by publishers to source content for everything from newsletters to special reports.
3. Publishing the results of research on your own site. The paper is then marketed as if it were a product in its own right, with online activity – for example, email – driving visitors to the article.

4. Submitting articles to social media sites. Such is the nature of sites like Digg.com that if an article appeals to readers it can be spread virally around the community site. Note, however, that this is likely to create a temporary 'spike' in both links and visits rather than long-term link development.

5. Issuing online press releases for all newsworthy events or happenings related to the organization.

It is important to note that with all of the methods described above it is essential that any content is exceptional in both its content and its presentation. If the content is not relevant to the target readers (or publishers) and presented in the style that is expected by the target segment then the article will disappear into the mass of similar articles produced for the same purpose as yours. Worse still, poor quality content will be perceived by readers to be link spam – and so your site might suffer (rather than gain) from the practice. Note that this practice has a very close association to *content marketing*.

GO ONLINE

For an example of incompetence in link building – using spamdexing/SEO spamming is one way of annoying Google as well as publishers – follow the link from the chapter's web page.

One aspect of linking where the SEO can be proactive in furthering their cause is in the issue of the anchor text of any link coming in to the optimized site. Anchor text is the actual words that are hypertexted on the 'sender' site. The search engines give greater value to links where the anchor text matches the keyword used by searchers. For example, if a website publisher includes a link to my site, it might say: 'A site with many useful links to digital marketing articles is that of author on the subject Alan Charlesworth. **Click here** to go to his site.' In this example, *Click here* is the anchor text. However, if the link was on my name – 'A site with many useful links to digital marketing articles is that of author on the subject **Alan Charlesworth**' – it would carry more credit with the search engines if anyone searches on my name. To achieve this, I could send a polite email to the publisher of the site thanking them for the link, but asking if they could amend the link. They might ignore me, but it's worth a try.

A final point to make is to remind digital marketers that success in any search engine optimization strategy will be dependent on the competition that the website has in the online marketplace. Following the guides given in this chapter is relatively straightforward, and in a limited market will (probably) give satisfactory results. Take my own website as an example. If you search on "Alan Charlesworth" on any of the main search engines then you will find AlanCharlesworth.eu at, or near, the top of the SERP. My SEO success is helped by there not being too many people in the world with my name. There are even fewer with websites – and fewer still who see any benefit in having their

website at the top of the search listings. Effectively, I'm successful because I'm not really competing with anyone else. If, on the other hand, my name was George Clooney or Brad Pitt my chances of getting to the top would be limited to say the least. Similarly, getting my *hints and tips on search engine optimization* page to the top of the SERP for "search engine optimization" would be an almost full-time occupation. And so competitive is that market that I would be unlikely to succeed.

YOU DECIDE

Advise Lindsey Naegle on how she might develop links into her consulting website (case study 12).

Alternatively, conduct the same exercise on your organization or that of your employer.

4.6 STRATEGIC SEARCH ENGINE OPTIMIZATION

Such is the nature and importance of featuring high in the SERPs, for some organizations SEO has moved on from being one of a number of operations to becoming a significant element of the marketing strategy. Indeed, for the online-only company, it could be *the* marketing strategy. As a result, instead of SEO being carried out by a dedicated person or team, everyone involved in the online presence takes a role in the SEO of that web presence. This would include obvious departments such as public relations (PR), which would expect to be versed in the use of keywords in press releases, but also less obvious units such as human resources (HR). In a large organization, it is often the case that the HR department is the most regular publisher of information about the company onto the Internet. Properly optimized, job descriptions and adverts on not only the organization's site(s) but also on recruitment sites can bring both traffic and links into the main site.

Furthermore, the organization should look beyond the basic issue of getting pages at the top of SERP and appreciate the wider role search engines can play in their business. As digital marketing expert Gerry McGovern (2011) says:

> When a customer searches for "Dublin Rio Flight" they are advertising the fact that they want to fly to Rio from Dublin. The customer today is the advertiser. Search is a form of personal advertising. Customers are telling organizations what they want to buy and what they need to know before they buy. Most organizations are too busy shouting at customers about things the customer isn't interested in. Organizations need to listen a lot more.

For those organizations with a significant web presence, it is not unusual for an international company with a global physical presence to have a web presence where the page numbers are in the thousands, hundreds of thousands or even millions. Effective optimization of such entities is referred to as *enterprise* SEO. Note, however, that it is the

PRACTICAL INSIGHT

Google algorithm updates

If you think that the life of a search engine optimizer is a stroll in the park and money for old rope, think again.

As well as the competition, Google makes life interesting by constantly changing its algorithm. According to Google itself (on blog.google) there were 1,653 new search changes in 2016 – yes, that's over 30 every day. Fortunately, most changes are relatively small and go unannounced. Major changes are, however, declared by the search giant. As an example of how dynamic the optimizers' world is, Table 4.1 gives a list of Google's algorithm changes since the previous edition of this book was published in 2014 through to the date of writing this content in April 2017.

Table 4.1 Google's algorithm changes February 2014 to March 2017

Page Layout #3 – 6 February 2014
Unnamed Update – 24 March 2014
Payday Loan 2.0 – 16 May 2014
Panda 4.0 (#26) – 19 May 2014
Payday Loan 3.0 – 12 June 2014
Authorship Photo Drop – 28 June 2014
Pigeon – 24 July 2014
HTTPS/SSL Update – 6 August 2014
Authorship Removed – 28 August 2014
Panda 4.1 (#27) – 23 September 2014
'In The News' Box – October 2014
Penguin 3.0 – 17 October 2014
Pirate 2.0 – 21 October 2014
Penguin Everflux – 10 December 2014
Pigeon Expands (UK, CA, AU) – 22 December 2014
Unnamed Update – 4 February 2015
Mobile Update AKA 'Mobilegeddon' – April 2015
The Quality Update – 3 May 2015
Panda 4.2 (#28) – 17 July 2015
RankBrain* – 26 October 2015
Unnamed Update – 8 January 2016
AdWords Shake-up – 23 February 2016
Unnamed Major Update – 10 May 2016
Mobile-friendly 2 – 12 May 2016
'Possum' – 1 September 2016
Image/Universal Drop – 13 September 2016
Penguin 4.0 Announcement – 23 September 2016
Penguin 4.0, Phase 1 – 27 September 2016
Penguin 4.0, Phase 2 – 6 October 2016
Unnamed Major Update – 10 November 2016
Unnamed Major Update – 14 December 2016
Intrusive Interstitial Penalty – 10 January 2017
Unnamed Major Update – 1 February 2017
Unnamed Major Update – 6 February 2017
'Fred' (Unconfirmed) – 8 March 2017

Source: Moz.com. Available – with more details – on moz.com/google-algorithm-change.

Note that every one of these might cause an organization, brand or product to lose its search rankings overnight. Not only will optimizers have to work on a fix, but the algorithm change may have consigned months – or years – of work to the bin.

number of pages that makes it an *enterprise* website, not the size of the business. Key issues faced by such organizations might include any or all of the following:

- multiple objectives
- keyword selection – and the mapping of content to them
- complex sites
- multiple countries – with subsequent localization and translation difficulties
- content development
- duplicate content
- inbound linking
- outbound linking
- localization for multiple outlets
- cooperation from all operational departments – some of which may be overseas
- stakeholder satisfaction
- particularly in B2B, long sales cycles
- recruitment of staff with, or the development of existing staff in, the necessary skills
- … and as with all aspects of business strategy, budgeting.

Directories

Where search engines rely on their spiders to crawl the web, directories have an element of human involvement in their development but they can play an important role in helping users find relevant websites. Indeed, in some circumstances they can complement, or even replace, the necessity to rank highly in the SERPs. For example, if you search on "London restaurants" on Google you will find the main listings are for directories of one kind or another. Online directories are direct descendants of the *offline* directory – and in many cases the online version is produced by the same organizations that traditionally produced hard-copy versions. Industry or trade bodies, for example, listing their members as part of its online presence, a local Chambers of Commerce cataloguing all businesses in its area or a council's tourist information department might have a directory of accommodation listed by type and location. Unlike search engines – which will find a site sooner or later – directories must be sought by would-be listees. Ironically, the best way to find directories is through search engines – though to find them all does take some time and a little ingenuity in tracking them down. Indeed, that a directory appears near the top of a SERP is in itself proof of the value of being in that directory. Being listed in some directories is free (local authority sites, for example), whilst others use the listings as a business model, and so charge either a one-off or annual fee. An enhanced citation – as in telephone Yellow Pages directories – may be available for a higher charge. Whether potential returns will justify the costs must be decided on an individual case basis – with the hosting site presenting statistics to prove the visitor numbers and their demographics to their site. The higher the fee, the more visitor data you should expect.

A SEO off-shoot from being listed in directories is that each link from a directory can count towards the link-popularity score of sites. This is particularly true if the directory is considered to be an 'authority' by the search engines. Also, as previously mentioned, directory listings are an advantage for *near me* searches. There is also a certain irony that an organization that does not use digital marketing (i.e. it has no website or social media presence) can have a high listing on a SERP via a directory. The obvious example is the aforementioned Yellow Pages, which publishes online as Yell.com. Anyone searching on the name of the organization (but no other keywords) will get that organization's Yell listing at or near the top of the SERP – and as that will include their contact details, a potential customer will be able to get in touch.

Decision time

Once again, the organization's off- and online objectives, the nature of its business and the market or industry in which it trades will determine its adoption or otherwise of strategic search engine optimization and the role it will play in the organization's overall marketing and business strategies. (I hope business and marketing students will recognize that I just described the purpose of an environmental analysis prior to any strategy formulation.) For the global entity, finding any aspect of its operations – be that new products or corporate social responsibility – via an online search is such a consumer expectation that effective SEO is a given. For such organizations, investing in enterprise SEO is the obvious solution. However, such is the cost – and often lack of understanding of what is required – that SEO is often still seen as a sub-department of marketing and so does not get the resources required in successful implementation of the concept.

YOU DECIDE

Advise the board of the Matthew Humberstone Foundation Hospital (case study 6) on aspects of enterprise SEO that are relevant to that organization.

Alternatively, conduct the same exercise on your organization or that of your employer.

4.7 THIRD-PARTY SEARCH ENGINE RANKING

In the previous section, directories were used as an example of how an organization with no website can feature highly in SERPs. However, this also applies to organizations with websites – with a link to its website being listed on a third-party website that features high on the listings itself. Aimed mainly at small and medium-sized businesses (SMBs) these organizations have a business model that charges a fee for services that include a listing in some kind of *directory*. Essential to their business model, in that it is a selling point for their services, is that their directory pages feature highly in searches for any business that is listed in that directory. The most noticeable of these is Yell (Yell.com).

An offshoot of the telephone number publication, Yellow Pages, their website is – in essence – the online version of their telephone directory. In the same way that the company put their clients' details in front of potential customers by delivering a free copy of the Yellow Pages book to every household with a telephone, so Yell put their *online* clients' details in front of potential customers by ensuring that the Yell pages appear high on SERPs for the appropriate search terms.

Similarly, if a small hotel pays to be listed on the likes of Hotels.com, it will pretty much ensure the hotel will appear on the first page of SERPs for relative search terms – if it doesn't, customers won't use the comparison shopping engine to make a booking at the hotel, and so the site – Hotels.com – makes no commission.

However – and there is a certain irony in this – perhaps the organization that is most effective at getting SMBs to the top of SERPs is … Google. The search giant's *My Business* service is, in effect, a third-party service – even if it does have the same owner as the search engine it promotes businesses on.

A further category of *third parties* is the various social media platforms. Messages on Twitter, for example, will frequently appear at the top of SERPs for *trending* subjects. If such messages are commercial in nature (i.e. refer to a brand rather than a news story) then thought should be given to keywords within the message and if any words or phrases should be afforded *hashtag* status. Similarly, social media pages from a variety of platforms may appear in the SERP for a search for an organization, brand or product – indeed, some marketing on social media has search engine optimization as a key reason for its development.

There is, however, a further consideration for search engine optimization on social media pages – that of the platform's internal search. As suggested in the introduction to this chapter, the likes of Facebook are used as a search facility rather than a search engine such as Google. This might take place in one of two ways:

1. A straightforward search on the platform for the required service or product – for example, "restaurants in Berlin".
2. A request to other users. Using Facebook as an example, someone might post an update on their page saying something like: 'I'm in Berlin and I'm looking for a restaurant serving traditional local meals.' As is the ethos of social media, other users may respond. But also, such is the commercial nature of Facebook, the comment will trigger the platform's *recommendations* feature, and when a user responds with what Facebook sees as the name of a business, that business' Facebook page will automatically be included in the comment.

Both of these methods of *social media search* require that the organization's social media page is properly optimized in the same way as their website should be.

Note that I could have included this section in Chapter 9, where marketing on social media is covered, but decided that ensuring that a social media presence is found when users search on relevant terms is better placed here.

Decision time

Using a third-party website to enhance the organization's search engine ranking may be perceived by some as an easy answer – and for some, that is the case. However, as is the case whenever an organization puts itself in the hands of another, there are risks involved. What if, for example, Google introduces a significant charge for its *My Business* service – or the hotel price comparison sites increase their rates. This would not be a problem for bigger entities, but these services are aimed at SMBs, who would be forced to meet the new costs from what might be limited resources. Worse still, the third party may close down or be purchased by a business that imposes new terms and conditions of service.

However, as with all aspects of marketing, the situation should be considered holistically. In Chapter 6.4, for example, comparison shopping engines, e-marketplaces and third-party shopping sites are considered for use by small online retailers. The advantages of these can be considerable – with one significant benefit being that these third-party entities all rank highly on search engine results pages.

YOU DECIDE

Consider all of the case study organizations and identify which might benefit most from a third-party search engine ranking.

Alternatively, conduct the same exercise on your organization or that of your employer.

FURTHER READING

For additional content and links to articles and stories that supplement, enhance and update this chapter of the book, go to the chapter's web page on AlanCharlesworth.com/DigitalMarketing.

CHAPTER EXERCISE

Giving justifications for all your decisions, advise Frank and his staff at Hill Street Motorist Shop (case study 8) on all of the aspects of search engine optimization covered in this chapter.

Alternatively, conduct the same exercise on your own organization or that of your employer.

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Chapter **5**

Website development

Chapter at a glance

PREFACE

> **"**
> the fundamental issues of *effective* website development are *still* the same as they were nearly 20 years ago.
> **"**

When I wrote the second edition of this book I was very conscious that I had changed little of the content in this chapter from the first edition. Certainly, I added new *practical insights, mini cases* and examples, but the fundamental content remained the same. This was because I felt that the basics of *effective* website design were established around or before the turn of the century. Therefore, when I set about this chapter for edition number three I expected a complete re-write would be necessary.

However, I soon realized that the fundamental issues of effective website development are *still* the same as they were nearly 20 years ago. There is a reason for this. The late 1990s saw the development of the Internet for commercial use and during that time there was experimentation from those seeking benefits from the new medium. It was also the period when graphic designers and programmers wielded an unhealthy influence over website development, with a concentration on technology and aesthetics rather than their effective use. The failure of so many so-called *dot.com* companies at the end of the 1990s helped focus attention on what actually works online from a business perspective. Practitioners began to publish the results of empirical experiences and academics began to publish theoretical research. That writers, practitioners or academics have subsequently produced little that either significantly adds to or contradicts the basic concepts and models from this period owes more to the quality of those publications than the lack of research and/or publications since. Effectively, the principles of good website design in 2000 are still valid for effective website design around two decades later – and are likely to be so for some time to come. Fashions have come and gone over that time. Technology has enhanced design and delivery – but the fundamental issues are the same. Therefore, I make no apology for using *some* of the content from the two earlier editions of the book in this chapter – and also a few *dated* but not *out-dated* references.

5.1 INTRODUCTION

In the first edition of this book, this chapter referred to the development of the web*site*. However, it is now necessary to refer to the web *presence* – that is, the development of any aspect of the web that is used as a platform to carry the marketing message of a product, brand or organization. For some organizations, a single website no longer represents its online presence – we should think of it more as a portfolio of digital assets. Although it is still the case that for most organizations this portfolio will consist only of its website, content that is not hosted on the organization's servers – apps, social media sites such as Facebook, Twitter, YouTube and blogs or sales outlets such as eBay are obvious examples – should also be given the same level of consideration as the *corporate* website. As Gord Hotchkiss (2010) states, websites are under the organization's control, but others are either completely or partially out of their control. He goes on to say that, although the website is still at the core, there is a ripple effect spreading out, usually with lessening degrees of control.

Whilst there are other essential elements to digital marketing, it is an inescapable fact that, with very few exceptions, online marketing – be it strategic or operational – uses its web presence as the hub of any online activity.

Going back to the early days of the web, Nielsen (2000) argued that: '…users have more choice than ever. Why should they waste their time on anything that is confusing, slow or that doesn't satisfy their needs?' Reflecting on early websites, Levine *et al.* suggested in *The Cluetrain Manifesto* (1999) that:

> **GO ONLINE**
>
> **The social media presence**
>
> Throughout this chapter – and others – I refer to the *web presence* or *website* of the organization, brand or product. In the majority of instances this will refer to a website.
>
> However, the *presence* also includes those on social media platforms. I had considered including a section that would address issues relevant to all of these platforms. However, in retrospect, all good – and bad – practices in website development apply equally to the home page of Facebook, LinkedIn, Twitter, Instagram, Facebook or any of the other social media brands.
>
> For issues pertinent only to social media platforms, follow the link from the chapter's web page.

> Many large companies offer flashy bread-and-circus entertainments on the Web. These offerings have all the classic earmarks of the mass market come-on: lowest-common-denominator programming developed to package and deliver market segments to mass merchandisers. This is not what most people want.

Although many – perhaps most – organizations have since seen the error of their ways, there are still far too many websites that are designed for the organization, not the customer. Or worse, designed for the designer's ego, not the customer. As proof – if proof is needed – that such advice has not only lasted the test of time but is pertinent to the new generation of web users, consider this from an article in *The Times Higher Education*. Hannah Fearn (2010) asked a panel of sixth-formers for their opinions of university websites. One replied: 'Most university websites don't show you information you want to know, they just show you the information that they want you to know. That's quite stupid really.' Had they been asked, I'm sure those sixth-formers would have said the same of many websites. Sadly, if we were to ask those students – now in their mid-twenties and the core of online buyers – if they still came across websites that don't tell you what you want to know, they would still say yes. Extend the question to include whether that information was easy to access (the websites' usability) and the answer would definitely be yes. My experience of university websites is that they still tell what they want to tell, not what would-be students – that is, paying customers – want to know.

Concentrating on presentation, usability and navigation, this chapter considers best practice in the development of the organization's web presence so that customer needs are met and organizational objectives achieved. Note that this chapter – in keeping with the philosophy of the book – considers the marketing elements of web design and not the technical (IT) or design issues. This approach is not meant to ignore or devalue the input from programmers and designers, but the subject of this book is *marketing*.

PRACTICAL INSIGHT

The coding basics

From a technical perspective, there are many ways of developing a website. The most basic is using hypertext mark-up language (HTML). This is a programming *code* that makes the content of a document appear on a computer screen. For example, to make a word appear in bold you place (start bold) in front of it, and (end bold) after it. Other types of coding are more complex, from Cascading Style Sheets (CSS), which fix the presentation of pages within a site, through to those pages produced *on the fly* by complex algorithms and software applications.

As with other technologies that they can use, such as TV and radio, marketers do not need to know how the technology actually works – only how to use it effectively. If you want to check the code of a web page, right click on your mouse and then in Internet Explorer (IE) click on *view source* – or on Firefox/Netscape *view page source* – and you will see the source code used.

The main issues of a web presence – like marketing itself – do not exist in isolation, with each aspect having influence or effect on the others. However, to aid the learning process, I have presented all of the key aspects in separate sections. If the objective of this chapter is to address the issue of developing an effective web presence, we must first consider what constitutes a *good* website. A review of the academic research reveals a preponderance of similar criteria for assessing the quality website design. For example, note the commonality of the terms used by the following when presenting their key aspects of quality website design: ease of use, aesthetic design, processing speed, security (Yoo and Donthu, 2001); business function, corporate credibility, content readability, attractiveness, structure, navigation (Kim *et al.*, 2003); accessibility, communication, credibility, understanding, appearance, availability (Cox and Dale, 2001); usability, usefulness, adequacy of information, accessibility, interaction (Yang *et al.*, 2004); usability, information quality, service interaction (Barnes and Vidgen, 2002); core service, supporting services, user interface (Van Riel *et al.*, 2001); quality of information, service, security, playfulness, design (Liu and Arnett, 2000).

GO ONLINE

When you're inside the bottle, you can't read the label

Although this philosophy can be applied to all marketing, it is particularly relevant to website development. Essentially, it means that if you are too close to the design of a website (inside the bottle), you do not see the site (the label) in the same way that the site's visitors might. For more on my views, follow the link from the chapter's web page.

Note that these all have an element of intangibility about them, and that the qualities could well be perceptions of users – perceptions that might be different from those of the site's developers. It is also the case that the underpinning of these criteria is mainly strategic: that is, they do not tell the developer how to *practically* apply these things to a website (e.g. what is *ease of use* and how do you achieve it?). Worthy of further comment is that in this – and subsequent – research, little mention is made of any weighting for the criteria. If, for example, in Kim *et al.*'s (2003) criteria listed above (business function, corporate credibility, content readability, attractiveness, structure, navigation), the home page of the website was not attractive to the target audience, or the navigation was poor, the users would leave the site before the other four criteria could even be addressed. Similarly, if students feel that the answer to an assignment question can be found within the text of a website, they will ignore the criteria of readability, attractiveness and structure – and battle their way through poor navigation in order to track down that assessment solution.

PRACTICAL INSIGHT

WWW – what, who and why

The website address begins with www, so when developing a website think 'www'.

What are the site's objectives?
Who are the visitors going to be?
Why are they visiting the site – what need is being met?

It is impossible to develop a website if you do not know the answers to these questions, yet I continue to be amazed by how many sites are designed without these questions being asked – never mind answered – before the development begins.

5.2 WEB PRESENCE OWNERSHIP, MANAGEMENT AND DEVELOPMENT

Although issues related to ownership, management and development have obvious overlaps, we'll consider them individually.

Who *owns* the web presence?

Although it has improved over the years, a situation still exists in digital marketing – and in particular, website development – that causes problems in effective strategic and operational online marketing. That is: who within the organization *owns* the organization's web presence? This does not mean who does the work on it, but who has responsibility for ensuring that work takes place and who has control over the presentation and content? Who is it that has the final say on its development? In *Online Marketing* (Gay *et al.*, 2007), I suggest that although there is an obvious interest from the finance department, website ownership is often a *them-versus-us* debate between IT, design and marketing. I go on to point out that in the most successful and ground-breaking websites this is

not an issue – with the best skills from IT, design and marketing combining to work as a single unit. Sadly, this is not always the case, particularly in smaller businesses.

Any readers who feel my stance on who *owns* the web presence is somewhat radical should take a look at this from expert practitioner and writer Gerry McGovern. Before quoting from his excellent article, 'Strategy and online' (2013), I'll offer a comment from him which serves to introduce the passage: 'One thing I hear again and again is that senior management doesn't get the Internet.' In 'Strategy and online', McGovern says:

> From an organizational standpoint the online revolution has happened very quickly and many senior managers are really struggling to understand it strategically. Some senior managers don't even consider online as being part of the strategic puzzle. They think it an 'IT issue' or something like that; something that can be delegated. Online has become much too important to delegate. I've been working as a web professional since 1994 and one thing that has always surprised me is how little time senior management spends thinking about and engaging with online. In 2012, we surveyed over 1,000 web professionals and their number one challenge was not competitors but their own senior management's lack of engagement and understanding.

Five years on and my experience is that this is far too often still the case – particularly with regard to marketing on social media (covered in Chapter 9).

The origin of the problem dates back to the early days of the commercial web when businesses that were looking to go online turned to the IT department – they being the computer people. It is, however, hubris on the part of marketers if they too didn't accept some responsibility for this state of affairs, with too many not being computer-savvy (or even being computer-phobic) and so were either (1) not in a position to stop IT taking *ownership* of the website, or (2) glad to let them get on with it. But if in the early days of the web too many marketers shied away from the Internet as they too considered it to be all about computers, they were mistaken. Of course, it is not – no more than advertising on TV is all about television technology. Furthermore, although that situation has improved, it has still not been eradicated completely – with marketers still not learning to embrace technology and what it can bring to the marketing table. Only time will tell if the new generation of marketers – perhaps those reading this book – who have grown up with computers and digital technology will more readily accept its use in their chosen profession.

It is also the case that in large organizations, as well as the central marketing function, each of its marketing channels had an interest in digital – advertising, sales and public relations, for example. Yet none were – or are – willing to take overall responsibility for the new medium (although the latter has been quick to claim social media as theirs). The result of this was that websites were developed from a technical or design perspective, with many sites being little more than a forum for developers to exhibit their design and technical skills with little regard for the website visitors – or as the marketers called them, *customers* (that is, those who pay the bills). Meeting online marketing objectives invariably required less glamour and more usability – something few appreciated until the dot.com *boom* ended with a resounding *bust* as the twenty-first century dawned.

Management

As with all business-related applications of the term, website management can mean different things depending on the size and character of what needs to be managed. Whether the web presence is a couple of pages acting as a lead generator for an SME (small or medium-sized enterprise) offline business or a pure-play retail site with thousands of pages, an element of management is required if they are to effectively meet the organization's objectives for that site. Essentially, any online presence is a publication – treating as such helps with the mentality of the requirements of managing any website or social media presence. Gerry McGovern (2002) describes the core objective of publishing as 'getting the right content to the right person at the right time at the right cost' – that there is more than a hint of the marketing mix there suggests who should have control of the web presence. The key role in publishing is the editor – or managing editor. As editor it is their job to commission, source, select, proofread or reject content – and then decree the way in which that content is presented. As managing editor, they also take on the wider responsibility for production and publication, so giving them responsibility for any technical aspects of the site. Naturally, the best editors (managers) do not dictate, but take advice and input from their staff – but a strategic outlook is essential. The web presence of any organization, brand or product is part of its strategic marketing communications mix and so the manager/managing editor should have a marketing background. Though exceptions exist, in my experience, it is rare for the two other professions that might provide a proficient managing editor – IT and media – to have had the necessary strategic marketing education and/or experience to fully appreciate the complexity of the task – though exceptions will always exist.

As well as ensuring strategic online goals are met (in conjunction with offline objectives) the manager also has responsibility for operational issues related to the web presence. Key to this is the site's content – textual and otherwise – that has to be developed. This can be an in-house operation, outsourced or (as is most likely) a combination of the two, with subject experts being brought in to supplement employed talent when necessary. For the small, offline-trading SME this process is performed only once when the site is first launched, with minor updates as and when required. For the pure-play online retailer or the publisher who generates income through selling advertising, however, this is an ongoing process that is not confined to a standard nine-to-five, weekday-only operation. If the site is open to customers 24/7, then the site's management must be also.

PRACTICAL INSIGHT

Content management software

To describe such software as content *management* tools can be misleading to some. Content management software actually helps you *administer* the content, not *write* it. Think of a blog, for example, where the process of accessing the websites is made easier (than having to write HTML code and FTP the content online) with the writer using WYSIWYG software much the same as typing a Word document. However, that is the limit of any *management* that it offers – it does not think up subjects and put those thoughts into words in such a way that the content meets the objectives of the site.

As well as producing the website's content, there is also the maintenance of the existing content to manage. Although the issue should be addressed during the original site design, it is essential that consideration is given to the site's structure with regard to directories and file names. As sites expand over time, so it might become necessary to add to, or modify, the site's navigational structure. An often neglected aspect of this is any inbound links to the website (from other sites) which might be around for years to come, so any redevelopment of a site can cause major irritation to potential customers. It is also the case that, as search engines will have indexed the original URLs, changing them might well result in your search engine rankings falling. Issues constantly requiring management might include:

● Out-of-date material that has either been superseded or simply run its course. Though an effort should be made to avoid such problems in the editing stage, it is not always possible to present textual content in a timeless fashion, it often being impossible to avoid the present tense. The problem for managers is that if content refers to something that is currently happening (perhaps a new product being developed), some time in the future it will be completed, but unless your website is updated, it will still say it is being developed. Similarly, there is nothing worse than reading about a future event that actually took place some time ago.

- Links away from your site need to be checked regularly (software is available to do it for you) to make sure the target pages are still there – if they are not, the user will blame you for the faulty link.

- Archiving of material that might be accessed by users in the future. This will also include its addition to any on-site search engine databases or navigational links. However, just because a website has an infinite capacity for retaining content (unlike a printed document, for example) managers should not keep old content for the sake of doing so – worthless content should be culled. Furthermore, the decision is not what the organization thinks should be retained, but what the visitor is likely to access and find useful. My experience is that departments of the organization use the website as a *virtual dumping ground* of useless content – often as part of some kind of misplaced empire-building exercise. Such behaviour does not belong on a website open to public scrutiny.

This last point emphasizes that the web manager must hold a position of authority within the organization – or face the problem of being overruled by more officious department heads. Naturally, on a website that sells goods there will always be product descriptions and prices to maintain – but sometimes a concentration on sales pages can lead to other pages or sections being neglected. A final point is that if the organization is practising content marketing then if it is to be successful the web manager must play an integral role in that strategy.

PRACTICAL INSIGHT

Ten years on … what's changed?

There are many organizations that carry a tag line on their home page that reads something like: *experts in global online corporate communications*. For Bowen Craggs and Co, the statement is accurate.

Around the time the first edition of this book was written, Bowen Craggs (bowen craggs.com) published their first *corporate website index* in the *Financial Times*, and in 2017 they took a look at how they had changed. In summary, their findings were:

- The look and feel of sites had improved – with most being akin to a glossy magazine with beautiful pictures. The improvement in graphic design (the look and feel) has, however, resulted in a widespread collapse in usability. The report says, this is: '…annoying, because there is no reason why a good looking site also should not also have good navigation'.

- The use of *Flash* animation has – for technical reasons – pretty much disappeared.

- Design is more consistent across web estates, i.e. an organization's different brands and global presences.

- Websites are doing what they should be doing, with web managers having taken control away from the wishes of the most influential department heads.
- Many corporate sites are 'samey' – following a trend in design style.
- Despite advances in artificial intelligence, internal search engines were: '…rubbish in 2007. They still are.'

Note that this review was of *corporate* websites, but I think many of the findings can be applied to *all* categories of website. The caveat to this is that the sites *should* be designed for the target audience, e.g. investors, journalists, students (my own research suggests few other people, i.e. *customers*, visit these sites); therefore, their objectives differ from, say, a retail website.

Full details of this story are available on the excellent *Anansi Blog*. To read this article in full, follow the link on the chapter's web page.

Development

A strategic decision that has to be taken prior to the development of any web presence and its content is the *voice* to be used on it. This is the *type* of language and how it is presented. In essence, this is the *personality* of the content (textual and otherwise). Ideally, the *voice* reflects the culture, the ethos – the personality – of the organization, brand or product. The voice cannot be false – it is soon spotted online. For the majority of sites, the voice is formal (e.g. an insurance seller) or informal (e.g. a pleasure park) or somewhere in between. For want of a better description, the voice should be *normal* for the organization, brand or product. And if someone from the organization – who *knows* the organization – is involved in the content development, then the voice is likely to match the offline organization. For some organizations, brands or products, it can be a successful strategy for the website to be formal (the corporate presence) whilst on social media a level of informality can be used. Research by Kate Meyer (2016), a user experience specialist with Nielsen Norman Group, emphasizes the importance of getting this right. She found that different tones of voice on a website have measurable impacts on users' perceptions of a brand's friendliness, trustworthiness and desirability. Using four core dimensions of tone of voice (funny vs. serious; formal vs. casual; respectful vs. irreverent; enthusiastic vs. matter of fact), the research found that casual, conversational and enthusiastic tones performed best. My caveat to this is that whilst these may work for even formal organizations, sometimes the subject matter – legal advice, for example – must maintain an element of formality. That said, the web has always been a more informal place than the real world. The issue of technical and design versus marketing which was introduced when considering both

> " …the voice reflects the culture, the ethos – the personality – of the organization, brand or product. The *voice* cannot be false – it is soon spotted online. "

ownership and management once again has an impact on the development of any web presence – though, obviously, decisions made in the ownership and management stages will influence that development.

> ### PRACTICAL INSIGHT
>
> Practitioner Patrick Tam (2010) reflects the frustration felt by many digital market-ers when he says: 'Digital marketing is about communications, not technology. Too often too many people get too caught up in the technical mumbo jumbo.'
>
> The title of the article from which this quote comes is also indicative: 'I'm a digital marketing professional, I don't work in IT.'
>
> When people ask me what I teach, I reply: 'Marketing … with a specialism of *digital* marketing.'

The skills required in developing an effective website are diverse. In the first edition of this book I suggested a list of skills required for website development – such a *dream team* now includes: programmers, graphic designers, usability experts, content writers, copy writers, search engine optimization specialists, sales staff, merchandisers and marketers. And this doesn't include specialists in the likes of conversion rate optimization, on-site security, checkout facilities, imaging, video – indeed, the list constantly increases as new practices and technology are introduced to the digital world.

My inclusion of offline sales staff – who should be at least consulted during the develop-ment of any commercial web presence – is questioned by some. However, in both online B2B and B2C marketing, sales staff can have a real impact – for three key reasons:

1. Experienced staff have been there, seen it and done it. They know the product, the industry, the market and the customers. To ignore their input would be negligent. Beware, however – the website is a different medium from the face-to-face contact sales staff are used to, so allowing them to develop the content themselves is not a good idea.
2. Involving *sales* in the site's development will help integrate the two elements of the organization's marketing. Too often it is the case that sales staff see the website as a competitor for customers rather than an ally in the task.
3. The majority of B2B websites concentrate on lead generation, and so when the potential customer contacts the firm – by whatever means – it is to the sales team that their enquiry should be directed. If they have had a hand in the development of the site then the sales staff will be better prepared to respond effectively to that initial communication.

A further consideration is the role that the ethos and philosophy of the organization will play in the management and development of its web presence. Gerry McGovern has done so much work with web development teams that his views on this subject are ignored at

the developer's own risk. Writing on his now defunct Giraffe Forum in 2008 he makes the point that:

> It is impossible to create a website with excellent service if there is not a culture of service within the web team that manages the website … many web teams are unfortunately filled with people who have little interest in serving. In fact, many web teams don't even accept that their primary job is to serve customers.

He goes on to suggest that some web design teams:

- Think that their job is to manage technology. They spend their time thinking about technology.
- Think about traditional communications. They want to communicate at, rather than to, customers, and they expect customers to listen.
- Are excited by things like branding and graphic design. They often change a website because they're bored with the old one. They sometimes create website designs more for their peers to admire than for customers to use.
- Tend to be isolated from customers, and because of this isolation a culture of service rarely exists. In some organizations, web teams are not even allowed to talk to customers!

In his excellent book *The Stranger's Long Neck* (2010), McGovern says:

> The web is not some back-end IT activity, it's a customer-facing, task-focused one. It's not about writing code and servicing machines, but about observing people so that you can serve them better or, more importantly, allow them to serve themselves. Web teams need to be out front, not back-office.

If you have any role to play in the development of any organization's web presence, reading the book is not an option – it is essential.

Nearly ten years on, it would be nice to think that comments like this could be condemned to – and left in – the previous editions of this book. Sadly, although the best companies no longer accept these practices, they are in the minority. Although McGovern's comments are specific to websites that aim to help customers *self-serve* themselves to products or information, all users arrive at a website with an objective in mind; McGovern's ethos will help them meet those needs and wants. More recently, McGovern (2017) has railed against competition between the various factions within web development, saying:

> We have the content tribe, and the UX tribe and the CX tribe and the IA tribe. We have the techies from Pluto, the visual designers from Saturn, and the marketing folks from Mars. And there's the sales crowd, the support crowd, the analytics crowd and the SEO crowd. And the Social crowd see the Web crowd as competitors, and mobile is of course the new and future king. All these tribes are either consciously or unconsciously seeking advantage, competing with the others for budget and prestige.

I'll conclude this section by pointing out that, although it is not an absolute, employees who *care* about customers are more likely to have a marketing or sales background than do IT or design staff.

PRACTICAL INSIGHT

Right skills – wrong place

There follows a couple of samples from websites offering web design/development services. I've selected them pretty much at random – there are thousands of similar examples out there.

1. At ***** we pride ourselves on knowing as much about IT as possible. Because we have a very broad knowledge of IT hardware and software we can diagnose hardware and software problems quickly as we are able to make logical assumptions on … network installations, online data backup, security and surveillance, antivirus protection, laptop/PC repairs, software solutions … custom database design, custom windows-based applications, custom web-based applications. We are … Associate Members of the Institution of Analysts and Programmers.

2. I am freelance website designer. During the day I work for ***** developing backend and frontend functionality for both the main site and microsites. I have a general broad knowledge of Dreamweaver, Photoshop, HTML, CSS, JQuery, WordPress, PHP & MySQL.

I'm sure these folk are skilled at their chosen careers. But those careers are not in marketing. The web presence of any organization, brand or product is part of its marketing.

In the first edition of this book I mentioned the phenomenon of the *amateur* website developer. Their influence had waned by the second edition – only for them to make something of a comeback for this edition. The *amateur* made an appearance in the early days of web design for a number of reasons, though most significantly because they were – and still are – cheap. Normally associated with SMEs, the original amateurs were the IT students who, as part of their computing course, had learned the fundamentals of HTML and website design. Those computing programmes and courses, however, included little or no marketing or sales content. Subsequently, the advent of WYSIWYG software meant that anyone who could use Microsoft Word could produce a website – but not one worthy of the organization it represented. Long (2002) made a good analogy, pointing out that owning a camcorder does not mean you can write, produce and edit your own TV commercials. However, the amateurs' low cost, the fact that the emerging web industry was not yet geared to provide *professional* web design services and (sadly) that few organizations had yet come to appreciate the full value of the Internet as a medium of communication meant that the amateur web designer business was booming.

As the number of professional designers increased, so the price dropped and the amateur was pretty much out of the picture.

However, a new amateur has surfaced – that is, *amateur* in terms of website design. These are the owner-managers of small or – more often – micro businesses who use one of the DIY-build-your-own-website facilities sold by a number of businesses. These providers are professional in *their* services in providing easy access to template-based designs, image libraries and industry-relevant content for the DIYer to make their own website with support included in the relatively modest prices charged. These website service provision sites are marketed at SME owners as a cheap option for professional website development, and as it is the business owner and/or employee who builds the site, I include them as *amateur* websites. However, the content – key to any effectiveness – is still down to the *amateur* designer. And while it is true that a few amateurs have produced successful websites, it is a very small number – of amateurs *or* professionals – who can boast proficiency in all of the skills necessary to develop a truly effective website.

Decision time

The well-used phrases *you get what you pay for* and *if you pay peanuts you get monkeys* are pertinent in this scenario. Much depends on the marketing objectives for the web presence. For the successful offline business that has traded locally for many years through word-of-mouth referrals, then a fairly basic web page – containing little more than the company name, contact details and what the business is good at – developed by an amateur and/or on a WYSIWYG template *might* be sufficient. Can the DIY website work for other organizations? The answer is a guarded yes – in the right circumstances. The obvious key is the objective to the website and its role in the marketing of the organization, but it also depends on the skill set of the person building the site. You might expect, for example, that someone who wants a basic website for their flower arrangement service might have a good eye for the aesthetic appearance of a website. Or an experienced salesperson might have a reasonable attempt at writing the sales copy for their new venture. However, the *templates* are limited, and I must refer you back to my *dream team* of skills required for the most effective sites before recommending such

PRACTICAL INSIGHT

Luxury hotels – luxury website?

As I mentioned in the preface, I made the decision that throughout the book I wouldn't mention the costs of any of the services or products I talk about. However, I will break that rule for this story. When the Four Seasons Hotels and Resorts' new website was revealed in 2012, many eyebrows were raised at the reported (staggering) $18 million price tag – I hasten to add that most websites cost a lot less than $18 million. Furthermore, once we reviewed the new site, I wasn't the only commentator to question just where the money was spent.

facilities unreservedly. However, the higher the stakes of what is expected from the site – its objectives – then the higher the gamble in not paying for a professional job. Conversely, any expenditure must give return on investment – paying tens of thousands of pounds to a big-city web design company for a website that generates little income, does nothing to develop the brand or provides no effective customer support is not a sound business investment.

For those organizations with a significant online presence, the issue of site management is likely to be addressed at the beginning of the development stage – with the manager probably leading the development from initiation to going live online. Note that it is common for the development of a website to be incorrectly referred to as a *project* – this is wrong because projects have a completion date. Too many organizations have outdated websites because they were developed as a project, and when the project ended no one took – or was given – responsibility for maintaining (managing) the site's content. Essentially, the decision is *who* will have responsibility for the site in an ongoing role. Strategically, the content itself should be determined by the site's objectives, but operationally – tactically, if you will – someone must have responsibility for the running of the site. Obviously, for big sites, that job is full time and requires someone with the experience to handle the varied duties it involves. But even for the SME with a minimal site made up of only a few pages, it is still essential that *someone* within the organization takes responsibility for its management.

As with most elements of running a contemporary organization, the manager must decide whether tasks are undertaken in-house or whether they are outsourced. Website development is no exception. Given the list of skills described above, it seems doubtful if all, or even any, of the necessary talent can be found within the organization – and it is worth noting that *unskilled* staff who are either co-opted to, or volunteer for, the task rarely produce effective websites.

Realistically, few organizations will have the *dream team* experience in-house. Even the likes of Tesco, who will have their own *online* department, would use external suppliers for specialist functions of the website (e.g. the checkout facility) or content (e.g. images, video). Indeed, there are many software companies who have built businesses around supplying specialist elements of e-commerce sites – everything from keeping product images up to date, through to *customer experience management* and linking customer's online orders to the company's logistical support. As with all other aspects of digital marketing, the answer lies in the organization's dependency on the web. I have developed (and maintain) everything on my own website (AlanCharlesworth.eu) myself, and I have very basic design and technical skills. However, I do have considerable online marketing skills – and my business or livelihood does not depend on this site; it is a support service for the book. A similar argument can sometimes be made for many offline organizations, particularly SMEs – and it is to them that the *amateur's* low price or DIY option looks appealing. At the other end of the spectrum are organizations like Amazon that depend on the web for 100 per cent of their income, and so employ all the skills necessary to compete effectively in their market.

> **YOU DECIDE**
>
> Compare the different website management requirements for the Rockridge Museum (case study 1) and the Hotel Pillowmint (case study 3).
>
> Alternatively, conduct the same exercise using one of these companies and your organization or that of your employer.

5.3 USABILITY

Advertiser Alvin Hampel famously made the point that if an ad is clever but sells no products it has failed as an advert. To paraphrase him: if a commercial website is clever but does not meet the needs of its visitors then it has failed as a website. The key to this is the website's usability.

> " …if a commercial website is clever but does not meet the needs of its visitors then it has failed as a website. "

Both newcomers to digital marketing and those of us that have been around it for some time have to accept that in the digital world things change. New technology is introduced and new concepts presented. However, sometimes things just change names. And sometimes things that have been around for a while reappear as something else. Not only that – and, yes things get worse – because of these issues we have the same things known by different names and different things known by the same name. But that is not the end of it; all of these different things with different names have their own *experts* who tell us everyone else is wrong. *Web usability* is one such example of this phenomenon.

As a marketer, I do not have the qualifications to suggest what I present here is the definitive explanation of what usability – in its many guises – is. But I can give you the opinion of someone who has over 20 years' experience of marketing online. I'll start with my definition of web usability from my 2007 book, *Key Concepts in e-Commerce*:

> Web usability has its origins in the sciences of graphical user interface (GUI, pro-nounced gooey) and human computer interface (HCI) and it is, effectively, all about making a website user friendly. Although proponents of usability argue that it is the most important element of website design, this often runs contrary to the views of some designers, particularly those from a graphic design background. Most out-spoken in favour is usability guru Jacob Nielsen – whose background is in HCI. In defence of his views on the importance of usability, he says: 'If a website is difficult to use, people leave. If the homepage fails to clearly state what a company offers and what users can do on the site, people leave. If users get lost on a website, they leave. If a website's information is hard to read or doesn't answer users' key questions, they leave.' Whilst Nielsen uses the term *usability* to encompass all aspects of website design, it can be difficult to identify where usability starts and other

elements of website design begin. Good navigation, for example, is an integral part of good usability and yet it is normally discussed as a separate issue. Similarly, I will include information architecture – essential in e-commerce sites so that customers can find the products they want to buy – as part of usability.

I'll stick by that description, but it needs to be brought up to date. At the turn of the century, GUI and HCI were two of the *buzz* phrases heard around website design and marketing on the web. Indeed, if there had been social media back then it would have been full of references to them – particularly the ubiquitous *gooey* (which essentially refers to offering users options that are laid out on the screen rather than the earlier programming method of having to type in commands). Ten years on I'll speculate that most people reading this book have never heard or come across either term. However, the terms *user experience* (abbreviated to UX) and – to a lesser degree – *user interface* (UI) both commonly appear followed by the word *design* to indicate that *type* of design. The latter is gooey without the *goo* – it fell out of favour somewhere along the line – but user experience is new to the *online* world. But not to *the* world.

Wikipedia describes *user experience design* as: '…the process of enhancing customer satisfaction and loyalty by improving the usability, ease of use, and pleasure provided in the interaction between the customer and the product'. Note the lack of any reference to *digital*, *computers*, the *Internet* … actually, there is no reference to anything. That is because it can apply to anything – though the reference to *customers* is significant. Customers belong in the marketing world. Although user experience actually belongs in the science of human behaviour – marketers recognize that to be effective we must understand that close relative, *buyer* behaviour. Therefore, in marketing, *user experience* can mean anything from how easy it is for the customer to use the product we sell (a brilliant product that is hard to use is *not* a brilliant product) through to the customer's *entire* experience of the organization, brand or product.

Pre-Internet we associated how easy the product is to use with design, development and manufacture of a physical product. The entire experience was the *marketing* of it. Put simply in terms of the 7Ps – the latter was the people, price, promotion, place, process and physical evidence after the product had been made. Of course, we didn't call it *user experience* back then – if for no other reason than we never referred to customers as *users*. The phrase is reputed to have originated with Don Norman, a cognitive scientist and co-founder of the Nielsen Norman Group Design Consultancy, who says that he first used the term when he was with Apple in the mid-1990s. He declared then that: 'user experience *encompasses all aspects of the end-user's interaction with the company*, its services, and its products'. Apple's packaging of its products is a good example of that philosophy. I cannot be the only person who can't bring themselves to throw away the box their iPhone came in. Even before getting your hands on the actual smart phone, the satisfaction of un-packaging it is part of the user experience. However, *digital* has cast aside that history and hijacked the term to describe the web users' experience on a web presence, as in: the site was developed by a *user experience designer*. At this point I will remind you of the issues I have raised previously with regard to website designers not being marketers,

and yet – as I have illustrated above – user experience is *actually* marketing. A footnote to this is that as a *marketer* I favour the interpretation that UX is an abbreviation of user *expectation*.

User interface design is described by Wikipedia as: '…the design of user interfaces for machines and software, such as computers, home appliances, mobile devices, and other electronic devices, with the focus on maximizing usability and the user experience'. This suggests that UI has a closer relationship with the customer – that is, there is an element of consumer research and/or analysis. For the purposes of this book, I am going to advocate that good *user experience* can only exist if a good user interface is in place – in other words, UI is a sub-set of UX.

GO ONLINE

Follow the links from the chapter's web page to see a series of two-minute videos from the Nielsen Norman Group that explains a number of aspects of UX issues.

Therefore, I am going to end this section where it started. There are a lot of descriptions and arguments out there about UI, UX and how they differ or are associated, most of which are superfluous to the digital marketer. Therefore, in an attempt at clarity – and for the sake of simplicity – I am going to suggest that the digital marketer should concentrate on making the web presence user-friendly, and put that under the heading of

> "
> Website usability is all about how easy it is for a visitor to achieve their objectives for visiting the site.
> "

usability. The caveat being, of course, that if user experience is the wider consideration of the customers' interaction with the organization, brand or product, then usability of the website is part of the *online* interaction (social media might be another part).

Website usability is all about how easy it is for a visitor to achieve their objectives for visiting the site. If it is to find the address of a local store – is there a prominent link on the front page that says *store locations*? If it is to purchase a silk tie as a present – is there clear categorization, e.g. menswear > ties > silk? Any block on the visitor's smooth flow through the site is a reason for them to leave – and a click on the back button represents a lost sale. Naturally, the opposite is also true – an easy-to-use site is more likely to result in the site's objective being met.

An integral aspect of usability is how visitors find their way – *navigate* – around a website. If there is only a couple of pages this shouldn't be an issue, but if the site has more than three pages, ease of navigation is essential. It is also the case that in an era where search rules the web, many visitors will arrive not on the website's front page, but deep in the site. Navigation systems should take this into account so that potential customers do not simply bounce straight off the site because (a) they are not aware of other content, or (b) they can't find their way to it. As Gerry McGovern (2009b) says: 'Good web navigation is unsubtle. It is clear, precise, familiar, consistent, boring, unemotional.

> **MINI CASE**
>
> **Plain beats fancy**
>
> In 2013, it was a website that swept aside offline designs from the world's best architects, such as the iconic London Olympics Cauldron, in a top design award competition. In itself that was something of a shock. That the website in question could only be described as 'plain' – and was the website of the UK government – created even more of a reaction. Commenting on the result on his website, web content expert Gerry McGovern said:
>
> > Design is not just how it looks. Design must also be concerned with how it works. For things to work on the Web they must be findable. That requires a focus on search and navigation. When these are found the customer must be able to do something with them: complete a task.
>
> I can add nothing to that other than to endorse every word – and applaud the award's judges.
>
> The site can be found on www.gov.uk – which is, quite possibly, the best use of a domain name and suffix *ever*.

> **"**
> Good web navigation is unsubtle. It is clear, precise, familiar, consistent, boring, unemotional. Good navigation is ugly and functional.
> **"**

Good navigation is ugly and functional.' For the designer who has spent several years at university being taught to express themselves in their designs, *ugly* and *functional* is alien and they are tempted to eschew conventions – but as McGovern goes on to point out, phone directories are still best presented in A to Z, no matter how conventional that is. This topic is taken up by another practitioner-expert, David Bowen (2009), who says that:

Consistency and convention are not *sexy* or innovative concepts but they are the bedrock of smooth journeys online just as driving on a particular side of the road is offline – it would undoubtedly be exciting if the side changed without warning in different parts of town … but it's not something you would want to have to think about.

McGovern (2009c) also makes the point that when people are on the web they are instinctive, impatient, impulsive and in a hurry. They click on the first link that looks in any way right – the reason why designers should not change obvious navigational aids to be *sexy*. The offline example he uses is that even the most state-of-the-art new aircraft will still use the term *exit* over the doors. Don't mess with established navigation conventions, he says, be as familiar and consistent as possible. Perhaps designers should take note of Leonardo da Vinci, who said: 'Simplicity is the ultimate sophistication.' Readers might be more familiar with the quote from the original brochure for the Apple II.

Once again I have referenced material that *some* might consider to be dated. I disagree. The arguments put forward by the likes of McGovern and Bowen are just as valid now as they were then. A qualification to their line of reasoning is that *convention* in 2017 is not necessarily the same as it was ten years previously. However, any convention (i.e. rule, principle, standard, custom, practice) develops *organically* – it cannot be forced on people. This is particularly the case when that convention makes life harder for them.

RESEARCH SNAPSHOT

Old habits die hard

Traditionally – if 20 years is long enough to *create* tradition – websites display a brand logo in the top left corner of every page. This lets visitors know which site they are currently on and helps reinforce brand recognition. As part of the site's UX, however, it serves as a one-click link back to the home page. Furthermore, having a link that says *home* should also be on every page – and it should also be in the top left-hand corner.

So what happens if you break with tradition and put the logo (or *home* link) in the middle of the top of the page? Research suggests that users are six times as likely to fail to navigate to the home page in a single click.

No big deal, you might say. But if only a small percentage of those users left the site without achieving their reason for being there, they are unlikely to come back – and no business can afford to lose *any* customers for *any* reason, not least *trendy* website design.

Footnote: if you want to spot a lazy designer, see if they have made the logo on the home page a link to … the home page.

Source: Nielsen Norman Group

Online evidence of this is the *hamburger* menu icon so loved by website designers. Several years after its introduction, I still come across people who do not know what it is. Indeed, I often look for a navigation bar, subconsciously ignoring the three parallel lines tucked away in the top corner of a page. Note that the *hamburger* was originally developed for use on the small screen of a mobile device where a full *menu* would take up much of the screen, but designers soon replicated it on sites for bigger screens because it doesn't take up space on their beautifully aesthetic page in the same way as a *traditional* navigation bar. However, research conducted in 2016 by Pernice and Budiu on behalf of the Nielsen Norman Group found that:

- Hidden (e.g. the hamburger) navigation is less discoverable than visible or partially visible navigation.
- When navigation is hidden, users are less likely to use navigation.

- Hidden navigation provides a worse user experience than visible or partially visible navigation does, in both mobile phones and desktop user interfaces. This finding holds true across multiple UX metrics, including users' assessment of task difficulty, time spent on task and task success.

- On desktops, hiding navigation degrades the experience and the navigation discoverability more than it does on phones.

- Hiding the navigation mostly affects content that is not directly accessible through an in-page link.

Messrs McGovern and Bowen would not have been at all surprised by these results.

RESEARCH SNAPSHOT

Is this the on switch?

Analysis of extensive data collected from 215,942 people over five years in 33 countries and published in 2016 by the OECD (the Organisation for Economic Co-operation and Development, a club of industrialized countries) gives an insight into how *bad* users' computer skills are.

The researchers defined four levels of proficiency, based on the types of tasks users can complete successfully. Those levels and the percentage of the adult population in each are:

Can't use computers – 26 per cent
Below level 1 – 14 per cent
Level 1 – 29 per cent
Level 2 – 26 per cent
Level 3 – 5 per cent

Usability designers, please note that you are in the top 5 per cent – so everyone else is worse at surfing the web than you. To quote a phrase that has been aimed at website designers since website design began: *you are not the user*.

For a review of this research by the Nielsen Norman Group, follow the link from the chapter's web page.

Although you may know your way around your site, you should not assume others find it as easy. Pages, sections, categories, products – whatever your site is made up of – should be signposted clearly. There should be an unambiguous contents list. If every page has a *return to home page* link then the visitor is only ever one click away from base – where they can start again. If your website is *massive*, provide an in-site search facility.

Seen by many as essential to navigation around major sites, internal search facilities can be problematic – suffering from what I call *red sweater syndrome*. The problem lies in who is responsible for the development of any search facility – and it is too often left to

> **PRACTICAL INSIGHT**
>
> **A new search for in-site search**
>
> For many years website designers have relied on a pretty simply cut-and-paste on-site search facility supplied free by Google. However, they may need to find an alternative as it will come to an end in spring of 2018.
>
> There is a replacement … but it will carry the ubiquitous Google ads.

programming staff. By the very nature of computer programming – it is binary – coding is developed in a yes/no way. The algorithm is asked for a *red sweater*; if there is no *red sweater*, the search return is *none found*. And this is where marketing must work with designers in developing the facility. Here's the reason why. Different people recognize the same products by different names and descriptions – a red sweater and maroon pull-over, for example – therefore, *marketing* input is required to ensure provision is made for matching searchers with products that meet their needs, e.g. a search for "red sweater" will trigger the response that *maroon pullover* is actually the same thing. To avoid the *no return* page – which is bound to send the potential customer elsewhere – marketers should help make sure that:

- If there are no matching products, a *marketing* message is offered (e.g. *you might want to try …* or *no shirts in this colour are available, but you might want to consider this range [link] that has other colours that might work with your outfit.*
- As indicated with the red sweater, where synonyms are used, the search terms that visitors might use should be predicted. This also includes popular terminology (e.g. a car enthusiast might search on "alloys", not "alloy wheels").
- Common misspellings (in the products and descriptions) can be predicted – similarly, different international terms should be catered for.
- Too many results are as bad as none. The visitor has used the search to save them time in navigating the whole site. Therefore, it's no good presenting them with a list that is longer than the site's navigation bar. Multiple results should be categorized, or if necessary an 'advanced search' option should be offered to help users narrow down their alternatives.

Other problems can stem from the nature of the content being sought. For example, most in-site search facilities cannot read pdf files – so the sought-for content might be part of the website, but the search engine tells the searcher it is not. Technical staff can address all of these elements when building the in-site search engine's parameters – but they should not be expected to determine those parameters themselves. I have previously emphasized the importance of input from sales staff in the website development. This is a good example of where their experience is essential – it is they who know what customers ask for.

An addendum to this section is that in-site search should be used to *supplement* good navigation, not as a substitute for bad navigation. Indeed, I would endorse the view that a site with excellent navigation (usability) does not need an in-site search facility.

An addendum to this section is that an in-site search's log analysis can help publishers in that it can identify problems with the site's UX if visitors are struggling to find products or elements of the site.

PRACTICAL INSIGHT

There are right visitors, and there are wrong visitors

Over the years numerous commentators, authors and practitioners have made the point that there are several distinct categories for people who arrive at a commercial website – and they should be considered in the design of the site. Nearly all agree that the list is something like this:

1. They're there by mistake – they followed a link, mistyped a URL, misinterpreted the domain name – or one of a dozen other reasons. No part of your web development efforts should be aimed at them.

2. They don't really know what they are looking for, but they think you might have it – think of the window shopper who wanders in off the street. A front page that says whose site it is and what they offer, plus a clear navigation bar, should tell this visitor whether they belong there or not.

3. They have some inkling of what they want and believe that you sell it – perhaps because they have been on the site before. As with the previous group, clear navigation should help them out – though as they know what they are after, more comprehensive listings might be necessary – or an in-site search facility.

4. They know what they want and they know that you sell it. For these visitors, 'one-click' type navigation is necessary so that they can get to their purchase as quickly as possible.

Of course, grey areas will exist in this list – and developers should never forget that a visitor who is #4 for one product might be #2 or #3 for others.

Although good navigation is important for *branding* and *service* websites, for revenue-generating sites *important* becomes *absolutely essential*. As the site's objective is more tangible – make a sale, for example – the web designer can look to influence the way a visitor navigates their way around the site. One way of doing this is to use an online adaptation of the sales funnel. Note that the sales funnel is a development from the buying cycle and AIDA concepts – both of which are covered in more detail in Chapter 2. In the traditional version – an example of which is shown in Figure 5.1 – potential customers might be exposed to an advert (the widest part of the funnel). People interested in the product might respond to the ad by ringing up to request a brochure (they enter
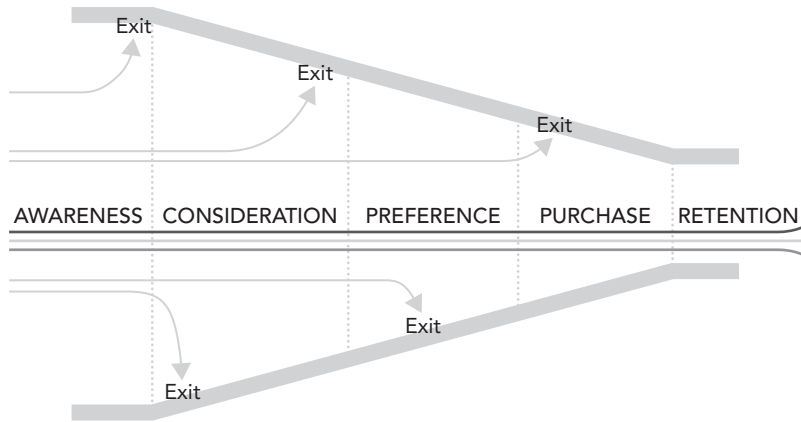
Figure 5.1 A contemporary sales funnel. Note how the arrows indicate that potential customers can leave the funnel at any time

the funnel). After reading the brochure, the prospective customer then contacts the firm to arrange a demonstration of the product, and so on until a purchase is made (they exit the funnel at its narrowest point). At each step the customer can either (a) go deeper into the funnel, or (b) step out by rejecting the offering. Sales (and marketing) teams can then study users' progression through the funnel and address issues that cause them to step out at the various stages. It is also the case that customers can be *rejected* at any stage if sales staff identify them as *not-serious* purchasers.

Online, web designers might consider the website to be the *funnel*. Potential customers might arrive at a page on the website from a search engine. This could be the site's home page (which would be the mouth of the funnel) or *further* into the site (depending on the search term used, this could be close to the mouth or right at the end). Whatever they see on the page will determine whether or not they click deeper into the site (funnel). At each stage the prospect might withdraw (click away). The final stage – the narrow end of the funnel – is where the customer clicks on the link that fulfils their need and meets the site's objectives, be that *buy now, download now, find your nearest store* or any other call to action that meets the site's objectives.

The funnel model is applied in a concept (championed by Bryan and Jeffrey Eisenberg – bryaneisenberg.com) called *persuasive – or persuasion – architecture,* where the navigational design of the site leads a prospect to the objective of the site by having them follow a series of commands. For example, a product description page might sell its attributes and end with the comment *to find out what colours are available, click here; to select a size, click here,* and so on. However, the model also depends on the hyperlinks to each to be a call to action that motivates the user to move to the next stage. A persuasive call to action can be the difference between a visitor continuing down the funnel or leaving the site. For example, consider how the inclusion of a benefit and an imperative – or *active* – verb help make the second of the following hyperlinks more persuasive.

1. Bob discovered a work opportunity that changed his life. **<u>Read More</u>**

2. Bob discovered a work opportunity that changed his life. **<u>See how Bob doubled his earnings in less than a year</u>**

As with its offline version, the online sales funnel can be used as an analytical tool. If, for example, most prospects leave the site from the *price* page of the website then it suggests that either (a) there is a problem with the content of that page, or (b) there is a problem with the product's price. To find out which of the two is the main problem, testing is the answer.

There is a further issue with the funnel that is relevant to the digital marketer – particularly e-commerce sites – and that is the potential customer might enter the funnel at any stage. That is, they might just be *window shopping* for a product they hope to buy some time in the future and so enter at the awareness stage. On the other hand, they might know *exactly* what they want and go straight to purchase. The website's UX must cater for both of these customers. For an example of how to get this right, take a look at Amazon. If you knew this was the book you wanted you can type the title into the search box and then click on *buy now*. But if you are just considering buying a book on digital marketing you could search on the term and spend some time looking at the books presented. And that is not just looking at the titles: Amazon includes descriptions of the content, often several sample pages, reviews, author biographies and more to help you pick the book that suits you best.

GO ONLINE

B2B vs B2C websites: key user experience differences

The Nielsen Norman Group – experts in the subject of UX – suggests that B2B buyers have needs that are very different from those of B2C consumers. To address this they have identified five major differences in the user experience requirements for B2B sites and B2C sites.

Difference 1: Content must support long purchase decisions.

Difference 2: Integration, compatibility and regulatory information needs to be clear.

Difference 3: Content should speak to both *choosers* and *users*.

Difference 4: Complex pricing requires realistic scenarios.

Difference 5: Speak to different customer segments and scales of businesses without alienating audiences.

For more detail on these, follow the link from the chapter's web page.

Decision time

If ever there was an element of digital marketing where designers and marketers clash, it is this one. The situation has improved over the years, but there are still far too many examples of aesthetics and new design features triumphing over the usability of a website. Undoubtedly, this issue is more often than not down to issues of ownership and management – if designers have ownership they will dictate the nature of the website. Similarly, if the key objective of the site is not determined prior to its development, there is no focus for the developers.

> 66
> …if the key objective of the site is not determined prior to its development, there is no focus for the developers.
> 99

In a *digital* world where technology is seen as making life easier, quicker and more convenient, websites must meet those *digital* user's expectations. With very few exceptions, if a website is not easy to use there will always be another that will help users meet their online requirements. Usability is not only an issue that requires strong management to ensure its requirements are met – it is key to the effectiveness of a website. No matter how good the content is – if users cannot find that content its development is a waste of time and effort.

MINI CASE

If you can't navigate this website you must be stupid.

I have seen this kind of thing so often that I am no longer surprised by it. Here's the story.

A website with which I am familiar recently had a revamp. Those responsible asked staff of the organization for feedback – which they duly gave. Most suggested that navigating the site was difficult (it was, very) and, in particular, finding the link to a page staff use every day, often multiple times.

So what the staff received was the following message in an email (I have made certain changes to protect the guilty):

> We've had a lot of feedback from staff letting us know that they are struggling to find the *name-of-page-staff-use-every-day* link on the new website. As a reminder, the link is on the footer of the home page or by searching on the website itself. However, it can be accessed directly via this link *http://name-of-page-staff-use-every-day* – I encourage you to bookmark the page (by selecting bookmarks from the main menu) to help you find it much more quickly.

This email was signed by the *digital content manager*.

I am overjoyed to say that she wasn't one of my ex-students.

Need I say that:

(a) If you have to explain the website's navigation it means the navigation doesn't work, so the user experience (UX) is negative.

(b) If lots of people want to use that link every day put it at the top of the home page – no matter how much it upsets the designer because it might be aesthetically poor.

(c) Telling people to bookmark the page is pretty much like waving a big flag saying: *I don't get website usability or UX*.

(d) You should not ignore the feedback of users and – effectively – tell them that they are idiots by pointing out the not-very-obvious site navigation.

I can only repeat what I've been saying for 20 years: a website is for the user; not the designers; not the organization; not the marketing manager; not the programmers; not anybody – just the users.

This story first appeared on my Facebook page: Facebook.com/AlanCharlesworth. DigitalMarketer.

Design convention should be challenged only with very good reason – and whilst those reasons do exist, they are rare. Supermarkets still have pretty much the same layout as they did when they first became popular after World War Two. This is because that layout works. As with niche websites, designer boutiques might get away with unconventional layouts – but if you want to move stock in quantity, rows of shelves is the way to go. Websites with the primary objective of branding can be more experimental – branding has always been the most *intangible* element of marketing – but ultimately, if poor usability prevents the consumer from receiving the branding message, the marketing has failed.

YOU DECIDE

Whilst UX is important for all websites, it is *more* important for some than others. Take a look at all of the case study organizations and consider the importance for each of having an effective UX. List them in order of significance of UX, with the organization for which it is essential at the top and the one for whom it isn't so important at the bottom.

Alternatively, consider the importance of high SERP listings for your organization or that of your employer.

5.4 THE BASICS

In this section we will consider the basic elements of presenting information on a website. These are presented as guides, not rules. Obviously the objectives of the site might dictate how the guides are interpreted, but they are ignored at the publisher's peril. It is also worth noting that this book is about marketing on the Internet – and so this chapter concentrates on sites that perform a commercial or public service and from which a return on investment is required.

Site architecture

Before any work starts on the development of any website, it is essential to plot its layout – in design terms, this is the site architecture presented in hierarchical terms. I contend that it is also essential that the organization – owner, manager, staff – should have a role to play in this. I'll even go further and say that, if the work is being out-sourced, the organization should have sketched out the architecture before the work of developing the site is passed to another party. I say this for two related reasons: (1) the organization knows itself and its products and so can decide the importance of the various elements, and (2) the designers have no idea about the organization or the various elements of it. This is not to say the developer might advise changes to benefit UX, but the original plan should come from the organization. A third benefit is that the organization feels it has involvement in the development of the site. Figure 5.2 shows an example of the structure of a basic website. Essentially, for any site, *level 1* is the navigation bar of the home page.

Presentation

As with so many things in life, *keep it simple* is an excellent maxim to follow when developing a web presence. Usability expert Steve Krugg attempts to get the message across in the very title of his book on the subject: *Don't Make Me Think* (2000). His point being
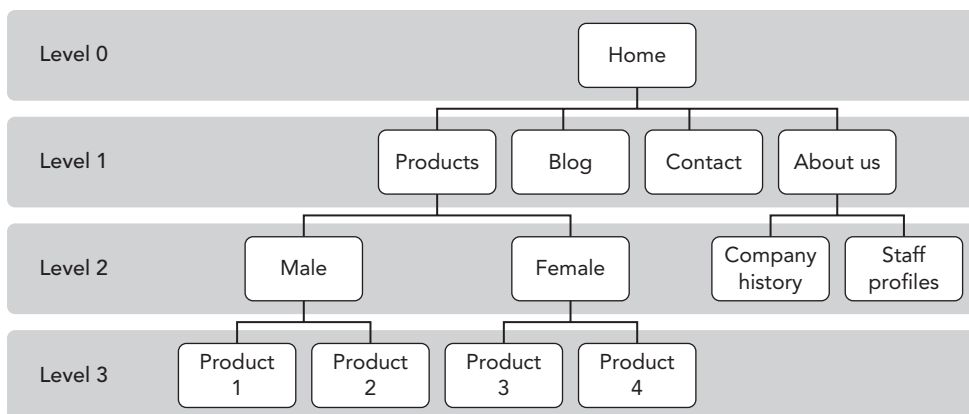

Figure 5.2 An example of a simple website architecture

that using the site should be instinctive – leaving users to concentrate on the objectives of their visit.

Presented in no particular order, the following are some of the key issues in presenting a website to its visitors:

- Download time. In the early days of the web, research suggested that around eight seconds was as long as most people were willing to wait for a page to download. The widespread availability of broadband reduced this waiting time – it would seem that web users are an impatient lot. Web designers who ignore download speed – technology-heavy sites download slowly, simple ones quickly – do so at their peril. Or should I say at the peril of failing to meet the site's objectives? There is even a double-whammy from Google and Facebook with regard to slow downloading sites. Not only might your site turn people away, but they might not even get there in the first place. Both Google and Facebook have confirmed that they incorporate website download speed into their algorithms for website rankings on search and newsfeeds, respectively.

PRACTICAL INSIGHT

Same page, different name – vital importance

The first page of a website can be referred to as the *home* page or *front* page. Programmers usually call it the *index* page as that is the designation of the file that represents it. In marketing terms, however, it is the most valuable *real estate* that you own on the web. Its content and presentation will determine whether or not a surfer might become a customer. If you doubt this, consider: would you go into a shop to buy shoes if nothing on the outside of the shop suggests that it sells foot-wear? Or would you enter a restaurant if the entrance was dirty? Here are a few tips.

The front page should:

- download quickly
- offer a value proposition – a reason for visitors to stay
- *inspire* visitors to go deeper into the site
- *direct* visitors deeper into the site
- appeal to the target audience
- include contact details.

The front page should *not* have:

- self-serving statements
- a company description

- advertising banners
- any *award* logos
- the designer/developer's name or logo
- a *home* button
- external links
- Flash/splash type technology (yes, there are still some out there).

A footnote to this is that it is now common to arrive on a website as the result of an online search, in which case the user is more likely to arrive on any other page of the site other than the home page. Therefore, if *any* page is a home page, then *every* page should meet the criteria described above.

- Make things easy on the eye. This refers to both aesthetically and with regard to making things undemanding to read. Avoid garish colours, flashing or moving images, music or any other *novelty* that does nothing to help the site meet its objectives. Newspapers are white with black text – the lesson to take is (a) it makes the print easier to read, and (b) people expect it. Black on white might be a little *basic* – but a dark text on a light background is a must.

RESEARCH SNAPSHOT

It *will* happen to you

Although it might be a long way off for most readers of this book (though sadly, not its author), we all suffer a loss of vision, dexterity and memory as we get older – and we use all three when using the Internet. According to research from the Nielsen Norman Group (2013), seniors – defined as being aged 65 years or older – are 43 per cent slower at using websites than users aged 21–55.

As well as the obvious things like small font sizes, seniors are uncomfortable trying new things and twice as likely to give up on a task when they are online. Despite websites being better designed and seniors becoming more skilled at using the web, in an aging society which has an ever-increasing percentage of older people going online it is a foolish web designer who ignores the needs of a demographic of society that has the disposable income to pay his or her wages.

- Font size. Also associated with making text easy to read is the size of the characters. Either have them large enough to read or include in the design a facility for the user to easily adjust the size on their browser.
- Uniformity. Maintain a corporate image with offline publications, livery and so on – and every page in a site should follow the same layout and structure.

PRACTICAL INSIGHT

Learn from history

Hundreds of years of print have shown that readability of textual content is optimal at 1.5 to 2.5 alphabets per line – normally around 65 characters. Few publications deviate from this rule, no matter how large or small the text is. Generally speaking, the easier to read the book is hoped to be, the fewer words there will be on a line – a holiday novel that will be read on the beach, for example. Ironically, academic text books are some of those most guilty of breaking this rule – including this one – though not by much. The average line is around 75 characters long.

- Get the important content on the screen. The old newspaper axiom of *above the fold* translates well to a web page – with *below the fold* being any content that requires downward scrolling to see and *above the fold* being what is on the screen when the page opens. People will scroll down a page if they feel it has something they need or will find useful, but they shouldn't have to scroll down to find the name of the organization whose front page they are looking at or the value proposition that should influence the user to stay on that page. Google recognizes *above the fold* as providing a good user experience, citing in their web master central blog (webmasters.googleblog.com) that sites that have important content below other content (adverts, for example) would be penalized in the search engine's ranking.

- Page width. This is a contentious issue – with designers usually wanting to fill the screen, but good usability practice being against it for most applications. The key issue is that the developer does not know, and cannot control, the size of screen that the user will view the page on. To maintain control over the pages' presentation it is common practice to set the page width as one that can be seen by the majority of – if not all – users. The time when controlling width becomes a necessity is where the content is predominantly text – text that stretches all the way across a computer screen is difficult, if not impossible, to read (try it – see the link on the chapter's web page). It is far easier to hold the readers' attention if shorter lines are used. Again the lesson comes from the print media where newspaper content is presented in columns. Text is best presented in short paragraphs with bold introductions or titles so that the attention of visitors *scanning* the content is drawn to key subjects.

- Printed pages. It is becoming less common to print web pages, but some content does lend itself to doing so – if this is the case the page should be set accordingly. In standard format, printers will print a maximum width of 750 pixels – and often the default setting is 600. Setting the page width above this will result in the ends of each line being chopped from the printout. If you expect the user to print out the page – confirmation of an order or a flight boarding pass, for example – offer them the option of a *print this page* facility which is deliberately designed to print an A4 sheet of paper.

PRACTICAL INSIGHT

React or respond?

It has become more common for users to access the web using smart phones or tablets. Website developers are, therefore, facing up to the problem of how best to provide web content that is as readable on a tiny screen read on a train as it is on a PC on the user's desk.

One option is to use basic website design which the user can adjust for the screen on which they are viewing it. However, this involves some consideration of the different screen sizes and – it might be argued – results in a website which is *okay* for all screens but perfect for none. This book's website would be such an example.

Another choice is to develop one site for larger screens (e.g. PCs and laptops) and another for mobile devices. While this might be an ideal solution, it is very expensive and requires the organization to direct visitors to different URLs for each site.

Other alternatives exist which are based on The World Wide Web Consortium's (www.w3.org/) concept of *One Web*, which they define as: '…making, as far as is reasonable, the same information and services available to users irrespective of the device they are using'.

However, this does not mean that exactly the same information is available in exactly the same representation across all devices. The context of mobile use, device capability variations, bandwidth issues and mobile network capabilities all affect the representation. Furthermore, some services and information are more suitable for, and targeted at, particular user contexts.

Known as *responsive web design*, this is a way of designing websites so that they have a fluid layout, but the coding adapts the content to the screen on which it is being viewed so that it displays appropriately. The key advantage to this is the organization needs to develop and maintain only one website for all of their customers.

Another alternative for some organizations, particularly those that seek interaction with the digital customer – retailers, for example – is to replace the website with an app (application software).

As with every aspect of the subjects covered in the book, however, the answer lies with what the customer expects and what the objectives of the organization's digital marketing are – a combination will provide the route to the answer to the questions raised above.

- Respect the conventions of the web. Links within text, for example, should be in a different colour, and usually underlined. Visited links should also change colour – in a long list it is easy to forget where you have already been and where you have not. Similarly, underlining words is frowned upon as they are misinterpreted as being link words. Online, words in all uppercase are deemed the same as shouting – and rude. Furthermore, using all capitals actually reduces readability by around 10 per cent. Note that the issue of link colours can be overruled by the user's browser settings, but you should still design for the majority.

- Avoid non-standard characters that not all browsers can read. The superscript ™, for example, does not appear as such on some browsers.

- Home page link. So that a visitor is never completely lost on your site, or because they may have arrived deep in the site from a search engine, there should be a link to the home page on every other page on the site – although it is surprising how many home pages include a link to themselves.

- Ensure the design features of the site are appropriate to its objectives. You would expect the presentation of a website for a funeral director to be different to that of an amusement park. An extreme example perhaps, but what sort of website might your target audience expect to find?

PRACTICAL INSIGHT

Knowledge of all fonts?

The most easily read font on a website is one from the Arial/Helvetica family. Times New Roman, the most commonly used font in printed media, should be avoided.

The reason is in the presentation of the fonts. Arial and its cohorts are *sans serif* fonts – they have no *tails* at the end of each line in the letter. Times New Roman is a serif font – it has the additional tails. In print, characters are *solid* and so the tails make the words easier for the human eye to identify – and so read. Online, however, all characters are presented in pixels – effectively thousands of dots on the screen that when put together represent letters, numbers and so on. Because of this *pixelation* it is better if each character is distinct from the next – and the tails in serif fonts tend to blend each character into its neighbours, so making it more difficult to read on a computer screen.

Incidentally, it is the same issue that makes words in italics difficult to read online – and so they should be avoided.

- It may be true that a picture paints a thousand words – but online there are caveats. Be aware of using large images on a website (particularly on the front page) as they can take a long time to download. If your product sells on what it looks like, then pictures are essential – but make sure consideration is given to the file size of any image (for download times). Also, the quality of any pictures is important; they should be professionally

produced. Having pictures on a website simply because *they look nice* is not good practice. An old axiom from the publishing world is: if you cannot write a caption for a picture, it should not be there – the same applies to online. The custom of having a picture take prominence on a web page is a legacy from the print media and advertising. Often referred to as *the hero shot,* having a big picture of a film star next to a story about a film in which they are starring might work in magazines, and images of gorgeous women on perfume ads might work offline – but online such illustrations simply take up valuable on-screen space. Note, however, that it is becoming more common – particularly on retail sites – for the home page to be taken up with a single, or *carousel* of multiple, images. I contend that while this is aesthetically pleasing it does not necessarily help meet the needs of the visitor or the objectives of the site. A further note to designers is that just because it is common practice does not necessarily mean it is effective practice.

- Grammar and spelling. Sadly this final point should go without saying, but unfortunately it is a common problem on pages ranging from blogs to corporate sites. Ensure any textual content is grammatically correct and has no spelling errors. How credible is a business if it cannot even take the effort to have its website content checked for errors?

Online credibility

Realistically, this section is relevant only to online-only organizations as the key credibility issue is: *does this business exist?* For the offline business that is expanding to online, that business' history is part of its credibility. So is its physical presence. Obviously, if a brand is known offline, online credibility is not an issue – Tesco online is the same Tesco as the company with hundreds of offline stores, for example. In the physical world, customers can use all of their senses in making a judgement on a brand or organization. They can *look* at the building they are in – how it is decorated; how well maintained; how clean. They can *listen* to what staff say – and note their tone of voice for sincerity or humour. They can *touch* products; feel the characteristics; assess the quality. They can *smell* the product – or if it is relevant, the place in which it is processed or sold. They can *taste* the product – or ingredients. They can also use their *sixth* sense – the one that gives them an *insight* of the organization – its ethos and culture, for example. Online they are limited to a small screen on which the words and images that make up your web presence appears. On the Internet, relationships and transactions are more impersonal and

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PRACTICAL INSIGHT

Remove the *need* for frequently asked questions

FAQ pages were once a common feature of websites – indeed, they still appear on many sites. My opinion is that having FAQs is an admission that the site's navigation and UX is not doing its job properly. The answer to *all* FAQs should be inherent in the content (it's why people are on the site) and easy to find – and if that messes up the beautifully designed aesthetics of the page, so be it.

anonymous, making the building of *online* trust an essential component for organizations to succeed in the digital environment.

A term I have used for some time in an effort to emphasize to organizations that cost cutting on website development will come back to haunt them in the future is: *online – you are your website*. Essentially this notion reflects the fact that in the intangible world that is the Internet the only thing the (potential) customer can judge your organization on is what they see on their computer screen. Of course, bad website equals bad organization is a perception – but then so too is much of marketing. If *online, you are your website* ever carried any validity, it is with regard to online credibility. Long before the commercial Internet, Mowen (1987) made the point that the consumer evaluates a retailer and its products/services before deciding on whether or not to develop a relationship with them. This is not only equally true in the online marketplace, but it can be applied to B2B trading as well as retailing. For the offline retailer, this *relationship decision* will be based not only on price, service, product availability and so on, but on the basics of shop keeping. Does the shop look enticing from the outside? Is it clean? Are the aisles cluttered? Is it easy to walk around? Is the stock easy to find? Is it merchandised in a logical order? Online, these issues come under *usability* – a subject we covered earlier in the chapter. Indeed, with this in mind perhaps the phrase *online, you are your website* should be amended to *online, you are your website's user experience* – for that is how users will assess you website. I should add at this point that – as I have said previously – for *website* you might want to substitute *web presence*. A poorly developed Facebook page will reflect badly on the organization, not Facebook.

A number of writers offer solutions to how trust and credibility can be built into a website, though many are based around Stanford University's Persuasive Technology Lab's research into web credibility, whose guidelines include:

- making it easy to verify the accuracy of the information on your site
- showing that there's a real organization behind your site
- highlighting the expertise in the organization
- showing that honest and trustworthy people stand behind your site
- making it easy to contact the organization.

Depending on the product being sold or the market in which the organization is trading, however, help – or otherwise – is at hand by way of social media. For industries such as travel accommodation, customer reviews are now the default practice.

For the pure online organization, the website is everything – and so it should receive all the attention that the sole source of income demands. However, for any twenty-first-century marketer, it is likely that the Internet will play an important role in any marketing strategy – and so how the web presence represents the organization is an essential consideration. Just as every business, and marketing mix, is different, so too is every website. However, there are a number of issues that should be addressed in order to suggest credibility to the customer. These *might* include such things as:

- incorporating contact details, including full mailing address
- providing details of staff to make the organization real
- having an FAQ section that answers all potential customer questions – or better still, ensure all potential questions are addressed in the site's content
- including details of complaints procedures
- explaining in full the organization's email and data protection policies
- using customer endorsements.

However, these are generic topics, and each publisher should look for specific issues that are relevant to that site's visitors. For example, a guaranteed delivery by a certain day might suggest credibility through reliability. Also – as is a constant theme throughout this book – multiple aspects of digital marketing impact on each other, such as ranking high in a search engine results page raising the credibility of that company within its field. Note, however, that any of those issues listed above may not be relevant to any given organization or website. Indeed, the inclusion of some of them might actually be detrimental to the objectives or usability of the website. For example, for someone who trades from home, including their address online might not be a good idea for security reasons.

Testing

Although testing should be considered as a basic element to website development, it is too often the case that it is seen as an add-on, a luxury, or worse still – not the necessity it is in reality. Before any site is made live to the public, it should go through two stages of testing – *technical* and *human*. It should also be noted that this testing is related to the end user and how they are able to access and use the site. Aesthetically beautiful websites that win design awards or feature high in search engine results pages are not necessarily user friendly. As with all marketing, the only important opinions are those of the end users – the customers.

Technical issues that can be tested and addressed during development include:

- performance on the various browsers (including those for mobile devices) that customers might use
- download speeds on a variety of broadband and WiFi
- how pages present on various sizes of screen.

GO ONLINE

Website washout

For an example of why developers should test websites for the basics of browser compatibility, follow the link from the chapter's web page.

It is also worth noting that testing should not end when the site goes live. Whilst ongoing improvements can be made to all of the elements listed above, other aspects of the site can be constantly tested for better results. For example, the text used in calls to action as part of the sales funnel can be tested for increasing clickthrough rates. For major online retailers like Amazon, such testing is constant, with virtually every aspect of the web presence including (but not limited to) background colour, headlines, copy, graphical images, banner ads, pay per click (PPC) ads, button colours – indeed, anything where there is the potential to improve the response and measure the improvements – being subject to testing in order to achieve maximum sales.

Human testing is task oriented and should not be performed by anyone who has been involved in the project as they will have an insight into what is expected and how they should act. Neither should questionnaires or focus groups be used as people rarely say how they actually act online – few people like to admit they struggled with a task that they think others will perceive as being easy. Although advanced testing using such techniques as eye-tracking (where the user's eye line is tracked as it moves around a web page) are available, much can be learned by taking a member of the Internet-using general public, and simply putting them in front of the site's home page and asking them to perform a series of commands. If the website has a specific target market, then people who fit the right demographic profile should be used for testing. The respondents should be observed (and un-prompted – keep the design team out of the room) as they, for example, find the organization's postal address, a complaints phone number, the cost of shipping a product to America, a whitepaper download, how many colours a shirt is available in or make a purchase. Essentially, ask them to perform tasks that ordinary users will expect to complete (easily) in order to meet their objectives for visiting the site. Simple observation will tell the developers whether or not the site is usable.

Decision time

This section follows on directly from the previous chapters where the website's objectives and who takes responsibility for its development are addressed. In my experience, however, it is not always the case that these two fundamental issues have been addressed before work starts – or is even completed – on the site.

From the strategic objectives will come the answers to such issues as:

- What technology is most appropriate for the target market?
- What devices will the target market use to access the site?
- What style of presentation best suits the organization, brand and customers?
- How will the site be used – quick information gathering or deeper research?
- Are there existing offline brand aesthetics that should be mirrored online – corporate colours, logo fonts, etc.?
- Should the site meet with accepted online conventions – or will the target market be expecting something more unusual?

Look outward, not inward

When Jonathan Kranz, the author of *Writing Copy for Dummies* (2004), was asked (in an interview in 2007) 'What is the most common mistake that you've seen companies make in crafting its collateral?', he replied:

> Narcissism. We think we can distinguish our business from the competition by talking about ourselves: our company, our mission, our philosophy, our products. Yet the more we talk about ourselves, ironically, the more we sound like everyone else … and we lose potential customers as a result.

Ten years on, he is still as right as he was then.

Source: marketingprofs.com

- Will pictures add to the users' experience of the site – or detract from it?
- What is the best method of navigation that facilitates the user meeting their on-site needs – and the objectives of the site?
- Is an in-site search facility needed, or will good navigation suffice?
- What testing is necessary to ensure both user experience and site objectives are optimized?

The answers to these issues will give the designers a direction to take in the way the site is developed to best suit target users.

YOU DECIDE

Take a look at all of the case study organizations and develop a basic architecture for a website for each. Alternatively, consider the importance of high SERP listings for your organization or that of your employer.

5.5 CONTENT DEVELOPMENT

That consumers use the Internet to search for information is one of the web's greatest impacts on marketing – as content expert Gerry McGovern (2009a) says, 'customers don't arrive at your website to know less. They want to know more.' McGovern's assertion, based on his vast experience, supports – or is that 'is supported by'? – Andrei Broder's informational-navigational-transactional concept mentioned in the previous chapter.

However, this should not come as a great surprise; customers' thirst for information to aid their purchase decision has long since been recognized as a key element in the buying process. If it is a search for information that is the primary motive for visiting a website,

then that information must be not only of a high quality, but presented in a way that it is acceptable to the visitor. It is necessary, therefore, that further examination of this aspect of website development is included here. Although content developers have long argued the value of their contribution to the success of a website, their arguments were for a long time ignored by too many developers. Indeed, it is the experience of many – including myself – that the textual content is often the last thing considered in website development. It is not unusual for a site to be months in development and the content written in the last few days before it goes live – with it often being simply lifted from existing offline publications. Not only that, but the task is delegated to anyone who might be available at the time. So it is that arguably the most important element of the website – which will be available to customers 365 days a year, 7 days a week, 24 hours a day – is written by the office junior or intern. This scenario has improved over the years, not least by the popularity of content marketing. A qualification to my assertion here is that most of this book's readers will have had experience only of *effective* retail websites, where product descriptions are recognized as being an essential element of *selling* those products. In essence, the description (text and images) takes on the same role as the salesperson in a physical shop. Move away from successful e-commerce sites and evidence of poor content is manifold. Remember, the description is there to sell the product, not simply to tell potential buyers about it.

PRACTICAL INSIGHT

Content is king!

Do not ignore this insight because you have heard it before – content really is king.

High-quality content will overcome basic design – but excessive design will not disguise poor content.

However, a caveat is that it is the customer who decides whether the content is good or not – that is, if it is relevant to their needs or not.

So perhaps the title of this *practical insight* should be: The *right* content is king.

This brings us to a subject that sometimes confuses students: the difference between *content* and *copy*. Indeed the common misuse of the two would suggest the confusion spreads to practitioners and writers also. It is important to appreciate that while the two may blend into each other, in marketing terms there is a fundamental difference between content and copy. Essentially, content has the objective of being informative. Copy, on the other hand, is persuasive in its nature – hence the common term, *sales* copy. It is copy that will encourage a visitor to become a customer. The textual content presented in an advert will have been developed by a copywriter. Online, this aspect of the web content is often referred to as the *call to action – click here for more information* is a basic example. The online blurring of where one stops and the other starts is commonly found

in product descriptions. If a product is described only by its attributes or capabilities (*it is 50 cm long and will last two hours on one charge*), then that is content. However, if it is described by how it best meets a customer's needs (*smaller than its competitors at a mere 50 cm and practical in hundreds of outdoor applications because of its astonishing two-hour charge*), it is copy. The best copy will also include some *personality* – normally that reflects the culture or ethos of the organization, brand or product. For an example of this, next time you are in a supermarket, read the label (the product description and other details) of any drink from the *Innocent* brand.

That many website developers are confused by the terms *copy* and *content* only emphasizes their lack of awareness of the importance of both.

GO ONLINE

Say what?

To read advice from some of the best practitioners in the art of copywriting, follow the link from the chapter's web page.

Having determined the importance of a website's content, let's now consider the development of that content by looking at the two distinct elements: (1) textual, and (2) images and other features.

The development of textual content

A common mistake in many aspects of marketing is that organizations are organization-centric rather than customer-centric. This manifests itself in website content development in that too many organizations determine the content by asking *what do we want to say* rather than *what does the market want to read?*

In content development there are four key issues that need to be addressed. In chronological order, they are: (1) the solution to what need is being sought when the target market chooses to visit your website, (2) what information does the target market expect to be given to help meet that need, (3) how does the target market expect that information to be presented, and (4) how is this information best developed? Let's consider these in more detail.

The solution to what need is being sought when the target market chooses to visit your website

This is natural progression from the objectives for the website. As previously discussed, identifying key objectives for a web presence is essential prior to any development taking place – a website cannot possibly be successfully developed without those objectives being clear.

What information does the target market expect to be given to meet that need?

Obviously, specific information will vary from organization to organization, product to product, brand to brand and site to site – and, most importantly, customer to customer. However, the developer must be clear what constitutes information in the perception of the website visitor. This would be another example of the value of a *dream team* being responsible for the website. Content development is an instance of an IT or design specialist not having all of the skills necessary to develop an effective web presence. In this case, not only should an accomplished writer be involved, but there could be input from both marketing and sales staff.

How does the target market expect that information to be presented?

An overriding consideration in this regard is that the information is easily read, understood and interpreted by the target audience. As stated earlier in this chapter, dark characters on a light background are easiest to read – but this does not address the *style* in which it is presented. First of all, it needs to be *appropriate*. If you sell goods to pensioners, for example, your target audience will expect a certain *nuance* in the text, perhaps formal and reserved, certainly respectful – though not straying into being condescending. A further consideration is the *character* of the site. Martineau (1958) proposed that a retail store has its own personality – this is also true of a website, or more accurately it reflects the personality (or culture) of the brand, product or organization. Although its aesthetic presentation will also have an influence, it is the presentation of the textual content that will best determine that personality.

GO ONLINE

Written by robots?

As artificial intelligence (AI) becomes more *intelligent* it is able to write *some* online content. However, this is limited to shorter passages of text, particularly in multiples, such as product descriptions – hence why I have included this *go online* here and not in the first chapter. For an insight into the content production industry, follow the link from the chapter's web page.

Similarly, the *language* used in the text needs to be appropriate – and I do not simply mean English, Spanish, Chinese and so on (see later for more on this particular subject). What I am referring to is that in the same way that *Whazzhappening? DAWG!* won't work on a website selling long-stay holidays to retired people, neither will *good morning, ladies and gentlemen* suit a site selling skateboard accessories to teenagers. Another consideration is the use of jargon associated with the product. For many B2C markets the jargon and the *style* may be closely related – not least in the teenage market or anything that is sport, hobby or interest related. Essentially, you use the jargon if the target reader will

understand it – indeed, in some circumstances, to explain terminology might be perceived as insulting to the experienced reader. However, a caveat is that in some markets the *buyer* may not be the *consumer*. Parents, for example, looking to buy a present for their teenage offspring may not understand the terminology used – and so not make a purchase. In a B2B environment, jargon becomes even more important as it can be part of the description of the product or its use.

MINI CASE

The gobbledygook manifesto

Author of *The New Rules of Marketing & PR* and all-round expert on web content, David Meerman Scott was so fed up with self-serving nonsensical comments in PR releases and on websites that he set up the *gobbledygook manifesto* to help rid the world of *corporate* phrases like: scalable, groundbreaking, cutting-edge, situational fluency and paradigm shift. Scott highlights that, in their marketing, Disney talks about *quality entertainment content*, and points out that is *movies and TV shows* to you and me.

I liked this phrase from a software company's site: *We're dedicated to developing applications that empower users to be more productive*. It sounds to me like they might make bigger shovels. This phrase is an example of a *value proposition* (VP) – a common practice offline that is often presented as a tag (or strap) line in ads and promotions for the organization, product or brand (Nike's *Just Do It*, is a classic example). Online, the VP can be a repetition of an offline version or – better – can be specific to the online offering which might highlight the advantage(s) of the web-based offering.

Used effectively, a tag line – or *online* value proposition – at the top of a web page should tell the user that they are on the right page to meet their objectives as soon as the page starts to download.

Follow the link on the chapter's web page for a link to the *gobbledygook manifesto* – some of the phrases may be a little out-of-date, but the sentiment is still valid.

Another key issue that is pertinent here – and another that is too often forgotten by website developers – is this: where is the customer on their buying cycle? As we covered in Chapter 2.2, the buying cycle is a model that describes the buyer's behaviour from problem recognition to purchase. The quandary for content developers is that if you design the site to meet the needs of someone who is at the *information search* stage then that content will do little to satisfy someone who has reached their *purchase decision* – and, of course, vice versa. Unless you are certain that site visitors are always at a certain stage, the content must try to meet both groups' needs – and so is a compromise to all stages in the buying cycle.

A final consideration that is an accumulation of all of the factors covered in this section is how the presentation of information impacts on the relationship that will (hopefully) develop between customer and organization. However, developing an online relationship with an organization, brand or product is usually an extension of an affiliation originally formed offline. With the exception of pure-play online businesses (of which there are actually very few when compared to the number of offline entities), few sites operate in isolation in developing a relationship with users. For example, my affinity to Notting-ham Forest is with the football club, not any website that features the club. In behavi-oural terms, this is an issue of what need I am meeting when I visit a site – let's say to

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MINI CASE

The virtual voice of the terraces

An example of how a writer's personality can attract repeat visitors to a website that, essentially, carries the same content as a number of other sites is the nffcblog.com – an unofficial site covering the activities of Nottingham Forest foot-ball club. On the page pictured below – lauding a long-awaited success – the club's site matches this one for its celebratory mood, but the nottinghamforest.co.uk page was more formal in its presentation. Can you imagine an officially sanc-tioned report where the writer announces that he is *off to the pub*? The writer catches the mood of the fans – for they too were all going to the pub to celebrate, as was I.

Figure 5.3 A page from nffcblog.com

The story and the screenshot image were those used in the first edition of this book. I also made the case in the first edition that *passion can sell* when it comes to writing content.

It is rare, but sometimes amateur content can score over that which is professionally written. The primary reason for this is that the writer's enthusiasm for their subject comes through in the text. Naturally, proofreading to correct any major errors in spelling or grammar should be conducted – but poor syntax can sometimes add to the *charm* of the content. The drawback to this approach is that the site is dependent on the writer to continue as the *voice* of the site. In the case used as an example above, it is impossible to produce a newer screenshot as the author has decided to discontinue his blog.

The *voice* issue is more problematic in social media marketing than it is in website development because it is with social media that customers are now more likely to interact – and so form a relationship.

find out the latest news about a player's injury – and how well the site meets that need. However, how that information is presented might help develop a relationship.

When discussing online behaviour in Chapter 2, I commented on how the development of a relationship with a website can vary depending on what need the website meets. To continue the example of my relationship with websites that contain news about my favourite football team, it could be that a number of sites meet that need – but I might develop a relationship with a particular site depending on the style of the writer(s) of that site. For example, the *official* site is more formal, presenting the news as fact, whilst other sites use a more informal manner, with the addition of personal opinion. Essentially, it is personal opinion or attitude – the *personality* of the site – which will help develop my relationship, but put off others. In marketing, we call this segmentation.

How is this information best developed?

In this section it is impossible to divorce the issue of *how* (is the content best developed) with *who* is responsible for its development. Therefore, although the issue of website management has been addressed in detail earlier in this chapter, before we continue to consider the *actual* content, let's consider who writes it. As mentioned earlier, it often falls to junior members of staff to produce the textual content – and with the greatest respect to office juniors around the world (who may one day become *great* content writers), they are the wrong people to whom you should give this crucial task. In the same way that without the necessary education and training, not everyone can write a book, or a newspaper article, or advertising copy – why should they be able to write website copy? At the least, a professional should be paid to *edit* the text. At the *very* least, have someone who knows what they are doing check the spelling and grammar. I find personal assistants and secretaries good for this task – indeed, if you *must* insist on *DIY*

content writing, such employees (who are used to writing things *properly*) will do a better job than most. Of course this is an option of last resort – as expert in the practice Bob Bly (2003) says, you should write you own copy *only* if you are (1) an excellent copywriter, (2) you enjoy writing copy, and (3) you have the time to write copy. In other words, he is saying to the vast majority of people: don't do it.

> " …the copywriter must get a *feel* for the product, service, organization or brand about which he or she is writing. "

In order to get the style of the content right, the copywriter must get a *feel* for the product, service, organization or brand about which he or she is writing. This *feel* could come from such things as previous ads, brochures, reports, press releases, technical manuals and product specifications. As well as also interviewing staff from senior management through to shop-floor workers, online social media sites can provide an insight of how the organization, brand or product is perceived by the general public – that is, its customers. If possible, speaking directly to existing customers will help in presenting the content in their *language*. I have to wonder how many organizations go to these lengths when developing online content. My own experience is that organizations dismiss this as unwarranted expense – and yet those same organizations will spend hundreds or thousands of pounds (or whatever) on a single promotion that will be seen by comparatively few people. At the lower end of the scale, firms are willing to pay for the technical aspects of the website, but not for the textual content. This is, of course, illogical – but who *owns* the website will normally offer an insight into the reasons for it being the case.

GO ONLINE

Words aren't free

To appreciate what you should get when paying for content to be written, see what a practising copywriter offers for your money by following the link from the chapter's web page.

A common mistake made in website development – often, but not always, because it requires no further effort or cost – is to simply reproduce content that was produced for other media. Even in the digital era's early days this was identified as a flawed practice. In 1997, Jacob Nielsen made the point that a movie is not made by filming a play – although the story and characters are the same, the two media require different presentation skills. People choose to visit a website – they have to click on a link or type a URL into a browser window. Therefore, they arrive on the first page with an expectation – so the content must meet that expectation. Often, designers use pictures or video produced for adverts on other media on the site's home page – it is very common on websites of fashion retailers. However, an advert is designed to attract the attention of a viewer or reader for whom the advert is intrusive to what they really want to see or read. The advert has to shout – sometimes literally – *look at me*. A web page does not have this

problem as the user has already made the decision to visit that home page, and so that advert is wasting space on the page. Note this issue is an aspect of the buying funnel. The TV advert promoting a website is at the wide end of the funnel – when the potential customer goes to the website, they are entering further into their buying behaviour. Repeat, or regular, customers are – effectively – being greeted with an advert that is designed to persuade people they should visit the site. Would an offline retailer prevent customers' free access to stock by blocking the entrance to their shops with a massive screen showing adverts which the customer has to watch before they can reach the sales floor? Obviously not – so why do it online?

Similarly, content written for offline publication has been developed to be read in a different context than it is on a website. On the web, any tangible aspects of the publication – you physically hold a book or newspaper, for example – do not exist. Where printed content is linear (the last word on page two leads to the first word on page three, for

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PRACTICAL INSIGHT

Don't sell a product – solve a problem

Although this phrase could be a motto for not just website content, but all marketing messages, online it serves another purpose in that it is applicable to good on-site navigation. Links to content deeper in the web should be clear on how the visitor will benefit from clicking on the link – and eventually buying the product. For example, a company that specializes in lawn products might have the following as the links on its home page navigation bar:

> I need a greener lawn
> I need to get rid of moss
> I need to get rid of weeds

Or maybe:

> My kids are ruining my lawn
> My dog is ruining my lawn

Notice how all of these examples are written in the first person (I, my), which (a) makes the issue personal, and (b) gets away from 'we' and 'us' – the language of an organization that is talking about itself.

It is also the case that phrases like these are appealing to search engines – in particular, voice searches. Furthermore, the content of the pages that have link text using these phrases could be classed as content marketing. Naturally, the content would need to be *professionally* written, but *I need a greener lawn* could be a guide for new gardeners (with the product being featured, but not overly so). Similarly, *my dog is ruining my lawn* lends itself to a light-hearted approach that could appeal to both gardeners and dog owners.

example), web content not only exists on a *bottomless* page, but it has links to multiple other pages – allowing users to read them in any order. This page (that you are reading now) exists as part of a book – would it be useful without the content and context of the rest of the book? Web pages, on the other hand, must be able to exist in their own right, meaning that the content must provide the context and purpose of every page so that a user arriving deep in a site from a search engine, for example, will comprehend what the page is about.

A further consideration in the *don't take it from other literature* argument is the way in which we read the textual content of web pages. Simply put, we find it harder to read text on a computer screen than we do printed on paper, so we rarely read whole pages of textual content. Instead, we *scan* the text, picking out keywords, sentences and paragraphs of interest and skipping over other text that has no appeal to us. Obviously, therefore, the web writer must pamper to this practice by writing content that uses descriptive headers (and sub-headers), short paragraphs, bullet points and content that gets to the point quickly. Finally on the subject of writing specifically for the online context, web pages have hyperlinks that can be used to direct readers to further associated or supportive information – and they certainly won't be present in any offline publication.

The question of whether the textual content of websites should be short (to retain attention) or long (to cover the subject in detail) is one on which experts in the field cannot agree. The answer, of course, comes in what the customer expects – but that is too simplistic. Consider the customer's position in the buying cycle, for example. In real life, the competent salesperson knows within a minute or so if the customer is new to the product or is a repeat buyer – and so can adjust the length (as well as content) of their sales presentation accordingly. Online, we cannot make that decision about the customer and so have to gamble on long or short – or present a compromise that may or may not suit all customers. As with a number of aspects of web development covered in this chapter, publishers must accept that they can please some of the people all of the time and all of the people some of the time, but not all of the people all of the time. This same adage can be carried into the consideration of the *actual* content.

In his influential book *The Long Tail* (2006), Chris Anderson suggests examples of criteria people might use for their evaluation of content – whether it is high or low quality.

Table 5.1 Evaluation of high- and low-quality content

High quality	Low quality
Addresses my interests	Not for me
Well made	Badly made
Fresh	Stale
Substantive	Superficial
Compelling	Boring

As Anderson rightly points out, beauty is in the eye of the beholder – the assessment being not one of the tangible quality of the content (i.e. well researched and written, grammatically correct, to the point, etc.) but how *appropriate* it is to them. For example, a website on the subject of horse riding would – for me – definitely be *not for me* and *boring*. A teenager who has recently taken up horse riding would obviously think the opposite for these two criteria, but might also – being a newcomer to the subject – be happy enough with *stale* and *superficial* content. Similarly, if the content were addressing her interest, would poor spelling and grammar (*badly made*) be an issue? However, someone who has been riding horses for many years would have yet another opinion of the same website content, potentially finding it ticks all of the boxes in the *high quality* column while at the same time determining it as *not for me* because she has seen it all before.

PRACTICAL INSIGHT

Testimonials work – if you treat them right

Sean D'Souza, ace content writer and founder of PsychoTactics (www.psycho tactics.com, always worth a read – and free), endorses testimonials but warns against 'the company was wonderful I would recommend them to anyone' type of tributes. He advises you use the following structure:

1. Paint a detailed picture of the customer giving the testimonial.
2. Explain the situation before the customer made the purchase. Make sure to put in the reluctance factor.
3. Explain the result of having made the decision and how the customer has benefited.

Practised correctly this method helps the potential customer visualize how they might benefit from the product or service on offer.

The *actual* content of the website will depend on the objectives of the site – but there are some elements that are essential to most (if not all) sites if they are to be successful. Although no list can be absolute – and inevitably, grey areas will exist – Table 5.2 is a rough guide to what users might find (a) essential, or (b) useful or interesting. It is the latter which differentiates the online presence of the organization. Note that in a competitive environment all competitors' websites are likely to contain the *essential* elements. It is the *useful* or *interesting* content that adds value and so differentiates the organization in the marketplace.

You will note that I describe this as a *rough* guide – in all aspects of marketing there is rarely, if ever, a single right answer. The value added list is a list of things that *might* be included on a website; it is not an absolute directory for every website.

Table 5.2 Website content

Essential	Value added
The organization's name	How the organization/brand/product/service will meet the needs of the reader
What the organization does – its business or, if non-commercial, its objectives	Extensive product/service descriptions, including static or – where appropriate – moving images
Where the organization is located (address)	Articles about topical issues in your market or industry sector – these can be written in-house or commissioned
Full contact details	An insight to the organization – over and above the standard *about us*; pen-pics of staff, perhaps
Note that all of these should be on the site's front page On an extensive site that is likely to have visitors arrive deep in the site from search engines, the first two should be on *every* page	Reviews of products – car accessory retailers commenting on the performance characteristics of cleaners and polishes, for example
If the website facilitates online transactions or collects visitor data then legal notices are also a must	Endorsements or testimonials from satisfied customers
A notice about the use of cookies on the site is another legal requirement	A directory of useful books and/or websites – a brief review of each adds a personal touch
	A glossary of terms used in your industry – particularly if your business attracts customers who are new to the marketplace

An addendum to the above could be a *do not include* list, which would include:

- Self-serving statements – *we are … we do … our …* – customers want to know how the company can help meet their needs, not how wonderful the organization thinks it is
- Errors in grammar and spelling

The development of images and other features

After text, the next most common type of content is pictures. As mentioned earlier, pictures are often included on a web page for purely aesthetic purposes – they look nice. However, the organization's website is its online real estate (with the front page being prime property) and so taking up space with a picture that does nothing to meet the online needs of the target market is a waste of that valuable resource – with the aforementioned *hero shot* being the worst offender.

That said, of course, there will be sites where pictures are an essential element of helping to meet the customers' needs. An obvious example is the product picture, though this is by no means universal; hardly necessary were the pictures of drawing pins that I once saw on a stationery retailer's site. Similarly, pictures of the interior of a hotel room or the view from the room's balcony will always say more than textual descriptions. If a picture is an advantage then care should be taken to show the product at its best. Multiple product images are relatively easy to offer as the pictures can be presented on the product pages as small images – dubbed thumbnails – that enlarge when clicked on.

PRACTICAL INSIGHT

When an image isn't a picture

For the newcomer to websites, the term *image* can be confusing. This comes about because – in terms of hypertext code – pictures are listed as images. This is fine if we are talking about, for example, a photograph of a product. Using any of the software commonly available, however, it is possible to create images that are not *pictures* – an obvious example might be a chart or graph. However, the main confusion comes about because text can be produced as an *image* – so when a website designer refers to an image, they do not necessarily mean a picture.

Multiple pictures of a product should add to the buyer's understanding of, and attraction to, the product. In offline car sales, for example, the salesperson will walk the customer around the car and then invite them to sit in it – a series of photos should do the same job. For some items – clothes come to mind – pictures from various angles will help to give the (potential) customer a better idea of how the product looks. Indeed, some retailers have taken this a stage further by allowing users to build a virtual model (an avatar) that matches their measurements – and then add clothes to the model to give an even better idea of how they will look on the buyer. More basic than the virtual model, but more advanced than the static picture is the 360-degree picture, which allows the user to move around either the fixed 3D object (an ornament perhaps) or a space (a hotel room, for example). Using the *panoramic* facility available on digital cameras can really make the viewer think they are there – ideal for tourist destinations or services.

As with text, there is the temptation to do-it-yourself when it comes to images of products – particularly now that digital cameras seemingly make the process so easy. However – as with the textual content – professional input is best sought, particularly as the photos will need to be best captured with digital online reproduction in mind. Another aspect of the web presence where pictures can work is in developing the supplier–customer relationship. Perhaps more relevant in B2B environments than B2C, a picture of the member of staff who deals with your required product might add a little personality to the web page, and perhaps encourages the customer to contact your organization rather than a competitor who has a similar product at a similar price.

GO ONLINE

Smile!

When calculating the cost of a website, remember that pictures don't come free – imagine the cost to a site like Tesco where thousands of product images are required. Follow the link from the chapter's web page to get some idea of those costs.

Of course, you can go one better and have moving pictures. Driven by the increased availability of broadband, that sites such as YouTube make it easy to embed videos on websites and that search engines now return videos in response to searches, many sites now include videos as an integral element of their content. Like all content, however, it should be used only if it helps meet the objectives of the site, and so the user must perceive it as being useful – or they will never click on the *play* button. For example, some products lend themselves to the instructional video – such as those that have been used as in-store point-of-sale for many years, and so give added value to the website visitor. There are a number of other ways in which video can be used on a commercial website other than as content as part of a YouTube-type business model. These might include any of the following:

- An introduction to the organization – available as a link from the home page, such a video can give personality or character to the organization.
- Testimonials – as with the introduction, having a real person talk about how your product solved their problem gives a more human interpretation than the printed word.
- Product demonstration – how the product can be used; an armchair with multiple adjustments for back and legs, for example.
- Service demonstration – a commentated visual walk-round of a hotel, perhaps.
- Instructional – fitting, assembly or maintenance instructions can be complex when presented on paper, and easily lost. Not only is the online video always available, but customers can actually see how something is done at the same time as hearing the instructions.
- More interesting for some applications might be a 'day in the life'-type story, where an employee is followed as part of a recruitment strategy. Theatres could record snippets of plays and cut in comments from actors or backstage workers. Similarly, a church could video sermons and intersperse them with commentary from officials and flock.

While quality will always be an issue – as with images – modern technology has made the playing field a little more level for small businesses when it comes to developing videos to be shown online. Pre-digital video creation was expensive, and normally handled by media agencies. Now, however, compelling videos are within reach of all businesses – not just those with the media budgets big enough to afford a professional film crew.

Note that, no matter which of the above you use, all videos should be:

- As short as is feasible to get the message across – any more than a few minutes and you should condense the message.
- Of professional quality – poor video quality will be perceived as representing an organization that has little emphasis on quality. Although the amateur, shaky, handheld

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PRACTICAL INSIGHT

Conversion videos

There are a number of ways the online retailer can use video content to convert *lookers* into *buyers*. Depending on the product – obviously – types of video might include:

- how it's made – whether hand-crafted or machine manufactured
- extreme testing – demonstrates how durable the product is
- comparison – against competitors or other products in the seller's range
- opening up – shows a customer unboxing the product
- setting up – shows how the product is prepared for use
- building – if the product comes in parts to be assembled by the customer
- product in use – operating instructions for various aspects of the product's functionality
- tours – shows a customer around the product or service.

Note that these videos can also be featured on social media.

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production can have a certain appeal, effective examples are extremely limited. Readers might be surprised to realize just how many of those amateur videos are in fact very professionally produced to look that way.

- Of benefit to the user – grandiose rhetoric from the CEO or MD extolling the virtues of the organization or any aspect of it are for the presenter, not the customer.
- Keyword tagged according to their content so that search engines can list videos in response to searches.

Spoken content is a further option that has become more viable due to the popularity of both the MP3 player and MP3-player facilities on smart phones. This means that verbal content from a website can be easily downloaded and replayed at a time that is more convenient to the listener. Dubbed the podcast, as the iPod brand dominates the MP3 arena, such digital recordings can also be used in more creative ways than simply being a spoken version of a written article – a spoken explanation of assembly instructions for flat-pack furniture, for example. Or what about a spoken recipe? In this case, the listener/cook can easily pause or replay sections where necessary.

For bricks and mortar traders, interactive maps – such as those from Google – can make finding the store easier than just directions or a static map. Similarly, a hotel can use such maps to emphasize how good a location they are in. The caveat remains, however, that interactive maps should be used to satisfy the needs of the customer, not to jazz up a website where the textual content is poor.

Other interactive website content includes:

- Widgets – pieces of scripting code that facilitate the delivery of live content from a third-party site without the website owner constantly having to update their site. Applications include such things as calendars, clocks, weather forecasts and calculators.

- Although many organizations have moved these away from their websites to social media platforms, online forums allow customers to ask questions about products and services. Although viewed with suspicion by some users – they are perceived as not being independent of the organization hosting the forum – some companies have successfully used forums as an effective form of after-sales service that is provided by the consumers themselves, so reducing costs in that department.

- Chat-bots (short for chat robots) are computer programs that simulate human conversation – chat – through the use of artificial intelligence. They can be used for interaction with customers who might ask questions verbally or typed. At the time of writing, many leave a lot to be desired in their *chat* – but this will undoubtedly improve as the technology advances.

- Although not common at the time of writing, the lifetime of the book's third edition is most likely to see the implementation of augmented reality (AR) and virtual reality (VR) technology on websites. The jury is still out on how effective they might be in terms of marketing (might they go the way of other online *novelties* or what is the ROI, for example?) but for some organizations they will help *sell* the product (*event* style services, for example). Facebook seems confident that there are applications for both AR and VR, as they unveiled both in April 2017.

> **Decision time**

As website development practitioner and writer Gerry McGovern (2007) says, 'there are three things a great website must be: useful, useful and useful'. Note that McGovern doesn't refer to terms such as *entertaining* or *a showcase for the designer's skills* or *at the cutting edge of Internet technology*. If these things help meet the needs of the target market, fine. But for the majority of visitors, that need is information – presented in a way they find easy to access and understand.

The content of a website is wholly dependent on the objectives the organization has for that site – which in turn will be based around the customers' needs and expectations. Essentially, the four key – *strategic* – decisions to be made are:

1. The solution to what need is being sought when the target market chooses to visit your website. Why are people coming to your site? Remember, the web is a pull medium. They have chosen to go to your site – what is it that they are going there for?

2. What information does the target market expect to be told to help meet that need? Visitors are on your site to solve a problem – what is it that they think will help them?

3. How does the target market expect that information to be presented? What device(s) are they most likely to be using? What language – over and above that of nationality – will the visitor want the information in? Put simply, how will they best understand and accept what you have to say?

4. How is this information best developed? Should the content be purely text – or can pictures help meet the customers' needs? Are video clips or podcasts a better solution? And finally – who is responsible for its development?

Comprehensive answers to these questions bring the digital marketer to the point of knowing *strategically* what is required from the web presence of the organization, brand or product. However, it is my experience that many web designers – be they internal or outsourced – are given the task of developing the presence without this information. The reason I know this is that, when conducting any website, app or social media site analysis, I ask the owners/managers the answers to these four questions – and I rarely get any answers. Although I am critical of developers who design for themselves not the site's visitors, marketers should also take responsibility for not offering more guidance on what is required.

Furthermore, this should be the *minimum* information given to designers. Dependent, obviously, on the knowledge of the digital marketers, there is far more input that those marketers should be providing in order for the nascent web presence to be effective. Supplementary input might include:

- What is the culture and/or ethos of the organization, brand or product? This may dictate how formal the site *must* be or how informal it *can* be.
- What elements of the website will be most important – essential – for meeting objectives? This will help with the navigation of the site.
- Who are the main competitors in the market and is their online presence effective? This will help give context to the design.
- Is there any data to work with? For a brand-new site this will be limited, but if the site is a relaunch/rebrand, the metrics will be available.
- Is there any user feedback? This could be for an existing site or generic for an industry or market.
- What is the range of the site? If it was an e-commerce site, for example, approximately how many products are there in how many categories?

None of these issues is the job of the designer – such information will help them do their job more effectively. However, a *good* web design team or agency should ask the questions raised here; otherwise, how can they expect – or be expected – to produce an effective site?

Which brings us to a final issue on the subject of web development. Digital marketers should not be developing websites – but they should be *involved* in their development. This will be, to a more or less extent, depending on the organization, brand or product

and its reliance or involvement on the Internet as part of its strategic marketing. As with all aspects of digital marketing, the key decision will be in-house or outsource – but whoever is doing the work, they should be provided with a design brief. Essentially, this is everything listed above, and the digital marketers should discuss it all with the development team. Digital marketers who are selecting an agency to build the website will normally invite *pitches* from interested parties and chose the one they feel will do the best job. Any person or group making the pitch should ask if (at least) the information above will be made available. If they do not, politely ask them to leave as they haven't got the contract.

YOU DECIDE

The navigation bar of the home page of a website might be considered to be – along with the content of the home page – a *contents list* for the site, i.e. what should be included on the website that will meet the needs of visitors and so meet the marketing objective[s] of the site. What might be the contents list for the case study organizations' websites?

Alternatively, conduct the same exercise for your organization or that of your employer.

5.6 THE B2B WEBSITE

Although all aspects of effective web presence development apply equally to the B2B digital marketer, the buyer behaviour in a B2B environment differs to that of consumers – and this needs to be taken into consideration when developing online content.

In order to build a web presence that meets the needs of B2B buyers, it is worthwhile giving consideration to the various stages in the B2B buying process, as described in Chapter 2.2. Let's revisit that process but this time consider how the digital marketer can address each element.

1. Problem recognition – this is likely to be an in-house decision, though buyers do use the web to keep up to date with news in their sector. This means that online press releases for new developments or products should be distributed to those sites that might be visited by industry workers – with the organization's own website including content on new products, new applications or any other advances that are important in the industry or marketplace. Such content might prompt the B2B buyer to recognize that they have a problem. The use of social media can be effective at this stage, with blogs or social network sites having a role to play. Note, however, those sites are more likely to be industry specific rather than the more populist Facebook-type sites.

2. Develop specifications for the required product/service that solves that problem – another issue that is probably completed within the organization, though as in the

previous stage, staff may use the web to stay in touch with developments in their industry that may influence any specification decisions. The company website should address any issues that might be specific – although it should be inherent in any product description.

3. Search for products (if off-the-shelf) or search for supplier (if bespoke). Not only are there search engine optimization issues to consider, but the information that the buyers seek must be made easily available on the site – and in a format that they would find most useful.

4. Evaluate products and suppliers – offline this would normally involve contacting the potential suppliers; online this is not necessary. The phrase online – *you are your website* – is relevant here. Based on their perception of the organization from its website, a company may or may not make initial contact via email or telephone – a call that could lead to a multi-thousand-pound order or contract. Would you trust the manufacture of a vital, high-specification safety component for your product to a firm that couldn't be bothered to spell-check the text on its home page? Or returns *404* messages when you click on a product link on their site?

5. Make purchase – online purchase (i.e. with a credit card) is not the norm in a B2B transaction, except in the case of low-value products. However, the product might be suitable for online ordering – in which case, a retail-style site might be appropriate. If the goods being sold lend themselves to regular repeat orders, then once the initial order has been negotiated (price, discounts, delivery, etc.) then an online provision should be made to accommodate those orders. This could be as simple as a designated email address or a more complex password-protected order form. It may even be an opportunity for a personalized web page.

6. After-sales service – as with other web presences, this can be a specific objective of the organization's online presence, be that website or social media platform. In the B2B environment, this could well be part of any contractual agreement made with regard to the product – installation instructions or application updates, for example.

There are several caveats to add to this cycle that might impact on the digital marketer, including:

● The online information gathering exercise might be given to a junior member of staff who is tasked with finding potential suppliers (via a search engine – another complication for keyword selection) and who then simply prints out web pages that they think are relevant. Printed pages are then distributed amongst members of the decision-making unit (DMU).

● A B2B buyer is often starting at square one with no knowledge of the market – therefore, brand affinity does not play any part. On the other hand, if you have previously dipped a toe into that market, you might be drawn to a brand you have come across before.

● Inspecting, sampling and negotiation are integral aspects of B2B buying – although it might not be possible for them to be completed wholly online, they should be introduced on the website.

- In B2B purchases, risk avoidance is a significant issue. Buying a shirt in a colour that doesn't suit you when you get home and try it on (in a B2C transaction) might be annoying. Ordering bespoke products that are not suitable to your application in a B2B environment could spell bankruptcy for the company or the buyer losing their job. Website copy should reflect this concern.

- Similarly, there is a lack of emotion in a B2B purchase. When buying for ourselves the axiom *buy with the heart, justify with the brain* is often true. This is not the case in commercial procurement where buying criteria must be adhered to.

Decision time

As with all marketing, the message and mode of transmission should correspond to customers' expectations, requirements and needs. Online, this is equally relevant. The additional problem, however, is that there can be a number of people involved in the buying decision – all of whom might be looking for something different on the vendor's website. For example, the *economic* buyer will be concentrating on price, discounts, rebates and so on. The *user* buyer will care less for cost and concentrate on whether or not the product will serve the purpose for what it is being purchased – with a natural inclination to desire the product that is actually *better* than they need – and they are looking for exact specifications and applications. The *technical* buyer may look beyond the unit price and application and pay greater attention to lead times, delivery schedules and shipping costs. Any web content that does not address all of these issues and pampers to only one or two may find the *neglected* group rejecting your offering and looking elsewhere.

How the relevant information is presented is another issue. Many products will be sold in niche markets where buyers will be experts in the industry. In this case, the content can be written in a language only they understand. Indeed, a lack of jargon, acronyms and abbreviations may well give the impression that you are not a serious player in that industry. When preparing the content, it is essential to consult closely with the firm's sales staff, who will be familiar with the language used in the industry.

In any DMU, the person who accesses the website might need to relay the information to the other decision-makers, and that may not be online – a board meeting, perhaps. Facilitating a printed format is an obvious requirement in this case – with PDF helping to ensure quality. However, video and audio can enhance textual content and be effective in the conversion process. This is particularly true where video can be used to describe complex procedures, or an audio commentary from an expert in the product can bring to life the same content presented in one-dimensional fashion on a web page. This might be particularly relevant if members of the DMU are used to accessing the web on mobile devices. As with all issues related to content, sales staff who have a history of dealing with industry buyers will be able to provide invaluable information in this regard.

Lead generation

Such is the nature of B2B marketing and the way in which buyers use the Internet in their procurement processes that the key objective of the majority of B2B websites is that of *lead generation*. In essence, the website must present such a good impression of the organization and its products that potential buyers feel that both will meet their needs – and so are *obliged* to contact the firm. Having said that, any salesperson will tell you that moving the potential customer from *just looking* to being a genuine lead is far from easy. In real life, the salesperson can watch, listen and react to the prospect. Online, the website does not have such aids, and so the *call to action* must be delivered in the right way. A common mistake of many B2B sites is to push the lead generation aspect too early – that is, force the searcher to contact the organization too early in their buying process. Information should be made available to help the decision-makers to differentiate products and suppliers, so that when they do contact the vendor they are a more viable lead.

> " Such is the nature of B2B marketing and the way in which buyers use the Internet in their procurement processes that the key objective of the majority of B2B websites is that of lead generation. "

In my experience, far too many organizations have their website designed so that the content does an excellent job in starting the customer down the sales funnel, but then drops the ball when it comes to guiding them to the next step. This situation epitomizes the argument that websites must *never* be created only by folk with no sales and/or marketing experience. The sales process is just that – a process, and experienced sales staff can do an excellent job in guiding potential customers through that process. To ignore their experience when developing a web presence is a significant mistake. Furthermore, a lack of cohesion between online and sales often results in leads being captured by the website, only to be dropped by the offline sales team. To address this inexcusable state of affairs, three issues should be resolved. They are:

1. What are the most appropriate calls to action? What *is* appropriate will depend on the product and the nature of the market in which it is being sold.
2. What medium of communication is best? Again, custom and practice in the product's marketplace will dictate this answer.
3. Who handles the initial contact? In much the same way as fulfilment is the often-ignored element of online B2C sales, so allocating responsibility for incoming enquiries is frequently the Achilles heel of lead generation.

Evidence that businesses have not got to grips with these requirements comes from research by Conversica (2016). Their research considered four elements of companies' responses to online enquiries: promptness, personalization, persistence and performance – and they didn't do too well on any. The responses to inbound enquiries were graded A to F and the key results are shown in Table 5.3.

Table 5.3 Responses to inbound enquiries

Metric	Grade	% of companies receiving grade
Promptness	A	29
	D–F	39
Personalization	A	35
	D–F	43
Persistence	A	12
	D–F	68
Performance	A	1
	D–F	33

YOU DECIDE

Advise Sam and Chris at BethSoft (case study 5) on how their website can address the needs of the target market for their product.

Alternatively, conduct the same exercise on your organization or that of your employer.

5.7 THE GLOBAL WEB PRESENCE

When businesses are considering moving into new countries, the primary strategic decision is *standardize* or *localize*? This means the organization must decide on whether the marketing mix it uses domestically will be successful globally or whether the mix will need to be adapted to suit the various local markets. For the online marketer, there is a similar decision to be made with regard to the web presence for each country, except that rather than there being two options, there is a third option that falls between the two. The *standardize* approach is to have only one website of a domestic organization that caters for a global audience – normally in English, though verbatim translation of some or all pages into other languages may be included. The *localize* approach is to develop different websites for each country in which the firm aims to trade. Using the domain names of the local countries (and being hosted in those countries), the content and presentation of these sites is adapted to address local culture and issues – though there may be some translation from the domestic site.

The approach that falls between the two is the most popular option for those firms that are – or want to become – worldwide brands. Common amongst American brands, this is where the global organization develops local websites for each country in which they have a physical presence, but in this case each web presence would have a standardized brand image and the usage of common logos in uniform colours and layouts – but with content being localized where applicable.

PRACTICAL INSIGHT

Personalize your site to where your customers are

IP geolocation – the use of a computer's Internet Protocol address to determine where in the world that computer is – can be used to change the content of your site to best suit that visitor. For example:

- Product localization – promotions on a clothing retailer's site could differ depending on whether the user was in a hot or cold climate.
- Show prices in the local currency.
- Offer localization – an airline could feature discount flights from the user's nearest airport.
- Inform customers where their local offline store is and if the product they are looking at is in stock there.
- Deliver an optimized site depending on the device being used, e.g. PC or smart phone.
- Adjust delivery cost according to location.
- Modify checkout facility to suit location, e.g. state/province/county.

Considerations for any global website development include:

- Which version of English is to be used – UK or US? In truth, it matters little whether *colour* is spelt with or without a *u* – so long as there is consistency on all sites (this is, of course, problematic for the US company's UK website).
- If any of the content is translated, consideration should be given to meta-data for search engine optimization – Google, for example, searches in over 100 languages or dialects.
- The relative length of languages. Multilingual web designers know that German can take up around 30 per cent more space than English, while Chinese characters are considerably more compact. This is a particular issue when designing mobile-optimized sites, where space is at a premium.
- Have translations checked by a native speaker of the translated-to language as literal translations rarely work – with wording or phrases being changed to suit local nuances. Going *the extra mile for customers*, for example, might suggest to some that the organization's staff do more walking than most.
- Develop a clear web design template that can be easily used for all country sites, taking into consideration all issues that might arise in the various countries being targeted. For example, a site using leading-edge technology might be fine in the US, where broadband is prevalent, but users in other countries might be dependent on weaker WiFi for downloading the site.

- If all country-specific sites are available from the home site, consider the links. The link to the German site, for example, should say *Deutsch*, not *German*. Flags are an option, but beware of using the UK's Union Flag for English-language sites – not all English speakers are from the UK.

- Ensure country-specific cultures and practices are taken into account. Not all countries follow the UK and US practice of people's last name being their family name, for example – which may be an issue for online form-filling.

- Beware of countries where many languages are spoken or cultures are represented – Malaysia is an example of one such country.

- Be aware of units of measurement – metric or imperial units, for example – if in doubt offer both. Dates too can be problematic – 4/5/17, for example, could refer to days in the first week of April or May depending on where in the world you are. Similarly, a conversion facility should be included on the page if prices are listed only in the *home* currency.

- Colours also need to be considered – red meaning stop or danger, for example, is not universal. Investors studying Chinese stock market reports might be surprised to find red is used to symbolize *up* and green *down* – the opposite of the Western norm.

- Numbers can be tricky – in English the number 13 has negative connotations and so is rarely used but in Mandarin the same applies to the number 4.

RESEARCH SNAPSHOT

Languages online

More than one billion individuals speak Chinese, but only around 2 per cent of web content is in Chinese; 52 per cent of all websites are in English – and only 25 per cent of the world understands English.

For more details on the usage of content languages for websites, follow the link from the chapter's web page.

Decision time

The first consideration for the global web presence is whether or not there will be sufficient customers to merit the expenditure. For example, for the pure online UK company that does 90 per cent of its business in this country, it is not really worthwhile optimizing its site for the dozen or more countries from which it might take orders – the assumption would be that overseas website visitors would be able to read English (or even *be* English). Similarly, the Greek refrigeration engineering company that carries out work only in the Athens city boundaries needs one site – in Greek. However, if that firm wants to extend its trade services into other Balkan countries, then sites in those languages will be necessary.

If a global presence is required, the key decision is whether to standardize or localize. Can a straightforward reproduction of the domestic site with the content translated into

various languages meet the needs of a worldwide public? Or would each market expect to find a website that is localized to their region? And if that is the case, how do you ensure it still presents a global brand presence despite that localization?

GO ONLINE

Lost in translation

For an example of how phrases can take on a different meaning when translated literally, follow the link from the chapter's web page to *Let them eat cake*.

Having decided on the type of website globalization you are going to use, a further decision is on whether each country's site will be developed locally or centrally. Although having each country responsible for its website offers the advantages of local knowledge, there can be problems. Subsidiaries of a multi-national company in each country may differ in organizational size and human resources and so be unable to meet the standards required by the parent company. It is for this reason that many global organizations prefer to move local developers to a single location – normally the firm's home country – so that uniformity and quality control is more easily maintained.

YOU DECIDE

Advise the board of Matthew Humberstone Foundation Hospital (case study 6) on whether or not they should localize their global presence, and if so, how?

Alternatively, conduct the same exercise for your organization or that of your employer.

FURTHER READING

For additional content and links to articles and stories that supplement, enhance and update this chapter of the book, go to the chapter's web page on AlanCharlesworth. com/DigitalMarketing.

CHAPTER EXERCISE

Giving justifications for all your decisions, advise Philip Ball and his staff at the Cleethorpes Visitors Association (case study 4) on all aspects of digital marketing covered in this chapter.

Alternatively, conduct the same exercise on your own organization or that of your employer.

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Chapter **6**

E-commerce

Chapter at a glance

6.1 INTRODUCTION

Building on the basics of web presence development, this chapter concentrates on selling goods online – be that to the end user (retailing *or* B2C) or to another organization (B2B trading). It is for this reason that the chapter's title is *e-commerce*. However, back in the early days of the commercial web, *e-commerce* was the term used to describe any business conducted online – including sales, marketing, recruitment and logistics. For some reason, e-business was used to describe *strategic* online business initiatives. As you can imagine (if you weren't there) different people and publications used different – and trendy – terms almost on a whim, without *really* knowing what the terms meant. Indeed, those same years saw 'e' used as a prefix for just about every aspect of business, including e-marketing. At least this was preferable to the prefix *cyber*, which was favoured by some. We then went through a stage of e-business being used to cover all online *business* practices except marketing – which became *e-commerce*. Now pretty much accepted as

digital marketing, the same practices have seen marketing prefixed with: *new media, virtual, online* and *Internet* – the latter being in the title of the first edition of this book.

Somewhere along the timeline of these changes and trends, e-commerce has come to be – almost universally – to describe websites that sell online. That is, an order for a specific product can be ordered and paid for on a website – the goods or service being delivered either at a later date or, in the case of digital products such as software and music, immediately. Although not unanimously recognized as being the case, I am in the camp that *e-commerce* purchases must be paid for at the time of order – as in retail sales. Others disagree, saying that a B2B product ordered online but paid for in the customary method of B2B trading (i.e. order made, goods delivered, invoice raised, invoice paid) is e-commerce. I will stick to the former for this book as there is a big difference between a *sale* and an order to be invoiced later. However, those who take the contrary view will still have no difficulty following the subject here.

A caveat is that *some* B2B purchases are actually made in the same way as a retail purchase that is ordered and paid for online using a (company) credit card or other pre-arranged debit account. Such purchases are normally limited in both scope of product (usually, repeat purchases for consumable goods) and value (accountants like to control purchasing via invoices to be paid at a later date rather than credit cards in the hands of employees). Effectively, these purchases are made in the same way as retail sales, with an example of such outlets being Screwfix, which promotes itself as *the UK's number 1 trade catalogue* but operates as a retailer and welcomes non-trade customers. Non-consumable B2B products and services are for the most part bespoke in nature and pricing and so some *negotiation* takes place before contracts are signed. Websites delivering e-commerce services can be divided into two main categories:

1. Pure-play – where the organization trades online only. In this case, the online sale is the be all and end all of the site's objectives. The site's design and content must reflect this.

2. Multi-channel (sometimes called *bricks and clicks*) – where the firm sells goods both offline (*bricks*) and online (*clicks*). Although online sales are important to such an organization, they are not the only source of sales income. However, the website can also act as a sales lead generator for the offline element of the business. Multi-channel retailing is covered in more detail later in the chapter.

A third group is offline retailers who have a web presence, but do not *sell* online. In essence, such traders are using their web presence for brand development, lead generation or customer service – but not e-commerce – and so the web content is developed accordingly.

Before considering the role of e-commerce in any retail strategy, that role needs to be put in context. When considering what percentage of retail sales are made online, the data is complex or biased, resulting in it being confusing – or all of these. The complexity comes from different bodies' interpretation of what *retail* is within their research. For example, *some* include services such as the online purchase of insurance or booking of

holidays or flights – but most research, particularly that from government departments, concentrate on tangible products. A further problem (one that might be filed under *lies, damn lies and statistics*) is that PR releases from organizations that are in some way involved in – or would gain from – online retailing tend to have a natural inclination to be positive about any numbers involved. Such bias is not made clear in headline-grabbing stories of the Internet closing town centres.

> 66
>
> In the United States, retail e-commerce sales for 2016 represented just over 8.3 per cent of all US retail sales.
>
> 99

Reputable statistics tend to represent a comparatively underwhelming account of online sales. In the United States, retail e-commerce sales for 2016 represented just over 8.3 per cent of all US retail sales (U.S. Census Bureau, 2016). Although this does not include food, travel services or ticket sales – and is showing a gradual increase year on year – 8.3 per cent does not represent a seismic shift in the buying habits of North Americans over the last 20 years or so. Furthermore, nearly 41 per cent of those sales are made at Amazon (Slice Intelligence, 2017) – that doesn't leave much for every other online seller in the entire United States. Indeed, research by Smith and Anderson (2016), on behalf of the Pew Research Center, suggests that in the US people still prefer their shopping to be *real* rather than *virtual*. Figure 6.1 shows the frequency of online shopping by US adults. Indeed, the same survey found that, overall, 64 per cent of Americans indicated that all things being equal they prefer buying from a physical store.

In the UK, e-commerce fares better, with online representing 16.3 per cent of all sales – broken down into: non-food, 11.4 per cent, and food, 4.9 per cent (Office for National Statistics, ons.gov.uk). Numbers for China – with the biggest overall value in online sales in the world – are on a par with the UK, though China's National Bureau of Statistics (stats.gov.cn) breaks the sales into total retail purchases (15.5 per cent) and physical goods (12.6 per cent). It is not clear what are classed as non-physical goods. Although not based on government statistics, it would seem that the kings of the e-commerce hill are the South Koreans – with international research company GfK Global (gfk.com) saying that, in October 2016, online sales represented 27 per cent of the overall
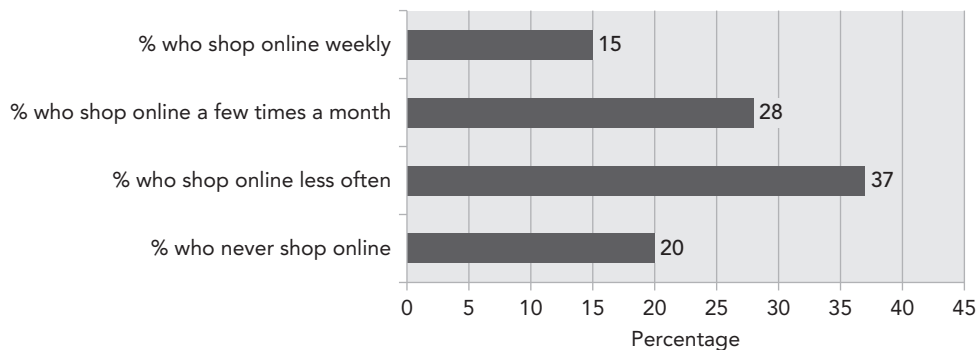
Figure 6.1 The frequency of online shopping by US adults

consumer spend. However, the 10–15 per cent figure seems to represent the average – with online sales expected to reach \$3.58 trillion in scale by 2019, with its proportion in the global retail market gradually rising to 12.8 per cent (eMarketer, cited on Deloitte. com). However, even 10 per cent of a very large number of retail sales equates to enough *pounds, dollars, yuan* or *won* to make e-commerce attractive to at least *some* retailers.

In the mid-1990s, the low cost of entry into (theoretically) global markets saw a wave of new online retailers. At that time most of the major offline – *bricks and mortar* – retailers shied away from the web, many thinking it was simply a fad and others concerned that they could not operate both physically and electronically without one cannibalizing the other (Gay *et al.*, 2007). Those that did go online did so with a half-hearted effort that was neither e-commerce nor e-marketing strategy. However, many of the major brand offline retailers have now entered the online environment with a vengeance – and so present competition to those entrepreneurial dot.com retailers who were first to sell to consumers online. Despite this, there is still a tendency for retailers to treat online as the poor relation. However, they neglect the standard of their web presence at their peril – the contemporary shopper sees the website as part of the retailer's brand and may reconsider shopping at an organization's physical outlets if they had a poor online experience. Nevertheless, it is still the case that a significant number of retailers do not sell online at all. It is an analysis of this group that gives rise to online shopping still rep-resenting a minority of retail sales. First, there are the major retailers for whom their inventory and/or pricing is not suited to e-commerce – *everything's a pound*-type outlets being the obvious example. Then there is *convenience* shopping – by definition, the goods need to be available immediately. Finally, there are the thousands of small, independent shops selling everything from buttons to birthday cards.

An analysis of your own shopping habits over a month (longer would be better) will reveal: (1) how many goods you purchase offline that you would *never* buy online, (2) how many products you actually buy – it's easy to forget that chocolate bar from a vending machine at university or the magazine at the train station, and (3) just how many small-value items you buy offline compared to online, where a single high-value item might represent your 20 per cent of shopping being online. Of course, the reverse also applies – a scan of my eBay purchases reveals that I would not have bought most of them at all had they not been for sale online.

Niche sellers

If the established offline retailers were slow to react to the digital age, there was one group who were swift to recognize the opportunity presented by the Internet. I have classified this group as *micro retailers*, and they tend to service specialist markets, with niche products. Such retailers may or may not have a physical retail presence, but are smaller businesses than both the pure-play and the multi-channel companies described above. It is worthwhile considering the role that the Internet has played on the develop-ment of micro sellers and niche markets in the B2C environment. It has always been the case that a segment of small retailers have operated in specialist markets that are too

small (or specialized) for mainstream retailers to make a profit from. Although they might attract customers who are willing to travel long distances, such buyers are few, with the majority of customers coming from the locale of the shop. By definition, this means that turnover is low – but still sufficient for small businesses to make a reasonable living. This return on limited turnover stems from two basic business principles: (1) low costs – such shops are rarely in premium-rent malls or high streets, and (2) high selling prices – anyone who is willing to search hard for a particular product will not expect to purchase at discount prices.

The niche outlet is normally proprietor-run, and the owner is likely to be an expert in the product being sold – often because the product area is related to their profession or long-standing hobby. Fishing tackle, equestrian supplies, model-making kits, tapestry materials or musical instruments would be typical examples of such – though also common are outlets dedicated to specialist elements of popular markets. An example of this might be the bathroom fittings supplier who stocks more unusual products than can be found in national chain DIY superstores.

MINI CASE

The long tail of online business

Closely associated with the Internet – not least because it was promoted virally online – Chris Anderson's Long Tail model (Anderson, 2006) was based around the concept of niche marketing. Anderson, using the music industry as an example, suggested that whilst the main retailers (off- and online) concentrated on selling only the top 20 selling CDs at low prices, there was a long tail of less popular CDs that could not match sales figures of the top sellers, but could still sell in numbers that were sufficient to generate profits for niche sellers. The *digital* connection is that the web not only helps niche sellers reach potential customers, but it can make buyers aware of artists they have not previously considered – or even heard of.

The long tail concept reflects how niche product sellers have benefited from the Internet.

Although focused on the Long Tail model, Anderson's book provides an excellent background to the development of B2C e-commerce. For my review on the book, follow the link on this chapter's web page.

For existing *bricks and mortar* niche operators, the introduction of the web provided an obvious additional outlet for their products, but in the early days of the commercial web most saw it as an *add-on* to the offline store rather than being an essential element of an integrated retailing strategy. It did not take too long, however, for the more forward-thinking traders to realize that niche products featured highly in search queries (the *long tail* of search) on related subjects and so online sales could easily eclipse those made in the physical shop. The next logical stage was for people who were experts in a topic to

open online-only (pure-play) outlets. For many of these individuals selling goods related to their interest was a long-held dream, but the cost – and financial risks – of opening a physical store meant it had remained a dream. However, websites could be set up for very little, minimal stock holding was required for the e-shop and – equally importantly – you did not need to be on the retail premises for all the hours the shop was open. This last point is the reason it is common for many small, niche e-commerce outlets to be run part time, with the owner being either (1) in full-time employment (so guaranteeing income), or (2) a parent who fits in the online business with child care responsibilities. So common is this model in the USA that the terms *mom and pop operation* and *stay-at-home moms* are commonplace and associated with part-time online trading.

6.2 MULTI-CHANNEL RETAILING

This section starts like several others – with a scrutiny of its title. Some authors and commentators would refer to what I call *multi*-channel retailing as *omni*-channel retailing. I prefer the more pedantic option of *multi* (more than one) because *omni* means every, or all – and I don't believe that retailers must practice every route to market that is available to them. Prior to online buying becoming a reality in the mid- to late 1990s, consumers were limited to visiting a single retail outlet, considering the options available there and making a purchase. Given that the majority of those reading this book are unlikely to have any recall of that time – or may not even have been born – this means that in less than a generation a way of shopping that had existed for centuries had changed. Shoppers can now use the web to research products and suppliers, and then have a choice of purchasing off- or online as well as having the product delivered or collecting it from a local store. The latter has become known as *click-and-collect* – and the concept is now the cornerstone of multi-channel retailing – which in turn has become *the* business strategy for some retail brands.

Defining multi-channel retailing, one of the leading publications on the subject says:

> the cross-channel ideal envisages the customer being able to walk through the store door after a few hours of surfing the web to purchase or pick up the perfect product, with the expectation that the local store should be aware of their order and able to fully support them.
>
> (*Internet Retailing*, 2008)

Although research in the early days of the concept suggested that shoppers use the method to save shipping expenses or because it is convenient, for *some* buyers this is now *the* way of shopping. In other words, click-and-collect *is* shopping, and any retailer who is not participating takes the chance of not being considered by some customers to be a *proper* retailer. However, as the statistics presented earlier reveal, online shopping represents only around 20 per cent of retail sales, and it shows no sign of any substantial increase in the future. In the second edition of this book, I wrote: 'Could it be that by the time the third edition of this book is published I might have to be explaining to a new generation of shoppers that buying online and collecting offline has not always been the norm?' The answer is an unequivocal 'no'. Perhaps I too had been taken in by the e-commerce evangelists telling us how much we spend online.

Click-and-collect

Although it was towards the end of the century's first decade that click-and-collect grew in popularity, its potential had been recognized by some retailers more than ten years earlier. However, these were mainly large department stores that catered for a local market for whom visiting the physical store was not a problem. What these shops discovered was something that has become the foundation for many traditional retail brands' acceptance and promotion of click-and-collect. That is, that when customers visit the shop to collect their ordered goods, they are very likely to make other purchases while they are there. In other words, the sale of one (or some) items online is actually a form of *associated* or *up-selling*; buying a tie to go with the online-purchased shirt, for example, or a bottle of wine to complement that ready meal. Or is the online sale an inducement for the customer to visit the shop – and so increase footfall – in the same way as posters in the window or ads on television?

Reserve-and-collect

A close relative to click-and-collect, but one that is potentially more lucrative for multi-channel retailers is *reserve-and-collect*. This is where customers order rather than buy a product online – they go through a similar checkout procedure, but without making a payment. This means that consumers come into a physical store with an order that still requires payment – and so they are more inclined to make additional purchases once in the physical shop. Furthermore, research by Vanson Bourne (vanson bourne.com) found that UK buyers were keen to use such a method of buying (Figure 6.2).
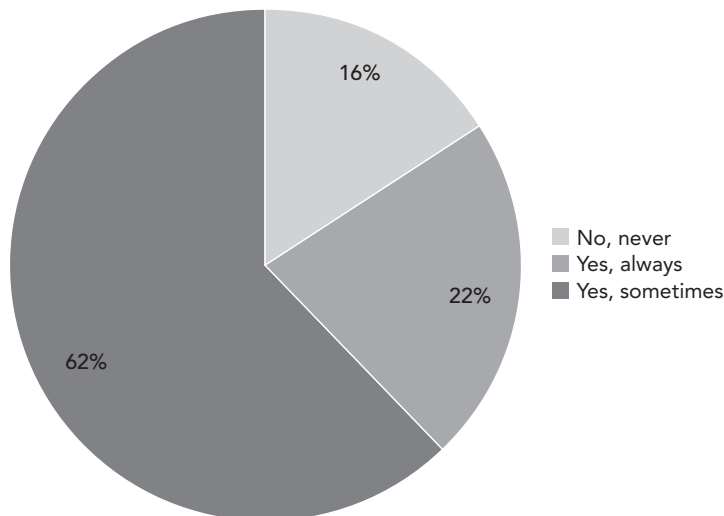
Figure 6.2 UK digital buyers who prefer to reserve products digitally prior to purchasing in-store

> **Decision time**

When considering multi-channel retailing, the focus is normally that of bricks and mortar stores moving online. For many retailers, the potential of channel conflict was the reason for their being slow to join the online revolution. This was a situation I always found puzzling – and yet many senior executives thought an online presence would take sales away from their physical stores. In my opinion, a sale is a sale, no matter where it's made. It is rather ironic, therefore, that some of those same laggards to online sales are now the leaders of the click-and-collect approach. Similarly, in the case of many niche retailers, the online presence is actually a development of an offline business, with the online fulfilment being handled from the bricks and mortar store – something that can add to the credibility of the e-commerce website. For others, the online business is only profitable because there are not the costs (both fixed and variable) associated with running a physical outlet, with many 'eBay'-type retailers running their operation as a part-time venture. Furthermore, the goods are normally dispatched outside of the immediate area, so having a single outlet would not increase sales to a wider demographic – and multiple stores is simply not a consideration. However, if the business is full time, and premises rented with stock held, it does make sense to open to the public. However, in a complete reversal of the early days of the web, we now have the situation where major online-only retailers are now having to consider the possibility of opening – or partnering with – physical stores to meet the wants of customers who expect to be able to collect goods they have purchased online. However, as with all marketing problems, the answer lies with the offline retailer's customers. If they *expect* a web presence on which goods can be purchased or ordered, then that retailer should have an e-commerce website that supports their offline sales and marketing efforts.

YOU DECIDE

Advise Frank and his staff at Hill Street Motorist Shop (case study 8) on extending their limited online offering and how it can be further integrated into their overall sales strategy.

A second option is to identify a well-known high street retailer that does not sell online and consider why it has taken that decision.

Alternatively, if your organization or that of your employer is a retailer, consider the implications of integrated off- and online retailing.

6.3 FULFILMENT

As with its offline equivalent – commonly referred to as *logistics* – fulfilment is often the neglected element of e-commerce. Nevertheless, despite its less than glamorous image, making sure the customer receives the product they have ordered is just as important as any other aspect of online sales. As customers become more at ease with shopping

online, their expectations are that the purchase is a seamless process from recognizing a need to having the product in their hand – with failure at any point reflecting badly on the seller.

In this section, we will consider the four key building blocks of online fulfilment: stock control, shipping costs, outbound logistics and returns. Although each is an element of the business (i.e. a cost) and so in itself an integral aspect of any strategic decision, in this section we will consider the key operational aspects and how they are presented to the customer on the website.

Stock control

One of the great advantages of selling online is that customers do not expect to carry the goods out of the shop with them, so you do not have to physically hold multiples of every product in stock. Therefore, if a supplier has short lead times – next day delivery is common – the e-commerce seller can source the ordered product from a supplier (or the manufacturer) and still offer delivery to their customer within a reasonable period.

For the company that actually carries stock, the same issues of stock control that impact offline apply equally online. However, with regard to out-of-stock (OoS) products, there are a number of issues unique to the online sales environment. These include:

- In an offline store, the salesperson can direct customers to substitute products or the customer – having made the effort to visit the store – will look for alternatives. Online, however, in one click of their mouse or touch of the screen, consumers can easily switch to another website which has the goods in stock.
- Online, it is easy to withdraw a product from sale or post a temporary *out of stock* notice – preferably with an indication of when it will be available again. Offline, nothing looks worse than empty shelves.
- If the OoS is temporary (e.g. a day or two), the customer need never know if shipping/delivery time is outside that period.

Shipping costs

It has become the norm for the term *shipping* to cover the actual cost of transport and *handling* (or *packaging* – in the UK, the term post and packaging is an accepted term to describe the cost). These two costs should be considered in isolation:

- Packaging. This element also has two aspects: the cost of labour and that of materials. First, all products must be placed in a suitable package that is appropriate, e.g. stuffing for fragile items. Any packaging – even the ubiquitous jiffy bag – costs money. Similarly, the operation of physically placing the goods into packaging can be labour-intensive – and so expensive. Obviously, for a high-volume retailer automation is an option, but that would involve significant capital expenditure (for any machinery) that is beyond the resources of a smaller business.

● Transport. The cost of transport can be fixed quite easily by weighing every item in advance and calculating how much to charge the customer (note, don't forget to weigh the products with any packaging – boxes can be quite heavy). If you sell only a few products, weighing each will take only a few minutes – even with a wide range of products on offer it is not too onerous a job, and it will be a one-off task. By adding a fixed sum to cover packaging, shipping charges can then be listed in a chart (weight × location) or software can be used to tabulate the same numbers based on customers selecting (1) product, (2) where they are, and (3) type of shipping option (first class, etc.). Although this sum can be shown as a total at the end of the checkout process, best practice would be to include it as a running total in the shopping basket. This is particularly the case if you offer free shipping when an order reaches a set total – seeing that they are close to the *free* figure will often prompt shoppers to buy extra items.

PRACTICAL INSIGHT

Shipping: a cost or nice little earner?

Not uncommon is the practice of lowering the selling price of a product to near its cost – and then increasing *shipping* charges in order to generate a profit. Most customers see this juggling of numbers for what it is, and object to the notion of being cheated. Recognizing this, eBay introduced an element to their feedback section that prompts the customer to comment on how reasonable they considered the postage charges to be. Those sellers who consistently overcharge are brought to book by the online auction site – or those sellers simply lose customers.

Any item purchased online for delivery to an address specified by the purchaser will incur these two costs – which leaves the seller to make a strategic decision. Who pays: buyer or seller?

Experience tells buyers that the cost of the product is *actually* the price plus shipping – and so seeking out a seller who offers free shipping is commonplace. Indeed, many online sellers make a sales pitch of *free delivery* on all items. In some ways this option is more straightforward for the retailer as the selling price of every product can be calculated to include delivery costs. A further consideration of packaging is whether or not the shop offers special wrapping services – a product that has been purchased as a gift, for example. Although this service does add value to the overall product offering – and it can be offered at an additional fee – it does add to costs in terms of both time and packaging (the gift wrapping).

MINI CASE

Quick fingers and small boxes

Several years ago – before music downloads became popular – I became involved in the marketing of an online-only business selling CDs. This was a *cottage industry* in the truest sense of the term – with the entire operation being run from a picturesque village in the North Yorkshire Dales. As our marketing and SEO improved, so did the sales.

But therein lay the biggest problem we faced in the whole enterprise – the time it was taking to select a CD from the boxes in which they arrived (we purchased CDs only in response to orders and had them delivered in bulk), place it in the appropriate box and print and affix the address label. With practice, our best worker got this down to a couple of minutes, but the average was more like three. I never bettered five minutes per order.

Simple arithmetic tells the story. We increased sales to around 500 orders per day. So 500 times three minutes equals 1,500 minutes. Yes, we needed 25 person-hours per day to dispatch the customers' CDs. Effectively, three full-time members of staff. Despite healthy sales, the owner sold the business shortly afterwards – the cost of fulfilment meant that making a profit in a competitive market was simply not possible.

Outbound logistics

After the ordered product has been sourced and packaged, delivery to the customer must be arranged. The costs are not a significant issue for the seller because they will have been paid by the customer – either specifically or intrinsic to the buying price. Neither is dispatch a problem – most carriers will collect. The most significant problems arise at the other end of the delivery chain; where, and how, the customer actually takes possession of the goods – the so-called *last-mile problem*. As far as customers are concerned – and therefore, so too sellers –the sale is not complete until the goods are in their hands.

For some items, there is no problem. A boxed DVD, for example, will go through the average house's letterbox. However, if the goods are bigger, or a signature is required for the delivery, there must be someone at home to take that delivery – or an alternative must be offered by the seller. Sadly, despite recognition of its importance, this final stage of the sales process is too often not given the same level of attention as other aspects that lead up to it. For example, many retailers offer only one delivery option or are not able to deliver on a nominated date – the latter despite the fact that carriers typically provide such a service (although at a higher cost). Similarly, carriers also provide tracking facilities and accept specific delivery instructions from addressees – but these are not always offered to online buyers.

RESEARCH SNAPSHOT

Not so merry Christmas

With the increased amount of orders and deliveries over the Christmas period, it would seem that the last phase in the online purchase cycle is still problematic. Although missed deliveries in 2016 were half that of the same period in the previous year, still nearly a quarter of adults experiencing issues with digital Christmas purchases faced that inconvenience. Worse news, however, is that the number of customers who had a late delivery or did not receive an item actually went up – as did damaged and incorrect goods.

Table 6.1 Problems with the delivery of digital purchases during the Christmas period (%)

	2014	2015	2016
Late delivery or item never received (%)	45	48	49
Missed delivery (%)	49	48	24
Damaged goods (%)	23	17	22
Incorrect goods (%)	10	14	15
Item never received (despite retailer or delivery company stating delivery was made) (%)			10

Source: JDA, *Christmas Customer Pulse Report 2017*, sponsored by Centiro and conducted by YouGov, January 2017.

The better – that is, *effective* – e-commerce sites have, naturally, addressed these issues. Indeed, a good delivery process could be the main reason for brand loyalty – trumping even price if the product is not too price sensitive. The success of Amazon and eBay owes much to the effort committed by both to the delivery process and its cost – and they have set standards that serious e-commerce sites have to match if they wish to attract, and keep, customers. Over the years, a number of initiatives have been tried to address the issue of unattended and deferred home deliveries. These include basic arrangements such as having the delivery driver phone the recipient an hour or so before their expected time of arrival or more accurately predicted delivery times using GPS tracking. Other more complex schemes have been the subject of numerous start-up business models – all recognizing that any system that might be widely accepted will generate healthy profits. The following have been, or are being, tried, but to date nothing has really caught the public's imagination:

- Redelivery services – the customer directs goods to a depot, from where they collect it.
- Pick-up – and return – points at convenience stores and filling station forecourts.
- Removable boxes secured to an electronically controlled anchor point outside the recipient's house.

- Collection points at self-storage depots.

- Locker banks at supermarkets or other locations, including a card-swipe facility on the boxes.

- Strategic alliances where online sellers have goods collected at high street retailers. Argos and eBay is an example of this – though Sainsbury's purchase of Argos has extended this arrangement to, at this time, *some* Sainsbury's stores.

In another example of e-commerce not moving forward as quickly as might have been expected, I made the comment in the previous edition of this book that service such as that offered by online fashion and clothes retailer ASOS (asos.com) to delivery in a 15-minute delivery slot would be the norm. Although some companies have adopted similar delivery schedules, too many require customers to take a full day off work to sit at home awaiting a delivery that may or may not turn up.

PRACTICAL INSIGHT

There's more money in picks and shovels than gold

Although hard facts do not exist to support the notion, a number of industry insiders point to the profits made by the major delivery companies and suggest that of all the industries that have profited from the rise of the Internet, it is those courier and parcel services that deliver the online-ordered products who have benefited most.

This is based on a similar hypothesis from the great American gold rushes in the nineteenth century. The adage was that the businesses selling mining tools made far more money than the gold prospectors who bought them.

Returns

Also known as *reverse* logistics, the organization must give consideration to customers who want to return the goods to the vendor. The quantity of potential returns will depend on both the product and the organization's policies with regard to returned goods. Obviously, the law dictates that faulty goods must be accepted back and full refunds given – for the online trader, paying for the postage for returns is also good practice. However, goods that the buyer simply does not like do not have to be accepted back – though premier retailers see it as good business to do so. Offline, this is not a major problem as the goods are (normally) returned to the same store where they can be inspected and returned to stock. It is also the case that refunded cash is frequently spent during the same visit to the shop. Other than staff time, therefore, there is no cost to the retailer. For the online retailer, however, there is considerable inconvenience and cost involved. However, multi-channel retailers can promote that online purchases can be returned to a physical outlet – with the same benefits that *click-and-collect* brings to both parties.

The situation is not, however, new. Catalogue retailers have faced the same problems for years and build the cost of returns into selling prices as an overhead. Experience from this channel is that such is the cost of paying for, accepting and sorting some faulty returns that it is cheaper to simply send out a replacement item and tell the buyer to dispose of the damaged original themselves. It is, perhaps, the policies of ready acceptance of returns on the high street that have resulted in shoppers using a company's returns policy as a barometer of that shop's customer service – it was a generous returns policy that helped Marks & Spencer develop its brand. So it is on the web, where the tangible issue of returned goods also crosses to the intangible topic of online credibility. Many potential customers will view a convenient returns policy as being at least important in encouraging them to shop on a website that is *new* to them. Once again, Amazon is an example of good practice – having addressed this issue effectively, they are held by customers as the benchmark for such policies.

Decision time

The nature of the product being sold will dictate much of the fulfilment criteria. Its weight (the main criteria for cost of postage), size, value, perishability and how fragile it is, for example, will all impact on any fulfilment strategy. In deciding how to address an organization's fulfilment agenda, it is worthwhile considering the four key elements introduced in the previous section:

- Stock control – although a central element of marketing, stock availability is normally handled by a designated person or team, often integral to the procurement department. It is an aspect of online retailing that is strategic to the organization.
- Shipping costs – cover expenditure, profit centre, promotional tool – or all three? Closely associated with product pricing, again this is a strategic decision rather than an operational task left to the online team.
- Outbound logistics – for the serious (rather than occasional) online vendor, the choice of delivery service is essential in ensuring customer satisfaction, but it is also a cost centre that must be carefully selected and monitored. Long-term contracts or strategic partnerships with carriers are normally the best option. If any kind of *drop-off* facility is to be offered, this too is a strategic decision.
- Returns – any commitment of resources in this area will depend on (1) the product (e.g. is it susceptible to easy damage or failure, or is it in any way size-related and so liable not to suit the buyer?), and (2) the company's policy towards returns (e.g. does any kudos gained by a liberal returns statement offset potential costs)?

Having considered all of these issues, and deciding on how they will be addressed both strategically and operationally, it is then important to describe them clearly on the website – both as instructions on what will happen when a customer makes a purchase and also as an important development of the site's credibility – and so too, its brand.

YOU DECIDE

Advise the management team at Hill Street Motorist Shop (case study 8) about fulfilment-related issues that are specific to them.

Alternatively, conduct the same exercise for your organization or that of your employer.

6.4 COMPARISON SHOPPING ENGINES, E-MARKETPLACES AND THIRD-PARTY SHOPPING WEBSITES

In the first edition of this book, it was relatively easy to differentiate between these three aspects of e-commerce. Four years later, in the second edition, the distinctions between them had become blurred. It is now pretty much impossible to make a distinction between the three – with some sites meeting the criteria for all three. As – it would seem – with all things digital, definitions come and go as usage and technology changes. Throw in the constant problem of different commentators, authors and practitioners calling the same thing by different names and different things by the same name and the result is confusing. That said, here is my understanding of what differs and what is the same about comparison shopping engines, e-marketplaces and third-party shopping sites.

Comparison shopping engines

A comparison shopping engine (CSE) is a search facility which, as a business model, elicits fees from the sellers of products that are listed on the comparison pages produced as a result of a potential customer's search on the CSE. Although CSEs have an element of *search* to them, they should not be treated as being the same as organic search engines (see Chapter 4) but more like search engine advertising (see Chapter 7.5). This is because the CSE will only present your product's details to the searcher if you not only have agreed to be included in that search, but are willing to pay for any clickthroughs made from the search listing. CSEs are, essentially, searchable directories of products – but when the user clicks on a listed product they are taken directly to a web page where that product is offered for sale. For popular products, multiple listings appear in the CSE, with the user being able to compare each vendor's offering before clicking through to the seller's website to buy the one that appeals most – usually, though not always, the cheapest.

However, these *engines* are often a website – hence them sometimes being referred to as comparison shopping *sites*. An example of such a site is Kelkoo (www.kelkoo.co.uk), which includes comprehensive product details – but it does deliver search results based on price for the same product being offered by various sellers, and so is referred to as being a *price comparison site*. The many players in the comparison market from the insurance industry (e.g. comparethemarket.com, gocompare.com and moneysupermarket.com)

tend to be known under this name – perhaps because so many use the word *compare* in their brand name. So far, that is three names for what are, essentially, websites offering the same facility. And it gets worse. On its website, Kelkoo doesn't actually describe itself as *anything*, stating only that: *Kelkoo researches millions of products and thousands of retailers so you don't have to*. Wikipedia, however, describes Kelkoo as an *e-commerce advertising platform*, which makes some sense, but the products are *listed* (as in a directory) rather than presented like an advert as such. But then businesses pay for their products to be in those lists, and the definition of *advert* is *the paid placement of a promotion*. If the way we purchase insurance has been changed by comparison sites, it is the travel industry that has been a primary exponent of the concept – to such an extent that using such a site to book a hotel is now the *norm*. One such example is Booking.com, which says it is *the world leader in booking accommodations online* but, like Kelkoo, doesn't categorize itself – unlike Wikipedia, which describes Booking.com as a *travel fare aggregator website*. There's another descriptive name for our list.

Booking.com can be used to further our investigation as, like many CSEs, it has added to the website content to take it beyond simply offering price comparisons of similar hotels. Descriptions – with pictures – of the hotels, their location and customer reviews (given by Booking.com customers) are supplemented by comprehensive travel guides and holiday suggestions. But – and it is a big *but* – these travel sites do not link to the hotels' websites for travellers to make a reservation; they take the bookings on their own site. Back in the days before the Internet, shops that sold holidays, flights and hotel rooms were called *travel agents* – indeed, some commentators refer to the likes of Booking.com as an online travel agency (OTA). Realistically that is what Booking.com, Hotels.com and the like are – they are just *online* travel agents. Then there is TripAdvisor, which started out as a social media review site, has moved to calling itself *the world's largest travel site*, but has a home page that looks remarkably like a comparison shopping engine (or whatever we decide to call them).

E-marketplaces

The complications with e-marketplaces starts with them being different depending on whether they trade in B2B or B2C markets.

B2C e-marketplaces

Another example of the naming of functions and facilities in digital marketing following trends, the term e-marketplace when used in the B2C environment was hot when the second edition of this book went to print. Now, it is rarely used – but that may be because the sites of the main players are known by their brand names, not as being e-marketplaces. For example, Amazon's facility is actually called *Amazon Marketplace* – but users simply refer to shopping on Amazon. So what is an e-marketplace? Fundamentally, it is the same as a traditional marketplace. That is a place (traditionally, physical) owned by a third party who, as a business model, rents out space in the market to sellers (traditionally, stalls) or takes a percentage of sellers' income. The marketplace

operator promotes the market to sellers so that many are present in it, and then promotes the presence of a large number of sellers to potential buyers. In case you didn't realize it, I just described the origins of marketing. For the e-marketplace, the concept is identical, except the space is *virtual*.

Shopping.com (owned by eBay) is often presented as the archetypal e-marketplace. Anyone can sell their goods on the site – and in the same way that one stall in the countryside attracted few shoppers, but being part of a town's market brought many, it's an excellent way to reach a large number of potential buyers. Shopping.com makes its money by charging the sellers *rent*. But wait. To buy a product on Shopping.com you follow a link to the seller's website. Sound familiar … as in comparison shopping engine? Which brings us back to Amazon, which is both a retailer (it resells products which it has bought from suppliers and manufacturers) and an e-marketplace as vendors can sell their products on Amazon (for a fee – *rent*). But – and it is another big *but* – buyers make all of their purchases (from Amazon and/or other sellers) at the Amazon checkout. Then what of eBay? It is much closer to being an e-marketplace in that it does not sell its own goods, only those of other sellers (individuals and businesses) – but all sales still go through eBay's checkout.

So how does an e-marketplace differ from a CSE? Perhaps the title of each gives us a good place to start. The CSE is a search facility, perhaps for the customer who knows, or has a very good idea, of what they want to buy – insurance for a specific person for a specific car or a holiday in a specific place and on specific dates, for example. The e-marketplace, on the other hand, is more like a market where the shopper has an idea of what they want to buy (e.g. a new dress) but would like to browse around a shop – or dip into a directory – by searching on less specific criteria with a search producing a list of *suggestions* rather than specific products listed by price. Naturally, there will be overlaps between the two – but this is a reasonable differentiation. That said, the issue is complicated still further by the fact that you could look for a product on, say, Shopping.com and find that when you click on the *visit store* link for a product you find yourself on eBay or Amazon.

B2B e-marketplaces

Although the term did filter into the B2C environment it was, and still is, more commonly associated with B2B trading in specific markets. Often industry-specific, the B2B marketplaces are far less well known – which is to be expected as only those people with an interest in those industries will have cause to have heard of them. It is also the case that many offline B2B marketplaces are rather civilized – with competitors in both the supply and the buying sides of the market working together to either best meet the needs of customers or get the best deals available from sellers. Neither is it unusual for competitors to form partnerships in order to best serve their customers. This spirit of cooperation has transferred to their online incarnation – the e-marketplace.

The online marketplace – 'a facility to link buyers and suppliers electronically to automate corporate procurement' (Porter, 2001) – as with the traditional one, has two

interested parties: buyers and sellers. *Buyers* seek visible sellers, better prices, a more efficient purchasing process, knowledgeable sellers and controlled spending. *Sellers* seek new markets and new customers. There is a case to answer that the e-marketplace is an element of the procurement process – that is, it is a *buy-side* element of business – and so does not belong in a marketing text. Whilst this is a reasonable argument, to be effective, marketers must be aware of the e-marketplace's function so that they can make best use of them in the promotion and distribution of their products – hence their inclusion in this text. Although some e-marketplaces are open to any and all members of an industry, many are restricted to membership of a restricted community – be they buyers or sellers.

PRACTICAL INSIGHT

Online auctions and tendering

Although not actually *e-marketplaces*, B2B auctions and tendering are associated with them – sometimes being an integral element of their content and purpose.

At *forward* auctions, the seller places goods (usually surplus or used) for sale and invites bids – the customer making the highest bid being the *winner*.

With online *reverse* auctions – also known as *procurement* auctions – the roles of the buyer and seller are reversed, with the buyer announcing what they wish to purchase and then inviting bids to satisfy those wants. Although the buyer posts their requirements some time before (in order for the bidders to prepare their quotes) the event normally takes place over a short period, typically an hour or so.

With its origins in fair and equitable trading – and the elimination of bribery and corruption – *tendering* has been common practice in the public sector for many years. Fundamentally, the process is this: (1) the buyer makes known their require-ments; (2) potential bidders make known their interest and submit details of their organization to be evaluated by the buyer; (3) if they meet the required standards, the company is accepted to submit a tender; (4) interested parties submit a sealed bid by a predetermined deadline; (5) the buyer reviews all of the bids – although price will be the dominant characteristic of any decision, it is possible for a higher bid to incorporate better specifications; (6) all entrants are informed of the suc-cessful bid, with the winner being awarded a contract for the work.

Prior to the Internet, this process was unwieldy, complicated and time-consuming – as with auctions, however, online technology has alleviated much of this.

Third-party shopping sites

Although the original concept was for the general public to sell off – by auction – unwanted items in a kind of online boot sale, eBay is now more commonly used by small and micro retailers as a method of reaching a market that prior to the Internet was simply not possible. Furthermore, many shun the auction model, simply listing goods at

a fixed price. Although some of these do operate in niche markets, many buy and sell mainstream products. These sellers make much of the eBay site a *facilitator* of – or platform for – B2C retail transactions rather than the C2C auction site that it was originally.

However, the reason I refer to eBay – in this context – as a third-party shopping site is that the organization offers sellers not just *advertising space*, but also the facility to develop their own eBay store on the company's domain and – importantly – the use of eBay's checkout facility. Indeed, if it were not for the fact that many travel-based CSEs and Amazon also offer their businesses the use of their own checkout, this facility *could* be used as another differentiator between CSEs/e-marketplaces and third party shopping websites. Building your eBay store requires little in the way of technical knowledge – simply choose a name, pick a template and write a description for your shop and you are away. A customized logo and a colour scheme will help personalize your online presence. Up to 300 categories can be created for your store, so there are few products you cannot consider for this virtual shopping mall. Obviously, fees must be paid – eBay charges store owners a monthly subscription fee, a listing fee and a final value fee for items that sell. In addition, postage and packaging costs must also be considered when deciding on a profitable selling price – but given that these will be the only marketing costs to be added to the products' cost price, healthy profits can still be made.

As a footnote, I have decided to use eBay as the prime example here as I expect that the majority of the readers will be familiar with the company that is most recognized in this field. However, it is not the only site to offer similar facilities to niche retailers and low-volume manufacturers – notonthehighstreet.com is one such example – and I would also be remiss if I didn't mention Taobao (www.taobao.com), which is widely recognized as the Chinese eBay.

Decision time

As with all aspects of digital marketing, using CSEs, e-marketplaces or third party providers is not for every retailer, with advantages and disadvantages to the service offered. These include the following:

- The *comparison* results are primarily price-based. If you offer a premium price for a premium service, then you may fare badly in the CSE results. Remember, CSE users are in the segment of the market that is shopping on price. If this is not your demographic then the use of comparison sites is questionable. However, some sites offer sub-categories on quality versus price. Hotel sites, for example, offer price comparisons for different star ratings of the accommodation.

- Not all of your products have to be listed; selected products can be used to raise the seller's profile – the equivalent of the long-established offline loss-leader principle.

- There is a cost to the retailer of selling through a price comparison website. Whilst this can be built in to selling prices and marketing budgets, paying a commission to sell your product cheaper than your competitors might be a risky long-term strategy.

- The CSE might not have many visitors, or its visitors might not be shopping for your products – though in a pay per click arrangement, no traffic equals no cost (other than that involved in setting up the listing).

However, there is another reason for using CSEs, e-marketplaces or third-party providers that trumps any other benefit they might offer. You will recall my reasoning for starting the second part of the book with search engine optimization – well, here is a perfect example.

The major brands in these three methods of reaching a target market all rank highly with search engines. If you are struggling to get high in the search engine rankings – a common problem for new businesses – you could just let the branded platform do it for you. Indeed, so powerful are the likes of eBay and Amazon that it is rare for them not to hold several places on the first page of the SERP for a product search – they may well even force your own website listing down onto page two. For the B2B trader it is the case that in *some* industries and markets, if you're not in the right e-marketplace you're not in the game.

Although the CSEs and e-marketplaces all provide a guide on submitting to their engines, before adding products to their listings you should be prepared to provide details of all of the following attributes for each:

- the product's full name and any identifying reference number
- a clear description of the product
- the product's manufacturer and assigned part number (potential customers may search on it)
- the category in which you wish it to be listed
- how you want the product to be classified
- your selling price – and retail price if you are discounting it
- the URL of the product's page
- the URL of any image to be presented on the CSE or e-marketplace
- stock availability
- shipping costs.

Remember, the third party knows nothing of the product(s) you are selling – they cannot fill in any blanks.

The use of third-party websites to host online shops can work for some organizations, with the advantages – particularly for small or micro businesses – being significant. The use of the third party's checkout facility can also be a deciding factor for the smaller seller. However, such a route to market can have disadvantages, particularly if the organization has ambitions to expand beyond being a small player in a particular market. This is because the business is inextricably linked with the host organization and so all those benefits gained from the partnership can be an impediment in developing an online

brand of its own – not least because the third-party retailer can be perceived by customers as being just that – a business too small to trade in its own right.

The use of such sites is not limited to SMEs, however. Though not as popular in other parts of the world, in the US, a number of high street brands use eBay (or similar) auctions to sell off goods that might be end-of-range, unpopular sizes or colours or simply over-stocks.

YOU DECIDE

1. Advise Robert Terwilliger on the advantages and drawbacks of using a third-party website to sell The Modeller's Stand (case study 9).

2. Advise the owners how suitable the use of CSEs or e-marketplaces might be for the Hotel Pillowmint (case study 3). Explain both the positive and the negative aspects of the practice for the hotel.

Alternatively, conduct the same exercises on your organization or that of your employer.

6.5 THE E-COMMERCE WEBSITE

In much the same way that I began Part II of the book with search engine optimization because it impacted on all other aspects of digital marketing, I have kept the section on e-commerce website development until the end of this chapter. This is because decisions made in the earlier sections will impact on the development and content of the e-commerce website. Ultimately, for example, if it is decided that a third-party site (e.g. Amazon) will meet the organization's needs then no checkout facility is required and the website content can have more of a focus on *branding*.

Another *strategic* decision taken early on is one presented by technology. A problem facing the online retailer is whether to develop a smart phone app or a *mobile* website, or simply to have a website that is equally usable no matter what device is used to access it. Apps are certainly *trendy* – but they restrict the number of customers you can appeal to in that the app must be downloaded to individual devices. Mobile websites are developed specifically to not only download on smaller screens, but also have small touchscreen usability built in. Websites that are equally usable on all types of device are by necessity rather simple in their design, and so cannot include some of the *features* so loved by designers – but they do offer a single cost (in development and maintenance) rather than having additional costs for each application. At the time of writing, the jury is out on what is best, though mobile-specific sites do seem to be losing favour. As a rough guide, the trend of the moment is that if your brand is big enough, you can *expect* customers to download your app (e.g. eBay), but smaller brands might not carry that much clout, so a responsive site is the best call. However, as is always the case, it will be the needs and expectations of customers that will lead to the final decision.

> **PRACTICAL INSIGHT**
>
> **Shopping for digital staff – or digital staff for shopping**
>
> To help meet a strategic objective of enabling its customers to *buy whenever and wherever they want*, April 2016 saw retailer Sainsbury's announce they would be creating 150 new jobs in its digital and technology team. For most organizations, a 150-strong digital team would be a significant number. But at Sainsbury's they were adding to the 900 staff already employed in that team.
>
> Source: Internet Retailing (internetretailing.net)

In this section, we take a look at elements of website design that apply specifically to websites on which purchases can be made. However, to concentrate only on the online purchase element is to undervalue the site as a retail outlet. As mentioned in the introduction to this chapter, there are two types of retail website: *pure-play* and *bricks and clicks*. Although both offer online purchase facilities, the latter must also consider the customer who might be on the site as *part* of their buying process, with a decision to buy being made either off- or online and the actual purchase being made in the other medium. Similarly, few customers will make a purchase on their first visit to an e-commerce site. This being the case, the website must cater not only to the potential online purchaser, but to those who have not yet made up their minds. Recognizing that all visitors to the B2C website can be valuable, Moe and Fader (2001) identified four types of online shopping visits that the customer might make:

1. Direct-purchase visits. The consumer is ready to make a purchase.
2. Search-and-deliberation visits. The consumer is researching not only the product, its price and availability, but also the terms, conditions and credibility of the site – although they do intend to make a purchase eventually.
3. Knowledge-building visits. The consumer is engaged in exploratory browsing that *may* lead to a purchase at some time in the future.
4. Hedonic-browsing visits. The consumer is doing digital window shopping – that is, shopping for pleasure or recreation.

Despite the intervening years which have seen improved search engine performance, shopping comparison sites and social media, this range of visits is still an accurate depiction of shopping habits. Offline, it is easy for the experienced salesperson to identify these groups. Online, the website must cater for them all – for even the latter is a recipient for a branding message that may eventually influence a purchase.

We have seen this notion of different *types* of website visitor in previous chapters where consideration is given to buyer behaviour and at what stage potential customers are in the buying cycle – as Huang and Christopher (2003) suggest, web designers must understand the key stages and influences in the purchase decision if they are to design an

effective e-commerce website. A concept popular in offline retailing is that of the early-stage buyers and late-stage buyers. In this model, the salesperson takes a different approach to customers depending on where they are in their buying decision-making process. Early-stage buyers are looking for information that will help them to make a purchase decision, while late-stagers have done their research and are ready to buy. Getting it wrong in-store costs you sales – the same is true online. As with Moe and Fader's four types of visitor, in the offline environment identifying the different kinds of shopper is relatively easy for the experienced salesperson. Online, however, it is not possible to immediately identify which category each visitor is in, so the site must pander to both. This is particularly true if the goods have a long buying cycle – with the website having to cater for visitors who are at all stages in the cycle. This could be discrete or obvious. For example, links on the front or product page might say something like: *weighing up the options?* and *ready to buy?* Subsequent pages for each link would have appropriate content – details of finance schemes or delivery schedules in the latter, for example.

> " Although the site's navigation – and user experience – is paramount to its design, that experience must also meet the expectations of the various types of shopper. "

Although the site's navigation – and user experience – is paramount to its design, that experience must also meet the expectations of the various types of shopper. The direct-purchase visitor, for example, is likely to be in a hurry and so impatient if unnecessary clicks – or taps – are required to get their intended purchase from its product page through to the checkout. Those filling their time digitally window shopping, however, might be happy to scroll down different products in a variety of colours. Similarly, a loyal shopper might be more willing to put up with poor navigation as they know the product they want is there somewhere – though their loyalty is likely to have been influenced by the site's UX. Those seeking the lowest prices might – as we do offline – have lower expectations of *standards* on the budget site. Other shoppers might be distracted while in the virtual shop, and so their pathway through the e-commerce site should be both easy and instinctive. In a competitive environment, it takes very little to influence a shopper into clicking off to another seller's site.

In terms of both user experience and increased sales opportunities, the online store has a particular advantage over its offline rival when it comes to merchandising of products for sale. For the offline store, the cost of goods displayed is significant; therefore, stock

RESEARCH SNAPSHOT

Loyalty: meeting needs or lazy customers?

Research commissioned by Apptus (apptus.com) and carried out by YouGov (yougov.co.uk) in 2017 questioned 1,676 people who buy fashion items online and found that 62 per cent have a core group of three favourite online retail stores – with the figure rising to 68 per cent for women. That's great if you are one of the three, but it means that winning new, loyal customers is a real challenge.
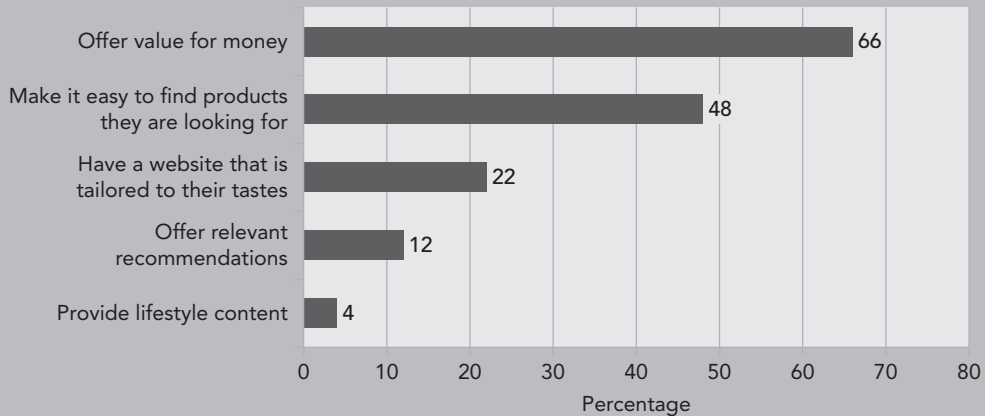
Figure 6.3 Participants' responses when asked how fashion sites could break into their select group of favourite shops

Note that:

- *Value for money* should not be confused with *low prices*.
- Website design UX is an important factor – more so than other *sophisticated* aspects of online sales.
- For all the talk of AI and similar technologies that facilitate such things, relevant recommendations carry little weight.
- And as for lifestyle content – not much ROI on that.

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levels are maintained as low as possible without losing sales through out-of-stocks (stock control through computerized point-of-sale has helped in this regard). This – along with the issue of physical space – means that most products can only be displayed in the store in one place. In the online shop, however, products can be *listed* in multiple categories at no extra cost. Take, for example, men's polo shirts: these could be listed – displayed – in *casual wear*, *summer shirts*, *sportswear* and *gift suggestions* as well as by manufacturer or brand. This ability to multi-list goods means that stock can be arranged by consumer need, so providing an efficient navigational structure for the customer that can be effective in increasing sales.

The checkout process

All the effort, cost and resources applied to the online shop's design are wasted if the potential customer cannot convert to being a buyer because they have problems with the site's checkout process; hence there is no more important element of the online shop than the checkout facility. Many – mistakenly – think the checkout procedure starts at the moment the customer clicks on the *buy now* link. Although this may be the case with the purchase of a single product, it is not so when the customer is buying more than one item. In reality, the process starts when a customer adds the first product to their basket.

PRACTICAL INSIGHT

Checking out with carts and baskets

Quite why some *digital* terms become more popular than others is something of a mystery – a point I make in the introduction to my book *Key Concepts in e-Commerce*. Although there is an argument that the subject of this section is influenced by offline use in the USA and Europe – as far as the online shopper is concerned, *cart*, *trolley* and *basket* (plus any of these prefixed with *shopping*) mean the same thing. For many, *checkout* has the same meaning – though *online* it is normally used as the verb describing what you want to do rather than a noun describing where you do it. So universally accepted are the terms that many sites simply show an image of a cart (trolley) or basket – with shoppers knowing exactly what is being indicated.

Important considerations for any checkout facility include:

- It must be easy to use. Although the entire site should have good usability, it is *essential* in the checkout process. While surfing around the website, the customer can stumble and make mistakes and still stay on the site. When they get to the checkout, however, it is their personal data and their credit card details that are at risk – and they are not prepared to take chances with them.

- Make it constantly available. Too many sites allow you into the checkout process, but not out again. Right up to the final click of the *buy* button, it should be easy for users to return to the main site to shop for more products. Having a link, or better still a running total, constantly visible on every viewing page keeps the basket constantly in the shopper's focus.

- Following from the previous point – make it easy to change the basket at any time. Not only should actual products be easily changeable (i.e. added or deleted) but details such as size or colour should be effortless to adjust.

- Abandoned carts. Like the trolley full of shopping that is left at the offline checkout, any online basket that is filled but not purchased is a concern for the retailer. With

some shopping facilities, it is necessary for the potential customer to initiate a check-out procedure in order to see the final cost. However, for most products, if a visitor has spent time on the site, researched and reviewed products, added them to the basket but not completed the purchase, then the online retailer must investigate what has gone wrong – and seek to correct it. Several scenarios – and solutions – are possible. Most serious is where the shopper has abandoned the filled cart because they cannot, or do not know how to, use the checkout facility. In this case, the fault lies with the website's development. Obviously, this should be tested before the site is launched, but frequent cart abandonment should ring alarm bells for the site's manager. That the site's analytics will identify exactly where the user leaves the process will help identify problematic aspects. The problems may range from a technical error that means the checkout simply doesn't work through to a badly worded instruction that results in users not being able to follow the procedure correctly.

- Beyond the control of the website, however, is that it could be that the customer has simply changed their mind about the purchase, has not got their credit card details with them, needs to double check the required size or measurements for the product or perhaps doesn't have the time to complete the purchase (users *shopping* on their lunch break using their employer's Internet facility, for example) – or, as is now common, customers *shop* on their mobile device, but complete the purchase on their PC. Research by Mapp (mapp.com), published in their 2016 Consumer Views of Email Marketing study, sheds some light on why this is the case (Table 6.2).

Whatever the scenario for them abandoning a cart with products in it, the online marketer must be proactive in recovering the customer. The primary method for getting these *lost* customers back is through re-marketing.

That there is some confusion between *re-marketing* and *re-targeting* (which is covered in Chapter 7) is not helped by the fact that re-marketing is not even an obvious choice of term for the practice it represents. Re-marketing addresses the issue of customers putting products into their virtual shopping basket, going to the checkout, but not actually going through with the purchase. Rather than simply ignoring them and giving them a virtual wave goodbye, stores have realized that it is worth trying to get them back through re-marketing. If they have reached that stage, it is likely that the store has the email address of the customer (they have either completed the checkout form or are a

Table 6.2 Key factors preventing consumers from making purchases on mobile devices

	Mobile phone	Tablet
More comfortable purchasing on a desktop or laptop (%)	44.3	44.8
Website difficult to navigate on mobile/tablet (%)	36.7	25.7
Hard to type information on mobile phone/tablet (%)	35.9	22.9
Security concerns (%)	35.2	29.5
Don't want the app (%)	27.4	27.9

registered customer) and so the shop then sends an email – or more until a result is achieved – to the shopper which comments on the abandoned basket. Methods vary from a *did we do something wrong?* question through to reminding the customer of an offer they would have qualified for in that sale, to offering some kind of incentive to complete the purchase.

However, savvy customers have realized that leaving things in the basket can induce some kind of promotion to complete the sale – and so postpone their purchase for a day or so to see if anything is offered – which may explain at least *some* of the disturbingly high numbers in this research from SaleCycle (salecycle.com) showing abandonment rates (Figure 6.4).

- Accept multiple methods of accepting payment. Although the majority of people are now willing to give credit card details online, there will always be some who would rather pay cash on delivery – or perhaps the product *traditionally* lends itself to cash payment (it is also the case that credit cards are a European/United States convention; Indonesia, for example, is still a country where cash is more widespread than any other form of payment, even for digital purchases). Many shoppers are also used to using a payment facility such as PayPal for all of their online purchases – and may go elsewhere if that facility is not available on the site. Similarly, offering customers a registration facility where details are retained making repeat purchases easy – Amazon is the obvious example of this and is undoubtedly an element of its success. Note, however, that for sites that are unlikely to have repeat purchases forcing registration might actually deter the *one-off* buyer (someone buying a gift, for example).
- As has already been covered, fulfilment is an essential element of online retailing – and during the checkout process the customer should be offered a range of delivery options.
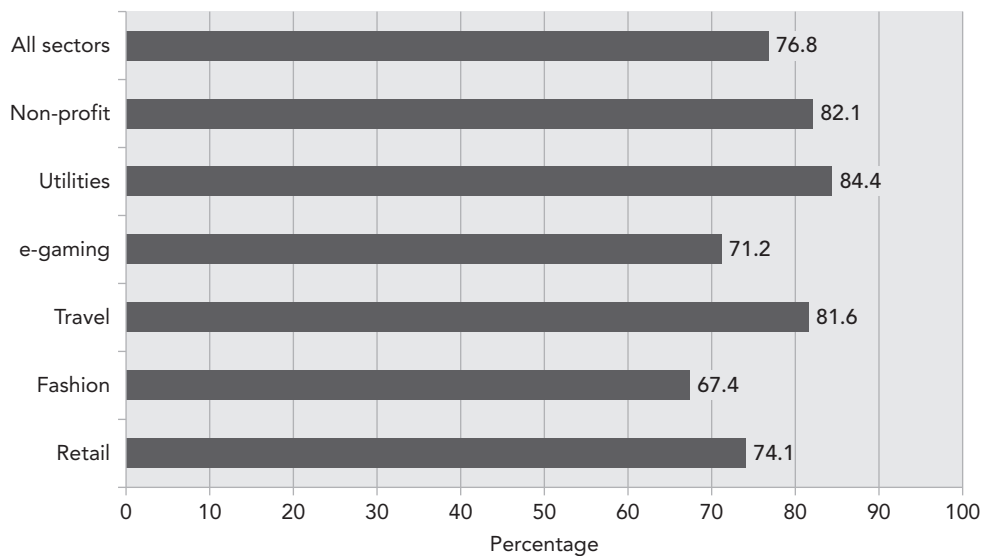
Figure 6.4 The percentage of customers who left behind their order instead of purchasing

- Finally, there is the question of security. A checkout should always be hosted on a secure server (the URL of the page will begin with https). Not only will customers be unwilling to use unsecure sites, but the lack of such will have a major impact on the site's credibility. So important is this issue that all *genuine* sellers use secure servers – it is very unusual to find a reputable seller using an unsecure page. Furthermore, the major search engines give more credence to sites hosted on secure servers.

RESEARCH SNAPSHOT

Virtual window shopping

Research from Episerver (2017) provides an insight into online consumer behaviour which may be a little disturbing for e-commerce sites in particular – but all sites in general. Findings included that:

- On their first visit to a brand's website, 92 per cent of consumers are not there to make a purchase.
- Around a third of consumers who visit a website with the intention of making a purchase leave without buying anything.
- 98 per cent of shoppers have been put off from making a purchase because of content that does not meet their needs, i.e. it does not tell them the information they seek about the product.
- 35 per cent were not impressed with brands' attempts at personalizing their online shopping experience – only 7 per cent thought brands had got personalization right.
- In a message to web developers that visitors are more interested in saving money than leading-edge design, shoppers expressed more interest in brands tailoring content for coupons based on location (44 per cent) than emerging technologies such as virtual reality (7 per cent) and augmented reality (6 per cent).

Decision time

In essence, the issues raised in this section mirror many of those included in the previous chapter on website development. However, it is worthwhile emphasizing some elements in the online shopping scenario. Key issues will vary depending on the product being sold, but the following issues will be common to most sites.

Navigation

Obviously important to any website, good navigation is absolutely essential for the retail website where customers will soon click away to a competitor if they cannot easily find what they are looking for.

Product pages

Textual and visual description is crucial – and the visual element of the e-commerce website is an opportunity for designers to show the full range of their skills and programmers the added value that technology *can* bring. Textual descriptions should follow all the criteria covered in Chapter 5 – and, as ever, it is the needs of the customer that should be paramount. For example, giving an extensive technical description of the inner workings of a laptop is not what the average customer is looking for – they simply want to know what that technology does for them; for example, will it have the power to show the graphics on the latest online gaming platforms?

PRACTICAL INSIGHT

A picture (can) say a thousand words

Having previously held the post of the Editor in Chief at ClickZ and now doing the same job at SaleCycle (www.salecycle.com), Graham Charlton should know a bit about e-commerce. He offers 15 tips for using product images on e-commerce sites:

1. Let people zoom in.
2. Use high-quality images.
3. One image is rarely enough.
4. Use images in category pages (not just the product's page).
5. Show the product in use.
6. Show what the product can do.
7. Make images beautiful.
8. Show product features.
9. Consider using images in site search.
10. Provide information relevant to images.
11. Mobile users need images too.
12. Have 360-degree views.
13. Don't forget SEO.
14. Include user-generated images.
15. Don't let images ruin your page load speed.

Source: www.clickz.com/15-tips-for-using-product-images-on-ecommerce-sites/92675/

In some instances, a simple one-dimensional image of a product is sufficient to display its qualities – a book cover is a book cover, no matter what angle you view it from, for example. However, common software now makes possible applications that allow the customer to move around the image as if it were in three dimensions. Cars, for example,

can be moved so that the customer can view it from 360 degrees or a hotel bedroom can be rotated so all of its attributes can be viewed. Faster broadband speeds have made video clips of *some* products the norm. This could be instructional (using a mobile phone), a demonstration (how to use a power tool safely) or aesthetic (a video tour of a cruise ship).

Cross- and up-selling

Also known as associated selling, this technique is well established in offline retail – and technology can be used to transfer it online. The model for cross-selling is for the salesperson to offer related or associated products to increase sales. Done properly, the practice is perceived by the buyer as being part of good service – drill bits with a drill, or matching tie with a shirt, for example. Up-selling is where the salesperson offers an upgraded or higher specification product to increase sales value. As with cross-selling, this can be seen as being part of good service. For example, a customer might select a laptop off the shelf, but when the salesperson asks pertinent questions they discover that the buyer needs a higher specification machine to handle the uses for which they are buying the computer, and so advises one with a higher spec. Online, carefully prepared software programs can take the place of the attentive salesperson, with an automated notice of the need for an accessory or advice on an associated product appearing when a purchase is made. Whilst technology can be applied to automate these facilities, human input from an experienced salesperson (to identify the associated products) is essential.

Calls to action

Part of the site's sales *copy* and the site's *sales funnel*, a retail website must not lose focus of its purpose – to sell things. To this end, the visitor must be constantly prompted to make a purchase. The most common call to action is an *add to shopping basket* message (within text or as a button). Simply having such a message at the bottom of a product page is not enough – the customer might not read down that far.

Wish list

It could be that the website visitor might not be ready to purchase on a particular visit to a website; in which case a *wish list* facility can be offered. Originally designed to be a list of products that you would like to own that is available for others (friends, family) to access if they wish to buy you a gift, it is now commonly used by people who like to remind themselves of products they have come across on a site and might purchase some time in the future.

In-site search facility

Already covered in detail in the previous chapter, for the retail site that lists a wide range of products, this is considered by many to be essential. However, some observers

– including me – question the value of a search facility on *all* B2C websites. Our argument is that a good navigation system will allow visitors to easily find what they are looking for in a couple of clicks or so. In addition, while they are on their way to the sought product they may come across something else that takes their interest. Like me, most supporters of this notion come from a traditional retail background – where it is accepted practice to put the most commonly purchased goods at the back of the store so that customers must walk past – and be tempted by – numerous other products on their way to the goods and back to the checkout. Having visitors navigate their way to what they want is the online equivalent of this practice.

RESEARCH SNAPSHOT

One-word questions

Research by SLI Systems, which looked at 1.5 billion queries made from January 2013 to March 2017, found that retail site search queries are getting shorter. Results of the analysis showed that 56 per cent of searches in 2017 were a single word in length, while 26 per cent consisted of two words and another 11 per cent of three words.

It would appear that the *red sweater* used as an example in the previous chapter is now more likely to be just *sweater*.

Contact information

This is essential for a number of reasons, not least the issue of online credibility. From a sales perspective, however, a customer may wish to speak to someone to seek advice on the product they are interested in. In this case, the shop can offer a contact phone number (freephone or ring-back are best), a direct email address (that should be answered as soon as possible) or possibly a *chat* facility where a sales assistant conducts a chat-line conversation with the customer. More recently, chatbots (AI software) have taken the place of humans on many chat facilities – their effectiveness in this role is, however, still open to debate.

Price details

Although you may consider this to be a basic of retailing, it is surprising how many sites don't go into enough detail. For the site that sells tangible products only in its home country, then a single selling price is enough – as is the case in a bricks and mortar shop. However, if overseas customers are targeted, considerations such as tax should be included. A short note informing an overseas customer on how they may be able to reclaim VAT might be the difference between a purchase and a lost sale. Or the e-commerce site trading globally offering the option of currencies in which prices are presented is an effective option.

Another problem is making clear *exactly* what the price covers. Hotels, for example, should make it clear that the displayed price is per person, per room, per night or per stay. It should also be made clear if any local taxes are included or yet to be added. This is problematic for US services where local taxes vary from region to region. Any potential customer who decides on a hotel at a certain price is bound to feel cheated if that price rises after the initial *quote*. Even if that additional cost is relatively small, the buyer is likely to take their custom elsewhere. For all customers – local or international – there is also the issue of shipping costs, which should be easily available to the shopper.

> **PRACTICAL INSIGHT**
>
> **International sales**
>
> It is becoming more popular for online shoppers to make purchases across borders, which is great for increasing sales, but there are caveats – import and/or export tax, for example. And what about goods being returned or goods' warranties being applicable in all countries? Or which laws are applicable in the event of a dispute?
>
> In such instances, it might just be a case of *seller* beware.

Printer-friendly pages

Particularly in the early stages of the buying process and with complex products, customers may visit numerous sites in their research. In order to collect information, the shopper may wish to print out information to either (1) compare product attributes, or (2) show to and discuss with a partner. If the products you sell may fall into these categories then the information should be on easily printable pages or optional PDF files. This facility is particularly useful in B2B sales where one member of the decision-making unit (DMU) collates information for distribution to others in the group.

A product comparison facility

Many retail sites will offer similar products from different manufacturers, and so customers may need to decide on which meets their needs best or which is the best value for money. To do this, sites can use technology to allow customers to select product information pages and see them side-by-side on the same page. As the information on each product is presented in the same format, comparison becomes a far more straightforward task.

Website personalization

This subject was covered in detail in Chapter 3 – but it is worth reminding readers that personalizing a website for each visitor addresses many of the issues raised in both this

and the previous chapter, not least the next subject where a personalized checkout facility (like that provided by Amazon) will undoubtedly increase sales.

The checkout

Worth noting at this point is that in *marketing* terms – in much the same way that a *customer* might not hand over any cash for a service – an online *checkout* need not include a financial payment. For example, if the web page has an objective of signing up users for a free newsletter, the form they have to complete for the service is, effectively, the checkout. Similarly, the form that I complete in order to register my interest in a new service offered by my local council should be designed with the same criteria as a checkout on an online retail site.

Although a reasonably effective website can be developed with limited technical expertise, a checkout facility is a specialist area that would need either expert in-house skills or – as is common – to be outsourced. The latter is popular as not only are specialist skills required, so too is a secure server. Another option for traders – though in a limited number of industries – is to use agents to accept customer payments. An example of this is hotels. It is the travel and tourism industry that has seen most sites that – as a business model – operate as intermediaries for numerous hotels, airlines and car hire companies.

The importance of all of these aspects of online selling can be summed up by a comment from Amazon founder Jeff Bezos when he said: 'the best customer service is if the customer doesn't need to call you, doesn't need to talk to you. It just works'.

The problem is that *just works* is not something that is easy to interpret or implement. I would argue it is part of the *art* of marketing.

GO ONLINE

Customer experience the Amazon way

Follow the link from the chapter's web page to read '10 customer experience soundbites from Jeff Bezos'.

YOU DECIDE

Advise Robert Terwilliger on aspects of e-commerce content that are specific to The Modeller's Stand website (case study 9). How might this differ from a website that offers more than one product for sale?

Alternatively, conduct the same exercise for your organization or that of your employer.

FURTHER READING

For additional content and links to articles and stories that supplement, enhance and update this chapter of the book, go to the chapter's web page on AlanCharlesworth. com/DigitalMarketing.

CHAPTER EXERCISE

Giving justifications for all your decisions, advise Martha and her team at Phelps Online Department Store (case study 13) on all aspects of online retailing covered in this chapter.

Alternatively, conduct the same exercise on your own organization or that of your employer.

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Chapter **7**

Advertising online

Chapter at a glance

7.1 INTRODUCTION

Providing quality content that attracts readers and then selling advertising alongside that content has been a business model for publishers since printing came of age in the seventeenth century. So it is that, as a business model, website publishers and search engines sell advertising. However, whilst the marketer should not ignore the sell-side element of advertising, in this book we concentrate on the Internet as a medium for marketing and so the focus is on that perspective of online advertising. That is, how the Internet can be used to carry our ads, not how selling ad space can generate an income for online publishers.

Readers should also understand why both search engine advertising and advertising on social media are included in this chapter – and not Chapters 4 and 9, respectively. I consider that advertising is advertising – no matter where the adverts might appear for consumers to see. We do not call advertising on TV, TV marketing, we call it TV advertising. We don't call advertising on radio, radio marketing, we call it radio advertising. We don't call advertising in out-of-home formats, out-of-home marketing, we call it out-of-home advertising (OOHA). So why do some people call advertising on social media platforms social media *marketing*?

> " …advertising is advertising – no matter where the adverts might appear for consumers to see. "

I think there are two key reasons, though the second may be a result of the first. As I cover in detail in Chapter 3, a great many of the people working in all aspects of digital marketing are not *marketers* – and as a result we have people working in social media marketing who do not appreciate that there is a difference between advertising and marketing.

The second reason is that marketers – and people who write books about marketing – like to have things in nice clean categories because they make for convenient departments or chapters. Therefore, anything with a connection to social media is dubbed as being social media marketing.

I prefer to categorize by disciplines, so in this book – and its previous editions – *advertising online* covers advertising on all of the different platforms that accommodate it, including websites, search engine results pages (SERPs) and social media pages.

Although advertising on the Internet started back in 1994, it was nearly 15 years before global brands were switching their advertising budgets away from traditional media and going digital. Why it took online advertising so long to come of age is debatable, but reasons included: a lack of understanding of the web by advertisers and advertising agencies, a reluctance to adjust to the new, no fixed pricing policies, no key *broadcast times* and that the web is fragmented. There is a certain irony that some of these issues – particularly the last – are the reason that online advertising is so popular amongst digital marketers. However, significant in converting advertisers to *online* is that, compared to advertising on other media, *online* offers:

1. Targeting at not only specific demographics, but specific people – although they are not normally identified by name.

2. Analytics – as department store mogul John Wanamaker famously said: 'I know half of my advertising is wasted, I just don't know which half.' Online, analytics of the ads tell the advertiser how many times the ad has either (a) been shown on a web page, and by who, and/or (b) how many people clicked on the ad.

3. Interactivity – if an ad's objective is to elicit a response, that response can be instantaneous by clicking or tapping on the ad.

PRACTICAL INSIGHT

Online segmentation of ad delivery is broken into three *core* types of targeting – though the last can be used in unison with either of the first two and each has its own sub-categories:

1. Contextual – the ads served are relevant (in context) to the content of the web page.
2. Behavioural – ads are delivered in response to your prior actions on the web.
3. Geographical – the use of IP recognition to identify where in the world the surfer is, with location-relevant ads then being served.

7.2 PROGRAMMATIC ADVERTISING

I first came across the technology that now goes under the name of *programmatic* in 2012 when I was introduced by a friend to *re-marketing*. However, it was only in 2014 and into 2015 that the term gained in popularity – perhaps because that was when use of the technology became more commonplace. Note that I appreciate that automation has actually been around marketing for decades – for example, software used to automatically insert names and addresses from a database onto the letters and envelopes sent to consumers by post as direct marketing – but the new *programmatic* technology works in *real time*.

So … what is *programmatic marketing*? I'll start with *my* definition: programmatic marketing describes the use of software to replace humans in the purchase and delivery of digital marketing content, predominantly advertising (it is estimated to represent around 75 per cent of all online advertising).

However, as has been the case with many – if not most – terms used in digital marketing, I'm not sure there is an absolute definition. Such is the nature of software development that any definition comes *during* that development, and very often the term describing it comes from those responsible – the computer scientists. *Programmatic* comes – presumably – from the fact that functions are programmed. But everything related to computers is programmed, so why did we get a term dedicated to this aspect of marketing? Indeed, a couple of years ago it was more commonly referred to as *automated* marketing – which I prefer as it gets closer to describing what is going on, particularly if used more specifically such as it is in *automated* advertising (a term favoured over *programmatic* by the Interactive Advertising Bureau). Then there is the term data-driven marketing, which seems to be the same thing as programmatic. However, to add to the confusion, the computer folk refer to the use of *programmatic* in the term programmatic *media*. This is evident in the Wikipedia entry for *programmatic media,* which does not differentiate programmatic *media, marketing* or *advertising* – effectively suggesting all three terms refer to what marketers recognize as being *advertising,* and not *marketing*. This is also reflected in how *advertising* takes centre stage in the other listed articles – I wonder

if programmatic marketing will actually become programmatic advertising? Or should that be vice versa? Or is it only a matter of time before other aspects of digital marketing – influenced, no doubt, by those promoting the use of artificial intelligence (AI) – get the *programmatic* prefix?

Muddying the waters still further is the question of whether programmatic marketing is part of *marketing technology* – or *MarTech* as it is often known? I would see it as a natural subset – but if you type "marketing technology" into Wikipedia's search facility, it redirects you to *programmatic media*. Or is there an argument for all *digital marketing* to be part of *marketing technology*? Or is it that all *marketing technology* is *digital*? Or is it all just *marketing*? Maybe by the time we get to the fourth edition of this book, the titles will have sorted themselves out. I'm not holding my breath. Indeed, the more I research the subject the more confusing I find it, so my caveat is this: if you are reading or watching a video on this subject, be aware that definitions or applications of the terms used may or may not concur with those of others – including me.

This confusing state of affairs is exemplified by Google's advertising provision – one of the largest on the web.

In the previous edition of the book, I included a description of Google's system – which took me many a long hour to compile. Upon reading it in preparation for the chapter you are now reading, I spent several hours checking that I still had it right – and my conclusion was that if I didn't have it spot on, I wasn't far off. Here's my updated version:

- *AdSense* is part of the Google Display Network – and refers to text, image, video and rich media adverts that are delivered on third-party sites and are relative to the site's content and audience.
- Google *AdWords* is part of the Google Search Network – and refers to the ads that appear on the Google SERP and other third-party sites and are relative to the search term used in a search.

The Google Display Network is sometimes described as the *parent* of *AdSense* and *AdWords,* but Google depicts it as the network of websites whose publishers have agreed to host Google ads of any kind. Any reading around Google's online advertising service will reveal mention of *DoubleClick* – which is part of the support service Google offers publishers and advertisers.

The problem is that much of what is written about Google's advertising is written by people who – I believe – do not fully understand the subject themselves. For example, I read one *authoritative* description of AdWords which stated that the system works only on SERPs – and yet Google says explicitly that it delivers AdWords ads to SERPs *and* other websites in their network. Furthermore, Google doesn't help – I came across one *help* page on Google.com which carried the title: *About the Google Display Network* – but the video on that page was titled: *Google AdWords*. Wikipedia's entries for these subject areas seem to contradict themselves – and carry the 'this article has multiple issues' warning accordingly. Furthermore, some definitions and explanations look at the subject from

> **❝**
> I'm not convinced that anyone actually knows all of the nuances of digital advertising.
> **❞**

the publisher's point of view – that is, how to make money from hosting Google ads on your website. This gives a skewed view as advertisers need only to tick a box to have their ads appear on both *AdSense* and *AdWords*. In a nutshell, I'm not convinced that anyone actually knows all of the nuances of digital advertising. So, in an attempt to simplify things to this book's introductory level of study, here's my overview of advertising online. If you actually work in programmatic advertising you may quibble with some of the details, but I consider this to be suitable for those people who will be reading this book.

Online advertising: a *general* description

Traditional advertising has always had two main categories: direct response and brand.

- Direct response advertising seeks to elicit immediate action (usually sales) from potential customers, normally by addressing an immediate or impending need. Effectiveness is (relatively) easily to measure as each advert should create an action which can be measured (e.g. an increase in sales).
- Brand advertising seeks to build brand awareness and/or affinity over a long period of time. As it does not elicit immediate action it is difficult to quantify its effectiveness.

Translating this into online advertising means the following:

- Any type of advert that has an objective of direct response comes under the *search* category in that people searching for a product are normally far enough down the buying cycle that they are at the point where they are ready to make a purchase – so an ad prompts a response. These ads will *normally* be textual with a specific message (e.g. *to get 25 per cent discount click here now*). They are paid for only when someone clicks on the ad – pay per click (PPC).
- Any type of advert that has the objective of brand development comes under the *display* category. These ads will *normally* be image based, i.e. banners. They will be paid for by cost per thousand impressions (CPM), i.e. how many times they are downloaded onto a web page. A caveat to even this simplistic description is that *display* was once considered to be the same as *banner* advertising – that is the term describing the adverts' appearance, not their objectives.

Problems with programmatic advertising

Not only has the volume of online advertising increased significantly since the previous edition of this book – so too have problems associated with it.

Click fraud has been around as long as PPC advertising – and the practice continues, though at what level is disputed by buyers and providers – and programmatic advertising

has seen the development of impression fraud. Depending on which side of the table you sit, either click fraud is not really a problem or it is a reason for not using PPC advertising. The search engines say that the amount of click fraud is negligible. However, some advertisers – and independent investigators – suggest that up to 60 per cent of clicks could be fraudulent. So what is click fraud?

Basically, PPC works by having advertisers pay website publishers each time a visitor clicks on an ad. That no clicks equals no cost, and that each clickthrough is recorded, makes the model both cost-effective and easily measured. Now, if I was a dishonest publisher or agent handling a site's PPC ads, and I knew that I received a payment for every click made on an ad on my website, I might be tempted to click on a few ads myself. Obviously, the search engines and ad networks are aware of this and are on the lookout for such activity. However, I could pay someone to click for me – perhaps someone in a part of the world where labour costs are low. Or perhaps not one person, but several. Or several hundred. Or several thousand. I can afford to do this so long as I pay less for each fraudulent click than I receive as income for each clickthrough – and for some keywords I might be receiving several dollars a click (some cancer-related legal keywords go for over 50 dollars a click). Of course, I could skip the overseas cheap labour and simply use a computer programme to roam my sites and act like a human visitor clicking on ads.

For impression fraud, I use my software to invent thousands of phoney users – each with their own profile – who then visit my websites and their profile triggers the automated ads that respond to the false profiles. However, if I really want to make some money, I set up around a quarter of a million counterfeit web pages and then I acquire around half a million IP addresses and configure them so that they appeared to be *people* located all over the United States. I then operate as a sham intermediary (network) and have companies pay me to run expensive video ads on *my* phoney websites to my *phoney* visitors. Naturally, all of this is done by computer software. If this all sounds a tad far-fetched, think again – I have just described a fraud perpetrated by Russian cybercriminals using software dubbed the *Methbot* at the end of 2016. In the time it took to be spotted, the fraud – reportedly – siphoned off more than $180 million from the online ad industry.

Naturally, the ad industry is striving hard to trace fraud – but as with most online fraud, the bad guys are always looking for ways to be one step ahead. Cynics suggest that the ad networks are not too keen to track frauds as they also benefit from them – they take a percentage of clickthrough and impression fees – leaving the overcharged advertiser as the only victims. As a footnote to the *Methbot* story: if the fraudsters swindled $180 million in only a few weeks it gives an indication as to how much the industry is worth to the network providers and website publishers.

Another problem that had been around a while that was exacerbated by programmatic ads was having inappropriate ads appear next to news stories, which has also been a problem since the early days of dynamic ad serving – I recall back in the 1990s an advert for holiday cruises appearing next to a story of a liner sinking with the loss of many lives. The situation got worse when programmatic advertising gained prominence – with incidents of Citi Group, IBM and Microsoft inadvertently having their ads appear on

Jihadi propaganda sites. However, 2017 saw a tipping point when the same scenario created serious problems for a number of household brands – and so the networks distributing those ads.

Hundreds of brands including Mercedes-Benz, Waitrose, Marie Curie, Honda, Thomson Reuters, Halifax, the Victoria and Albert Museum, Liverpool University, Argos and Churchill Retirement found ads for their products appearing on *hate* websites and YouTube videos created by supporters of terrorist groups such as Islamic State and Combat 18, a violent pro-Nazi faction. If that wasn't embarrassing enough, such is the nature of online advertising, not only did the network publishers (Google, for example) earn income from the ads, but – more seriously – so did the Islamic extremists, white supremacists and pornographers who published the content.

The backlash saw changes to network advertising to address the issue, but not before a number of the world's major brands – including Coca-Cola, PepsiCo, Walmart, Starbucks and General Motors – announced that they were withdrawing from programmatic advertising. To the embarrassment of the digital advertising industry and the agencies involved in the sale of ads that had been aware of these issues since programmatic advertising started, the problems became known throughout not only the business world but – through headlines in newspapers and TV news bulletins – the general public also. Hopefully, by the time you are reading this, the problems will have been addressed and this report will be interesting only for *historic* reasons. Sadly, I fear that will not be the case.

An additional problem for programmatic advertisers comes as a result of its wider use – *adblocking* (or, depending on where you read it, *ad blocking* or *ad-blocking*). This is software – an *adblocker* – which the user downloads onto their PC, laptop, tablet or smart phone which *blocks* any adverts from appearing on web pages that are downloaded onto the device. Although the advantages to users are manifold – a better user experience, less cluttered pages, faster page loading times, for example – the main reason is that surfers do not like adverts. In particular, according to Doc Searls (2015) writing in the *Harvard Business Review*, they do not like re-targeting ads that follow them around the web. Based on his study of Google Trends data, Searls argues that the rise of adblocking was specifically correlated with the appearance of re-targeted advertising. In other words, having ads follow us around the web was the *tipping point* in our acceptance of personalized advertising – so we sought a method of stopping it.

On a more positive note for digital marketers, however, changes in the programmatic industry was not the only result of the scandals. Many digital marketing observers, writers and commentators (disclosure: I was one of them) were sceptical of the *propaganda* about the achievements of programmatic – mainly put forward by those who benefited financially from distributing those ads. Online advertising professed to be more targeted and accountable than print and broadcasting – with agencies being able to boast to clients that they had *delivered* thousands/tens-of-thousands/millions of consumer *views*. So, as tends to be the case in much of digital marketing, results are measured by ticks in boxes: a million *views* registered – tick. But the ticked boxes didn't establish that the web surfer had actually *seen*, let alone *read* or *watched* the advert. Nor did that tick

indicate where those ads had been delivered. The programmatic sceptics suggest that the *quality* of advertising has been sacrificed to the quantity provided by the number-crunching computer algorithms that churned out results saying that this ad has appeared on a *zillion* web pages. My own experience is that there is an element of the *marketing by non-marketers* scenario I advocate in Chapter 3. 'The wording on that ad is inappropriate to the target market', the old-school marketer would say. 'But it's been viewed a zillion times', the programmatic *marketer* (operator?) replied – and a *numbers* box was ticked. But when corporate reputations came at risk for funding terrorism, those who signed the cheques for ticking the boxes began to ask questions about the validity of programmatic in terms of both brand value and return on investment.

> " …there is a move back to *quality*, not *quantity* advertising … "

At the time of writing, there is a move back to *quality*, not *quantity* advertising, with the need to create content that is creative, innovative, engaging – it must *earn* its audience. That has got to be a good thing for digital marketers. More importantly, it has got to be better for consumers. Furthermore, the marketers are turning to the computer scientist and asking them to use their skills to provide data on which websites or platforms deliver a quantifiable return on ads viewed on them – and then stop advertising on the others (JPMorgan Chase is reported to have used this *whitelisting* approach and reduced the number of sites its ads appeared on from 400,000 to 5,000). Us old-school marketers call this segmentation and target marketing – you'll find a chapter dedicated to the concept in *every* marketing book published since marketing books were first published.

YOU DECIDE

From the case studies, identify the organization that would benefit most from programmatic advertising and which would benefit least.

Alternatively, conduct the same exercise for your organization or that of your employer.

Does online advertising work?

Such is the nature of this book that it aims to educate its readers about the various elements of digital marketing covered within it. As you discovered in Chapter 6 (where it was revealed that only around 8 per cent of purchases in the US are made online) and you will discover in Chapter 9 (on social media marketing), questions have been raised about the effectiveness of *some* aspects of digital marketing. Indeed, I allude to this issue in Part I of the book where I question if digital marketing is required by every organization, brand or product – and just how much buyers rely on the web for the purchase decisions. So it is, therefore, that the effectiveness of online advertising has been brought into question. As with other elements of the discipline, the success and how essential digital advertising is

> 66
>
> …two-thirds of consumers consider the current state of mobile ads to be frustrating, disruptive and boring.
>
> 99

tends to be trumpeted by those selling tools or services to be used for placing ads on the web. Google and Facebook spring readily to mind. Here's some research that might help determine if online advertising works or not.

Concentrating on advertising on mobile devices, research from Yieldmo (2016) found, amongst other things, that two-thirds of consumers consider the current state of mobile ads to be frustrating, disruptive and boring and that 86 per cent of respondents found the most common mobile ad format (the static 300×250) to be the most forgettable. Ads on mobile devices are, it seems pretty much universally disliked – they topped the poll of most widely disliked forms of advertising, conducted by HubSpot (2016). Significant to this book is that six of the nine *most disliked* were forms of online advertising. In general, those types of ads that are easier to ignore were *least* disliked (but *still* disliked). The full results of the survey can be seen in Figure 7.1. The same research found that 34 per cent of people who clicked on ads did so by mistake and that the main reason for installing an *adblocker* was to be in control of their Internet experience. Search advertising fares little better – research from UK company Varn (2017) found that only 8.4 per cent of searchers actually clicked on the results page ads.

Nielsen Mobile Insights (2016) asked mobile users to respond to the statement: 'mobile ads are annoying and/or intrusive' – the responses are shown in Figure 7.2
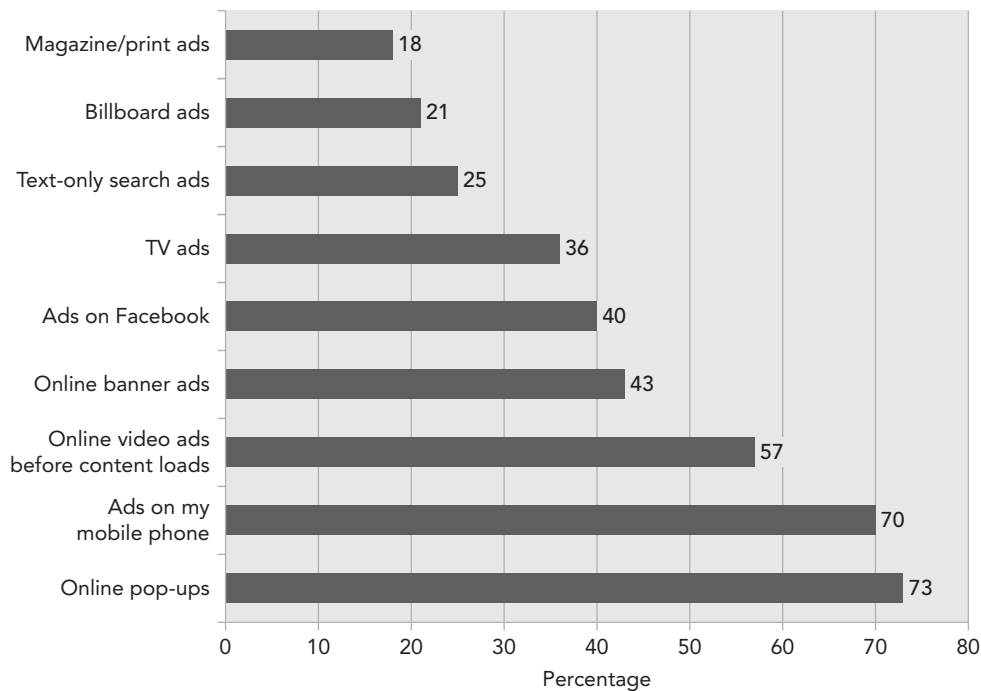
Figure 7.1 The most widely disliked forms of advertising
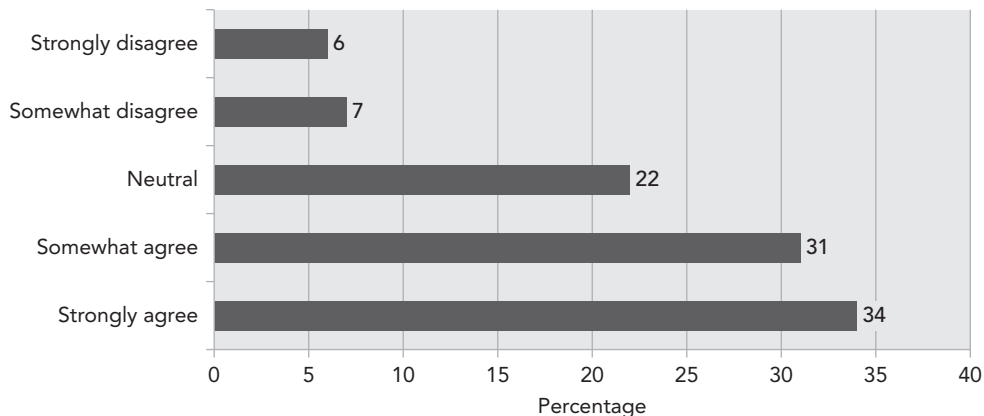
Figure 7.2 Mobile ads are annoying and/or intrusive

Research by Kantar Millward Brown (2016) sought to find out how users avoided ads online. The results (shown in Figure 7.3) do not make happy reading for digital advertisers, with the biggest response being to simply skip the ads – which suggests the majority of ads are not even read.

Although respondents of an April 2017 survey of more than 1,000 *Mumsnet* users found nearly half of mums would rather see 'ads that fit my age, personal situation or online behaviour than random ads' and that 46 per cent accepted that 'personalization is the future', that was the limit to any good news for online advertisers. Around two-thirds of respondents would be unhappy to see targeted advertising based on either their online behaviour or data they had given to an advertiser and 68 per cent were unlikely to buy an advertised product because of personalized advertising. Worse still was that only 6 per cent liked seeing ads from a previously viewed website show up on subsequent sites – with 32 per cent 'hating' the practice (Mumsnet, 2017).

Advertising on social media platforms does not escape from the bad news. Research from customer acquisition firm *Fluent* found that 69 per cent of American adults surveyed skip the ads on Snapchat *always* or *often*. For 18- to 24-year-olds the number rises to 80 per cent (Levina, 2017).

When considering where to spend their advertising budget, marketers might want to consider research from Marketing Sherpa (2016), which asked respondents which advertising channels they trusted more when making a purchase decision. Online pop-ups are bottom of the league – with digital not making an appearance in the top five trusted channels (the full results can be seen in Figure 7.4). So maybe that budget is better spent elsewhere, either advertising in another channel or on alternative *digital* options.

Reflecting this gloomy news, research from McQuivey *et al.* (2017) for the influential Forrester organization concluded that 'society doesn't need advertising like it used to' and that 'people have less time for interruption-driven media' and suggested that 2017
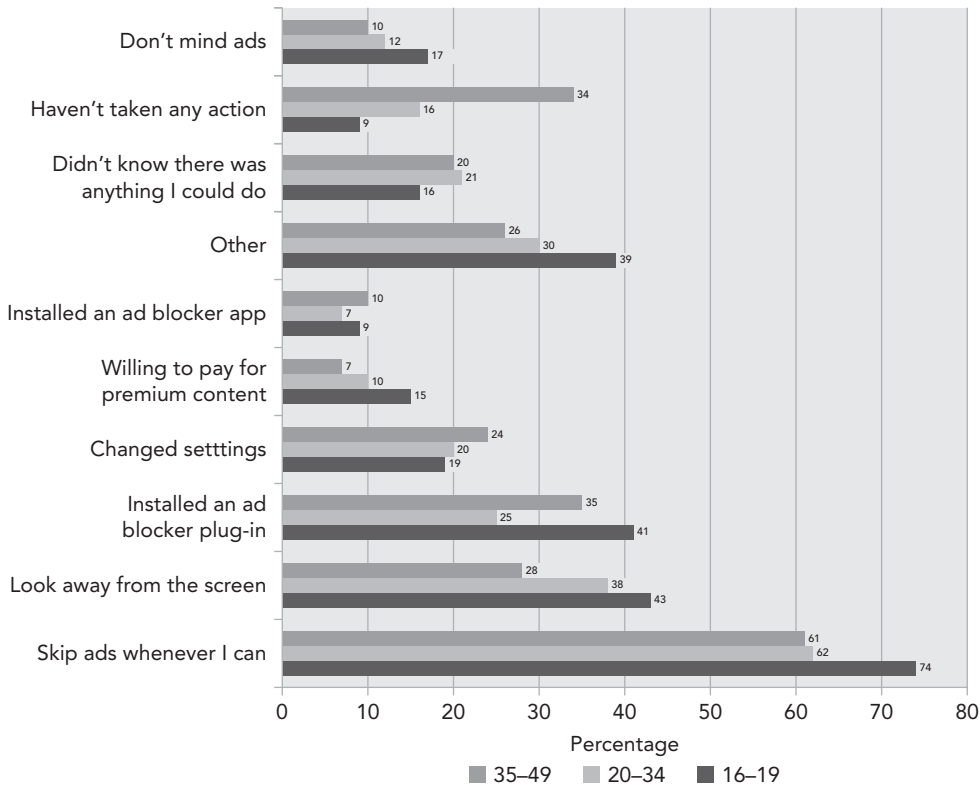
Figure 7.3 Ways in which UK Internet users avoid ads, by age

would see some \$2.9 billion being removed from digital banner/display advertising budgets.

Finally in this section, perhaps the most disturbing statistics of all – and it is from a source that, you would think, would not be keen for their publication: Google's *Doubleclick*. That organization says that, overall, the *display* ad (e.g. AdSense) clickthrough rate is just 0.05 per cent – that's 5 clicks per 10,000 impressions. Naturally they point out that display is used predominantly for branding purposes, so clickthroughs are not essential for their success. However, the average clickthrough rate for AdWords-type ads is better – but still a hardly stratospheric 0.35 per cent (note these statistics are available on the Doubleclick website – doubleclickbygoogle.com – but you have to do a bit of digging). Of course if you serve up zillions – or even millions – of ads 0.35 per cent represents a significant number. Less than that, well, I'll let you do the calculations.

On the positive side, online advertising – as the examples above show – can be measured accurately using well-grounded metrics. Therefore, objectives for campaigns can be set, measured and assessed. Furthermore, within reason, budgets can be set for each campaign. This all means that ROI on online advertising is relatively easy to measure.
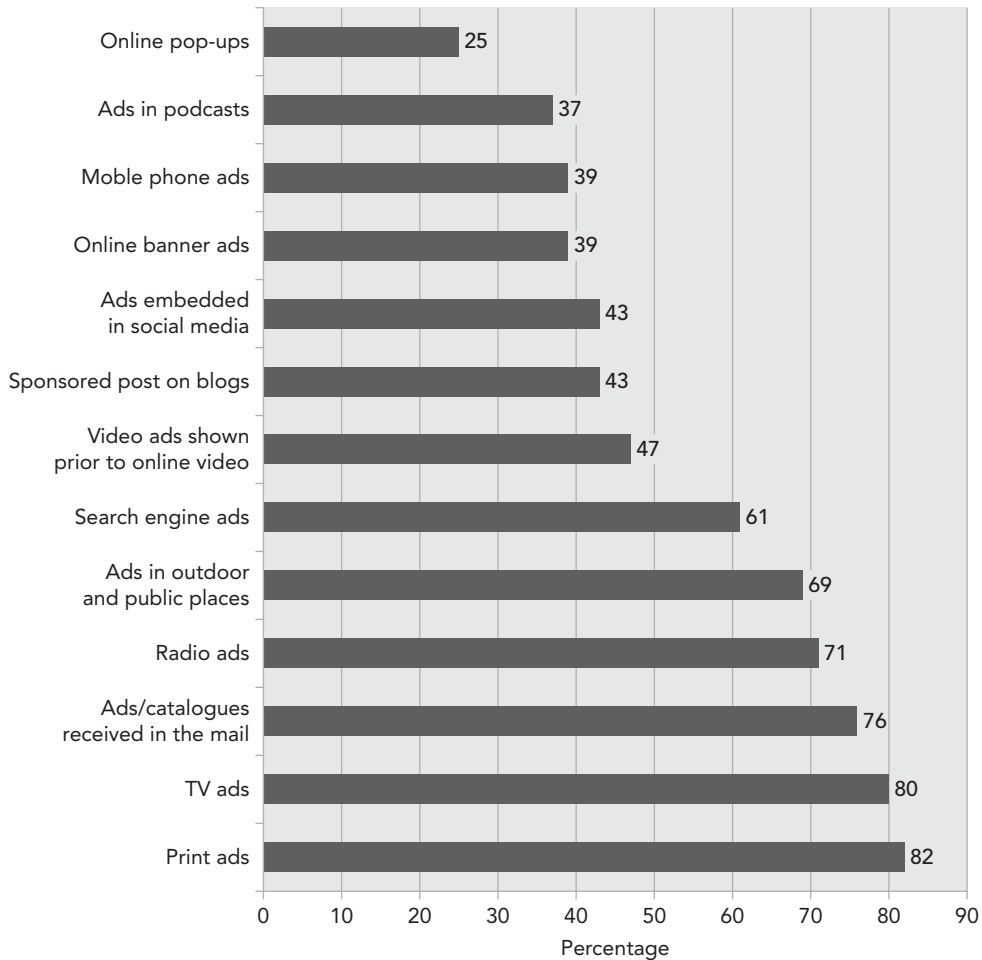
Figure 7.4 US consumers' most trusted advertising channels

Decision time

In Chapter 3, I make the argument about marketing being performed by non-marketers and marketers not being willing to learn about the technology available to them. Programmatic advertising gives an example of both of these failings. Technology allows marketers to deliver adverts to the target audience in a way only dreamed of prior to the Internet. Marketers can develop a multitude of promotions that could be delivered via that technology. To deliver effective advertising, the two skill sets *must* work together.

Take an advert for a new car, for example. I recently made the mistake of clicking on an ad for a particular car and then visited a number of websites that had information or reviews on that car. And for the next few weeks – after I had purchased another make and type of car – ads for the original car followed me around the web. But here's the

point: it was the same ad. Apart from being irritated by the repetition, what really annoyed me was the lack of skill/thought/talent in the promotion's delivery. First, there is the car itself. Like most cars, it had a number of versions, each with different attributes on top of the inherent qualities (build quality, four doors, big boot, choice of engines, etc.). For the sake of this exercise, let's break those attributes down to two: (1) a *frugal* version that has a diesel engine that does 60 miles per gallon – but isn't very fast, and (2) a *sporty* version with a big petrol engine that is very fast – but only averages 25 miles per gallon. Remember, this is fundamentally the same vehicle. *Obviously*, each is targeted at a different segment of the market. So far, basic marketing – but programmatic advertising allows marketers to do more than traditional *broadcast* advertising. Although there may be different ads that appeal to the different segments, on broadcast media you have to *scattergun* the ads and hope that the *right* segment sees the *right* advert – or you simply have a generic ad that doesn't really appeal to either segment. However, based on the data you have on potential purchasers, on the Internet you can deliver the *right* ad to the *right* target audience. That – as they say in US education – is online advertising 101.

But, and it is a big but, when people are online they visit different sites for different reasons; in different moods; with a different mind-set. So, instead of repeating the same advert ad nauseam, deliver an advert that suits my mood. For example:

- Searching on Google – depending on the search terms I use – I'm in an information-seeking mood … so deliver an ad that gives some technical details of the car.
- On an *unusual holidays* website, I'm in an inspirational mood … so deliver an ad that shows the car in a scenario that is out-of-the-norm.
- Watching comedy videos on YouTube, I am in a relaxed, time-killing, entertainment-seeking mood … so deliver an ad that is amusing.
- If I'm on Amazon or eBay, I'm in a buying mood … so deliver an ad with details of price, leasing deals and so on.
- Watching educational videos on TED.com, I'm in a learning mood … so deliver an ad showing how well the car is designed and manufactured.
- Visiting a *world's greatest architecture* website, I'm in a mood to appreciate aesthetics … so deliver an ad that emphasizes how good the car looks (all cars look better from certain angles.)
- On a review site, I am in a *receptive to advice* mood … so deliver an ad that has reviews of professional automotive writers and commentators (if it's a new model there will be no consumer reviews.)
- And if I'm on Facebook, I'm in a social mood – so deliver an ad that isn't intrusive, maybe simply images of the car (with no overt marketing message) that will act almost as decoration to the page.

There will be many other moods and types of website, and not all will be relevant to every product and market but this list isn't a bad start.

Obviously, the launch of a new car has a multi-million pound/euro/dollar budget and so different versions of the advert can be made. However, there are still opportunities for the budget advertiser: clothes or accessories that match moods for the fashion retailer or snacks that complement moods for the specialty food seller, for example. And this is just for B2C adverts. B2B purchasing behaviour will always involve a decision-making unit (DMU) – why not tailor the adverts to different members of the DMU and deliver the adverts when they are on relevant websites?

The upshot of this example is that if digital advertising is going to achieve its objectives, marketers must let the computer scientists help them reach the target audience and computer scientists must let marketers provide them with appropriate marketing messages for them to deliver.

GO ONLINE

For an interesting take on how *brand* advertising works online, and why *direct action* doesn't, follow the link from the chapter's web page to read *Waste Not, Grow Not* and *Rethinking John Wanamaker*. Both are thoughtful *and* thought-provoking articles. Note that in the latter, its author puts forward the notion that advertising on SERPs is more akin to direct marketing than advertising. I think he makes a valid point – and is, perhaps, another example of traditional marketing being re-interpreted by the new breed of non-marketer digital marketers.

7.3 OBJECTIVES AND MANAGEMENT

The objectives of any ad campaign – and there should always be specific aims – will largely determine the nature and type of ad used, how it is managed and what analytics should be used in tracking its results. Like its counterparts in traditional media, the objectives of online advertising can be divided into two categories:

1. Direct action – ads that seek to elicit a reaction from consumers. Although this is usually income-generation driven (*click here to take advantage of this limited offer*), or to inform customers of a particular promotion (*50 per cent off in store this weekend*), the action is not necessarily a sale – it could be to sign up for a newsletter, register a vote or make a donation to a charity, for example. Note that lead generation – more common in B2B trading – is part of direct action, with the ad being designed to persuade the reader to contact the advertiser with a view to discussing a potential purchase.
2. Branding – ads that reinforce consumer perception of the brand, organization or product by frequent exposure.

Although it is not an exact science, there is general consensus of opinion that display ads are best used for brand building while direct action ads are most effective in textual format.

There are three main ways of paying a publisher (or their agent) for carrying your ads. Before looking at these in a little more detail, it is worth noting that (a) in online advertising the terms are routinely referred to by their acronyms, and (b) where I have used *pay*, the word *cost* is also sometimes used – and so the two have become interchangeable. The three common methods of payment are:

1. CPM (cost per thousand impressions). Used almost exclusively for display ads, pay per impression advertising is not unique to the online environment. In case you are wondering, the 'M' – the abbreviation of the Latin for a thousand (mille) – is used because ad impressions are sold in blocks of one thousand. The cost will depend on the sites that carry the ads, but might vary from around 50 cents to a dollar per thousand for non-prime sites to 10 dollars or more for *brand-name* sites – though obviously, the more traffic a site has, the quicker your ad budget is spent. Note also that ad cost is almost exclusively calculated in US dollars, no matter where in the world you are. However, that the Internet Advertising Bureau's definition of what constitutes a successfully served ad is that 50 per cent of the ad must be seen for at least a second is hardly encouraging to the marketers paying for those impressions.

2. Pay per click (PPC). The advertiser pays only on performance by paying for each click made on the ad. So, no clicks, no fee. The system is also known as CPC (cost per click) and, less commonly, pay per action. The latter being where a visitor might complete an action from the ad, ticking a box to receive a newsletter, for example – and the publisher receives a (higher) fee only if the action is completed. The cost of PPC varies wildly and is largely dependent on the keywords being *purchased* (see section 7.5). According to Google (on doubleclickbygoogle.com), the average CPC across all industries is $2.32 for *search* ads, and $0.58 for *display* ads. Clickthroughs might range from a few cents to hundreds of dollars per click.

3. Pay per call. Popular in some industries – insurance, for example – this is where an online advert, or associated website, features a freephone number and software tracks any contacts made through that number and a fee is paid for each call. The fee charged for pay per call is higher than other pay-for-performance models, but the advantage to the advertiser is that callers are more likely to be high-quality leads and so the chances of achieving a sale are also much greater.

Measuring the effectiveness of ads has moved on significantly in recent years. At the turn of the century, analytics would tell you only how many visitors had clicked on a banner. Now it is relatively easy to find out where they were (geographically) and what web page they were on when the ad was displayed. Not only that, but you can track the ad-derived visitors' path through your site all the way to (hopefully) a purchase.

As with website and email analytics (you will use some of these to track ad results), ad analytics can be done in-house, be outsourced or be part of a service offered by an ad network.

> **Decision time**

If online advertising can help the organization meet its strategic marketing objectives, there are a number of operational decisions to be made with regard to how that advertising will be practised effectively. With the objectives of the ads (i.e. direct action or branding) having been decided at a strategic level, it is the nature of the ads that will concern the digital marketing practitioner. Current custom and practice for online advertising dictates that display ads should be used predominantly for branding and text ads for direct action/income generation. Operational decisions at this stage are: (a) how do we manage the ads, and (b) what metrics do we use to judge their effectiveness?

The management decision is – as it is offline – do we do it ourselves or do we pay someone to do it for us? In an offline environment, it is common practice to outsource advertising to agencies that will work with the organization in developing the campaign and then manage the distribution. Their experience and expertise will ensure that the ads appear in the most appropriate media at the right time and at optimum cost. With regard to the management, however, whether you use a specialist firm to handle the placement and control of ads or do it yourself, there are two avenues to follow: network or search advertising – these are both covered in detail later in the chapter.

> **GO ONLINE**
>
> The title of *what marketers must consider before bringing programmatic in-house* tells you what it is about, to read the article follow the link from the chapter's web page.

Selecting which metrics are most important to your campaign depends on its objectives. For example, if you are trying to maximize sales leads, then cost per lead is more important than impressions served. If you are brand building, impressions served is more important than cost per lead. When considering the analytics to be used in determining the effectiveness of an ad campaign, the critical decision is – once again – whether to carry out the work in-house or outsource it to specialists. If the campaign management has been handed over to an agency then it is likely that they will include analysis of the results as part of the service that they offer – and you pay for. Worth noting also is that if an outside agency is used for the management, it is important to involve them in the development of the objectives of the campaign – or at least keep them informed. Without this participation, they cannot possibly be expected to produce meaningful analytics.

If the analysis is to be conducted in-house, there are software applications that can be used. Indeed, another advantage to using ad networks is that they will provide you with statistics – many of them in real-time – on your ads' performance. As with websites and email marketing, the actual analysis depends on the

> " Selecting which metrics are most important to your campaign depends on its objectives. "

campaign's objectives. It is no use, for example, having a thousand users click through on a sales-oriented ad if no one buys anything. However, there is a caveat to add with regard to measuring the overall success or failure of an ad campaign. It is entirely possible for all aspects of the ad to work perfectly – only for the experience of the customer after they have clicked on the ad to destroy that good work. The significant experience in question here is that of the *landing page* to which they are taken. So important are landing pages that I devote a full section to them at the end of the chapter on email marketing (the same criteria for landing pages apply to email marketing as for online advertising).

PRACTICAL INSIGHT

Where to advertise online?

In the previous editions of this book, I devoted an entire section to advising the online advertiser on what types of website would be most suitable to carry their ads. However, the advent of programmatic advertising has negated this issue. Although the ad networks offer a choice of the types of website you do or do not want your ad to appear on, essentially the network's algorithm will place your ads on the most appropriate pages.

With regard to analytics, however, the advertiser should consider the whole process through which the respondent to the ad should pass in order to identify areas of failure – using a conversion funnel is recommended. If a potential customer clicks on an ad, continues through a landing page to a product page but leaves without making a purchase then it is unlikely that the fault lies with the ad; rather something else further down the funnel.

YOU DECIDE

Advise Martha Phelps on how she would be best advised to conduct – and measure – an online advertising campaign for her online department store (case study 13).

Alternatively, conduct the same exercise for your organization or that of your employer.

7.4 ONLINE AD FORMATS

The formats available to the digital marketer for online ads are determined by two issues: (1) the objectives of the ad, and (2) whether they are to be distributed via search or networks. The former is a decision that is made by the organization but the second – though there may be a preference – is determined by the publishers of the ad-carrying sites. For example, SERP ads on the major search engines are predominantly text only – therefore, if you want to advertise there your ads will not include images (note that this was true at

the time of writing and may well change in the not-too-distant future). Portals, on the other hand, will often insist on *banner* ads. Ad formats are, therefore, loosely divided into *text only* and those that are image-based.

Text-only ads

These can be divided into two categories: (1) stand-alone and (2) within textual content.

1. Stand-alone text ads. These are *probably* the most common type of online ad (sources on the subject differ, and none seems absolute as ad definitions within surveys are mixed) if only because they are used by the search engines and network ad providers. Not only do these ads appear on nearly every SERP, but their easy availability to any website publisher has resulted in them being (almost) ubiquitous on any site that is not published as part of the online marketing strategy of a specific company, brand or product. Depending on the network used, the format of these ads will be fixed, though they will normally have a headline, body text and advertiser's name – with each having a character-related limitation.

2. Text-link ads. As the name suggests, this kind of ad is one that is *embedded* within a line of textual content on the web page. The concept stems from the practice of making links out of references to a product within textual content. It is, however, problematic for publishers to insert such ads because they can impact on the actual content and distort the natural flow of the narrative. They can be effective for social media content such as blogs, where the writer seeks income from their work. For example, on a movie review blog the author might include an article on Brad Pitt – with the name being a hyperlink to a page selling the movie star's autobiography. The blogger would receive income on a PPC basis. Although once popular, the practice died away somewhat when, around 2013, Google penalized such sites in its search algorithm.

Image-based ads

Another aspect of the confusion in defining elements of online advertising is what ads that are images are called. Historically – first used in October 1994 – they were known as *banner* ads (the ads across the top of a newspaper page were referred to as such and the early online banners went across the top of the web page). This resulted in the term *banner advertising* being the universally accepted name for the practice. However, somewhere along the line – perhaps because website developers called them *graphic displays* – the use of images as ads became known as display advertising and image-based ads became *ads* and not *banners* (note that Google's display advertising can show text-only ads – which serves only to add to the confusion). Image-based *banner* ads come in a variety of sizes – a quick trawl of the web revealed 30 in common to fairly-common use. These are shown in Table 7.1.

Also included in this category are *moving* images. Although these can be animated gifs (pictures that have limited, repeated movement) we are talking predominantly about

Table 7.1 Common sizes of image-based banner ads

Billboard – 970 pixels wide by 250 pixels tall

Leaderboard – 970 pixels wide by 90 pixels tall

Leaderboard – 728 pixels wide by 210 pixels tall

Leaderboard – 720 pixels wide by 300 pixels tall

Leaderboard – 728 pixels wide by 90 pixels tall

Pop-up – 550 pixels wide by 480 pixels tall

Pop-up – 500 pixels wide by 350 pixels tall

Banner (*the original*) – 468 pixels wide by 60 pixels tall

Large rectangle – 336 pixels wide by 280 pixels tall

Square – 336 pixels wide by 280 pixels tall

Large mobile banner – 320 pixels wide by 100 pixels tall

Mobile leaderboard – 320 pixels wide by 50 pixels tall

Half-page – 300 pixels wide by 600 pixels tall

Portrait – 300 pixels wide by 1050 pixels tall

Square – 300 pixels wide by 250 pixels tall

Square – 250 pixels wide by 250 pixels tall

Fat skyscraper – 240 pixels wide by 400 pixels tall

Half banner – 234 pixels wide by 60 pixels tall

Small banner – 230 pixels wide by 33 pixels tall

Square – 200 pixels wide by 200 pixels tall

Small rectangle – 180 pixels wide by 150 pixels tall

Skyscraper – 160 pixels wide by 600 pixels tall

Button – 125 pixels wide by 125 pixels tall

Skyscraper – 120 pixels wide by 600 pixels tall

Vertical banner – 120 pixels wide by 240 pixels tall

Button – 120 pixels wide by 90 pixels tall

Button – 120 pixels wide by 60 pixels tall

Button – 120 pixels wide by 30 pixels tall

Blog button – 94 pixels wide by 15 pixels tall

Button – 88 pixels wide by 31 pixels tall

videos, which are accepted by all of the major network advertisers. Methods for displaying ads are manifold, they can be: expanding ads, background ads, pop-up ads, *mouseover* ads, slide-in ads or ads that appear when the visitor is leaving the page. Network advertising providers handle web pages with responsive screens by displaying the optimized ad for the given screen size.

Native advertising

A constant in this – and any other – book on digital marketing is the issue of the definitions of the various elements of the subject. Not only is native advertising *one* such example, it is perhaps the *best* example. Rather than list a number of quotes or opinions, I'll offer my interpretation of just what *native* is.

Primarily, a native advert is not overtly an advert. The concept of advertising a product by placing the promotion in a native (or natural) environment goes back to the early days of popular novel writing, with it being said that Jules Verne was paid to feature branded products for the characters in *Around the World in 80 Days* to use, eat or drink. Whilst it is seen as good writing to embellish a novel by describing what characters are doing (they don't simply eat a meal, each element of that meal is described) some authors seem to concentrate more on brands than generic products. For example, in the

original James Bond books, author Ian Fleming frequently goes into great brand-detail when describing the spy's personal grooming products – I can't believe they were all included for literary purposes. James Bond is actually a very good example of product placement in films also: every man wants to be James Bond and every woman wants to be with him – so using any product that he does has got to be to your advantage. How many people would have heard of Aston Martin if it weren't for the ubiquitous 007? TV producers also take advantage of funding offered by brands to have characters be seen to use certain products in their daily lives.

When used in magazines and newspapers the concept takes the format of the so-called *advertorial* (a portmanteau of advert and editorial). For example, a health and well-being publication might have a feature section on healthy eating, but one of the pages within the section is an ad for a particular brand of fruit drink. However, it is presented as an editorial piece (how nutritious fruit drinks are, what ailments they cure and so on) and unless the reader sees the (usually) small *sponsored message* sign they assume it is part of the magazine content – and so they assume the promotion for the branded fruit drink is a recommendation made by the magazine rather than an advert. This is the style of native advert that is most commonly used online. However, the Internet offers more than the print media because it can feature video and other multimedia – and, of course, a link to the brand's own website from the *recommendation*.

Executed well, native ads can be effective and successful. Performed badly, users resent that marketers are attempting to fool the reader – or even treat them as fools – and the results are the opposite of those desired by the brand's marketers.

A significant advantage of native advertising is that because they are not delivered *programmatically* they are not subject to adblockers – the blocking software sees the native ad as content. For this reason, native advertising has grown in popularity in recent years. However, July 2017 saw a tipping point for the concept when AdSense Native ads were introduced by Google, who described it as '… a suite of ad formats designed to match the look and feel of your site, providing a great user experience for your visitors'. That *suite* is made up of three formats:

1. In-feed ads fit inside a list of articles or products on a given site.
2. In-article ads allow users to place ads between the paragraphs of a publisher's pages.
3. Content recommendation tool Matched Content, which is available to eligible publishers, promotes advertiser content to visitors.

Only time will tell how these will be accepted by advertisers and how effective they will be – but Google's track record suggests this latest addition to the AdSense catalogue will be as successful as its *parent*.

> **Decision time**

Having decided on the objectives of an online advertising campaign, the digital marketer must decide on whether network or display ads better suit those objectives – and then develop the ads that will be presented to web users.

A constant thread to this book is that there are *some* aspects of online marketing that are best left to experts, and ad design fits into that category. That said, the development of ads to be used online is far more achievable to the *do-it-yourself* marketer than ads in many other media. Indeed, as many display ads use the same scripting as websites, they can be developed by members of the web-design team. Similarly, if someone is employed to write web page copy they too could be engaged in writing the ad copy. The following points are a guide to what ad developers should consider when working on them.

As is the case for other elements of online advertising covered in this chapter, the objectives of the advertising campaign will determine the actual ad design. For example, an ad that seeks to generate income (e.g. stimulate sales) will need a strong call to action and perhaps a picture of the product. A branding ad, on the other hand, will require livery, name and logo to be prominent. Although the technology used will have an influence, the significant issues will come under one of two headings: aesthetic (how it looks) and textual (what it says). Let's consider these in more detail.

> " Any ad should grab attention, interest, create desire and invoke action. "

Aesthetic

Any ad should grab attention, interest, create desire and invoke action (the AIDA principle) – and to do this it should, in some way, stand out from the page. One way to do this is with the visual appeal of the ad – its aesthetics. An important consideration is the size of the file, or files, that make up the ad. As a large file ad will delay the downloading of the page and may cause visitors to leave the site, publishers are likely to impose file size limitations. This is particularly relevant to banners and video ads.

Technically, an ad can be placed anywhere on a web page, though common practice has resulted in there being a number of *standard* placements:

- The top of the page – above any other content.
- To the extreme right or left of any page content.
- In the middle of the page with sections of content above and below.
- At the bottom of the page – below other content.

Note that the *old style* web page design of *header-columns-footer* lends itself to accommodating ads in any of these placements – and so is the reason for these designs being retained on websites that deliver ads. This is in marked difference to sites for

organizations, brands or products which can give the developers a freer rein on the design of the site. It is generally recognized that being *above the fold* – that is, on the screen as the page opens before any scrolling takes place – is *the* place for ads to be.

Textual

Whatever the objective of the campaign, each ad must convey a message to the target audience. This can be a simple communication telling of a promotion – 'the XXXX sale starts on Friday', for example – or something more complex. Essentially, the textual content of the ad has two primary objectives:

1. Let the audience know what benefit they will gain from purchasing the product (or whatever the objective of the ad is).

2. Make clear the *call to action*. I have considered this in some detail in Chapter 5 with regard to website copy, and the same principles also apply to email marketing – but on the online ad it is essential that *something* entices the audience to take some kind of action, normally to click – or tap – on a link that will start them down the sales funnel. As with websites and emails, the call to action should be specific and highlighted within the ad – for example, featured on a red button.

PRACTICAL INSIGHT

Advertising has a job to do

The following quote about ad development is from advertiser Alvin Hampel:

> If you remember the joke in my commercial while forgetting my product, the joke is on my client. If my presenter grabs you but you ignore what she's trying to sell you, I've blown it. If you are struck by my cleverness but remain unsold by my ideas, I've bombed as a copywriter … the very things that are remembered most may contribute least to making the sale.

I would add that the comment is equally valid with regard to website design.

Web users are canny folk, however, and well used to being advertised *at*. They are also wary of scam-type statements – 'you have won a prize, click here to claim it', for example. Such copy should be avoided by the reputable organization or they too will be perceived as scammers. Similarly, while witty headlines might raise a smile, they seldom help the ad meet its objectives. In his 1985 book, *The Copywriter's Handbook*, Robert Bly suggests that headlines have four functions:

1. Get attention.
2. Select an audience.
3. Deliver a complete message.
4. Draw the reader into the body copy.

Bly (echoing Alvin Hampel's sentiments) adds that a copywriter's chief job is not to be creative or amusing – it is to sell. The history of offline advertising is littered with ad campaigns that won awards from the designer's peers, but failed to register the brand in the consciousness of the viewing public – making them failures in business terms. The digital marketer would be well advised to take heed – their ad is, first and foremost, published to achieve the campaign's objectives – not win awards. As with websites, do not allow design to overcome substance.

YOU DECIDE

Consider the different types of online ad formats and offer Philip Ball advice on which might be most suitable for the Cleethorpes Visitors Association (case study 4).

Alternatively, conduct the same exercise for your organization or that of your employer.

7.5 SEARCH ADVERTISING

It is important to appreciate that *advertising* on search engines is not the same as being featured in their *organic* results – that element of search engine marketing is covered in Chapter 4. In this section, we look at the listing on SERPs that are *paid for* – hence it sometimes being referred to as *paid search*.

MINI CASE

The origins of paid search

The concept is accredited to Bill Gross, who launched the first paid search engine, GoTo.com, in September 1998. At the time, search engines were inundated with spam – particularly from adult websites (it is generally recognized that pornography and gambling sites were always at the leading edge of any developments in search engine manipulation). Gross thought the only way to combat spam was to have businesses pay to have their sites listed. This would lead to users being more likely to use a spam-free engine and, more importantly for GoTo, far greater income from PPC (pay per click) advertising – which would replace the CPM (cost per thousand impressions) method more common at the time.

Gross realized that the inherent value of *intentional* traffic was far greater than that of *undifferentiated* traffic. He also realized that some keywords and phrases were more valuable than others, so ad prices were not fixed – they varied depending on demand. Although GoTo's arbitrage-based business model (it purchased links from other sites for a flat rate per click in a CPM deal, and then re-sold those clicks on a PPC rate on its own site) is still used, more common is the concept's development into the search engine and ad network application of paid placement.

The basic premise of search engine advertising is based on the search concept of matching the searchers' keywords with links to pages that will satisfy the objectives of those searchers. In search engine optimization, the chosen words are placed on the web pages (see Chapter 4). With search engine advertising, the keywords are *purchased* by the advertiser (hence *paid search*), with the ad that appears highest on the SERP's ads listings being the one that has had the highest bid made for it – although other criteria have an influence (these are covered in the next section). Having won the bidding, the advertiser – effectively – has *won* permission to have their ad featured on the relevant SERP. The amount of the bid is the fee payable to the search engine every time someone clicks on the ad (the pay per click model). Naturally, as in all business environments, keyword bidding is influenced by the level of competition in any given marketplace. So it is that some keywords in competitive markets cost far more than industries where competition is lower. Note that less popular keywords within a market will be cheaper – consideration of such words is covered in the next section (see *the long tail of keywords*).

RESEARCH SNAPSHOT

Ads, what ads?

Research from UK company Varn (varn.co.uk) in 2017 suggests that many people are unaware of the difference between *paid* and *organic* search listings. When researchers asked a range of 1,003 men and women from across the UK the question *Do you know which links on a Google search results page are paid adverts?* 54.7 per cent answered *No*.

While this section concentrates on advertising on search engine results pages, it is the case that similar technology and systems are used by ad networks in placing ads on other sites – indeed, the key players in ad networking are the three main search engines (Google, Yahoo! and MSN). Therefore, although network advertising is covered in the next section, it is necessary to read this section first in order to get to grips with the basics of the two models.

As we found in the previous chapter, search engine optimization is not an exact science – with results being far from certain. Therefore, the key advantage to buying ads on SERPs is that, whilst there is still no *certainty* that their ads will appear on the page, at least the advertiser maintains a degree of control over the situation. Whilst this ability to determine your own destiny is the prime reason for SERP keyword purchase, there are other advantages to using the system. These include:

● The text that searchers see can be determined by the advertiser – unlike the organic returns which present text taken (sometimes randomly) from the page which (a) may not be good sales copy, (b) may not be relevant to the search, or worse still (c) may be nonsensical. It is surprising, therefore, to see how many organizations pay for high ad listings and yet give no thought to the wording being used. In sales terms this is

prime real estate – a chance to convert a browser to a buyer, or at least a chance to have them enter your sales funnel. As with all aspects of sales copy, this is best left to an expert – hiring one will bring a return on any investment.

● In the same way as much offline – and some online – advertising has brand building as an objective, so too can PPC be used for this purpose. Although they may not click on the ad, search engine users may perceive that the organization or product at the top of the ads is the leader in its field. Repeated exposure to the ads can also help in brand recognition strategies. Note, however, that the clickthrough rate (CTR) is significant and is raised in the next section.

● Potential customers might be aware of the brand or organization – perhaps as a result of offline marketing campaigns – but are unsure of the domain name, so they simply type the name into a search engine. If this is the case, the organization or brand *must* be listed on the first page of the results – and while brands like Nike will already have achieved number one spot in the organic listings, others might need to *buy* the top spot in the ad listings.

All is not positive, however. Achieving high *organic* listings is a long-term exercise that is difficult (if not impossible) for competitors to reproduce. A downside to PPC listing is that competitive advantage is difficult to sustain in that any successful keyword strategy can be copied – that is, if a competitor sees your site being listed for searches on certain keywords, they too will bid on those keywords – though they might not have the other attributes described in the next section. There is also the problem of matching the message on any ads to where on the buying cycle the user is. For example, if the potential customer is browsing around for general product information then *free shipping on all lawnmowers this month* is going to have little impact, whereas *top ten tips to choosing the right lawnmower* would. And, of course, vice versa. Therefore, it may be worth considering multiple ads on similar keywords with regard to optimizing landing pages that are relevant to this practice.

Keyword bidding

Before going into detail about how to bid for keywords on SERPs, it is worth emphasizing the importance of keyword selection – as we covered in Chapter 4. Any bids for keywords (and ads placed on them) that searchers are not using to find your product or service are a waste of time and resources. Similarly, not buying ads on the keywords your potential customers are using is akin to not advertising at all.

Although keyword bidding is the general term used for the exercise of buying keywords on a SERP, the actual practice includes more aspects than simply making a bid, otherwise the organization with the biggest budget would always top the lists – and this is not necessarily what the search engines want. As with the organic listings, the search engines' primary concern is to satisfy searchers – and the same applies to their PPC ads. A searcher looking for a hotel in Las Vegas, for example, would not be happy if they clicked on an ad for *Vegas hotel bargains* only to find they are on a website for *adult entertainment* in that city. If the search engines listed ads based only on the highest bid then

this is what would be likely to happen. This section, therefore, although titled *keyword bidding*, considers all those elements that impact on getting your ad at the top of the ad listings on the SERPs.

GO ONLINE

Follow the link on the chapter's web page to see an excellent video presented by Google's chief economist, Hal Varian, in which he explains – in basic terms – just how search ads rank and their cost. As with other videos I suggest you view for this chapter's subjects, this video is a little dated. Nevertheless, Google's algorithm for this has changed little, and so this will give you a sound grounding in what is going on.

In addition to the monetary value of your bid, the strength – what Google refers to as the *quality score* – of your keyword bid might also be affected by the following:

- Clickthrough rate (CTR) history. Previous ads are considered to assess how successful they have been in attracting clicks from searchers – those with a good track record will gain credit. Naturally, this means that new advertisers are penalized as they have no history.

- Landing page quality. The search engine will look for relevance to the search keywords in headings and body copy as well as assessing the architecture and user experience of the destination site – including the landing page's download time. Part of this assessment is conducted by tracking post-click patterns – very short visits followed by the back button being clicked to go back to the SERP, for example, does not suggest a positive user experience on the advertiser's website.

- The business model of the advertiser. As this suggests, the search engines are not keen on sending *their* customers to a site that might be some kind of scam or other dubious practice – so they check the validity of the advertiser's site.

PRACTICAL INSIGHT

Levelling the playing field?

Google limits the number of listings each advertiser can have for each keyword. Unlike many – if not most – offline media, Google attempts to maintain its integrity in its objective of satisfying the needs of the searcher, not the advertiser. On TV or radio, for example, a brand could buy up whole ad breaks to help launch a new product – or a magazine could sell an advertiser as many pages as they wish to pay for. But if every ad on a SERP was for the same brand, product or organization, this would restrict the options for the searcher, and so Google resists what would be a very lucrative practice to maintain its independence as the provider of search solutions.

> **Decision time**

Effective paid search is built around getting the highest number of conversions at a cost that still facilitates a realistic profit. As is the case with its offline relatives, search engine advertising relies on the marketer striking a balance between higher-cost ads that convert better and lower cost ads that don't produce as many conversions.

The digital marketer can waste a lot of money or fail to win their share of the market in buying ads on search engine results pages if their keyword bidding is not considered carefully. As with the organic element of search, the search engines are keen to make the service they offer the public as effective as possible. As publishing ads on SERPs that also meet these criteria is important to the search engines, they all offer advice to advertisers on how best to use their systems. Add to this advice the advertiser's knowledge of the market and the environment in which they are trading and you have a guide to search engine advertising. Worth a quick reminder at this point is that the actual keywords that are relevant to your ad campaign must be decided before this stage is reached – with all the elements discussed in Chapter 4 being relevant. Important keyword considerations in the bidding process include the following:

- Keyword matching options. The search engines offer a range of options, though many advertisers (often through ignorance) do not make a selection and so are given the default option – the *broad* match. Other options are the *phrase* match, the *exact* match and the *negative* match. Aspects of the four choices are addressed in Table 7.2.
  Naturally, the selection of any of the above will depend on the product or service being advertised, the objectives of the ad campaign, the industry or market and the behaviour of buyers of that product – some of these issues are addressed in the following section.

- The long tail of keywords. This concept is built on the notion that the most popular keywords – those at the *head* of the list – are the most expensive because they should have the highest CTR. However, at the other end of the list – the *tail* – are the rarely used, and so inexpensive, keywords. It is also the case that such terms are so unusual that anyone using them should be considered better candidates for conversion. Continuing the example used in Table 7.2, I might extend "digital marketing training" to "digital marketing training Sunderland" or "digital marketing training North East England". Or I could add *certified* or *validated* to "Internet marketing courses". The more specific the keywords become the fewer competitors will bid for them – so they will come in at a minimum bid. That said, however, fewer – if any – users will include the keywords in their searches. But if anyone was to use the term "certified digital marketing training North East England" and you offered such a service in that geographic location then there is a very good chance that searcher will become a customer. And remember, if no one uses the term – and so no one clicks on your ad – then it costs you nothing other than the time it takes to develop the ad and bid on the term.

Table 7.2 Keyword matching options

Type of match	Description	Advantages	Disadvantages
Broad	Ads are shown whenever the keywords appear in any order or combination with other keywords that might be search terms in their own right. For example, "digital marketing" would appear under *digital marketing training* and *training courses for digital marketing* but not *training courses for online marketing*.	As this is the default setting, it requires least time to set up. The wide coverage might attract keyword matches you had not considered. Can be used for *brand* advertising where appearing at the top of the ads for a search term is more important than direct sales.	As the keywords are not highly targeted, they may produce traffic that is not really in your target market and so is unlikely to convert. Generic keywords are usually more expensive as they have more competitors for the bids – in this example, "digital marketing" could be targeted by any organization that offers any kind of online marketing services (including the publishers of this book!).
Phrase	The same as broad match, but the keywords must be searched in the order they are bid on. So "digital marketing" would get no returns on *marketing on the Internet*, for example.	Can be useful if the phrase order is likely to match what you have on offer – i.e. it is the way your product is described. For example, "football boots" is more likely to be searched on than "boots for playing football in".	As with the broad search, the costs can be higher and the traffic not specific.
Exact	The keywords used by searchers must match exactly those bid on. The purchased term "digital marketing training", for example, would not appear on a search for *Internet marketing*.	Produces the most relevant matches and so should result in a higher conversion rate from any clickthroughs. An organization offering Internet marketing training, for example, would be found by searchers looking for such a service rather than those seeking general information on digital marketing (students, for example).	Far more time-consuming to set up as a number of keyword bids may be needed to cover all aspects of the offering or terms the searcher might use. In the example, a user who searches on "digital marketing courses" would not see an ad for *Internet marketing training*.

Table 7.2 Continued

Type of match	Description	Advantages	Disadvantages
Negative	This stops 'random' matches from a search phrase simply because it includes one of your keywords by making that word a *negative*. For example, a bid on "digital marketing books" could add "training" and "courses" as negatives.	Makes targeting much more specific by preventing potential clickthroughs from users who do not want what you have to offer. Conversion rates should be improved with traffic being better targeted.	As with the exact match, this requires more input by the marketer and so is more resource-intensive.

- The concept can be extended to include the *differentiators* that are common in offline marketing environments. If, for example, I offered a *budget* digital marketing service (rather than *certified*) I could bid on "cheap digital marketing training". Similarly, if I ran courses that addressed different aspects of digital marketing, I might buy "B2B digital marketing training".

MINI CASE

Search engine advertising as a competitive advantage

The immediacy of search engine advertising can be used effectively by the alert marketer, such as reacting to the misfortunes of a competitor. For example, if your main competitor has a widely reported problem with a product then you could bid on keywords that their customers might use to find out about the problem – and find themselves presented with your ad which offers a solution to that problem. The reverse is also true, of course. Faced with a problem with one of their products, the astute digital marketer could produce an ad that linked worried buyers to an information page that told them what the problem was, how it was being addressed and what they should do to seek a replacement product or refund. Such a message with a contact *hotline* might well help head off any loss of brand reputation caused by the original problem.

- Branded keywords. When purchasing keywords for search engine advertising, they are considered to be *branded* if they are associated with the names, trademarks or slogans of particular companies. Although it is legal to bid on branded terms, the advertiser must comply with the search engines' trademark policy in their home country. The online advertiser should consider this issue from both sides. Using the branded terms of other organizations could be not only legally problematic, but also expensive because other advertisers might also wish to buy the term (several online retailers

bidding on the brand name of a product stocked by them all, for example). Those marketers who have a brand of their own must also constantly be aware of it being used in the ads of others – particularly if the ads are competitive – *our product lasts longer than brand X*, for example.

- Ad scheduling. This facility allows you to automatically turn your ad campaigns on and off at specific times, so if your target audience surfs only on weekday evenings you can set your ads to show only at those times.

- Geographic consideration – if you only trade in Europe then having ads seen by folk around the world is a waste of resources. If you do trade internationally, consider setting up ad campaigns on a country-by-country basis – with tailored keywords and ad copy to suit.

- Demographic targeting. Although this started with little more than the segmentation variables of male/female and a series of age ranges, technology has moved along at a pace. This is particularly the case with Google as it has expanded its empire to cover many kinds of websites from which data can be drawn.

PRACTICAL INSIGHT

Google helps advertisers make money for Google

Google's advertising business model is dependent on organizations using AdWords and AdSense – and it is in their interest to make the process as easy and as effective as possible. To that end, Google offers support to advertisers on its support.google.com website.

Additional features Google has introduced to help make the lives of advertisers easier by moving from manual bidding to using Google's AI applications include:

- Target CPA – in which advertisers set a conversion goal (cost per acquisition) and request that Google budgets ads based on that conversion.

- Target outranking share – helps advertiser's ads stay ahead of a specific competitor.

- Maximize clicks – drives the most traffic to the advertiser's site.

- Enhanced CPC (cost per click) – adjusts advertiser's manual bids to help increase conversions.

YOU DECIDE

Advise Milo Minderbinder on aspects of keyword bidding that might be particularly relevant to 22 Catches Fish Products (case study 7).

Alternatively, conduct the same exercise for your organization or that of your employer.

7.6 NETWORK ADVERTISING

In traditional – offline – advertising it has always been common practice that the advertisers appointed agencies to act as go-betweens in connecting those who wanted somewhere to place ads and the various media that could host them. For the major brands, this is still the case. However, direct access to the networks means that it is comparatively easy for organizations – including micro businesses – to facilitate their own network ads.

PRACTICAL INSIGHT

How agency advertising works – a simplistic example

Alan's Ad Agency (AAA) commits to buying a million ad impressions from an online publisher – let's say Yahoo – at a fixed cost per impression (CPM). The agency then looks to make a profit by selling those ad spaces to advertisers. To do this, AAA's team has to ensure that ads delivered to each individual user match their wants and needs, so encouraging a higher CTR – and so more profit on AAA's business model.

Now, let's assume Jane wakes up one morning and checks the email on her Yahoo! account. Yahoo!'s servers immediately alert AAA's system that Jane is online – though she is not known as an individual, only by her IP number or other unique identifier – and asks which ads AAA would like to show on *Jane's* email page.

It is now time for the agency to take a look at its database to see what information it has on *Jane*. Data specific to *Jane* is normally gathered in-house, but other data relevant to her demographic can be purchased from other companies who specialize in gathering such statistics.

So what data might AAA hold on *Jane*? Well, let's assume that last week she searched on the terms "flights to Athens" and "Athens hotels". She has also had Facebook conversations with her friends about holidays in Greece and interesting places in and around Athens. She is also a Facebook *friend* of the Hilton hotel group – where she has posted several good reviews. *Jane* has also tweeted about her experiences on KLM, and has signed up to receive tweets from that airline. AAA will also look at the types of ad *Jane* is most likely to click on. Static or dynamic? Plain or colourful? Serious or funny? Promoting discounts or advantages?

Then – and only micro seconds have passed since *Jane* logged on to Yahoo! – AAA's system looks for advertisers on their account who match up with *Jane's* data and show those ads on the web page that *Jane* sees. In this case, it might be discount flights on KLM, free extra nights at the Athens' Hilton and a company that does island boat trips from the port of Athens.

Had any of these companies not been clients of AAA, the ads presented would have been less targeted – perhaps a budget airline that flies to Athens, or an online aggregator offering the best prices for hotels in the Greek capital.

The flip side to this is, of course, the question of privacy for the individual user. Don't forget that in this – and the majority of instances – *Jane* is not a person but an anonymous number. However, *Jane* might be willing to give up more personal information to organizations that she trusts – in this case, this would probably include KLM and Hilton Hotels. Ultimately, it comes down to how comfortable the individual is with having their personal data *out there* and how willing they are to trade this off against the advantage of only seeing ads that are relevant to them.

Despite a dramatic increase in the number of networks that exist that will manage the placement of your ads, the term *ad network* is predominantly reserved for those run by the major search engines, with Google being by far the biggest player. So dominant is the search giant that – as with SEO – it is common to hear people refer to Google advertising as the generic term for the practice.

GO ONLINE

Ad men to math men

For an excellent introduction to network advertising, follow the link from the chapter's web page to watch Mediative's *This is digital marketing*. My only quibble is that the title suggests this video covers *all* digital marketing whereas I would argue it is about only online *advertising*. Note also that the video was produced in 2011, so things have moved on a bit – but the basic concepts are still the same.

A significant driver of the widespread adoption of content network ads by publishers is the way that Google and Yahoo! made it easy to include ads on *any* web page.

Figure 7.5 shows a page from my *Athens Guide* website. Having joined the Google AdSense network, I was able to include ads to my site by simply cutting and pasting a section of code (supplied by Google) into the HTML of my pages. I even have some control over how the ads appear on my pages by selecting from a range offered by Google. As described by Google, these are:

- text ads – which typically include a title that's also a clickable link to a web page, one or two lines of text and a website address shown in green
- display ads – graphical ads offered in several ad formats/sizes
- rich media ads – such as dynamic ads or videos
- links units – a list of topics relevant to the content of your site, and when users click on one of these topics, they are brought to a page of Google ads related to that topic
- responsive ads – allow you to control the size of the ads on your page, in line with how you control the layout of the rest of your page across devices.

Should anyone click on those ads, I receive income through the pay per click model. Of course if no one visits the site (very few do; it was developed purely for me to experiment with Google ads) then no one clicks on the links and I make no money. That no one might ever see them is not a significant problem for the advertiser – if there are no clicks it costs them nothing. On the plus side for the advertiser, notice how the ads are contextualized to the page's content – in my *Athens Guide* example, the ad from Google for a taxi service in Athens is an excellent example of effective contextual advertising.

For the advertiser, the process is almost as simple as it is for the publisher. There are two ways you can go about this – effectively, passively or proactively. The former means that you leave the network to choose the sites on which your ads appear by matching the ads' keywords with page content. However, this can be problematic. As in my example in Chapter 4 on keyword selection, if I were selling financial bonds then a keyword

Figure 7.5 PPC network advertising in action – a Google ad on one of the author's web pages

choice of *bond* may see my income investment ads appearing on websites about Ian Fleming's secret agent, 007. For this reason, advertisers can be proactive in not only editing out places where you *do not* want your ads to be served, but choosing the types of sites on which they want the ads to appear The ad network supplier will provide lists of content sites by (a) market or industry, (b) relevant sites by keywords used to find them, (c) specific named sites, and (d) demographic information on site visitors. Although this is time-consuming in the first instance, it will bring better results in the long term.

PRACTICAL INSIGHT

Re-targeting

Although many people in the digital marketing industry often confuse the two, this is a different concept to *re-marketing* (which was covered in Chapter 6), Re-targeting is a type of behavioural advertising whereby a consumer who has visited a site but not met the site's objective (usually a purchase) is shown relevant ads for that site in their subsequent surfing around the web. For example, you select a size and colour of a pair of shoes on the site of an online retailer, but do not make a purchase. As the network will have control of ads on other websites you might visit, it can serve up ads for the retailer and those shoes. From the advertiser's point of view, this is an excellent use of behavioural data taken from their website and an effective way of delivering ads to a well-defined target audience. To the user, however, this form of advertising can be intimidating and uncomfortable – or even *spooky* if they are not aware of how the concept works, and so it should be used with caution.

A further advantage of using ad networks is that the text for specific ads within the network can be created. In network ads, marketers can create specific text advertising for each network campaign. This means that ads (for the same product) that are developed for a specific website, market or demographic can use copy that will best appeal to those customers. For example, an ad for the keywords "car insurance" can present different text depending on whether the ad appears on a male- or female-oriented site – as selected in the demographics choice. For more targeted advertising than the search engine-backed networks can offer, smaller contextual networks exist – using algorithms that more closely match page content with relevant ads. Whilst these do not have the width of hosting opportunities, they can produce better CTRs and better leads.

An additional inducement for advertisers to use AdSense-type delivery is the metrics offered as part of the package. These are similar to website metrics and any adoption will depend on your ad objectives. Easily available metrics include:

- how many people clicked through from the ad
- where they were – geographically

- what page they were on when the ad was displayed
- tracking the user through to a purchase – or rejection.

As with website analytics, more specific ad tracking than that provided as part of a package provided by an ad network can be completed in-house with resident programmers or outsourced to a service provider. The extent of your online advertising and resources available will dictate which of the three routes you should follow.

Of course, whilst this process is fairly straightforward for just one or a small number of ads, for a retailer running hundreds or thousands of different ads for different products aimed at different target segments the operation is far more complex – and that is where agencies, and the software they utilize (so-called dynamic ad technology), have a role to play.

GO ONLINE

The evolution of online display advertising

By its very nature, this book *introduces* students to the world of online advertising – but in reality its implementation is far more complex. In less than 20 years, display advertising evolved from an advertiser contacting website publishers individually to the highly complex – and efficient – system that now puts ad networks, ad exchanges, agency trading desks, demand-side platforms and sell-side platforms between the advertiser and the publisher. For an excellent three-minute video from the UK's Internet Advertising Bureau (IAB), follow the link on the chapter's web page. This is a must-watch video if you want to get a basic understanding of how online advertising works.

Also from the IAB is a video called *Understanding Programmatic Digital Advertising.* It's another video that simplifies the concept – and includes an explanation of real-time bidding.

Do not be put off by these two videos from the IAB also being a few years old – I'm taking the lack of *new* videos as evidence that these are just as relevant now as they were then. When you watch these videos – and you should – YouTube will present you with a list of videos on the same subject area. Some are good, others not so. The latter mainly being those that are, in effect, *promotions* for companies that offer some kind of online advertising service – and so may be biased in some way.

An addition to network advertising that simply did not exist when the previous edition of the book was published is provided by the various social media platforms, but predominantly Facebook. The social media platform's network advertising follows the Google model – the difference being that the ads appear only on Facebook pages. Not only can Facebook advertisers target ads by users' location, age, gender, interests, lifestyle and connections (people who have liked their page) but customer data can be

uploaded from the organization's own systems. Facebook also creates *lookalike audiences* so ads can be delivered to people who match that data. A number of ad formats are offered, including:

- page promotion – ads to encourage people to *like* your page
- domain ads on the right panel of the page – the ads most associated with Facebook … and the ones most ignored by users
- Facebook offers – a *get offer* button embedded in an ad
- premium placements – prominent ads on the logout page, for example.

Another type of ad format offered is, arguably, not an ad as we recognize ads. This is where the organization, brand or product can use the *post-promotion* facility (advert) to boost the number of people who see a post.

A further extension of network advertising is one where the network is restricted to a limited amount of sites. Whilst this was quite common for publishers – a newspaper's online edition, for example – new players in the so-called private exchanges bring additional benefits in certain markets or industries. For example, 2017 saw Asda launch its own *in-house* exchange that uses the grocery retailer's own shopper data to target ads across its websites. For grocery product producers, this means they can place their ads on pages where online shoppers are making their purchase decisions. In a double whammy for Asda, not only might they gain from additional sales prompted by the ads, but the brands pay for the ads to be there in the first place. Traditional marketers would point out, however, that brands have always paid for promotional material – adverts – to be placed in the physical grocery store … so what's new?

Decision time

Because *content* advertising is an extension of *search* advertising, essentially, the same decisions need to be made in this section as in the previous one on search engine advertising – indeed, an advertiser can extend their AdWords (search) campaign to Google's huge AdSense content network by doing little more than checking a box. For content ads to generate business, however, there are a number of considerations for the advertiser, not least that contextual (content) advertising is not like search in that the users haven't entered a search term to find your site, your ad is simply added to the page they are reading – making the ad closer to the *interruption* model so disliked offline. This means that tighter control on targeting will produce better results.

To develop an effective ad network campaign, there are a number of steps to consider carefully – as Google is the biggest provider, the following pointers are specific to the search giant, but any decent ad network should offer similar facilities:

1. After joining AdWords, allow Google to distribute your ads around the AdSense network sites, and then

2. Study the *placement performance* reports to identify the best performing sites for your ads. The reports will include data that informs advertisers on such things as: what demographics were reached, which sites display their ads, how well the ads perform, the number of impressions and how many clicks were generated. Furthermore, Google even provides conversion rates and details of costs to evaluate ROI.

3. Use this data to target best-performing sites and exclude those that are failing to deliver acceptable results.

Note, however, that these issues are *external* to the organization – and any data derived from the placement performance reports must be used in conjunction with internal ad development and testing. For example, well-placed ads will not perform well if the linked landing pages are poorly designed – and they will not be effectively placed at all if the keyword decision-making procedure is inadequate.

> ## YOU DECIDE
>
> Advise Frank and his management team at Hill Street Motorist Shop (case study 8) on relevant issues for any network advertising they might consider.
>
> Alternatively, conduct the same exercise for your organization or that of your employer.

7.7 LANDING PAGES

Imagine that you see an ad for a retailer on television that promotes a product in which you were interested. You then saw a similar ad in your local newspaper. These ads include details of a local outlet where the product is available. You drive to the locale and as you near the retailer, billboards repeat the promotional offer. As you pull into the car park signs adorn the shop's windows. Then you enter the store. There is no signage or guides to where in the massive building your sought-after product is located. With the exception of a young checkout operator who knows little about the shop's merchandising, there are no sales staff to be found anywhere. After a few minutes of aimless wandering around, you leave empty-handed. In this scenario, all the money spent on the various media advertising has been wasted because the point-of-sale activity was ignored.

> " …the landing page is the web page to which the user is taken when they click on the link in an ad. "

The online equivalent of this scenario is the landing page. Essentially, the landing page is the web page to which the user is taken when they click on the link in an ad. Although this subject is equally relevant in other aspects of digital marketing – email marketing, for example – it is included here to emphasize the importance of landing pages in online advertising. Despite the recognized value of using landing pages, too frequently

online advertisers do not give them the attention they warrant – even though substantial resources might have been invested in the adverts that drive potential customer to those pages.

In earlier chapters, online buyer behaviour and the concept of the conversion funnel were considered – particularly where the importance of good website navigation was addressed. It is this concept that underpins the importance of the landing page.

GO ONLINE

Many aspects of digital marketing are more complex than first appear, and landing pages are no exception. Follow the link from the chapter's web page to read an article entitled *the great big list of landing page tests to try*, which includes 46 tests.

The issue is that if an advert motivates a potential customer to click on its link, it is essential that the impetus is maintained – hopefully through to the *buy now* command. If, for example, a user clicks on an ad for a hotel in a specific resort in a specific region of a particular country, they should be taken to a landing page which features that hotel. They should not be taken to a hotel aggregator's *home page* where they have to complete several elements of a search facility (e.g. *which country do you want to go to, which region, which resort?*) before they can see more details of the hotel featured in the ad. Similarly, if I were to click on an ad that said *25 per cent off selected colours of Ralph Lauren polo shirts*, I would expect to be taken to a page that told me exactly which colours were available in the promotion. I would not want to arrive on the store's *Ralph Lauren* section and have to navigate my way to the polo shirts section before finding out what colours were included in the offer.

In both of these examples, any *sales* momentum generated by the advert is lost. Indeed – and this is a key point – if the hotel (or any other) ad is just one of a number listed on a search engine results page then the searcher (the potential customer) is more likely to simply hit the *return* button and go back to the SERP on which they saw the ad, continuing their hotel search from there by simply clicking on the next ad in the list.

GO ONLINE

Follow the links on the chapter's web page to see examples of how not using a landing page damages the chances of meeting the ads' objectives.

Earlier in this chapter, the issue of what stage of the buying cycle the potential customer is at was raised as a problem for advertisers. The landing page can help address this issue, with different landing pages being developed for each ad. I previously used the examples of *free shipping on all lawnmowers this month* and *top ten tips to choosing the right lawnmower* appealing only to buyers in the appropriate stage of the cycle. With the first,

clicks are attracted from people who are ready to purchase, and so the landing page should swiftly move the customer into the selling environment. The latter, however, should have no *hard sell* – instead having content that has a softer, more advisory approach that might encourage the user to return to the site at a later date to make a purchase.

In an effort to give searchers relevant returns, the major search engines evaluate the landing pages that link from their SERP ads. This is mainly to prevent dubious advertisers from simply buying their way to the top of the (paid) listings. Essentially, a *good* landing page gives you a better chance of topping the list than one the search engine feels is disingenuous. Whilst they do declare all of the reasons a landing page might run foul of their algorithms, Google warns against business models such as:

- data collection sites that offer free items and so on in order to collect private information
- arbitrage sites that are designed simply for the purpose of showing ads and have little or no other content
- malware sites that knowingly or unknowingly install software on a visitor's computer.

The search giants also *treat with caution*:

- *get rich quick* sites
- comparison shopping sites
- travel aggregators
- affiliates that don't comply with their affiliate guidelines.

GO ONLINE

For Google's guide to landing page and site quality, plus what business models to avoid, follow the link on the chapter's web page.

Decision time

As with so many aspects of advertising, both off- and online, the development of a landing page is best assigned to those skilled in its execution. Like ads, the design of the landing page can be handled by web designers, but it is the textual content that will determine whether or not the visitor moves down the sales funnel, or jumps back to the page on which the ad was displayed. It is this text that should be developed by an experienced copywriter – in essence it is an *extension* of the actual ad. Like all websites, landing pages should be developed with the user in mind, with any copy being written from the buyer's perspective. It is the landing page that is the medium used to communicate the value of whatever you are offering – and how it will meet the needs of the customer.

Given the objective of the landing page – to move customers down the buying funnel – each one requires a number of essential elements, including that the page should:

● most importantly, facilitate moving the customer onto the next step in making a purchase (or whatever the desired action of the original ad is)
● have content that is short and to the point
● represent the organization – colour, layout, tone, etc.
● be self-contained – it serves no other purpose than to act as an arrival page from an advert. This means that it must contain all relevant information, but at the same time it must focus the visitor on the product being promoted.

YOU DECIDE

Advise the board of the Matthew Humberstone Foundation Hospital (case study 6) on how specific landing pages will help convert 'lookers' into 'buyers'. What issues are particular to the hospital's products with regard to this issue?

Alternatively, conduct the same exercise on your organization or that of your employer.

FURTHER READING

For additional content and links to articles and stories that supplement, enhance and update this chapter of the book, go to the chapter's web page on AlanCharlesworth. com/DigitalMarketing.

CHAPTER EXERCISE

Giving justifications for all your decisions, advise the marketing team at the Hotel Pillowmint (case study 3) on all aspects of online advertising covered in this chapter.

Alternatively, conduct the same exercise on your own organization or that of your employer.

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Chapter **8**

Email marketing

Chapter at a glance

8.1   Introduction
8.2   Email as a medium for direct marketing
8.3   Email as a medium for marketing messages
8.4   Email newsletters

8.1 INTRODUCTION

It is a common misconception in digital marketing that email can only be used in a direct marketing context – that is, the electronic delivery of a sales message. This is wrong because it ignores the value of *all* email communications as a medium for carrying a marketing message. Therefore, in this chapter, we will consider these two aspects of email marketing separately, starting with direct marketing email and then looking at the use of email in non-direct sales communication.

8.2 EMAIL AS A MEDIUM FOR DIRECT MARKETING

Despite common assumptions – probably brought on by the media frenzy surrounding social media – the demise of email as a communication medium is far from absolute. Myriad surveys (see the 'Research snapshot' below for examples) have shown that no matter what device they use, checking email remains one of the most common reasons

for going online. Furthermore, and with particular relevance to this book, is that the use of email as a direct marketing tool continues to be one of the most effective elements of digital marking available. Twitter might be *sexy*, but email brings in the sales. Furthermore, unlike social media marketing, email direct marketing has a proven return on investment.

RESEARCH SNAPSHOT

Email is dead – or is it?

Although the likes of social media and texting might take the attention of the popular press, email still plays an important role in communicating on the Internet. Consider these stats, taking particular note of those for 18–24 year-olds – that's the *social media* generation:

- Time spent with email is up 17 per cent year on year. The rise in consumption has a lot to do with the fact that people are now relying on their smart phones more – smart phones make email all the more accessible (Adobe Email Survey, 2016).
- 64 per cent of Millennials find email to be the channel that feels the most personal (bluecore.com, 2016).
- 87 per cent of the18–24-year-old group use a smart phone to access email.
- Millennials say they have been influenced to make a purchase in the prior six months as a result of opt-in emails more than social media ads (Marketing-Charts, 2016).
- 68 per cent of survey respondents said they prefer to receive brand communications via email (bluecore.com, 2016).
- Email marketing is one of the biggest purchase influencers across all generations (MarketingCharts, 2016).
- Millennials are 63 per cent more likely than their older counterparts to say that promotional emails impact their purchase decisions most or all of the time (fluentco.com, 2016).
- Almost half of Millennials said that they check their email while still in bed in the morning (Adobe Email Survey, 2016).

And finally … in research for the Adobe Email Survey 2016 – conducted by Adobe Digital Insights (ADI) – respondents (which included an appropriate proportion of Millennials) were asked: *When it comes to receiving offers from marketers, how do you prefer to be contacted by brands?* The results are shown in Figure 8.1.

Figure 8.1 Preferred method of hearing from brands
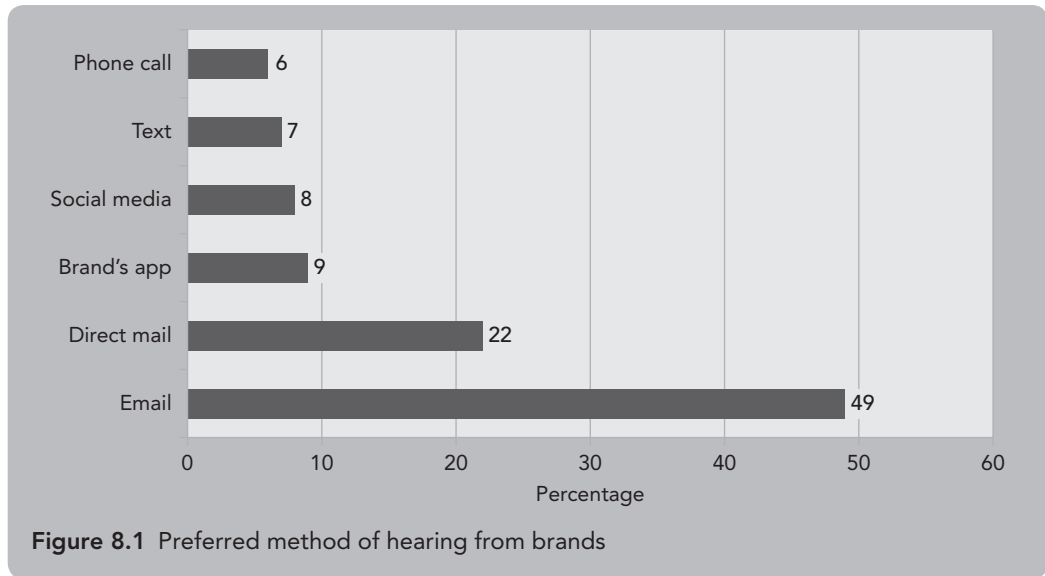
Direct marketing email campaigns can be broken into seven distinct elements. Chronologically, they are:

1. Determine objectives of the campaign
2. Develop a mailing list
3. Develop the content
4. Develop the landing page
5. Test content and technology
6. Send
7. Measure the results

Let's consider each of these in more detail.

Determine objectives of the campaign

A recurring theme of this book is that setting the objectives for any marketing exercise – off- or online – is essential, and email marketing is no exception. Without an objective (or objectives), none of the following tasks can be completed effectively – and so the campaign will not succeed (with no objectives, how would you know if you were successful anyway?) and will not give a return on any investment. For direct marketing emails, the objectives will normally be to elicit an action from the recipients. Although income generation is likely to be the ultimate aim of the email campaign, that can be too simplistic – not least that the email might start a recipient down the sales funnel, but some other element of marketing (price too high, for example) may stop them making a purchase. It is necessary, therefore, to consider the email campaign as (1) a stand-alone

> 66
>
> …setting the objectives for any marketing exercise – off- or online – is essential, and email marketing is no exception.
>
> 99

operation, or (2) an element of an integrated marketing campaign which dovetails with other elements of the strategy.

Sales are not the only objectives, however. The email campaign might be looking to increase registrations to a newsletter, encourage membership of a club or promote donations to a charity. The AIDA concept can also be applied to direct marketing by email. All of the elements – attention, interest, desire, action – can be achieved using email; indeed a well-constructed message might accomplish all four in a single email. For example, a solicitor might be aware of a new law that will impact on a certain

PRACTICAL INSIGHT

Spam – and legal attempts to stop it

Although an absolute definition is difficult, in legal terms spam is email that is sent to a recipient without them giving permission – explicit or implied – to receive it.

Both the European Union and the USA have introduced laws in an attempt to cut down email spam. The EU Directive on Privacy and Electronic Communications (introduced at the end of 2003) is Europe-wide, though how it is interpreted and implemented is up to each member country.

The CAN-SPAM Act of 2003 (Controlling the Assault of Non-Solicited Pornography and Marketing Act) – which has a much higher profile – set requirements for those who send commercial email and gave consumers the right to ask emailers to stop spamming them. The Act covers direct marketing email (where the primary purpose is to advertise or promote a commercial product or service) but not those emails that transmit a 'transactional or relationship message' (which update a customer in an existing business relationship, for example).

Whilst both laws were generally welcomed, they were criticized for not going far enough. The principal problem with each is that they apply only to emails sent from mail servers within the relevant countries and cannot be applied to entities operating outside those boundaries.

Rather than adding clarity, both of these pieces of legislation manage to further cloud the issue in their definitions of 'spam'. However, Chad White of the Email Experience Council offers a more down-to-earth interpretation. He says an email is spam if it is (1) unsolicited, (2) sent from spoofed addresses, (3) fraudulent, (4) full of objectionable content, (5) likely to contain viruses or malware – or all of these.

For more details on both the Directive and the Act, follow the link on the chapter's web page.

industry. Therefore, a mailing list made up of managers in that industry can be used to contact them. The same message would make them *aware* of the new law, develop *interest* by showing how it will impact on them, create *desire* by spelling out how the impending problem can be averted – and finally promote *action* by directing them to a web page or contact phone number for the solicitor.

Develop a mailing list

If you are going to send emails, you need email addresses to send them to. However, to simply send an email to any email address you can find is both poor marketing and potentially illegal. Essentially, therefore, the digital marketer should be looking for the email address of (1) potential customers who are in the target market for whatever is being promoted, *and* (2) people in that segment that have given permission to receive promotional emails. These mailing lists – as they are called – can be built in two ways: internally or externally to the organization. Let's look at these two methods in more detail.

Internal

Lists that are developed in-house will always carry the most integrity – and so produce the best results. Often an integral element of other marketing initiatives such as CRM or retailing, email addresses can be gathered both off- and online. Offline, practices used for decades to collect postal addresses can be applied to email addresses. These can range from free giveaways to competitions to win a free meal if you leave your email address at a restaurant. Online, technology can be used to save any email address that is gathered as part of the organization's online operations – a customer order or an online quotation form, for example.

No matter what methods of collecting email addresses are used, for reasons of good practice and legal requirement, it is important for the online marketer to get permission from recipients to send them emails. There are two ways to get this permission:

1. Opt-out is where the receiver must take an action to opt out of receiving email messages. For example, the default setting for a message that says *do you wish to receive email messages* is for there to be a tick in the *yes* box. The visitor must, therefore, remove the tick if they do not wish to get emails.
2. Opt-in is where the receiver chooses to receive email by taking an action. With a *single* opt-in they could, for example, *tick* a box on an off- or online form. This is open to abuse, however. Whether for a joke or more malicious purposes, someone might tick to receive email and enter the email address of someone else. Naturally, the receiver is not aware of what has happened and assumes any email from this source is spam. *Double* opt-in, however, requires confirmation by the recipient. After the initial opt-in is made, an email is sent to them giving details of the opt-in agreement. Only when the recipient replies to this email does the opt-in become active. Note that double opt-in reduces take-up rates but produces databases with the most integrity.

Note that a further use of the *opt-out* facility is that there should be such an option at the bottom of all emails sent to people as the result of them opting to receive emails – in other words, they must be able to change their minds. Although this is a legal requirement in the USA (it should be seen as good practice elsewhere), it should also serve as a warning to keep any email contact relevant and interesting – or you will lose that customer when they elect to opt out.

External

This option entails the buying-in of a list of email addresses from a third-party supplier – and can be effective if care is taken. There are legitimate brokers who, as a business model, collect email addresses from people who have given their permission – opted in – to receive emails from organizations with whom they have had no prior communication. These lists are then segmented and sold – or to be more accurate, *rented* – to companies who wish to target specific groups of customers. The manufacturer of a new safety device for cars that are towing something might, for example, buy in a list of known caravan owners. For smaller organizations, there is an added advantage that some of the brokers, particularly those who value their legitimacy, will also handle the sending of emails on behalf of their clients. Obviously, the purchase cost per email address will depend on how specific the list is, and therein lays the main problem – that of the validity of the list of email addresses. Some – less scrupulous – companies will simple gather email addresses from anywhere they can (often by harvesting them from websites) and sell them on for a few dollars per thousand. As these address owners have not given permission to receive emails, any sent to them are spam. Such lists are to be avoided by legitimate companies who value their reputation.

Unless you are conducting a one-off, never-to-be-repeated email campaign, it is important to treat the mailing list as a living thing that requires constant attention. Not only will new names be added, but addresses will need to be purged – whether by request (opt-out) or because the address has bounced a previous email. Simply conducting a periodic review just prior to a new campaign is not sufficient if the campaign is to be successful.

Develop the content

The development of the email itself – what the recipient will get in their inbox – has two distinct elements: (1) the technical aspect, and (2) the textual content. Let's now look at these in more detail.

Technical

The problem with email is that it is not guaranteed to look the same when it is received as when it was sent. This is because different email clients *read* and present the message in a different way depending on both the default settings of each service provider and how each recipient has set up their own system. The problem is further compounded by

the fact that users now use a variety of devices to access their email. A fabulously creative email message designed to be viewed on a 17-inch PC screen is not going to be effective on a smart phone screen – if it downloads at all. As with all things marketing, the answer lays in giving the recipient (the customer) what best suits them or their needs – even if they read their email on multiple devices.

Textual content

As with the development of website content (see Chapter 5.5), writing the words for a successful direct marketing email is a specialized task.

The sender has a few words – and very little time – to impress upon the recipient that (a) the email is not spam, (b) it is relevant to them, and (c) they should take the action it promotes. Not only is the content important, but the subject line is essential in encouraging the receiver to even open the email – rather than simply click 'delete'. Get the subject line wrong and any resource spent on the rest of the email campaign is a waste of time because the recipient simply won't open it. In essence, the textual content of the email is sales copy – it is there to elicit an immediate response – and very few people can write it effectively. The days of a subject line that says 'open this for a free gift' being effective have long since passed – if they ever existed in the first place. As with any sales or advertising, the subject line should seek to sell not the product, but the advantages gained by its purchase.

Develop the landing page

In Chapter 7, great emphasis was placed on the importance of landing pages – so much so that I elected to devote a whole section to the subject. As direct marketing emails also seek to elicit a response from the receiver (as do ads), it is equally important to consider carefully the landing page for every email. Rather than covering all the details again here, I will simply advise you to take another look at Chapter 7.7.

Test content and technology

If there is an element of email marketing that is neglected – or even missed out altogether – testing is it. And yet the most successful practitioners will spend as much time on testing as they will on all the other aspects of the campaign put together. As with development, testing of emails must consider technical issues and the content. Before reaching that stage, however, more 'traditional' direct marketing issues need to be tested – including such things as the target audience (market segment) and the promotion that is being transmitted (e.g. 20 per cent discount or free shipping). You might be surprised how the failure of many email campaigns is nothing to do with the medium of communication and everything to do with a promotion that does not appeal to the recipients. A successful clickthrough rate can also be negated by a poor landing page – therefore, it too should be tested.

Technical issues will include the aforementioned browser issue – does the email configure in all browsers and email service provider client systems, including those used on mobile devices? If images are used, the size of the images must be checked – many client systems (of universities, for example) will block emails that are above a certain file size. Anti-spam facilities – known as spam filters – will also look at elements of the email to assess its validity. Infringe any of their rules and not only will the email not be delivered, but your organization may be branded as a spammer, and have all subsequent emails from your domain blocked. A proactive approach is to have authentication tags embedded into each email to identify the sending organization. These enable receiving ISPs to verify that senders are actually who they say they are, making it virtually impossible for spammers to hide their identities.

Testing of textual content, as well as images and presentation, most commonly uses A/B testing, where an equal number of test users are exposed to an email that has been developed in two formats – hence A and B (using more than two options is known as multivariate testing). In the test, equal quantities of each variant are directed to recipients and results recorded to measure which works best. A basic – and obvious – test is to use different subject lines and see which results in more emails being opened. However, professional email marketers will also test everything from the headline through to the colour of the text and different images to the size of the *click here* button. Although this may seem excessive to some, it is very much a task of finding the best option in a numbers game. For example, if a million emails are to be sent and changing one element improves the open rate by a quarter of 1 per cent, that equates to a significant number of potential customers reading the marketing message. Make another three changes with a similar improvement and the open rate goes up by a full percentage point. Given that a clickthrough rate that is measured in single figures is the norm for many industries, an extra 10,000 emails being opened is a significant improvement.

Send

This is the easiest part of the process, with technology requiring that all that is needed is to click on *send*. However, consideration might need to be given to which day they should be sent or even the time of day they are posted (note that there may also be an issue with time zones). It is also possible that they should be sent in batches to prevent an overload on whatever facility will handle potential responses – for example, if recipients are encouraged to call a freephone number, they do not want to find it permanently engaged.

PRACTICAL INSIGHT

Today's the day

Over the years much research – and testing – has been conducted into what day is the best day to send out emails. And the answer, depending on who you ask, is … Monday. Or Tuesday, or Wednesday, or Thursday, or Friday, or Saturday, or Sunday.

Essentially, unless your offer or message is day specific, then it doesn't really matter – not least that you have no control over when the recipient will actually read the email. It also stands to reason that *if* there were a universal best day to send emails, wouldn't our inboxes fill up on that day, and that day alone?

Measure the results

One of the main advantages that email direct marketing has over its offline relation is that technology can be used to determine the success – or otherwise – of the campaign.

Like the metrics for websites, those for email campaigns should concur with the objectives of the campaign in which the emails are a part. It is also the case that the ultimate metric is how successful the campaign has been in its primary objective – sales generated, leads created or membership sign-ups, for example. However, there are metrics that can be tracked in order to assess the various stages required in meeting – or otherwise – those objectives. It is, therefore, necessary to identify those aspects of the campaign that can make or break the chances of success. These are commonly known as *key performance indicators* (KPIs).

Generic email KPIs include such things as:

- delivery rate – the percentage of sent emails that reach a 'live' inbox
- open rate – the percentage of sent emails that are opened by the receiver
- clickthrough rate – the percentage of sent emails that are opened and then have an embedded link *clicked*
- viral rate – how many opened emails are forwarded to another address
- campaign comparison – any of the above measured against metrics from similar previous campaigns.

These metrics – like all useful metrics – not only help measure success, but their analytics identify elements of the campaign's process that are not as effective as they should be. For example, if the open rate is low that might suggest that the subject line is not sufficiently attractive to the receiver that they feel compelled to open the email and read the full message. Note also that delivery, open and clickthrough rates are grouped as *response rates* – valuable to branding campaigns because they suggest exposure to a brand message. KPIs for email campaigns with specific objectives might include:

- sales units
- sales' value
- orders
- average order value

- total profit
- downloads
- leads generated
- response rates – for both opening and clickthrough.

Note that all of the above can be calculated per total emails sent, total delivered, total opened or how many clickthroughs from the email.

Two other useful metrics represent the extremes of results. They are:

- The churn rate – the loss of addresses from an email list. This could be because the email is not delivered (e.g. the address no longer exists) or because the receiver decides to unsubscribe from the mailing list.
- List growth – how many people decide to join a mailing list as a result of an off- or online list-building campaign.

It is worthwhile for the email marketer to note that company CEOs, MDs, owners or finance officers prefer metrics that determine how the email campaign is benefiting the organization. For example, *units sold* is a tangible metric that means something to them, whilst *delivery rate* is an intangible that has no presence on the profit and loss sheet.

Decision time

After the initial decision of whether or not direct email marketing might work for the organization (i.e. there are feasible objectives that will give an appropriate return on investment), the next key consideration is how any objectives will be translated into something that the receiver will value – in sales terms, what is the *offer*? The offer can take a number of guises. For example:

- a financial incentive – buy-one-get-one-free or free shipping
- time specific – offer ends Saturday or one-day-only sale
- no direct monetary value – a quality upgrade or accumulated purchases rewards.

The next issue to address is how that campaign might be planned and implemented. At this stage, what denotes a *campaign* is open to interpretation. Certainly for the major brands the campaign will involve the sending of thousands, if not millions, of emails at one time. However, for the SME – or even larger company that operates in a number of niche markets – the number of emails sent might not reach three figures. Obviously, the number being sent will impact on (a) whether any campaign is worthwhile, (b) what resources are required, and (c) whether those resources are available in-house or whether it is necessary to outsource the operation.

Following the chronological order of the seven distinct elements of email marketing listed in the previous section, the next issue is the development – or acquisition – of a mailing list. This issue will depend on the nature of the objectives. If existing customers

are to be targeted for increased business then it is likely that their email addresses will already be known. However, if gaining new customers – or generating sales leads – is the objective then an email list will need to be bought in.

PRACTICAL INSIGHT

Email + = results

When Salesforce Research (2017) investigated the use of email marketing in combination with other marketing channels such as social media, mobile, SEO, digital advertising and website content, they found that marketers reported improved levels of awareness, engagement and acquisition.

Although guides are available, for a successful campaign the content development is best left to experts in the field. This will, however, cost money – something that should be taken into consideration when setting objectives. For example, a niche business' goal of identifying 20 new customers who might have an average spend of £5 is not going to give a ROI if the development costs are over a couple of hundred pounds. This being the case, then a DIY approach – even if it is not as successful – will at least make a profit. As a budget campaign will have few resources for testing, sending the first draft to friends and family (and monitoring the results) is better than nothing. Results of the campaign should always be measured against its objectives – even if little is achieved, the experience can still be used in developing any future campaigns.

For the larger entity that has (or can obtain) a significant mailing list, using professionals or the appropriate software in-house is best practice. Sending direct marketing messages on the CC/BCC facility is not good practice – it gives an unprofessional image, and it makes you look cheap.

YOU DECIDE

Advise the marketers at the Hotel Pillowmint (case study 3) on appropriate objectives for a direct marketing email campaign. What elements of the process might be particularly troublesome for this particular organization?

Alternatively, conduct the same exercise for your organization or that of your employer.

8.3 EMAIL AS A MEDIUM FOR MARKETING MESSAGES

In this section, we look at the use of email for marketing purposes where the email is *not* a direct marketing message – sometimes referred to as: *email marketing automation*. The inclusion of this subject as a distinct section of this chapter might surprise some. However, it is an extremely important aspect of digital marketing and it is also one that is too often forgotten by even the most experienced marketers.

Offline, it is common practice that any contact with a customer – via any of the various touch points – is carefully prepared, as even the smallest of communiqué will play a part in any relationship-building or CRM strategy. Online, however, it is common practice for emails – particularly those that are automated responses, sometimes called *triggered* emails – to be sent to customers with no consideration of how their content might impact on the marketing efforts of the organization. Worse still, many emails are written by non-marketing staff – who might write in such a way that a relationship can actually be damaged by the message's presentation. Furthermore, such emails do not need to be *customer* oriented (i.e. serve a sales, service or marketing purpose, often dubbed *transactional* emails) – any email sent by human resources (to a prospective employee, for example), finance (an invoice reminder) or procurement (a purchase order) represents the organization and so can be seen as an element of brand building.

> 66
> Worse still, many emails are written by non-marketing staff…
> 99

In these latter examples, it is likely that the staff can be trusted to write the content, but email design and presentation should be managed for appearance and deliverability by email marketing specialists – with best practice being the provision of email templates. It is also worth noting that communications do not need to be initiated by the organization. As with the examples above, the outgoing email might be in response to an enquiry from a customer or member of the public. Again, the content of the reply should be scripted by an appropriate member of staff and the design template (e.g. font, colour) and presentation (style of salutation and sign off) of the email should follow a corporate model.

PRACTICAL INSIGHT

Legalese or anti-relationship marketing?

It is now the norm for emails sent by any organization to carry a disclaimer as a *footer*. The practice has sound *legal* foundations – it is to cover the organization in the event of an employee making libellous or inaccurate remarks that are not supported by the organization.

However, as a marketer, I find the practice questionable. Any relationship-oriented message should be written in a tone that helps build that relationship. To throw in a legal disclaimer at the end simply destroys the nature of the message. As an example, I once made an email enquiry about the availability of a product. The reply was personal, informal (in response to my signing the original message *Alan*), well presented and informative – and it prompted me to pursue a purchase. However, at the foot of the email was the legal message that had a word count that was four times that of the actual message. It also told me that I could not pass on the contents of the message to anyone else. That meant that – *legally* – I could

not pass on details of the product or its price and availability to any friends or colleagues who might also go out and buy it. I don't think that is what the product's marketers would have wished.

People who serve us in retail outlets do not start – or end – their sales pitch with us with a legal disclaimer about what they might say, or have said. If we don't do it offline – where it would be considered a sales-killer – why do we do it online?

If there absolutely has to be some kind of disclaimer, get the legal department to make it as brief as possible – or just employ people who can be trusted not to put inappropriate content in an email.

Footnote: I have not named the organization in my example above – according to their legal message, I would be committing some kind of offence to do so.

The list of types of email communications that have the potential to either impact on the brand or carry a marketing message includes – but is not limited to – the following:

- Welcome message – if a user has registered with you for any reason – be that simply to access your site or make a purchase – an email can be sent to welcome them to your organization, brand or product. This can be simply a polite *hello* or it might include a generic marketing message or a promotion that is specifically aimed at new registrants.
- Order confirmation – the email that says your order has been received. It is essential in terms of credibility in that the customer needs to know the status of their order submission (i.e. did the website's purchase process work when I clicked on *buy*?). It is also an opportunity to thank the customer for their business. Although there is little scope for a sales-related message on these (those suitable should have been delivered during the buying process), there is an opportunity for relationship-building with the use of a carefully composed pleasantry. For example, *Santa thanks you for your order; it's less for him to carry down the chimney* on an order that is obviously a Christmas gift.

GO ONLINE

The boxes are ticked – but where is the fairy dust?

Follow the link from the chapter's web page to see how one organization was very efficient with its post-order emails … but missed an opportunity to engage with its customers.

After you have read it, have a go at writing a message from the fairies.

- Confirmation of shipping – very similar to the order confirmation, but one that reinforces the relationship by showing that the organization cares about its customers after the order is taken. It is now common practice for the shipper to provide an online tracking facility for parcels. If this is the case, the email would include details and a link to the tracking page.

- Delivery confirmation – not practised as commonly as order and shipping confirmation but gaining in popularity, this is an email that is sent several days after delivery is either confirmed (electronically, by the courier) or when the package *should* have been delivered. Though both of these cover the same details, in the former, the emphasis is on satisfaction with the product. In the latter, the tone should be one of checking the customer has actually received the goods. Both can have an element of market research to them. A spin-off with the latter is that if the delivery has not been made, the organization is seen as being proactive and so complaints are minimized.

GO ONLINE

What a waste…

For an example of a missed opportunity on a *delivery* email, follow the link from the chapter's web page.

- Confirmation of registration – this could be for anything, including newsletters, clubs and forums. The importance of this is that the user has most likely registered to join some kind of community – and so they should be welcomed to that community. It can also be used as confirmation that the email's addressee has completed the registration and not some kind of imposter.

- Quote confirmation – as comparison shopping engines have become more popular, people frequently complete forms for online quotes from multiple suppliers – car insurance, for example. Naturally, after the quote has been given online, a confirmation email with the details will be sent – and it might be argued that this and any subsequent emails are *direct marketing* in nature. However, as the start date of the policy is known (from the application form), the company will know if it has not converted the quote into a sale. At this time, a 'sorry we couldn't help you this time…' email can be sent – the tone of which might encourage the person to consider the company for their policy next year.

- Reservation reminders or status updates – particularly relevant in service industries, these can add to the product experience long before the customer samples it. How about the in-flight movie choice for a long-distance flight or the restaurant menu for the evening of a hotel booking, for example?

- Opt-out page – when someone decides to opt out of a mailing list, newsletter or whatever, this is possibly a last chance to convert, or at least accept the decision gracefully – you never know, the customer might come back some time in the future.

- After a first purchase – this should be after, or part of, any confirmation email. It is a personal welcome to the organization and might include details of any special deals or service they might now qualify for.

- After a frequent purchase – like all elements of this list, this application is dependent on the organization's use of technology to store data – in this case, previous purchases. This email should help build on an existing relationship, and might include special offers that are only open to *regular* customers – free shipping on your next order, for example.

- After an infrequent purchase – this could be: (a) as with a frequent purchase, though toned down, or (b) pertinent to products that are not bought on a regular basis. In the case of the latter, that a company remembers that you booked a hire car with them 18 months ago is particularly impressive.

- Event related – if the data is held, a birthday greeting can be sent. Religious occasions can be problematic if the faith of the customer is not known but *holidays* are normally acceptable. Christmas is an obvious example here, where the greeting can be seasonal rather than religious, and also carry a commercial message – free shipping or savings in a post-Christmas sale, for example.

- Random – a simple *thanks for your patronage* that, like the Christmas message, can be linked to a limited special offer and sent at random throughout the year – but don't overdo it.

Note that with all of these, the correct development of the content and their application is paramount. Nothing is more likely to kill a relationship than the email that says *welcome to our new customer* when you have been a frequent purchaser for several years. Similarly, repeatedly sending the exact same email message thanking a regular customer for their business will look like an insincere automated communication. That *confirmation* emails are now *almost* obligatory (buy something from eBay and watch out for a flurry of messages arriving at your in-box) has actually made the consideration of their construction even more important. This is because they are so common that customers perceive them as being not only artificial, but in some ways hypocritical. That so many have a syrupy message (with phrases like *valued customer* or a robotic *your continued custom is important to us*) has brought about this situation. So, be warned: be genuine. Although I would encourage some *personality* in the message, no personality is better than a false one. Essentially, this means that all of these emails should be part of a carefully planned, managed and implemented relationship strategy.

Also worth mentioning is that none of the above are likely to infringe on spam laws in that they are considered to be part of an already established relationship with the customer – though that is not an excuse to bombard the recipient with a mountain of irrelevant emails. Naturally, as well as the departmental emails mentioned earlier, there is also the email that is a reply to an enquiry – be it about products, the organization or the brand. Not only should every one of these emails be answered by a responsible person, but the email should follow corporate design criteria.

MINI CASE

When *your order has been dispatched* just isn't enough

This example of an email message was in the first edition of the book, but I left it out of the second. However, the story still goes down well in my classes – so it's back for this edition.

A preamble is necessary, however, as the organization in question – and the industry in which it trades – is very different than it was ten years ago. Indeed, some readers of this edition may not know what CDs are – if that's the case, ask your older siblings, parents or even grandparents. The following message was a shipping information email from CDBaby (www.cdbaby.com). Compare it – written with tongue firmly in cheek – with the last confirmation message you received.

> Your CDs have been gently taken from our CD Baby shelves with sterilized contamination-free gloves and placed onto a satin pillow.
>
> A team of 50 employees inspected your CDs and polished them to make sure they were in the best possible condition before mailing.
>
> Our packing specialist from Japan lit a candle and a hush fell over the crowd as he put your CDs into the finest gold-lined box that money can buy.
>
> We all had a wonderful celebration afterwards and the whole party marched down the street to the post office where the entire town of Portland waved 'Bon Voyage!' to your package, on its way to you, in our private CD Baby jet on this day, Sunday, November 18th.
>
> I hope you had a wonderful time shopping at CD Baby. We sure did.
>
> Your picture is on our wall as 'Customer of the Year'. We're all exhausted but can't wait for you to come back to CDBABY.COM!!
>
> Thank you, thank you, thank you!
>
> Sigh…
>
> Derek Sivers, president, CD Baby, the little store with the best new independent music http://cdbaby.com cdbaby@cdbaby.com (503)595–3000.

As an example of a relationship-building confirmation email this is difficult – if not impossible – to better.

Decision time

This is an aspect of digital marketing that is a necessity and so there should not be a question of *do we do it or not*. The only real decision is who will be responsible for developing the templates on which all emails will be founded. First, however, there needs to

be an audit of all emails that are sent from the organization's email account. After removing direct marketing emails, the remaining can be divided into three main categories: (1) automated, (2) relationship-building, and (3) enquiry response. For the first two of these, the template can include the exact text – meaning that the email can be carefully developed over a period of time. For others, content that responds to a specific question or situation will be required, and so pre-ordained content cannot be used.

RESEARCH SNAPSHOT

Email: the poor relation?

The very idea of having a customer-contact phone ringing for even a few minutes is something most organizations blanch at. Most will have a three- or five-ring maximum rule. Similarly, there will be a policy about leaving on-premises customers waiting for more than a few minutes.

So why is it *still* common for email enquiry addresses or forms to have a message saying that *the customer service team* – or whoever – will reply in 24 or 48 hours. Or even five working days? Surely, if you can pay someone to answer a ringing phone or greet a physical customer, you can pay someone to answer emails.

The development of all outgoing emails should consider two key issues:

1. Design and layout – as with direct marketing emails, these should have a corporate appearance and have technical criteria that ensure deliverability.
2. Writing style – as with websites, there should be a house style for all email content. This might be influenced by the culture of the organization (the salutation being *Hi* rather than *Dear*, for example) or where the recipients are likely to be geographically (the use of English or US spelling, perhaps).

In the same way that one badly trained or poorly recruited member of frontline staff can destroy years of brand- or relationship-building – at untold cost – so too can one email message written by someone who does not appreciate the importance of what they are doing. Furthermore, it might be argued that the *bad* email is even worse than a spoken incident in that it is preserved forever as a computer file.

YOU DECIDE

For Phelps Online Department Store (case study 13), consider what types of emails might be sent by the organization and advise Martha and her team on how those emails can be best used for marketing purposes.

Alternatively, conduct the same exercise on your organization or that of your employer.

8.4 EMAIL NEWSLETTERS

Based on the traditional newsletter, the online version serves exactly the same purpose, but the e-newsletter has one distinct advantage over its printed forerunner – the hyperlink that can take the reader to a web page, image, video or audio link that enhances the original message. And it is this basic element of the Internet that is giving the *old-fashioned* concept of the newsletter its value in the age of social media. The electronically delivered periodic newsletter is a practice – like others in business environments – that seems to drift in and out of fashion. Indeed, it has been suggested by many that the increased popularity of social media in general and Twitter in particular in recent years would bring an end to newsletters, but in fact it has only served to confirm their value. This is because there are now so many sources of information on – it seems – every subject known to mankind for the casual follower to keep up with. And this is where the contemporary newsletter comes in to its own.

Distributed on a daily, weekly or monthly basis, the editors of newsletters do the extensive tracking of events, stories and articles on behalf of the newsletter recipient and list only that information they feel will be of interest. That recipients now read newsletters on mobile devices has served to increase their popularity.

Living at the junction where social media, content marketing and email marketing meet, email newsletters have an advantage in that they are targeted – they are sent only to those who have subscribed to receive them – and users are more likely to read something in their email in-box than a message on a social media platform. That a subscription is required also gives the sender greater control over the messages and gives the writer a greater sense of intimacy with their subscribers – far more so than on social media. There is a certain irony, therefore, that many newsletters are linked to blogs – the email newsletter being used to reach out to subscribers who might not visit the blog as often as the blogger might wish.

A final element in the current re-emergence of the online newsletter is the acceptance of the term *newsletter*. Once considered to be a throwback to the pre-Internet age, the idea of an email that collates useful information being referred to as a *newsletter* is no longer a problem for their recipients.

Decision time

Although they can be a business model in their own right (income being generated by selling advertising space and/or registrant data), for the online marketer there are several ways in which a newsletter can be incorporated into the marketing strategy of an organization, brand or product:

- As part of any relationship marketing efforts – which may, or may not, be an element of the organization's CRM strategy.
- As a delivery platform for product information or promotions. For the latter, it has to be a careful balance so as not to have newsletters seen as direct marketing – but the likes of healthcare or beauty products lend themselves to such content.

● Publishing a newsletter that will be read by influencers within a B2B industry – so raising the profile of the organization as a thought leader in that industry. In this example the majority of the content will be original – though may well comment on events in the industry or marketplace. Note that many of the links from this book's web pages are to articles in digital-marketing-oriented newsletters.

> " …developing content is problematic – not only in finding interesting subjects, but in its writing also "

● *Influencer* email newsletters can be restricted to a limited audience within an industry – readers are encouraged to share subscription links with people they feel might be interested, but such links are not shared on social media. The exclusivity of the newsletter's *club* membership serves to increase its value to those who do subscribe.

● Newsletter content can be included on the organization's website or blog, making it available as an archive – which can be attractive to both researchers and search engines. Note that the ability to archive content is a big advantage over social media platforms.

MINI CASE

Retail newsletters have ready-made content

Although some might argue that a list of special offers is not really a newsletter, the issue is actually decided by the consumer. If they perceive that an email with details of forthcoming promotions is worth receiving on a regular basis, then it meets the criteria of being a newsletter.

The massive advantage for retailers is that they will often run in-store promotions as part of their marketing strategy – and those offers are obvious content for a regular newsletter.

For newsletters, one issue is paramount in their use: if content is king on websites, in newsletters it is the entire royal family. Whether the content is written for newsletters or is originally published on web pages, that content has to be *developed*. In much the same way as content for the organization's web presence should be developed *properly*, so too must that which is to be distributed to interested parties who have requested it. It is for this reason that many well-intentioned campaigns either fail to take off or simply wither on the vine of lack of content. For the organization that is sending its own *our company* newsletter to customers, developing content is problematic – not only in finding interesting subjects, but in its writing also. There are only so many new starter employees, job promotions, new product developments and CEO visits China-type stories that recipients will read before they cancel their subscription. Even if the newsletter is to be little more than a series of links to articles on other sites – with reviews or comments added – those articles must be sourced, read and the comments written, all of which takes time and expertise.

YOU DECIDE

Advise Milo and his marketing team at 22 Catches Fish Products (case study 7) on how an email newsletter could be integrated into their online marketing. Comment on both advantages and disadvantages of undertaking either.

Alternatively, conduct the same exercise on your organization or that of your employer.

FURTHER READING

For additional content and links to articles and stories that supplement, enhance and update this chapter of the book, go to the chapter's web page on AlanCharlesworth. com/DigitalMarketing.

CHAPTER EXERCISE

Giving justifications for all your decisions, advise Howard Johnson and his marketers at The Rockridge Museum (case study 1) on all aspects of digital marketing covered in this chapter.

Alternatively, conduct the same exercise on your own organization or that of your employer.

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Chapter **9**

Marketing on social media

Chapter at a glance

9.1 INTRODUCTION

It is a pure coincidence, but the rise of both social media and marketing on it has run pretty much in parallel with editions of this book. In the first edition – published at the beginning of 2009, so written in 2008 – social media marketing was the new kid on the block. Indeed, in another of my books, published two years earlier, the phrase *social media marketing* is nowhere to be seen. Neither is the word *Facebook*. I do mention blogging, public comments sites and viral marketing, but only in the chapter on *online marketing communication*. By the second edition, it was the longest chapter – the increased word count necessary to cover just the basics of all the new social media platforms available to the digital marketer.

By this edition, however, whilst *social* is still the *darling* of digital marketing, its value as a marketing tool is being questioned – and the biggest question is about the return on investment of social media marketing. Essentially, many organizations are finding there *is* no return on any investment made on social media marketing. For this reason – like that on *advertising online* – the introduction to this chapter has to include a *review* of social media marketing.

PRACTICAL INSIGHT

Social media platforms circa autumn 2017

About.me, Academia.edu, Advogato, Airtime, Amazon Spark, aNobii, AsianAve, Ask.fm, Athlinks, Audimated, Badoo, Baidu Tieba, Bebo, Biip.no, BlackPlanet, Busuu, BuzzNet, Cabana, CafeMom, Care2, CaringBridge, Cellufun, Classmates, Cloob, Cluster-Funk, CouchSurfing, CozCot, Crunchyroll, Cucumbertown, Cyworld, Dailymotion, DailyStrength, delicious, deNA, DeviantArt, Diaspora, Disaboom, Dol2day, Dont-StayIn, douban, Doximity, Draugiem.lv, Dreamwidth, DXY.cn, Elftown, Elixio, English, baby!, Entropia Universe, Eons.com, Epernicus, eToro, Experience Project, Exploroo, Facebook, Facebook Spaces, Facebook Workplace, FC2, Fetlife, FilmAffinity, Filmow, FledgeWing, Flickr, Flixter, Focus.com, Fotki, Fotolog, Foursquare, Freshteam, Friendica, Friendster, Fuelmyblog, Funny or die, Gaia Online, GamerDNA, Gapyear.com, Gather.com, Gays.com, Geni.com, Gentlemint, GetGlue, GirlsAskGuys, Good Reads, Goodwizz, Google+, GREE, Grono.net, Groupon, Habbo, hi5, Hospitality Club, Hotlist, Hub Culture, Ibibo, Identi.ca, Indaba Music, Infield Chatter, Influenster, Instagram, IRC-Galleria, italki.com, Kaixin001, Kiwibox, Last.fm, Late Night Shots, Library-Thing, Lifeknot, Line, Linkagoal, LinkedIn, LinkExpats, Listography, Litsy, LiveJournal, Livemocha, Mastodon, MeetMe, Meettheboss, Meetup, MeWe, Mixi, MocoSpace, Mottle, MouthShut.com, MyHeritage, MyLife, MyMFB, My Opera, Myspace, Nasza-klasa.pl, Netlog, Nexopia, Nextdoor, Ning, Odnoklassniki, OUTeverywhere, Partyflock, PatientsLikeMe, Pingsta, Pinterest, Playlist.com, Plurk, Poolwo, Quirky, Qzone, Raptr, Ravelry, Reddit, Renren, ReverbNation.com, Sina Weibo, Skype, Skyrock, Snapchat, Snapfish, Socl, Sonico, SoundCloud, Spot.IM, Spotify, Stage 32, Streetlife, StudiVZ, StumbleUpon, Tagged, Talkbiznow, Taltopia, Taringa, Telegram, TencentQQ, TermWiki, The-dots, The-Sphere, Threadless, Tout, TravBuddy.com, Travellerspoint, tribe.net, Trombi.com, Tsu, Tuenti, Tumblr, Twitter, Uplike, Vampire-freaks, Viadeo, Viber, VK, Vox, Wattpad, wayn, Wechat, WeeWorld, We Heart It, weRead, WhatsApp, Who's In, WriteAPrisoner.com, Xanga, XING, Yammer, Yelp, Yookos, YouTube, YouTube Community, YY.com, Zoo.gr, Zooppa and Zynga.

Apart from over-working the Microsoft Word's spell-check facility on my PC, this list is reasonably comprehensive. However, it does not include all those millions of forums set up for like-minded folk to postulate, argue, seek advice and generally converse with those who have similar interests.

Source: Alan Charlesworth (2018)

Social media defined

As with a number of other elements of the online world, what is understood by the term *social media* is still open to debate. I have previously defined social media as 'a collective term for the various social network and community sites including such online applications as blogs, podcasts, reviews and wikis' (Charlesworth, 2007) and in more tangible terms as 'sites where users can add their own content but do not have control over the site in the same way as they would their own website' (Charlesworth, 2014). More recently, I have settled on the definition of 'an umbrella term for the various social network and community sites which are composed of user-generated content' – and that is the one I will use in this text. This is not simply hubris on my part. The two previous editions of this book and my books *An Introduction to Social Media Marketing* and *Social Media Marketing – Marketing Panacea or the Emperor's New Digital Clothes?* all include extensive discussion and a plethora of definitions from a variety of sources. However, I do not feel they would add to the understanding of the subject for readers of this book who have lived in a *social media world* for most of their lives.

If you would like to delve into the various definitions, simply spend a few minutes in a library or on a search engine. Similarly, how social media works is – I feel – no longer worth committing pages of explanation (as was the case in the first two editions). However, it is important to make clear that *social media* and *social media marketing* are *not* the same thing. Zhu and Chen (2015) present the public's use of social media as a matrix dividing the various platforms into those that address content and profile-based against customized and broadcast messages. This is illustrated in Table 9.1.

GO ONLINE

If you wish to read about the background to social media, follow the link on the chapter's web page to read the relevant content taken from the previous edition of the book.

Table 9.1 Zhu and Chen's social media matrix

	Customized message	*Broadcast message*
Profile-based	**Relationship** Allows users to connect, reconnect, communicate and build relationships (e.g. Facebook).	**Self-media** Allows users to broadcast their updates and others to follow (e.g. Twitter).
Content-based	**Collaboration** Allows users to collaboratively find answers, advice and help (e.g. Reddit).	**Creative outlet** Allows users to share their interest, creativity and hobbies with each other (e.g. Pinterest).

Social media marketing has grown with a certain mystique – and for a number of reasons it is misunderstood by practitioners, commentators, writers and students alike. A significant aspect of that misunderstanding comes from what social media marketing is *not*. So, for the sake of clarity, here are four things it is *not*:

1. Social media marketing is not *social media*. So when news stories tell us that most people on earth use Facebook (or whatever) it means they use the free communications platform. It does not mean they are all engaging with any marketing performed on that platform.

2. Social media marketing is *not* the panacea to all the business and marketing problems, ailments and issues for every organization, brand and product known to mankind.

3. Social media marketing is *not* free. This issue pervades much of what is spoken and written about social media marketing. This misapprehension originates from the fact that setting up a presence on a social media platform incurs no charge. However, if that Facebook – or whatever – page is part of the marketing for an organization,

Given that budgets depend on such things, it is hard to blame social media marketers for claiming events such as these as being *theirs* – but that is hard on all the other marketers who would have been involved in the marketing (e.g. packaging, TV advertising, in-store promotion) of the organization, brand or product associated with photo contests, scavenger hunts, TV shows and the like.

> ### Not social media marketing … but *marketing on social media*

Social media is about *sharing, relationships* and *engaging in communities* and *networks*. Therefore, it is reasonable to assume – accept, even – that social media *marketing* must also embrace these characteristics. However, much of what is currently presented as social media *marketing* has nothing to do with *sharing, relationships* and *engaging in communities* and *networks*. It would seem that most organizations now use social media platforms as *broadcast* media for content to be *pushed* out to the general public – the reverse of the ethos of social media.

Most of this *broadcast* content is along the lines of information or news – with no attempt at any kind of engagement. So popular is this *social broadcasting* that younger audiences in particular are more likely to access sports events or BBC news on a social media platform than on TV. None of this content has any intent to *engage* – most of it having been developed for broadcast – so how can it be considered part of social media *marketing*? But if it is not part of social media *marketing*, what is it part of?

I would suggest social *broadcasting*. However, some of the messages that are *broadcast* on social media platforms by an organization, business, brand, society, corporation or company may not be social media *marketing* – but they may well be *marketing* on social media. A message put out on social media by a police force advising of a road being closed after an accident, for example, would be part of the service (product) they provide. Therefore, marketing on social media is made up of social media marketing (the engagement element) and social broadcast (the non-engagement element). In this context, advertising on social media might be considered to be part of marketing on social media – but I still maintain it is best deemed part of online advertising.

Earlier in the chapter, I presented Zhu and Chen's social media matrix, where the various uses of social media are split into those that address content and profile-based against customized and broadcast messages. Table 9.2 is my adaptation of this for social media marketers to identify what the aims of their social media presence might be.

In this *marketing* version of Zhu and Chen's social media mix, the platform examples for each quadrant are removed. This is because the same platforms – Twitter, for example – could be used in all four quadrants.

However, this matrix still has a focus on *engagement* – but we have moved on. It is no longer necessary for the brand platforms we label as being *social* media to be *social*. They are media. To reiterate, social media marketing is about *engagement* … anything else is *marketing* on social media.

Table 9.2 The social media marketing mix (adapted from Zhu and Chen, 2015)

	Customized message	Broadcast message
Profile-based	**Relationship** Allows marketers to connect, communicate and build relationships.	**Self-media** Allows marketers to broadcast their messages and for others to follow.
Content-based	**Collaboration** Allows marketers to provide answers, advice and help.	**Creative outlet** Allows marketers to share their products with potential customers.

If this notion is recognized, the social media marketing mix can be revised to incorporate it. This is illustrated in Table 9.3.

Followers of digital marketing in general and social media in particular will be aware of numerous examples of *failed* social media marketing. Many happen because the practitioners have treated all elements of Zhu and Chen's social media mix as relationship tools rather than marketing tools (Charlesworth, 2018).

Note that developing a presence on social media platforms with the primary focus of having that page appear in search results is covered in Chapter 4.7, where third-party

Table 9.3 Marketing on social media

	Customized message	Broadcast message
Profile-based	**Relationship** (Social media marketing) Allows marketers to connect, communicate and build relationships with social media messages that are not *promotional* in nature.	**Self-media** (Marketing on social media) Allows marketers to broadcast their promotional messages (e.g. discount offers) to followers (existing customers) as social media content that can be acted upon, liked, followed and forwarded by the target audience. This includes presences on social media platforms that will respond to both external and internal search facilities.
Content-based	**Service** (Marketing on social media) Allows marketers to provide answers, advice and help, most commonly as a form of after-sales or customer support service.	**Creative outlet** (Advertising on social media) Allows marketers to share their product and brand information – including promotions – with a wider audience of potential customers using programmatic advertising that targets user data.

search engine ranking is addressed. It is a reasonable argument that such presences on social media platforms should be covered in this chapter, but I decided that the subject is better suited to the chapter on search engine optimization – the reasons should be evident in the introduction to that chapter. However, particular attention should be given to the social media presence that does not exist to engage with users, but simply provide information that satisfies those customers who expect an organization, brand or product to have some kind of social media presence, even if they have no intention of engaging with it.

In Chapter 4.7, I use the example of someone seeking a restaurant in Berlin and searching for it on Facebook. In such an instance, the would-be eater is not seeking social media engagement with a restaurant – they want to know where it is, its opening times, a price guide and perhaps a sample of its menu – effectively, the contents of a website's home page. A link to the restaurant's website and contact details would further satisfy the searcher. Therefore, it is quite reasonable that a business could have a *static* Facebook page that offers this information but no engagement. This would be an ideal example of marketing on social media that isn't social media marketing.

Problems with marketing on social media

As was the case in Chapter 7 where the effectiveness of online advertising was questioned, the value to organizations, brands and products of marketing on social media is doubted by many – myself being one of them. Indeed, research for my book *Social Media Marketing – Marketing Panacea or the Emperor's New Digital Clothes?* confirmed a number of concerns that commentators and observers have raised – and continue to raise. These can be summed up in four categories: the reasons people follow a brand; that only *customers* follow brands; that engagement on social media harms *real* engagement; and what is the return on investment? Let's consider them in more detail.

Reasons for following a brand

Before considering why people follow an organization, brand or product on social media marketing, consider the research from Kumar *et al.* (2016), who found that the percentage of a customer base that participates in a firm's social media sites ranges from 1 per cent to 7.35 per cent, with an average of 3.7 per cent. That is such a small number that in itself it questions the value of *any* marketing on social media – and its ability to give a reasonable return on any investment. Of course, with averages there are always winners and losers – but for every Starbucks (whose 36,549,320 Facebook followers – as of May 2017 – must represent more than 3.7 per cent of its customer base), there must be many who are closer to the 1 per cent mark. We are not yet at the section where ROI of marketing on social media is considered, but it is hard to think of any other marketing activity that would be continued if such a small proportion of its customer base was reached.

Findings from research by social media software suppliers Sprout Social are representative of surveys into the reasons behind people following a brand on social media. Figure 9.1 shows results from the *Sprout Social Index* (2016) when respondents were asked why they follow a brand on social media.

In general, these are not good statistics for social media marketers to see. That around half seek some kind of entertainment suggests the social media presences offer videos or the like, and so *engagement* is minimal. However, that nearly 60 per cent are interested in promotions and 42 per cent joined up for an incentive – the latter can only be described as *buying friends* – are even more disturbing to the *engagement* lobby. There is a certain irony that Sprout Social's research also asked respondents about the most annoying actions brands take on social media and actions that are most likely to make people un-follow a brand on social media. Respectively they were *posting too many promotions* and *too many promotional messages*. You will recall that *an interest in promotions* was that same group of respondents' second favourite reason for following brands in the first place.

> 66
> nearly 60 per cent are interested in promotions and 42 per cent joined up for an incentive.
> 99

A final statistic from research from Twitter analysts Twopcharts (2014) supports Nielsen's rule, the key elements of which included that:

- Less than half of the Twitter accounts (46.8 per cent) have a profile image and only 23.9 per cent have a description for their account profile.
- 44 per cent of the existing Twitter accounts have never sent a tweet.
- 30 per cent of accounts have sent between one and ten tweets.
- 13 per cent of accounts have sent 100 or more tweets in their history.
- Around 11 per cent of the accounts created in 2012 are tweeting a little over a year later.
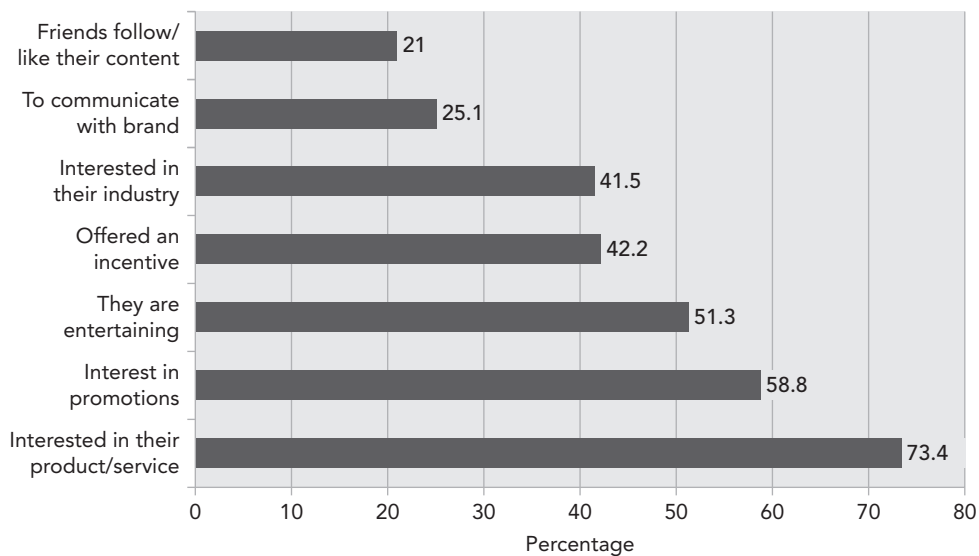
Figure 9.1 Reasons for people following a brand on social media

Sprout Social's research relevant to this section is that 70 per cent of people have *unfollowed* a brand because they were embarrassed that their friends might see they were following it. This suggests that social media is fickle, with users following trends and dropping them just as quickly – not a great endorsement for *engagement*.

Furthermore, research from SUMO Heavy Industries (2016) found that of eight reasons for using social media (friends and family, pass time, stay informed on news, entertainment, share personal information and content, learn about people, meet new people), only one (find specific information on products and services) can be described as *commercial* – and that came in at 28 per cent for under 30s and 22 per cent for those 30 years old and over. Essentially, few of those millions of people that Facebook say are users of the platform are going there to engage with organizations, brands or products. In addition to this disappointing news for digital marketers, SUMO's research also found that, when asked about what influences consumers about a brand and its products, 56 per cent said posts by 'family members' and 'friends' – the logical conclusion being that when consumers use social media to seek product information they are looking on the pages of friends and family as much as – if not more than – brands' pages.

PRACTICAL INSIGHT

Dark social

Not to be confused with the *dark web* – something that has sinister overtones as it is often linked to illegal or dubious activities – dark social is the description given to *social* messages sent directly to the recipient (normally by email, the personal message facility on a social media platform or a messaging app) that are not placed in a public space such as Facebook. As only the addressee sees the message, it is not visible to everyone; hence *dark*.

Only customers follow brands

Note that this section is about customers – that is, people who have purchased a product – and not *potential* customers. This is significant as most marketing is aimed at potential, not existing, customers.

It has long been my contention that the majority of people who join an organization, brand or product on Facebook, Twitter or any other social media platform do so because they have already been satisfied with a purchase. Starbucks would be an excellent example. Why would anyone *like* the ubiquitous coffee provider if they hadn't sampled the product? Similarly, do any of singer Adele's 28.9 million (as of December 2017) followers on Twitter *not* like her songs?

Furthermore, could it be that people follow organizations, brands or products simply because they got the *right* product in the *right* place for the *right* price? If you doubt my contention, try reversing this notion. Would anyone *like* or *follow* a seller if they didn't

provide them with the *right* product in the *right* place for the *right* price? Or if they had received poor service? Or if – in some way – they had no affinity to the brand?

Note that it is this notion that only existing customers *follow* organizations, brands or products that is behind much of the research presented as *proving* that engagement increases sales. Such research states that customers who *follow* a commercial entity will spend *more* money with that organization, brand or product than someone who is not *following* them. This is most likely true – but we have to consider *cause* and *effect*. Do followers spend more because they are followers – or are they followers because they spend more?

Writing in the *Harvard Business Review*, John *et al.* (2017) challenged the concept that people who liked a Facebook page routinely spent more with that brand by investigating the possibility that 'those who already have positive feelings towards a brand are more likely to follow it in the first place, and that's why they spend more than *non-followers*'. Their findings were that 'the mere act of endorsing a brand does not affect a customer's behaviour or lead to increased purchasing, nor does it spur purchasing by friends'.

A caveat to this premise is there are some followers who are never *realistically* going to be a customer. These fall into one of two groups:

1. *Me-too* followers – these people notice that their friends (*real* or *virtual*) like a product or service and so they click the *like/follow* button as well.
2. Window shoppers or dreamers – those people who follow the Ferrari official Facebook page, for example, but are never really going to be a buyer of a £150,000-plus super car.

Engagement on social media harms true engagement

Engagement on social media is often measured in a click of a mouse or tap of a screen – but does that represent *true* engagement? Or could the ease of virtual engagement actually cause customers (existing and potential) to *disengage* from *real* organizations, brands and products?

At a conference in Portugal in January 2017, Conrad Fritzsch, Head of Digital Marketing at Mercedes-Benz, said that prior to the Internet, the average customer visited a dealer around nine times before buying a car. That is now down to an average of less than one and a half visits per purchase. This may result in lowered costs for the dealer, but it is preventing any kind of real – that is, *not* virtual – relationship forming between seller and buyer. Furthermore, this *virtual* relationship only exists if the buyer has used Internet platforms owned or controlled by Mercedes or the dealership. If the buyer has used social media for information that guided them down the sales funnel, then their relationship is with the social media platforms, not Mercedes. Pre-Internet, the car buyer would automatically return to the dealership for servicing and replacement cars – now they will simply tweet or post 'where's the best place to get my Merc serviced?'

Naturally, this is but one example and the concept does not apply to every market or industry, but the automotive industry has always measured a customer's lifetime value – something that has a relationship built on excellent service. If you owned any retail outlet, would you rather have followers or customers who return to your store to buy more goods? Shouldn't the latter's marketers concentrate on aspects of marketing that promote that – not spend money chasing *followers* and *likes*?

Return on investment

Following on from my earlier assertion that marketing on social media is not free, I'll start this section by going further: to be effective it can be very expensive.

Concentrating on *serious* involvement in marketing on social media for a medium-sized organization, let's do some basic maths. Social media is 24/7/365, so we should be looking for at least two new members of staff to work the social media desk. It is an important and difficult job – anything posted is the voice of the organization, brand or product – so let's say a minimum of £25K per annum each. A rough calculation for the cost of an employee is to multiply their wage by between two and two-and-a-half. That means the social media desk is going to cost the organization around £100 to £125K a year. Of course you can increase or decrease these figures pro-rata the commitment to marketing on social media. However, for a medium-sized business, that is a lot of money. A lot of money that has to be recouped. A lot of money that could be spent on tried-and-tested (probably offline) marketing.

> " ...marketing on social media is not free ... to be effective it can be very expensive "

It is not only the cost that is prompting many marketers and observers to question the value of marketing on social media. It is fairly standard practice for marketers that any marketing tactic, campaign or strategy must bring in more money than it costs. Marketers will appreciate that this is problematic where branding is concerned, but ultimately the same rule applies. So how is it that so many organizations have plunged headlong into marketing on social media without consideration of any return on investment (ROI)? Research for *The Highlights & Insights* of the CMO Survey (2017) found that only 37 per cent of marketers say they can produce quantitative proof of the impact of social media spend. Worse still are findings from the same organization's 2016 CMO Survey. It found that only 3.4 per cent of marketing leaders reported that social media contributes *very highly* to the organization's performance, with 40 per cent reporting a below average contribution.

Furthermore, marketers are not even sure how to measure marketing on social media in order to assess it against the costs incurred. Perhaps they are not looking too hard to find effective measurement, fearing the results might serve only to prove the failings of marketing on social media. Statistics from outside organizations do not help. Research from Sign-Up Technologies (2013) found that the average clickthrough rate (CTR) for a tweet is 1.64 per cent. In real terms, less than two in a hundred followers will click on a

RESEARCH SNAPSHOT

Marketing on social media doesn't measure up?

The 2016 *SimplyMeasured State of Social Marketing Annual Report* revealed that measuring ROI was the top challenge identified by marketers – with securing resources and tying social to business goals the next two. The report makes no mention that securing resources (from finance departments) might be directly linked to a lack of evidence of any ROI.
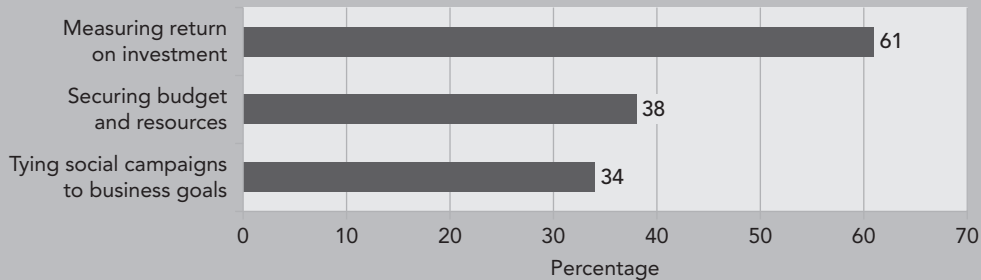
Figure 9.2 Top challenges identified by marketers

The same organization's 2017 report found that few marketers are using revenue and conversion metrics as their standards.
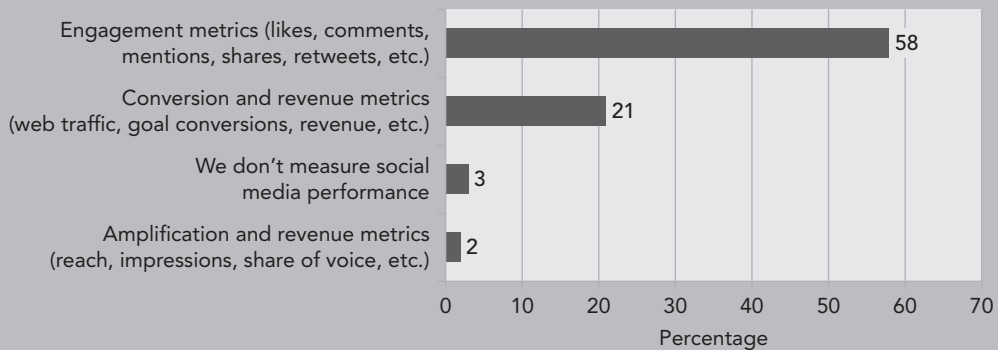
Figure 9.3 Methods for measuring social media performance

link in that carefully crafted and timed marketing tweet. Such is the way that percentages work, that there must be many tweets that get close to a zero per cent response. For a medium flaunted for *engagement*, that is a very poor ROI.

Perhaps marketers should ignore measurements of *engagement* and measure like-for-like promotions. For example: send the promotional message *10 per cent off this product for the next seven days* by tweet, email, post, coupon through letterboxes and radio – or maybe just put signs up in-store. Then calculate the cost and measure it against the sales generated by each. The tweet might be cheap – but at the CTR above it might not generate any sales.

> **RESEARCH SNAPSHOT**
>
> **Not worth the effort?**
>
> The State of Pipeline Marketing report (Pipeline Marketing, 2016) sought to identify what channels B2B marketers used – and how effective those channels were.
>
> With 85 per cent of respondents saying they used social media marketing, it came second (to email marketing) in the *channels used* section. However, for the *channel which makes the most positive impact on revenue* only 3.1 per cent of respondents said it was effective.

Who owns, manages and performs social media marketing?

In Chapter 5, the issue of who has *ownership* of the organization's website is addressed – and as marketing on social media is accepted as part of strategic marketing the same question is raised for this latest addition to the online marketing mix. For the smaller entity, it is likely that all marketing is managed within one department. However, larger enterprises will have a number of subdivisions within their marketing division, and so there has been something of a *land-grab* for ownership of social media within the various constituents of marketing.

Social media marketing needs to be an organization-wide initiative – but to be effective it must have a single point of *ownership*. However, if strategic responsibility lies within the marketing department, that is not necessarily where *operational* issues take place. Social media marketing is best delivered by staff that have the ability to write effectively and with the necessary skills, training and education to represent the product, brand or organization in the social media environment. Some marketers do possess these skills, but it is more likely that the best proponents of the necessary skills are found in the public relations (PR) department. Those staff are likely to have either journalistic backgrounds or they have studied journalistic skills as part of a public relations-based education programme. However, it is often the case that PR staff lack the relevant marketing education and/or experience to see the role *social* plays in the organization's wider strategic marketing.

It is also the case that the person appointed to take responsibility for any social media marketing must also act as a champion for the cause. This means that they must be a *natural* part of the culture and ethos that makes the organization *right* for social media marketing.

If identifying the manager for social media marketing is problematic, the same issue is repeated for staff. They must have the prerequisite writing skills, but they must also possess *soft skills,* such as multitasking capabilities, patience, flexibility, dedication and a good sense of humour. Indeed, it is an argument that, as in many customer service jobs, staff should be recruited on their soft skills as they cannot be taught in the same way that hard skills can. Furthermore, folk with the requisite hard skills are not suitable for

social media roles if their personalities do not match the job's soft-skill requirements. Suitable staff are also very likely to part of Generation Y – the *Millennials* – which in itself can be problematic. By definition, these folks are relatively young, and so may not have the maturity and common sense that comes with age and experience (Charlesworth, 2018).

In the subsequent sections of this chapter, I have divided social media into different elements in order that they can be considered as a marketing tool. However, you should bear in mind that the distinctions between some categories are blurred – better that you try to consider the whole chapter as one big subject – which is why I finish with a section that looks at *strategic* marketing on social media.

9.2 BLOGGING

Although the term *weblog* was first used in 1997, with the *blog* being introduced in 1999, the practice dates back to the early 1990s when individuals surfed the web and listed (or *logged*) websites that they found interesting, often with their own review of the sites (Charlesworth, 2007). Since that time, online blogs have developed through being online personal journals to mini websites based around the thoughts or interests of the writer. The advent of *blogger* sites (e.g. blogger.com) that facilitate their easy development saw an explosion of blogs in 2006/2007. However, since that time, the proliferation of alternative modes of social media has resulted in blogging becoming less popular with both writers and publishers. However, it is reasonable to suggest that entries on Facebook, and in particular, tweets on Twitter, are themselves micro-blogs. Despite the medium's apparent decline in volume, they can have an important role to play in digital marketing.

Although blogging can be non-commercial – and the majority of the millions of blogs out there are – we are considering blogging as an element of digital marketing. Types of *commercial* blogs include the following:

- The company evangelist: a less formal presentation than corporate literature or even website, this suits organizations where a culture of staff participation and involvement is paramount. The passion of the writer plays a big part in imbuing a feel-good enthusiasm to the reader. The blog could be used to talk about new products, uses for existing ones or problem-solving.
- The product blog: although this can become more akin to an online community, such a blog can lead the conversation about product uses and attributes while still allowing users to respond via the feedback facility.
- The CEO/Director blog: more formal than the company evangelist, but still comparatively informal, this is perhaps the most difficult to get right. Success or failure is often down to the personality of the writer. Ghost writers can be used – but these are easily uncovered if the content doesn't ring true.
- The event blog: these are not permanent, but are used in the run-up to, or during, an event or as part of a wider promotional strategy.

● The promotional blog: this is the kind of blog written by small business owners or managers. Popular at one time, social media platforms such as Facebook have replaced many of them – although they can still be used to *promote* the writer's expertise in the industry or market.

In commercial terms, blogs are normally used as a voice of an organization, an individual within an organization or as an outlet for people who are promoting themselves (e.g. their consulting services). With all of these, the writer is looking to exhibit their skills and experience within the topic on which they are writing and so be identified as a thought leader in their chosen subject. More recently, blogs have become the main platform for influencers.

Decision time

For many marketers – if not most – blogs are something that might cause a blip on their online radar occasionally, but in the main they simply ignore them as a medium for a marketing message. If you are to employ them, however, Scott (2007) suggests there are three ways to use blogs:

1. Monitor other blogs.
2. Participate in conversations on others' blogs.
3. Create and maintain your own blog.

I would add a fourth that falls between two and three – that is to respond only to comments made about your organization, product or brand – which may be considered to be an aspect of brand *development* or *protection*, depending on the comments.

Whilst the first of these can be completed by a software application that requires only monitoring, the key issues with the other two are that they (1) are enormously time-consuming, (2) are not advertising, and (3) require skill and authority.

Considering the latter of these first, any comments that go on the blog – or micro-blog – are effectively the opinions of the organization, even if the blogger is identified by name as an employee. For this reason, individuals talking about themselves or their business are often more productive than those written by employees who have to answer to a higher authority. Also, where employees are responsible they should be aware of all those issues that are relevant to website content development. For example, bad spelling or grammar will reflect badly on the organization or brand. The second point (advertising) is a difficult hurdle for the writer to overcome, and requires a mind-set that often goes against the natural instincts of the corporate writer. However, even a hint of advertising copy within the blog will turn off those who might be attracted to it in the first place. But it is the first of these points that is the key – blogging takes up an inordinate amount of time. Not only is it *not* something you simply tag onto a member of staff's workload to do *when they have time*, but someone has to be responsible for developing the subjects that are to be included. Essentially, having a *corporate* blog is a strategic decision, not something to be decided by individuals or individual departments.

If you do intend to participate in blogging as part of a digital communications strategy, there are a number of principles that you should honour if you are to be accepted into the *blogsphere*. These include:

- If you make your own observations about a subject published on another blog – or any source including social media – acknowledge and link to the original blog. Note that offering constructive criticism is not a problem – it is the foundation of discussion and makes best use of the interactive nature of the Internet.

- If you are picking up on a response to an original post, make sure that you link to the site where the argument originated, not just those blogs or platforms that have responded to the original post (it's not unusual for the originator of the subject that has stirred a controversy to be left out of the links – and so its author gains no credit).

- If you use an article from another blog – or any source – in your blog always seek permission and add a link to the original article.

- If you do relate to an original blog – make sure you (1) quote it correctly, and (2) get your facts right – that is, make sure you appreciate the point that is being made.

> **"**
> …it is almost as if blogs have taken their place as the elder statesmen of social media
> **"**

As you can see from these guides, blogging has come to be more *formal* than other social media – Facebook and Twitter, for example, where posts are more often than not throwaway comments. Blogs are also generally longer and more considered than other platforms – it is almost as if blogs have taken their place as the elder statesmen of social media.

YOU DECIDE

Advise Lindsey Naegle (case study 12) on how she might use a blog as an element of the online marketing of her consulting service.

Alternatively, conduct the same exercise for your organization or that of your employer.

9.3 CONSUMER REVIEWS AND RATINGS

When asked (and I frequently am) what has been the biggest impact of the Internet on business, the ability of customers to offer their opinions of products and services to thousands – millions, even – of people has to be in the top five. The impact of online reviews is twofold: (1) for marketers they are either your best friend or worst enemy, and (2) for consumers they have improved the products and services we buy. The marketers of products that offer good *value* – though not necessarily high quality, that is contextual – see reviews as helping them market their goods. Marketers of products that

offer poor *value* see reviews as helping consumers avoid their goods. For the latter, however, the problem is solved by improving their offering to the public – to the benefit of consumers.

Consumers' feedback is made public in online reviews – and whilst the concept has existed as long as there has been a print media, never before has it been possible to reach such a large audience. Online review facilities come in a number of guises, the most significant being:

- websites that publish review forums as a business model, generating income by selling on-site advertising and research data
- websites that use reviews as additional content that attracts visitors
- retail sites that offer feedback facilities for customers to leave comments on products that are available on that site
- manufacturer sites that encourage feedback on products
- service provider sites that use customer feedback as part of their product presentation.

It should be noted that some social networking sites (covered later in this chapter) also include customer reviews. These are, however, conversational in nature, rather than being part of a more formal arrangement and their use is sometimes dubbed either *social shopping* or *social searching*.

To simplify the issue for both reviewer and reader – notably, the time taken to write and read the content, respectively – many sites provide a method of rating the product or service being assessed. This can be a simple image of a thumb up or down to signify recommend or not, an overall *star* rating or more complex multi-element star ratings based on various aspects of the product. To personalize sites, stars are frequently replaced by images that are associated with the site – *paws* on a pet-related site, for example. Based on the consumers' levels of approval, some sites aggregate the results so the rating becomes based on the average of responses.

RESEARCH SNAPSHOT

Who do you trust?

Research presented by numerous organizations since the end of the first decade of the new century has emphasized the way customer-generated reviews impact on fellow consumers. For example:

- 78 per cent of online Americans aged 18–64 agree that online reviews help them decide whether or not to purchase a product.
- Searching for reviews online is the primary way consumer electronics buyers seek out product opinions – focusing more on consumer reviews than professional reviews in this all-important process.

- 98 per cent of respondents found user-generated reviews helpful when researching holiday shopping.
- Eight in ten consumers trust online reviews as much as personal recommendations and two in three respondents said that positive customer reviews make them more likely to use a local business.
- 82 per cent of respondents said that reviews either influenced them to buy a different product than the one they had originally considered or confirmed their original purchase intention.
- 68 per cent of survey respondents indicated that they trust consumer opinions posted online.
- Roughly eight in ten Americans (82 per cent) say they consult online ratings and reviews when buying something for the first time. However, when asked their opinion on those ratings and reviews, they are pretty much evenly split. Roughly half (51 per cent) of those who read online reviews say they generally give an accurate picture of the true quality of the product, but a similar share (48 per cent) believes it is often hard to tell if online reviews are truthful and unbiased.
- 73 per cent of consumers think that reviews older than three months aren't relevant – and 22 per cent will only consider reviews written in the last two weeks.
- Although many people say they read reviews, not too many write them (see also the 90-9-1 rule later in this chapter). When asked what they did after a very good or very bad experience, only 15 per cent of respondents said they left a comment or rating on a third-party website such as TripAdvisor.

Sources: Ipsos Open Thinking Exchange; Weber Shandwick; Expo.com; BrightLocal; Deloitte Consumer Product Group; Nielsen; Smith and Anderson; Temkin Group

But it is not for purely altruistic reasons that websites feature customer comments. As previously mentioned, for some sites they are a significant element of the publisher's business model. There are, however, other advantages. Luo (2002), for example, found that the availability of inter-consumer communications assists online consumers and helps to influence the perception of trustworthiness about a company. Freedman (2008) takes this a stage further by suggesting that unbiased reviews (where they are more transparent and trustworthy) engender customer trust and that trust translates into loyal, lifelong shoppers.

However, doubts are beginning to creep in about the validity and authenticity of some reviews. A professional or serious hobby photographer commenting on camera lenses, for example, might be taken as valid advice from someone who *should* know what they are talking about. However, requests for product reviews have become the default action for many sellers – in recent times, I have been asked to review a light bulb and a car park – and have diluted the practice. It is also the case that many, if not most, of this type of

PRACTICAL INSIGHT

Testimony on testimonials

Although not strictly part of social media, testimonials are generated by consumers – and so can be considered in this section. Correctly worked customer testimonials on a website can help convert potential clients to customers – but badly thought out bland quips can do the reverse. Testimonials that work will:

● be harvested continuously and not sought out retrospectively in order to update web content

● be found easily on the website – with prominent links guiding prospects to them

● appeal to the target audience – this is particularly the case in a B2B environment where business buyers need to be assured that the testimonial is from someone who has the same problems as them

● be from customers who are delighted with your service – *happy* isn't enough

● describe how the organization helped the writer solve a particular problem and not be simply a generic 'I think they are wonderful' message.

review are not presented in context. Knowing that Mrs Docherty of Sunderland likes the kettle she bought from Tesco, for example, is hardly going to inspire a purchase. Furthermore, public scepticism has been increased by reports of organizations *doctoring* reviews.

Worse still is another issue – the false review. Some industries are more susceptible to this than others, but the phenomenon is particularly problematic in the travel industry, where numerous websites invite customers to give feedback on hotels in which they have stayed. The problem is twofold: hotel owners and management leave (1) exceedingly positive reviews for their own establishments, or (2) negative comments about competitors' hotels.

MINI CASE

Say it with a song

If you have ever had bad service and wanted to get your own back, social media provides a perfect platform – and if you make your complaint into a song then millions of people might see it on YouTube.

That's just what Canadian musician Dave Carroll did when his guitar was broken during a trip on United Airlines. The song became a classic social media hit – and a massive embarrassment for the airline.

Follow the link from the chapter's web page to see, and sing along with, *United Breaks Guitars* as well as reading the story as told by the man himself. Or you could buy his book: *United Breaks Guitars. The Power of One Voice in the Age of Social Media.*

Decision time

For the digital marketer, the dilemma is not only *how* to best utilize consumer input, but *can* they utilize it at all? In the case of comments on individuals' *private* social media pages, it is something that happens and the marketer can do little but monitor and either collect it as product feedback, ignore it or react to it.

However, when considering formal reviews, the online marketer has the choice of being passive or proactive. Most are passive, simply tracking comments made by consumers as they appear online. For many it is a case of using the reviews as market research and little more. However, in some circumstances it is feasible for an organization to be proactive by joining in with online comments or responding to them. Although some organizations choose to conduct this covertly – adding comments as another reviewer responding to previous comments – this is a risky practice. Not only would discovery result in lost credibility for the organization, brand or product – but under the Consumer Protection from Unfair Trading Regulations (2008) in Europe the practice is likely to be deemed an offence. Overt comments made in response to criticism, on the other hand, can have the opposite effect – with the public reacting positively to companies that are honest and up-front with regard to their failings.

Despite the phenomenon that is social media attracting millions of people, research from Jacob Nielsen – originally published in 2006, and still held to be accurate – suggests that not too many folk actually contribute. He found that user participation often more or less follows a 90-9-1 rule:

- 90 per cent are *lurkers* – that is, they read or observe, but don't contribute.
- 9 per cent contribute occasionally.
- 1 per cent participate a lot and account for most contributions.

Nielsen goes on to say that blogs have even worse levels of participation – for them the contribution rule is more like 95-4.9-0.1. Wiki sites perform even worse. Wikipedia's most active thousand contributors – 0.003 per cent of its users – contribute about two-thirds of the site's edits.

For digital marketers it is important to note that this small percentage of web users – particularly of review sites – who are contributors are the *influencers* in the online market-place, and so they wield an inordinate amount of power in that marketplace. However, the small percentage that contributes occasionally can be encouraged to make those contributions. Methods will vary from industry to industry, and aggressive *encouragement* will

PRACTICAL INSIGHT

AIDA moves into the digital age

In earlier chapters, the AIDA model is used to demonstrate buyer behaviour and website development, respectively. In the original concept, the action – normally a purchase – is the end of the chain of events. However, when considering the impact of social networking on contemporary marketing perhaps an additional element should be added to make the social media version: Attention, Interest, Desire, Action and *Tell* (AIDAT) where the additional 'T' indicates that the customer should be encouraged to *tell someone about it*.

```
┌──────────────────────────────────────┐
│              ATTENTION               │
│   I become aware of a product or      │
│              service                  │
└──────────────────────────────────────┘
                  ↓
┌──────────────────────────────────────┐
│              INTEREST                │
│        It might meet my needs so      │
│         I seek more information       │
└──────────────────────────────────────┘
                  ↓
┌──────────────────────────────────────┐
│               DESIRE                 │
│        It will meet my needs,         │
│      therefore I would like to buy it │
└──────────────────────────────────────┘
                  ↓
┌──────────────────────────────────────┐
│               ACTION                 │
│         I make the purchase           │
└──────────────────────────────────────┘
                  ↓
┌──────────────────────────────────────┐
│                TELL                  │
│      I am so pleased with the product │
│      or service that I go online to tell│
│        others of my satisfaction      │
└──────────────────────────────────────┘
```
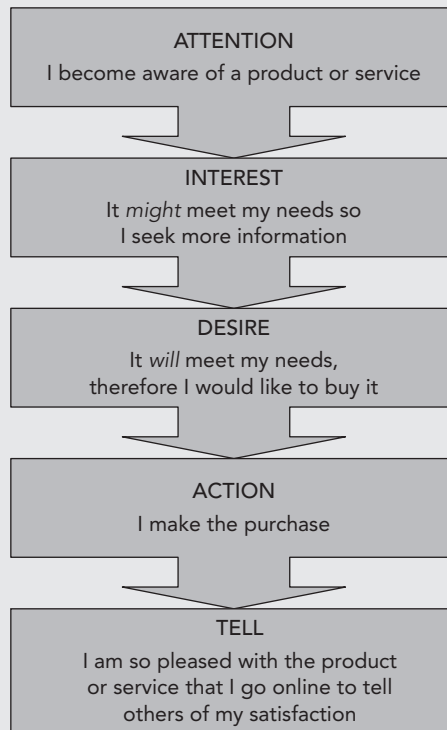
Figure 9.4 The AIDAT model

produce results that are opposite to the desired objective – and so they should be practised with care by staff who have been trained in their delivery. But here are examples of how customers can be *persuaded* to submit reviews:

- Ask – it seems obvious, but even the most enthusiastic customers should not be expected to be proactive in seeking out methods of giving a review. Online, this would include having a clear *call to action* on every appropriate page. Offline, this means asking customers face-to-face.

- Make it easy – you are, in effect, asking the potential reviewer to do you a favour, so do not present barriers to that favour. Online forms should be quick and easy to complete – *less is more* being the key in these scenarios. Offline, easy access to an online device or a clear web address to be accessed at a later date could be part of an invoice or receipt.

- Use email – online bookings mean that you have the customer's email address – it can be used to contact them after the purchase.

- Offer an incentive – take care that this does not become a bribe, but a gesture towards rewarding a customer for their time might increase contributions.

- Formalize compliments – if you offer a great product or service, people may offer verbal compliments, so seek to turn those informal comments into reviews.

YOU DECIDE

Advise the consortium that owns the Hotel Pillowmint (case study 3) on how consumer reviews and ratings might (a) impact on its marketing, or (b) be influenced by the organization's marketers.

Alternatively, conduct the same exercise on your organization or that of your employer.

9.4 SOCIAL NETWORKING

In the previous editions of this book – and in other publications – I have associated social networks with online communities. It was, therefore, necessary to start this section with a differentiation between the two. However, such is the nature of contemporary social media that I now believe it is impossible to distinguish between them, and so I will concentrate on Facebook as an example of social networking. Note, however, that although Facebook is the best known, it is not the only provider out there – see the extensive list of social media platforms earlier in the chapter for the others. One thing that all social media sites share is that without content to maintain visitors' interest, the sites soon lose any appeal they may have – even if that content is produced by the members themselves. Virtual communities depend on people visiting their sites, facilitating social interaction and, most significantly, enhancing the loyalty of community members. However, it is a perceived usefulness that is a significant antecedent of a member's sense of belonging to the virtual network or community.

That these networks and communities effectively segment themselves for specific products and services provides an opportunity for the digital marketer. Nelson and Otnes (2005) used wedding planning discussion boards as an example of how users – the brides to be – solicit advice, opinions and information, as well as to gain emotional support, social comparison and camaraderie. However, alongside the personal chat and advice was marketing-related information, including links to websites that featured

recommended products and services. Back in 2005 discussion boards may have been the only type of site available to members – now Nelson and Otnes' observations are just as valid when applied to Facebook or other similar platforms.

PRACTICAL INSIGHT

The many faces of Facebook

Too often users and commentators refer simply to something being 'on Facebook' – but there are actually a number of different Facebook presences. They are:

A Facebook Profile Page – this is for individual human beings. Used mainly for personal pages, they can be used by marketers only if it is an individual that is being promoted. Users can 'friend' a profile page.

Facebook Pages – represent businesses, political communities, charitable organizations or endeavours (including bands and celebrities). Users can 'like' a Facebook page.

Facebook Group Pages – these can be public, closed (invite only) or hidden and are used by like-minded individuals to communicate with each other – only profile accounts can be included into a group.

Facebook Event Pages – similar to a group in the way they function, but they can be set up by a profile or a page. Online marketers can use them like a page for specific activities.

Facebook Places – mainly for mobile devices, Places allow users to check into locations geographically and so share their whereabouts with 'friends'. Businesses can use Places to promote to friends who are in their location or reward loyalty if the user tells friends they are at a specific business (a bar or shop, for example).

Although the strategic objectives may be more expansive, for any marketing on social media to succeed there is a requirement for consumers to *join* the social media presence of the organization, brand or product – be that by *following*, *liking* or whatever.

What is it then that prompts someone to follow a brand on a site like Facebook? More recently researchers seem to have stopped looking, presumably because findings from the last five years or so are unchanged. Those findings include the following:

- Chadwick Martin Bailey (2012) found that receiving discounts and special offers was the leading reason for liking a Facebook page (41 per cent).
- A survey by Analytic Partners (2013) discovered that Facebook users responding to the survey claimed to be most likely to click on discount offers (67 per cent), followed by contests or giveaways (41 per cent).
- In Syncapse (2013), 42 per cent of 2,000 survey respondents cited 'to get a coupon or discount' and 41 per cent 'to receive regular updates from brands I like'.

- A Lab42 (2102) survey asked respondents for their biggest motivator for 'liking' – with promotions and discounts (34 per cent) heading the reasons, followed by free giveaways (21 per cent). Loyalty and brand trust were cited by 14 per cent and 11 per cent, respectively.

- McCann Truth Central (2014) found that 66 per cent of people think a brand using content from their Facebook page on the brand's social media site without the permission of the user is 'uncool'.

- Technorati Media (2013) found that users *like* brands on Facebook to learn about products and services (56 per cent), keep up with brand-related activities (52 per cent) and promotions (48 per cent), and provide feedback (32 per cent). YouTube users engage with brands to learn about products and services (61 per cent), keep up with brand-related activities (41 per cent) and provide feedback (23 per cent).

That significant numbers of consumers use Facebook to provide feedback to brands is indicative of how the general public perceive the role of social media in a brand's communication mix.

MINI CASE

Buying friends

In a digital world where credibility can be measured by the number of fans you might have, or it's embarrassing to not have an audience, it should come as no surprise that purchasing social media popularity is not only big business, but cheap and easy – and difficult for the average user to spot.

To find someone willing to increase you social media presence for a fee, just type something like "buying fake followers" into a search engine – or to discover how to spot phoney friends, try "fake followers". Or, if you are in Moscow, you can use a vending machine to buy likes at around a penny each (follow the link on the chapter's web page for this story).

Readers should note that I have resisted the temptation to artificially inflate my Facebook, Google+ and Twitter followers – so why not reward that honesty by supporting me on those sites?

Decision time

There are three models that the commercial organization can use in adopting social media networks for strategic purposes. They are: facilitating, employing and joining. Let's consider each in more detail.

1. Facilitate

    This is where the organization provides a system where users can create profiles and interact with other members of a community. A business model in its own right,

it is expensive to develop and operate as an income source in its own right. However, it can be part of a wider online strategy – a *club* as part of a web presence, perhaps.

2. Employ

This tactic is to use social media as a channel for recognized promotional activities. There are two fundamental methods:

- Sponsorship – as with its offline application, online sponsorship is chiefly used as part of a wider branding exercise. The organization simply seeks to sponsor a community site where the majority of the participants are in the target market segment for the organization, brand or product. It is particularly useful for niche communities where the concentration of demographics is better, but still relatively inexpensive because overall member numbers are small.

- Advertising (for selling) aimed at the demographic represented by users, for example. As covered in detail in Chapter 7, social media and community sites provide excellent opportunities for targeted advertising – though as noted in that chapter, clickthrough rates are poor.

3. Join

Perhaps the most common use of social media sites by marketers because of its convenience (and perceived ease), this is where the organization actively engages in publishing on social media platforms by entering into exchanges and interacting with the community. Note that any of these practices should be conducted with overt disclosure of the brand or organization being represented – essentially the social media page is *owned* by the organization, brand or product and is treated as part of its online presence.

The key decision for organizations in this element of digital marketing is not simply whether or not to be proactive in adopting it as part of their online activities, but also whether or not you are going to be reactive in response to any comments on social media sites that may be applicable to the organization.

Wider consideration of strategic marketing on social media is covered later in this chapter.

PRACTICAL INSIGHT

Working the *digital* room

The social network which operates closest to traditional offline business networking is LinkedIn. Many people think that this social network is little more than a place to put their CV (or *résumé*) out in the public domain – and then ask everyone they can possibly think of to 'connect' with, or 'recommend', them. Whist this is one use for the network, it is wasting the site's potential.

Not least is that organizations can use LinkedIn as a B2B network to disseminate corporate information and news as well as part of its recruitment strategy.

For the individual, however, LinkedIn is a way to promote yourself – although there may well be an inextricable link between the person and their employer. What is important on a 'professional' social network is that quality trumps quantity. On Facebook, for example, most users seek to build a high number of 'friends'. On LinkedIn, any invitations to 'connect' should be considered carefully – you are judged by the quality of your network. You can also recommend your contacts' skills and request the same from them. Again, this should be practised with care – your network stock will soon fall if you recommend people who then fail to live up to those recommendations.

Finally – and as with all social media – there is the opportunity to gather marketing, or competitive, intelligence. From who has viewed your profile to a key member of your main competitor's staff leaving, this information might just give you that edge when pitching for business or seeking to close a sale.

Source: Alan Charlesworth (2018)

YOU DECIDE

Advise the marketing department at Huxley University (case study 10) on how they might best use social networks in their online marketing efforts.

Alternatively, conduct the same exercise on your organization or that of your employer.

9.5 SOCIAL SHARING

As with the previous section of this chapter on social networking, defining social sharing is not an exact science. However, although it may well be possible to simply consider the list of platforms offered at the beginning of this chapter and declare they are all social media and leave it at that, it is necessary to identify the primary purposes of the platforms as each can be used in a different way by social media marketers.

Whereas networks – and community sites – *host* marketing content, each social sharing platform is used as a medium for carrying a message – a *broadcast* of thoughts and activities. Twitter is the best example of this for textual messages, with the likes of Pinterest, Instagram (which is based around mobile devices and owned by Facebook) and Snapchat allowing users to share photographs of objects, places and people, and YouTube doing the same for videos.

> " Social sharing is more of an *in the moment* channel…"

Social sharing is more of an *in the moment* channel that can be used by marketers to deliver timely customer support or disseminate breaking news or contests, whereas networking focuses on *engaging* with customers.

From a marketing perspective then, Twitter can be seen as being instant, whereas Facebook is for conversations.

The aforementioned Technorati Media's 2013 report (the organization subsequently moved its focus to advertising technology – perhaps explaining why 2013 was the last of a series of excellent annual reports on social media) also drilled down into the different platforms to identify why consumers use social networking sites to engage with brands. They found that, whilst there were similarities, the differences were sufficient for marketers to take note. Those reasons are:

- Twitter users like to keep up with brand activities (57 per cent) and learn about products and services (47 per cent) – again, providing feedback has a role, at 27 per cent.
- Pinterest users follow brands primarily to learn about products and services (56 per cent), to keep up with brand activities (35 per cent) and for promotions (28 per cent).
- Instagram users keep up with brand-related activities (41 per cent), learn more about products and services (39 per cent) and make purchases (27 per cent).

PRACTICAL INSIGHT

Real-time social media marketing

This is where the social media marketer monitors happenings in the 'outside' world – though obviously geographic, industry or market-based happenings would be their main focus – and then reacts to them to the benefit of the product, brand or organization they represent.

Perhaps the seminal example of the practice belongs to cookie/biscuit maker Oreo. When the power failed during the 2013 American Football Super Bowl – plunging the stadium into darkness – Oreo's social media agency's team immediately tweeted 'you can still dunk in the dark'. In an event where TV advertising is measured in millions of dollars, this simple tweet stole the marketing show.

Decision time

It is important for the social media marketer to appreciate the different ways in which text-based social sharing platforms can be used when compared with those that are image-based. However, as is – it seems – always the case with so many aspects of digital marketing, the platforms are not exclusively text or image oriented. An image can be sent on Twitter, for example, and an image that contains only text (i.e. not a picture) can be sent on Instagram. Nevertheless, Twitter is mostly identified with textual messages, Instagram and Pinterest with pictures.

Text-based social sharing

As Twitter is the market leader in social sharing, the following is based around that platform. However, the content is equally valid for any text-based social sharing platform. Equally valid is that all content must be valuable to the reader; if it isn't, they won't read it. Similarly, quality always trumps quantity.

The following is a guide for effective Twitter marketing:

- Tweet for your target audience – the medium is a personal interaction with customers. A conversational approach is the most effective – you are *talking* with consumers, not trying to sell them something.
- Be consistent – not just in the content, but in how it is written.
- Create Twitter lists – not everyone will want to read every message you send. In marketing, we call it segmentation.
- Social is not a 9-to-5 media – your audience will expect tweets and, importantly, responses in the evenings and at weekends.
- Tweet at the right time – times will vary from industry to industry and market to market, but send messages when your target audience is online.
- Keep tweets short and sweet – tweets are limited to 280 characters as a maximum, not a requirement.
- Join conversations – do not simply send tweets and sit back waiting for people to contact you.
- Re-tweet – scan Twitter and *re-tweet* content relevant to your product, brand or organization.
- Don't be shy. If you have developed content that is worth sharing, then ask your followers to *re-tweet* it.
- Offer exclusive content to followers – promotions or product insights not available elsewhere, for example.

PRACTICAL INSIGHT

#hashtags

According to Twitter, 'a hashtag – written with a # symbol – is used to index keywords or topics on Twitter'. As hashtags started on Twitter, that is a fair definition from that organization – but realistically it is not totally accurate as hashtags are now commonly used on all social media platforms.

More generically, a hashtag is a word or phrase preceded by a # symbol and used to create a thread of conversations around a specific theme or topic – so categorizing that subject.

Hashtags have unlimited length (within the character confines of the platform on which they are being used). Only numbers, letters and the underscore can be used – no spaces, dashes or other special characters found around a keyboard. Hashtags that start with a number (e.g. #123) won't work. Clicking or tapping on a *hashtagged* word shows you other messages that include that hashtag.

Footnote: if you are not in the US, you may be confused by Americans talking about the pound symbol – that's because on US keyboards the hashtag is on the same key. Before its adoption in social media, the hash symbol was used to represent the word *number*, as in #7.

Source of additional material: hashtags.org

Image-based social sharing

Social media marketers who ignore image-based social media platforms do so at their own risk. The following is a generic guide for effective image-based marketing on social media, *most* of which apply to *most* of the platforms available:

● Some products, brands and organizations are simply not suited to picture-related social promotion – and some are. Retailers, hotels and restaurants have plenty of pictorial content; an insurance company or bank might not.

● The content must be planned – for example, by product range, season, trends, events or promotions.

● Have a balanced schedule – users are easily overwhelmed or turned off by a lack of activity.

● High-quality, compelling images are vital.

● Use *hashtags* – they will help users find you when they are searching on the site.

● Feature fans – tag pictures of your product posted by users on their pages onto your account page.

● Create separate content for different platforms, perhaps with different objectives.

Although Facebook is popular for the posting of videos in networking and community settings, when it comes to the social sharing of videos, the biggest brand to date is YouTube.

In marketing terms, this social media space is dominated by companies in the entertainment industries – TV, movies, music – simply because they have material that has been developed for other media that can be used online. However, the availability of handheld video devices – every smart phone has such – means that even the smallest organization can produce video content that can be hosted on YouTube (though note that many use the company to host their videos, but *embed* them on their own websites). These videos can meet different objectives, brand development being an obvious one.

However, *how to* or *self-help* videos can be used as an after-sales service. Similarly, a short video showing how easy a product is to use can include a call to action to encourage sales. It should be noted, however, that the use of videos on YouTube is more broadcast than it is social media engagement – the point made earlier in the chapter.

MINI CASE

Will it blend?

Based on manufacturer Blendtec's practice of testing the strength of their blenders with unusual objects, marketing director George Wright decided to film various demonstrations of this *extreme blending* and post them online utilizing an associated microsite, willitblend.com. Although employees were asked to email their friends telling them about the videos, it was only when customers were invited to suggest objects to blend that the site's popularity soared. Blending virtually everything from golf balls to iPhones, the story moved offline – and the whole thing went *viral*. Importantly, the exercise not only raised the brand's profile – but sales of both commercial and household blenders increased.

Although this book is about online marketing, no aspect of marketing exists in its own marketing vacuum. In its first edition, I included a section on promoting the website offline. That was back in the days when not every piece of offline promotional material included the domain name of the brand or organization (social media logos did not exist then) and so it needed to be *taught*. That is no longer the case and so that section is no longer relevant. However – as I mentioned earlier in the chapter on how customers can be persuaded to submit reviews – organizations, brands and products should present their offline selves in a way that appeals to the social media *snap*. Obviously, this is contextual – it's not really relevant to, for example, an accountant. However, retailers and service providers should be taking notice. Restaurants are presenting dishes so that they are not only aesthetically pleasing (top chefs have always done this to their *creations*) but also easily photographed – notice how big, white, square plates have become more popular? However, it is not just the product that should be *groomed*. The design and decor of restaurants may also feature on consumers' Instagram posts, so it has to be a consideration for the owners – as too should the lighting, which should be optimized to best enhance the phone-based photo app.

A caveat to all of this is that whilst customers can be encouraged to post on the brand's social media presence, most will be posting on their personal presence on the various platforms – which raises the question as to whether or not it is actually marketing. I would argue it is word-of-mouth marketing. That is, the seller is encouraging the buyer to spread a positive message about the organization, brand or product.

9.6 SOCIAL MEDIA SERVICE AND SUPPORT

When I first developed my concept of *three online marketing objectives* around 20 years ago, the opportunity for organizations to use the web to provide some kind of service and support was limited – often to little more than a *frequently asked questions* page. Indeed, the only decent example I could offer was that of Cisco, who used an on-site forum as part of its dissemination of advice and guidance to its engineers who were spread around the world. However, the advent – and popularity – of social media platforms has opened up the potential for consumer service and support to be provided online.

Realistically, social media service and support can be broken into two elements – though they are inter-related. Those two elements are *proactive* and *reactive* service and support.

Proactive service and support

Aimed at improving the customer experience, this is where social media platforms are used to deliver a planned series of facilities or actions as part of the package offered to the customer when they make a purchase, so enhancing their use or enjoyment of the purchased product. This might include installation tips (including videos), how-best-to-use advice or operational guidance. Proactive support is well suited to *public* social media platforms as other customers – and *potential* customers – can see the conversations between the organization and consumers. This can lead to both brand enhancement and sales – an example of the *trickledown* effect described in the online objectives at the end of Part I of the book.

Reactive service and support

Better described as *after-sales* service and support, this element of service and support acts in response to customers' requests, queries or complaints. In other words, the customer experience (the proactive aspect of service and support) has failed for some reason and so the customer is coming to the organization via social media for support, or – more likely – help or recompense. However, although it is common for organizations to use the likes of Facebook and Twitter in this way, there is a reasonable argument that even with a strong social media team and organizational ethos, interactions with dissatisfied customers are best conducted out of the public eye of social media platforms – and in one-to-one environments such as email or telephone.

RESEARCH SNAPSHOT

What customers want from social media service

The 2016 *SimplyMeasured State of Social Marketing Annual Report* (cited in The Mary Meeker Report, Kleiner Perkins Caufield Byers, 2017) identified four key areas where organizations were not meeting the expectations of their customers when it came to service and support via social media.

Faster access to live support — 21
Consistent customer experience across channels — 29
Faster agent response times — 53
Easier access to online support channels — 60

Percentage
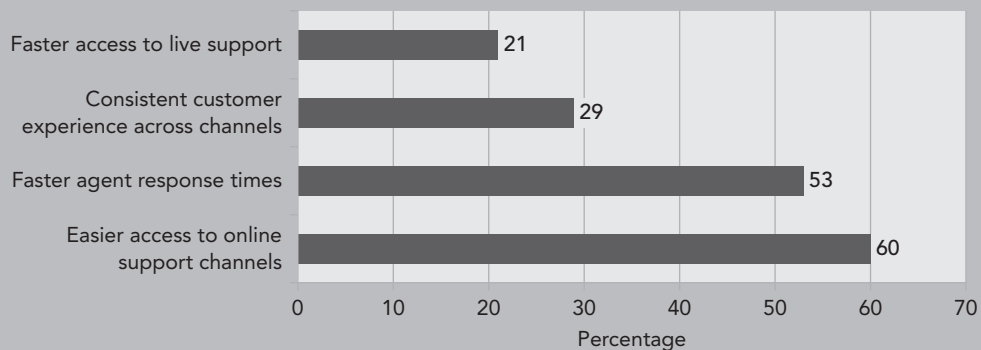
Figure 9.5 Customer expectations of social media service and support

Realistically, if an organization is going to use online as a platform for customer service and support, meeting these issues should be a given.

A third option – though one with limited application – takes us full circle back to the aforementioned Cisco site. This is using social media for peer-to-peer support. What Cisco found was that questions posed by their registered engineers were invariably answered by other engineers before the Cisco staff could answer them. The concept is, therefore, that the organization sets up a social media support platform so that it invites other customers to respond – and answer – questions and issues raised by their peers. Key advantages of this concept are:

- It works best where the user input is of a technical or knowledge-based nature where questions have finite answers.
- It can create a sense of community amongst customers.
- It can create discussion from which the organization might benefit: for example, solutions or suggested solutions which lead to the improvement of existing products or the development of new products.

However, despite the fact that staff must monitor the platform(s) so that they can step in if peers' responses are not forthcoming or incorrect answers are supplied, by far the most persuasive reason for organizations using the model is that – if it is effective – it makes possible significant savings in resources because expensive call centres or help-desks staffed 24/7/365 by highly trained employees are not required.

> **Decision time**

Perhaps the most compelling reason for adopting service and support on social media is that in some industries and markets customers expect it – almost as the *default* position. Typical of findings of research into the subject are those of Lithium Technologies (2013), who found that 53 per cent of customers who ask a brand, product or organization a question on Twitter expect a response within one hour. The full results are shown in Figure 9.6. Furthermore, given consumers' growing reliance on digital technology in general and social media in particular, it is likely that these time frames have shrunk since the research was undertaken.

However, recognition of this customer expectation is not always reflected in the performance of organizations. Research from the Social Media Marketing University (2014) reveals that, despite brands confirming that they receive customer complaints via social media, few are strategically prepared to deal with those complaints effectively. This is reflected in the response times of brands to complaints made on social media uncovered in the Social Media Marketing University survey. The full results are shown in Figure 9.7.

It is also worth reiterating a notion that is common throughout this chapter and that is that ultimately the success of *any* marketing on social media effort will be dictated by the ethos and culture of the product, brand or organization and the nature of the industry and market in which it operates.

For any kind of social media support to be effective, however, outstanding customer service and support must be fundamental to the organization. As was the case in the
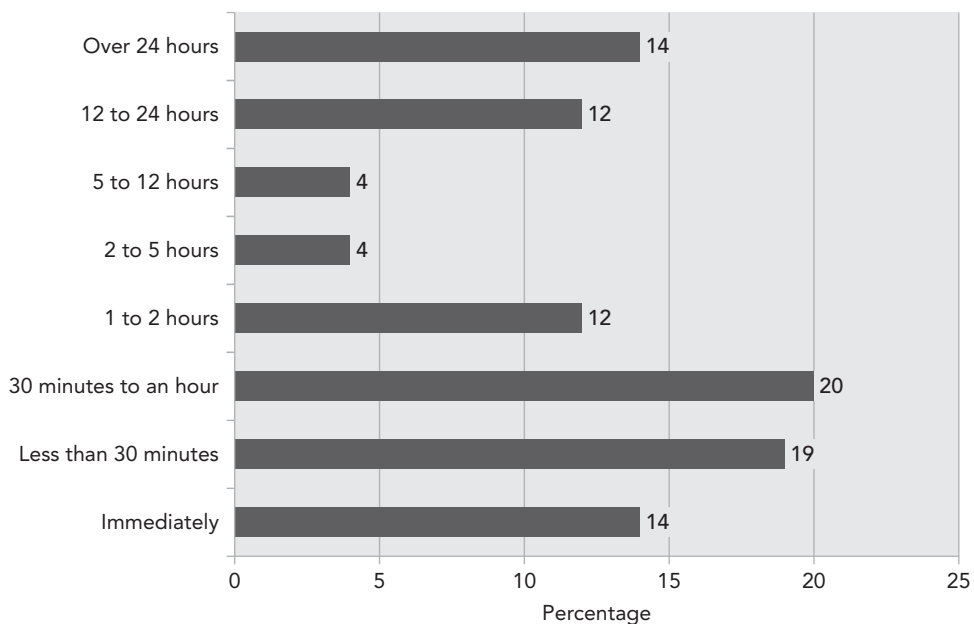
Figure 9.6 Customers' expected response times to their Twitter messages
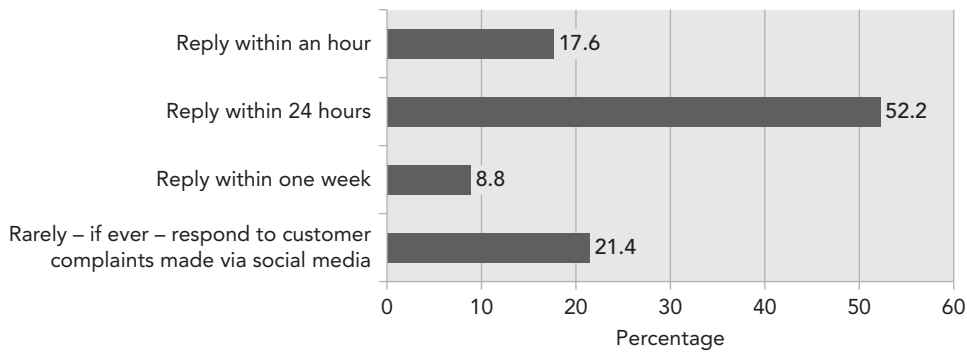
Figure 9.7 Brand response times to complaints made on social media

1990s when *some* organizations perceived the Internet as a panacea for poor customer communications, so social media cannot put right what is essentially wrong. Social media will help make *good* customer service *better*; it is not a magic wand that will make bad customer service into good customer service.

In the next section, the importance of having the *right* staff represent the organization on its social media platforms is emphasized. However, for social media support it is absolutely essential that only the most appropriate staff be in place. This is because customers are asking questions of the product, brand or organization – and by definition, questions require answers. This is unlike the posting of a comment on (for example) Facebook where a response is perceived by users as being a positive, but it is not necessarily *expected* by the poster. Bearing this in mind, whilst customer support on social media might require less resource outlay than other options – a call centre, for example – to be effective, it is not cheap.

> **YOU DECIDE**
>
> Advise Frank Furillo and his team at Hill Street Motorist Shop (case study 8) on how they might use social media service and support as part of their marketing on social media.
>
> Alternatively, conduct the same exercise for your organization or that of your employer.

9.7 STRATEGIC MARKETING ON SOCIAL MEDIA

As the commercial Internet developed through the final years of the last century, it was common to hear owners and managers respond to the question of why they had a website by saying 'because everyone else has one'. Hardly a sound objective, but at least they were going online – even if their websites lacked purpose, and so achieved little. Fast forward a decade or so and once again a spate of *me-too* online marketing began to

appear – this time it was organizations jumping on the social media bandwagon. Sadly, few have succeeded in accomplishing anything by these ill-judged and poorly considered ventures – with some even doing more damage than if they had left this *latest big thing* alone. This section addresses all of these issues that are relevant to strategic marketing on social media – effectively asking all the questions to make those strategic decisions.

PRACTICAL INSIGHT

Outrage on demand

Reacting to negative comments on social media is part and parcel of marketing on social media, and March 2017 saw a prime example of how to do this effectively.

The story began when staff at the check-in desk of United Airlines refused to allow two young girls wearing leggings to board the aircraft and one onlooker tweeted to her 34,000 followers 'Since when does @united police women's clothing?'

The tweet caught the attention of numerous celebrities who collectively have millions of followers – criticism of the airline created a social media frenzy. However, amid all the vitriol, United Airlines held their nerve. They made clear the reason for the *leggings* decision – that the girls were *pass riders*. Pass travel is a perk given to airline employees, which can also be extended to friends and family. Part of the free or heavily discounted flight deal is that *pass riders* are considered to be representing United when they fly and so are subject to a dress code. The dress code specifically forbids the type of clothing worn by the girls.

Once this was made known, the *social* criticism ceased. Full marks to United for upholding their values and enforcing their established policies – no matter what the social media backlash from uninformed reporters, *commenters* and *forwarders*.

The sad footnote to this praise is that only a couple of weeks later United became a social media sensation once again – this time for forcibly ejecting a passenger from one of their aircraft because the airline had overbooked the flight.

Decision time

There are two key issues to address with regard to engaging in marketing on social media: the objectives, and its management and implementation. Let's consider each in detail.

Objectives

At the end of Part I of this book, potential online objectives are identified as being (1) brand development, (2) income generation, and (3) service or support – or any combination of these – and they are equally valid for any marketing on social media efforts.

Within these three strategic online objectives, there are a number of key considerations before determining any strategic marketing on social media objectives, namely:

1. Is it what our customers expect from us? In pure marketing terms, if the answer to this question is 'yes', then the organization should be active in social media. Indeed, if the organization is market-oriented, this question should not need asking – and the subsequent questions asked in this section become superfluous.

2. Is social media worth the effort? If we engage in marketing on social media, even if its costs might never be recovered in financial terms, what are we trying to *accomplish*? Indeed, as subsequent sections might suggest, perhaps social media is not one on which direct income can be generated, but as Levine *et al.* suggested – with commendable foresight – in 1999, 'engagement in these open free-wheeling exchanges isn't optional. It's a prerequisite to having a future. Silence is fatal.'

3. Is it right for us? If the nature of your product, brand or organization doesn't generate passion, then the very culture of the organization might disqualify it from participation in marketing on social media.

4. Does it fit in with our other marketing efforts? Given that this book is about digital marketing, the subject of *offline* strategic marketing is beyond its remit. Nevertheless, it is a frequent failure of online marketing initiatives – including marketing on social media – that they are not in sync with the organization's wider strategic efforts. No marketing effort exists in a vacuum, and like all other elements, to be effective, marketing on social media must be part of a larger marketing – and integrated communications – strategy.

5. What elements of social media are suitable for our objectives? As with other aspects of the organization's marketing (both off- and online) the choice of media is established by the objectives of that marketing. This will determine the characteristics of the type of social media on which you need to have a presence.

PRACTICAL INSIGHT

Event social media marketing

Although social media can be used to organize or promote an event, this is where social media is used to enhance the experience of those attending an event. For example, social media can be used to check-in at the actual event and different aspects of it (at a conference there may be reach-out discussions, for example); directions and announcements can also be via social media rather than public address systems; visitors with problems or enquiries can use social media (e.g. Twitter) to check with organizers.

Management and implementation

As already suggested in this chapter, where contemporary marketing can be controlled by the *marketer*, social media marketing is controlled by the *market* – that is, the target of the marketing message. In the previous section, the point was made that marketing on social media is not suitable for every brand, product or organization. The issue of the organization needing to have a culture that suits social media continues into the practice of marketing in social environments, where it is

> 66
>
> Marketing on social media must be considered as an ongoing process, not a campaign that has an end date …
>
> 99

advisable – if not essential – that engagement must be embraced by the entire organization and it cannot be the sole province of a few social media experts. However, even though the entire organization should buy-in to the concept, it is essential that involvement is managed.

Whether any marketing on social media undertaken is tactical or strategic, it is certain that any participation takes a lot of work. At the lower end – in an offline small business, for example – it has to be someone's job. Similarly, at the strategic level, continuing resources must be budgeted for – effective marketing on social media on the cheap is simply not possible. Addressing the question of whether the organization has the resources to keep up a social marketing strategy is essential before any commitment is undertaken. Marketing on social media must be considered as an ongoing process, not a campaign that has an end date – as does a TV advertising promotion, for example. Breaking off from any marketing on social media initiative is likely to have a negative impact that is inversely proportional to any objectives it might have been launched with. Furthermore, TV ads can be budgeted in advance; for an effective social media presence, financial commitment must go beyond the fiscal year in which it is launched. In Chapter 5, the point is made that website development is not a project that comes to an end, and for marketing on social media the message is accentuated. In that it is always ongoing, social media should be considered as a journey, not a destination.

As with all aspects of marketing, effective marketing on social media practice is a result of careful selection of the *right* aspects of the available mix of tools at a given moment in time.

PRACTICAL INSIGHT

Dutch national airline KLM uses a wide range of social media platforms. The KLM blog, which is hosted on its own domain, includes stories of the brand and seeks to develop a relationship with travellers. It is a similar story for Facebook, Instagram, Pinterest, Google+ and YouTube, though much of the content is featured on each. Twitter, however, is used for a different objective – customer service. KLM's team claims to answer every customer request within 17 minutes and

update every five minutes. As is commonplace with similar organizations, and all major airlines, KLM also has an app which informs passengers of delays and such like. Their LinkedIn presence is a bit different, however – it includes profiles of all KLM's employees – over 16,000 of them.

KLM is generally recognized as one of the best exponents of social media in its marketing. This reputation is founded on the airline's use of social media during the 2010 *ash cloud* crisis – such use was far from common at that time. Speaking at the 2016 Festival of Marketing, KLM social media manager Karlijn Vogel-Meijer talked at length about the airline's social media strategy – including its *three pillar* strategy. Those pillars are: (1) Service, (2) Brand, and (3) Commerce. These should look familiar – hint: see Chapter 3.16 where I introduce the *three key objectives to any Internet presence or activity*.

YOU DECIDE

Apply the first three of the five key considerations before determining any strategic marketing on social media objectives to each of the case study organizations and assess whether each would benefit from marketing on social media.

Alternatively, conduct the same exercise for your organization or that of your employer.

9.8 MEASURE AND MONITOR

In the first section of this chapter, the problems with determining any return on investment (ROI) for marketing on social media was introduced. Therefore, if marketing on social media is to be adopted, the organization must set metrics upon which ROI will be judged. And therein lays the key problem: *what do we measure?* Early social media marketers followed conventional wisdom and assumed that audience size was the most important measure of success, and so they counted how many *fans*, *followers*, *friends* or *likes* they could amass. This meant that they concentrated more on building these metrics – usually by tactics that owed more to traditional marketing than the new social medium – than they did on social media marketing.

However, some doubted the value of having a thousand/ten thousand/a million/a zillion followers if there was no proof they were increasing sales. At the time – and still to a lesser degree – there was a significant problem with organizations and brands *buying* followers. At a cost of only a few dollars, any Facebook page could *instantly* have a thousand fans. In 2011, Irfan Kamal (Senior Vice President, Digital/Social Strategy at Ogilvy & Mather) hit the nail on the head when he made the point that:

we need to measure metrics that are related to business value. Does social media change brand perception? Does it increase consideration? Does it drive actual sales

for the brand? What often gets measured instead are … diagnostic or optimization metrics – the number of Facebook fans, the Twitter follower base, the size of a group or a message board or a LinkedIn group. All the metrics that are easily visible are the ones that end up getting measured most often. The problem is that it's unclear whether there is a direct relationship between these metrics and genuine business value.

<div align="right">(Irfan Kamal, interview in emarketer.com, 9 December 2011)</div>

Unfortunately, Kamal's comments still ring true for too many organizations. The key issue is that actually identifying *what* to measure in assessing the effectiveness of marketing on social media is problematic. Therefore, identifying desired outcomes for strategic social initiative is a necessity – and it must be better than the current common practice of: (a) performing some marketing on social media, (b) collecting some data, and then (c) trying to reconcile the two.

McDonald *et al.* (2014) propose that social media metrics can be classified into one of four broad categories:

1. The type and sentiment of the content – text, image, video and positive or negative.
2. Delivery – the number of times the content has been seen by users.
3. User responses to the content – likes, shares, comments, downloads.
4. Properties of the users in contact with the content – such as physical location, preferences.

Whilst these are fine as metrics from which hypotheses and models could be developed, they do not really help the social media marketer on the *coal face* of the discipline.

Decision time

The following list of issues that might be considered as metrics at a practical level is based on a list developed by marketer and author Heidi Cohen (2010). Although some of the metrics listed are straight counts – particularly the financial aspects – others may need some data collection prior to the campaign for post-event comparison. It is also the case that the analytics of some may need to be sourced offline. The issues are divided into two categories: branding and finance.

Brand indicators (note how Ms Cohen categorizes *engagement* as an aspect of branding – as do I).

- Engagement (1). Did the campaign increase *likes* and *followers*? Were posts forwarded or *re-tweeted*? Did existing social media followers increase their activity?
- Engagement (2). Did the campaign increase engagement on the organization's own website(s) via clickthrough from social media?
- Share of voice. How did mentions of your brand on the social media pages of others, plus forwarded and re-tweeted posts, compare to those of your competitors?

- Target market. Did the campaign increase brand awareness in key target markets?
- Brand sentiment. Did brand perceptions change? Was this in line with campaign goals?
- Purchase intent. Did the campaign result in increased buyer likelihood to purchase?
- Loyal fans. Did the campaign reinforce a positive perception of users who feel an affiliation and affection for the brand?
- Brand status. Did the campaign increase brand recognition?
- Line extensions. Did the campaign's branding impact extend to the organization's other products?
- Market share. Did the product and/or brand's market share increase?
- Competition. Did the campaign have an impact on direct competitors' sales?

Financial indicators (note that this involves a retrospective examination of actual costs which can then be compared to those predicted before the event).

- Revenue (1). What were sales for the promoted product?
- Revenue (2). What sales were generated via clickthrough from social media platforms?
- Marketing expenses. How much did the social media campaign cost, including all related expenses?
- Other expenses. Did the campaign have other costs due to incremental technology and server capacity needs?
- Headcount. Were additional personnel, direct staff and/or consultants, required to handle the campaign and its complexity?
- Profitability. How did this campaign impact the product and brand's profitability?
- Investor relations. Did this campaign have any impact on perceptions of the company as a whole, its stock price and/or investor perception?

Tools for social media data gathering and analysis are available from numerous software vendors, some bespoke to the organization's requirements, but most generic in nature. The basic measurement tools include the following:

- Social media monitoring tools, which monitor the various platforms for posts, tweets, conversations or even hashtags that are relevant to the product, brand or organization.
- Social site-specific tools, commonly provided by the platform's publishers with more complex versions from specialist vendors.
- Influencer identification tools, which are used to identify those social influencers that the product, brand or organization might wish to engage with.

The capability of these products has expanded significantly due to a combination of social media adoption, client needs and advances in technology (Charlesworth, 2018).

PRACTICAL INSIGHT

Look, but don't touch

The availability of social media monitoring software raises a further use of social media for the organization – that of using social media purely as a source of information as part of the organization's market intelligence gathering efforts. In essence, listen to what is being said on social media but don't get involved in it (hence the practice being known as *social listening*).

YOU DECIDE

Assuming that the decision has been made to participate in marketing on social media, identify the three key brand and financial indicators for the Rockridge Museum (case study 1) and Two Cities Manufacturing (case study 11).

Alternatively, conduct the same exercise for your organization or that of your employer.

FURTHER READING

For additional content and links to articles and stories that supplement, enhance and update this chapter of the book, go to the chapter's web page on AlanCharlesworth. com/DigitalMarketing.

CHAPTER EXERCISE

Giving justifications for all your decisions, advise the board of the Matthew Humberstone Foundation Hospital (case study 6) on all aspects of marketing on social media covered in this chapter.

Alternatively, conduct the same exercise for your organization or that of your employer.

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10

Metrics and analytics

Chapter at a glance

10.1 INTRODUCTION

It would be a reasonable assumption that this chapter is the one that students – and maybe teachers also – look forward to least. I'll go further; it may well be the most *skipped* chapter. Both of these would be a mistake for the same reason. There is an assumption amongst many marketers – including digital marketers – that metrics and analytics are all equations, algorithms and hard maths. Nothing could be further from the truth. The computer scientists that write the software that uses the algorithms do all the hard maths work. That software – commonly referred to as a database management system (DBMS) – takes all the data gathered (referred to as *mined*) and presents it in *visual* or *descriptive* formats – the same sorts of charts, graphs and tables we have been reading since primary school. This has not always been the case, however, and is perhaps why some marketers still have a reluctance to involve themselves with analytics. Prior to analytics software being widely available, analysts had to read through pages of a website's log files – the results of the requests made to the site's server – to glean data. Figure 10.1 is an example of a simple web page log file. This section shows only that data detailing a single person's visit to a couple of pages. You can imagine the complexity of

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2008-06-01 01:09:05 GET /images/w3chtml1.gif - - 80.87.80.54 HTTP/1.1 Mozilla/5.0+(Windows;+U;+Windows+NT+5.1;+en-US;+rv:1.8.1.14)+Gecko/20080404+Firefox/2.
2008-06-01 01:09:05 GET /images/w3csslogo.gif - - 80.87.80.54 HTTP/1.1 Mozilla/5.0+(Windows;+U;+Windows+NT+5.1;+en-US;+rv:1.8.1.14)+Gecko/20080404+Firefox/2
2008-06-01 01:09:06 GET /images/wave.gif - - 80.87.80.54 HTTP/1.1 Mozilla/5.0+(Windows;+U;+Windows+NT+5.1;+en-US;+rv:1.8.1.14)+Gecko/20080404+Firefox/2.0.0.14
2008-06-01 01:09:07 GET /images/stasisbg.gif - - 80.87.80.54 HTTP/1.1 Mozilla/5.0+(Windows;+U;+Windows+NT+5.1;+en-US;+rv:1.8.1.14)+Gecko/20080404+Firefox/2.0
2008-06-01 01:09:08 GET /images/Partners/aidimalogo.gif - - 80.87.80.54 HTTP/1.1 Mozilla/5.0+(Windows;+U;+Windows+NT+5.1;+en-US;+rv:1.8.1.14)+Gecko/20080404+
2008-06-01 01:09:08 GET /images/sidebar/guestbook.gif - - 80.87.80.54 HTTP/1.1 Mozilla/5.0+(Windows;+U;+Windows+NT+5.1;+en-US;+rv:1.8.1.14)+Gecko/20080404+Fi
2008-06-01 01:09:08 GET /images/lynxlogo.gif - - 80.87.80.54 HTTP/1.1 Mozilla/5.0+(Windows;+U;+Windows+NT+5.1;+en-US;+rv:1.8.1.14)+Gecko/20080404+Firefox/2.0
2008-06-01 01:09:10 GET /images/sidebar/seemseed2.gif - - 80.87.80.54 HTTP/1.1 Mozilla/5.0+(Windows;+U;+Windows+NT+5.1;+en-US;+rv:1.8.1.14)+Gecko/20080404+Fi
2008-06-01 01:09:10 GET /images/sidebar/ist-fp6-logo.gif - - 80.87.80.54 HTTP/1.1 Mozilla/5.0+(Windows;+U;+Windows+NT+5.1;+en-US;+rv:1.8.1.14)+Gecko/20080404+
2008-06-01 01:09:10 GET /images/sidebar/FP6-oval.gif - - 80.87.80.54 HTTP/1.1 Mozilla/5.0+(Windows;+U;+Windows+NT+5.1;+en-US;+rv:1.8.1.14)+Gecko/20080404+Fir
2008-06-01 01:09:11 GET /images/skipnavbg.png - - 80.87.80.54 HTTP/1.1 Mozilla/5.0+(Windows;+U;+Windows+NT+5.1;+en-US;+rv:1.8.1.14)+Gecko/20080404+Firefox/2.
2008-06-01 01:09:11 GET /images/sidebar/suracing.gif - - 80.87.80.54 HTTP/1.1 Mozilla/5.0+(Windows;+U;+Windows+NT+5.1;+en-US;+rv:1.8.1.14)+Gecko/20080404+Fir
2008-06-01 01:09:11 GET /images/chinaflag2.gif - - 80.87.80.54 HTTP/1.1 Mozilla/5.0+(Windows;+U;+Windows+NT+5.1;+en-US;+rv:1.8.1.14)+Gecko/20080404+Firefox/2
2008-06-01 01:09:11 GET /images/menu-bg-off2.gif - - 80.87.80.54 HTTP/1.1 Mozilla/5.0+(Windows;+U;+Windows+NT+5.1;+en-US;+rv:1.8.1.14)+Gecko/20080404+Firefox,
2008-06-01 01:09:11 GET /,_ - 61.135.168.39 HTTP/1.1 Baiduspider+(+http://www.baidu.com/search/spider.htm) - 200 167
```

Figure 10.1 A small section of a log file
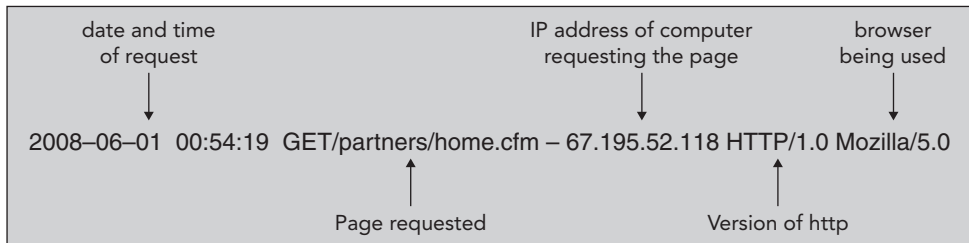
Figure 10.2 The interpretation of part of a line from the log file

such files for, say, Amazon. Figure 10.2 gives a breakdown of what each element tells you about the file.

What the digital marketer has to do is analyse that visual data so that it can be developed into information which can then be used to improve their marketing. And that is where the skill lies. And it is a skill that is very much in demand.

By the time you have reached this chapter, you know and understand *at least* the basics of the key elements of digital marketing – therefore, you are in a position to understand what the data is and how it can be used in marketing. Okay, so it's not quite that simple, but neither is it the rocket science some folk seem to think it is. That said, I will try to keep this chapter as simple as possible – so if you are a data scientist reading this, please bear that in mind before firing off complaints.

> **GO ONLINE**
>
> **What is a data scientist?**
>
> For an excellent – and basic – guide to data science, follow the link from the chapter's web page to: *A beginner's guide to building a data science team.*

This subject is another that has seen significant change since the earlier editions of the book, and so has earned a chapter of its own. I have also moved the subject from an early chapter to the last. Previously I made the decision that if the reader knew the basics of metrics and analytics before studying the various elements of digital marketing they could see the role that they would play in those elements. However, although I think that argument still has some validity, I believe it is better to know the elements first

before considering metrics and analytics. This is predominantly because so many aspects of digital marketing are now data-driven and so the issue of how data is used is inherent in all of the preceding chapters. Indeed, those who work within a digital specialism will probably have their own metrics and analytics; for example, search engine analytics, website analytics, email analytics, advertising analytics and social media analytics.

A further note on the subject is that as metric and analytics for other aspects of digital marketing are covered within their subject chapters (e.g. advertising online, email marketing and marketing on social media), this chapter concentrates on measuring the effectiveness of websites. There are, however, obvious intersections between the various elements. As is covered in Chapter 3.10 where attribution is questioned, a potential customer might arrive on a website after clicking on an ad, seeing a story on social media or following the results on a SERP.

The basics

A good place to start is with what metrics and analytics are. But before even that let's be clear that, despite what some folk might say, they are *not* the same thing.

Metrics

Sometimes referred to as e-metrics when applied online – metrics are standards of measurement. Basic business metrics include things such as: sales units, sales revenue, net profit margin and gross margin. Obviously, the various aspects of business have numerous metrics that are specific to each aspect. Because these metrics serve to indicate how well (or badly) the business is performing, they are often referred to as indicators. The most important ones are referred to as *key performance indicators* (KPIs). It is a vagrancy of digital marketing that for online *indicators* we decided to rename them as *metrics*. The number of visitors to a website would be a metric. So would any demographics associated with those visitors, such as: where in the world they live, their gender and their age. How long they stay on the site is a metric. If they buy anything and, if so, its value is a metric – almost certainly a key metric, or KPI.

> " Metrics serve as an integral component of accountability. "

Metrics serve as an integral component of accountability – and calculating return on investment might be the only reason for them being gathered. A salesperson might be charged with selling *x* products or *x* value of goods each month. If they hit that target or not requires no analysis: they reach the figure or they do not. However, to ascertain why they missed the target other metrics could be gathered and analysed. Therefore, measuring performance *may* take analytics and formulating metrics may take analytics. But analytics is *not* metrics. Indeed, analytics doesn't actually *require* employing metrics at all. To make life a little less complex, think of metrics as results of what has already happened.

Analytics

Analytics seeks patterns in the data gathered as metrics that can be used in the future and so is used to create models which can – for example – help understand, monitor and predict customer behaviour. For this reason, analytics is also referred to as *modelling* or *forecasting*. Taking into consideration any statistics created by variables within the data has also resulted in the term

> ❝
> …analytics is also referred to as *modelling* or *forecasting*
> ❞

statistical analysis being used. However, statistical analysis is moving us towards more complex applications of analytics – the examples used in the rest of the chapter will be a little more grounded. Such is the nature of *digital* analytics that an industry has grown in the development of software used in the practice. Indeed, when marketers say they are *using analytics* they are most likely referring to using a specific commercial platform. By far the most popular platform provider is Google, particularly for businesses for which online is not the primary source of income. Similarly, Facebook provides analytics for commercial users of the platform. However, the greater the dependence on the web the more likely it is that the organization will buy in propriety software provided by sellers who will also perform analytics on the data gathered as a *full service* offering.

PRACTICAL INSIGHT

A mine of data

In his 2005 book *Search* (2005), John Battelle suggested that Google was sitting on a goldmine of information that could help marketers better identify and reach its target market. Battelle calls this collection of information *The Database of Intentions*, which he describes as: '…the aggregate results of every search ever entered, every result ever tendered and every path taken as a result'.

Battelle was right – that information was significant in making Google what it is today. And he made that comment over a decade ago; how big is *The Database of Intentions* now?

The digital footprint

The following content has already appeared in the book – in Chapter 2 where we considered issues of people's privacy. In this chapter, the same paragraphs take on a different context, so I think it is worthwhile repeating much of the section here.

At the core of metrics and analytics is the *digital footprint* that Internet users leave as they wander around the web. Every *click*; every web page they visit; every ad they are exposed to; every ad they click on; every search they make; every email they are sent, receive, open, delete or reply to; every visit to a social media platform; every tweet they receive; every comment they make on a feedback form; everything they buy; everything they

nearly buy; everything they look at but don't buy; where in the world they are when they do these things; when they do all of these things – minute, hour, day, month and year; how often they do these things; what device(s) they use to do these things is recorded.

To give you just an idea of how this data can be used, try a simple exercise: keep a record of your own online activity over a week or so – just the web pages would be enough. Then study those pages to see what their analytics would tell a marketer about you (you have been given an introduction to this in the Practical insight: *How agency advertising works* in Chapter 7.6). For many people, that exercise is enough to prompt them to turn on all the privacy settings on their devices and surf anonymously.

Another simple exercise will also give you some idea of the data that people give to digital marketers every day. This data comes not from the individual, but from their mobile phone. So that many apps work, people have the *mobile data* setting on. This means that the owners of any app on your phone can track where the phone – and its owner – goes. So, now list everywhere you have been in the last few weeks. Having done that, analyse the data you have produced and assess its usefulness to marketers. Some destinations are obvious benefits – shops, for example, will not only suggest your brand loyalty but also your lifestyle (health food or vegetarian stores, for example). Other destinations will add to this data – a gym and a swimming pool, perhaps. It will also tell them where you live. And work. Once again, considering the analytics you provide to marketers might convince you to turn off the mobile data options for at least some of your apps.

You now have two examples of how/where marketers can gather data on you. Add that to information you may already have given organizations (registering on a website or making an online purchase to be delivered, for example) and any organization in the world can produce a pretty accurate profile of you.

Data gathering (data mining)

Just as a book on advertising would not delve into how *technically* a TV ad *magically* appears on people's screens, it is beyond the remit of this marketing text to explore the scientific aspect of how data is gathered. Suffice to say it is gathered by folk who know what they are doing and it is presented to marketers in a format they can interpret. Marketers will pay for such a service and – as with all aspects of business – if the provider fails to meet expectations they will be replaced. Naturally, as with all outsourced provision, due diligence must be taken in appointing the service provider in the first place. Mined data can be divided into three sources. They are:

1. First-party data is that which is gathered *by* the organization *for* the organization and as such is the most authoritative and important. It will come from all of the touch points between the organization and the customer – for example, in-person offline, website, emails, social media, instant messaging, live chat, kiosks and mobile devices. It is generally transactional and behavioural.

2. Second-party data is where organizations use the first-party data of another organ-
    ization – a supplier of bespoke kitchens using that of a white goods manufacturer,
    for example. Though this can be problematic as trust is involved, combined data
    adds to any analytics. It is not common for organizations to provide the same data to
    more than one *partner*.

3. Third-party data is aggregated by organizations for whom the practice is a business
    (sometimes called the Data-as-a-Service – DaaS – industry) and includes such things
    as: lifestyle, demographic and behavioural data. Where first-party data is specific,
    third-party provides context and relevance. However, it is generally gathered via
    third-party cookies deposited on users' devices by a myriad of websites. Such cookies
    – used mainly for programmatic advertising – are widely disliked and so are targeted
    by adblockers and some browsers (Apple's Safari and Google's Chrome, for example).

However, there are hybrids of these three traditional models that fall between the cat-
egories. One is a kind of *second-party-plus* where several organizations combine data, but
it has been de-identified in what is known as *safe haven* technology. Another is where
trusted third-party takes first-party data from multiple organizations and then – effect-
ively – performs analytics on it so that each participating organization benefits from the
combined insights of their data but do not actually have access to it.

Sitting somewhere within this amalgam is a concept called people-based marketing
(PBM). Argued by some to be the future of data personalization (the practice will
undoubtedly grow in popularity, though it may be renamed as time goes by), this
concept is marketing that is directed at real people (hence the name) and not simply
cookies on devices. Note, however, that although the identity of these people is known,
these identities are normally tracked using anonymous tags, like *user 007*.

PBM has three basic tenets:

1. Logins – when the user logs in to sites or apps having previously registered their
    details. This includes sites that accept social media logins (I warned against this
    practice in Chapter 2 in the section on the digital footprint) – it is Facebook's use of
    login data to sell advertising that has led many to suggest that the social media plat-
    form created the term *people-based marketing*.

2. Device graphs – this is where users log in to the same sites/apps on different devices,
    allowing the organization to associate those devices with the individual – or individ-
    uals – using them.

3. Persistent IDs – these are definitive connections between an individual's various
    identities. Common examples are email addresses, phone numbers and addresses. It
    also includes the identification of users' multiple devices even if they do not log in.
    This is achieved by tracking common IP addresses, browser behaviour and the loca-
    tions of devices – your smart phone's static location during the night will associate it
    with your PC, for example – as well as your real-world address. Add into this your
    use of a credit card or other electronic payment method (PayPal, for example) and
    organizations have *a lot* of data to use for marketing purposes.

Hopefully, readers will recognize PBM as an inherent element of *personalization*, covered in Chapter 3.4, and *programmatic advertising*, in Chapter 7.2 – and appreciate why digital marketing is often referred to as data-driven marketing.

PRACTICAL INSIGHT

Data is subjective

Writing in the *MIT Sloan Management Review* (2015), Sam Ransbotham made a statement that – to me – makes a lot of sense. He said:

> …our world is awash in data, and data is not the same thing as facts. Facts are much harder to come by than data. While data seems to promise objectivity, instead it requires analysis – which is replete with subjective interpretation. Assuredly, having data is a necessary step toward making objective decisions. Yet the objectivity of data is a myth.

Collating off- and online data

A significant problem for organizations is that data gathered off- and online is often handled by different teams – digital, sales and customer service, for example – and this creates a silo effect where, instead of the organization having a single *customer view*, they have several. Furthermore, data is often stored in disparate systems, which are frequently technically incompatible. A key positive issue is that the on- and offline *siloed* data is different in nature, with digital tending to be rather light on detail but very up to date (often up to the minute) whereas data gleaned from offline sources is rich in detail. Individually, each set of data is useful – combined, the potential of cross-tabulation increases their value exponentially.

GO ONLINE

Data platforms

For a background on the various types of data platforms and how they gather data, follow the link from the chapter's web page to: *What are the essential components of a Customer Data Platform?*

10.2 HOW ANALYTICS ARE PRESENTED AND USED

As previously mentioned, data is no longer presented as a stream of code that even an experienced researcher needs hours to read, let alone interpret. Although the appearance of data produced by proprietary software differs, the nature of the data being presented means all are similar in appearance. Therefore, the following examples from Google are a reasonable representation of the way in which marketers see analytics. All are of

Google's website analytics (those provided for AdWords and AdSense are similar) and are from my own website: AlanCharlesworth.eu. Those shown are *generic* and show results over a number of years. However, Google facilitates closer examination of all facets. For example, the time period can be brought down to 24 hours – or even real time. Similarly, each country's analytics can be isolated for all the *generic* data on them or the same for each page. Essentially, if I took screenshots of all the analytics available I would fill this and several other books.

Some basic demographics are included by Google, such as the gender and age of visitors (from their digital footprint – take another look at yours; it will identify your gender and within categories, your age). As you might expect of analytics, all are presented as charts or tables. The following images are screenshots of just some of the analytics provided by Google for AlanCharlesworth.eu. Each has a mini-analysis of the presented data, which will – hopefully – give readers an idea of what information, answers and questions the data raises. Note that I have tried to analyse the data as if the sites were commercial – which they are not.

The time period of this data covers several years, hence the appearance of both first and second editions of this book (/internetmarketing and /DigitalMarketing). Note that as the website of this edition is also on /DigitalMarketing I have moved the content from the second edition to another URL (some countries, universities and colleges are slow to adopt the new edition). This will create an inherent flaw in similar data in the future. That most visitors view the site's home page is perhaps surprising in that the site is used mainly by readers of this book. This could be seen as a positive for me as a *brand* (though I do not see myself as such) as visitors might be arriving on *my* home page rather than the book's. Note, however, that in Figure 10.9, which looks at the site's user flow,

Page ⑦		Pageviews ⑦ ↓	Unique pageviews ⑦	Avg. time on page ⑦	Bounce rate ⑦
		241,747 % of total: 100.00% (241,747)	208,650 % of total: 100.00% (208,650)	00:00:38 Avg. for view: 00:00:38 (0.00%)	66.19% Avg. for view: 66.19% (0.00%)
1. /index.html	⌐	13,660 (5.65%)	9,254 (4.44%)	00:01:00	69.12%
2. /DigitalMarketing/index.html	⌐	8,734 (3.61%)	5,637 (2.70%)	00:00:36	25.00%
3. /alans-musings/online-retailing.html	⌐	6,563 (2.71%)	5,932 (2.84%)	00:02:16	91.82%
4. /DigitalMarketing/chapter1.html	⌐	3,812 (1.58%)	2,483 (1.19%)	00:01:36	32.57%
5. /DigitalMarketing/case-studies.html	⌐	3,209 (1.33%)	2,812 (1.35%)	00:02:51	79.31%
6. /internetmarketing/index.html	⌐	2,663 (1.10%)	1,839 (0.88%)	00:00:37	22.04%
7. /DigitalMarketing/chapter3.html	⌐	2,558 (1.06%)	1,685 (0.81%)	00:01:39	31.25%
8. /DigitalMarketing/chapter2.html	⌐	2,423 (1.00%)	1,676 (0.80%)	00:01:06	19.79%
9. /interesting-articles/index.html	⌐	2,374 (0.98%)	1,350 (0.65%)	00:00:23	50.95%
10. /DigitalMarketing/chapter-questions/ chapter3.html	⌐	2,361 (0.98%)	1,664 (0.80%)	00:01:51	49.25%

Figure 10.3 Visit details of the most popular pages of AlanCharlesworth.eu. Compare this with the snapshot of a log file shown in Figure 10.1

a number of visitors arrive at the home page then go to pages for the book. However, the number (13,660) denotes how many times the home page has been viewed, so if a visitor went from the home page to another and then returned to the home page that counts as two visits to the page – but it is by only one person. The high ranking of *Alan's musings* on online retail is interesting. This page is not associated with the book, so I assume that it is being used as a discussion article for modules on e-commerce or retail studies. The same might be said for Chapters 1, 2 and 3. It is a reasonable assumption that whilst the entire book is not being used for a module, the earlier chapters might be being used in (possibly) a digital marketing module which uses a different core text, a generic marketing module where the background to the web and website development is included as a subject, or – and this would be my guess – it is being used as the *marketing* element in a *technical* website design module or course. The answer to this question would be of interest to the publishers of the book as they could plan their sales and marketing accordingly. As I have changed the format of the book, effectively moving the content of the first three chapters, future analysis of the most popular pages will be interesting.

Delving a little deeper into the elements of the data, I'll go through each of the columns to the right of the URLs of the most visited pages, with Google's definition starting each analysis.

- *Pageviews: the total number of pages viewed. Repeated views of a single page are counted.* Perhaps the most obvious of the analytics – this is how many times each page has been viewed.

- *Unique pageviews: the number of sessions during which the specified page was viewed at least once.* Although it is not an absolute, many commentators suggest this number represents individual visitors to the site. In the analytics shown this suggests that most people only access one page of the site per visit.

- *Average time on page: the average amount of time users spent viewing a specified page or screen.* Again, rather obvious – but remember how averages are calculated. An average of one minute could be made up of not many people staying on the page for a long time and many, many more staying for only a few seconds. Given the purpose of the site, these are some very disappointing analytics as it suggests students (probably) don't spend much time reading the pages. The flip side to this, however, is that perhaps the visitors found exactly what they wanted very quickly – which suggests the UX of the site is very good. If it were an e-commerce site, these times would be worrying.

- *Bounce rate: a bounce is a single-page session on your site.* Most commonly, this is when a user arrives on a page on your site and then exits without going to any other page – they *bounce* off. Closely related to the other analytics here, this is perhaps the most misunderstood as a high *bounce rate* is commonly perceived as being a bad thing. Certainly, for an e-commerce site it would be. However, for a public services site, it might suggest that people are navigating to the site (perhaps via a search engine) and finding the answer to their question on that page. For example, if I want to know what date the bank holiday is in August this year, and I type that into Google, which lists a page at the top of the SERP, I would go to that page, note the date and leave the site.

PRACTICAL INSIGHT

Woo hoo … good result

Google offers such a range of analytical aids it is almost impossible to keep track of them all. The *Test My Site* tool tests your site's mobile speed and shows how many visitors your site is losing because of your site speed when compared to your competitors.

My site is not commercial so is not in a competitive environment, but the results were still nice to see.

alancharlesworth.eu

3s

Loading time: **Excellent**

Low

Est. Visitor loss
(Due to loading time)
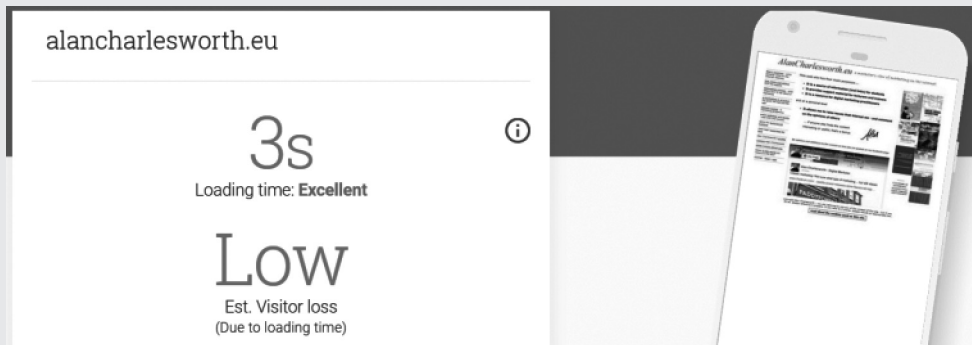
Figure 10.4 Results from the *Test My Site* tool

The analytics would say: one visitor, stayed three seconds, bounced straight off. But the page would have achieved its objective. On my site – I have dug a little deeper into my analytics to find this – the bounce rate is linked to searches on search engines. There are many pages on my site that offer an answer to a search query. For example, if for some reason someone typed into Google "Internet malarkey" they would get the home page of my *Alan's musings* section because its title says: *some personal views from Alan Charlesworth on this Internet malarkey*. Now some people might think: 'hmm, I'll stay on this page as it looks interesting' but others might realize in a second or so that the page does not actually say anything about an Internet malarkey – and they *bounce* straight back to Google (hence the term *Google bounce*).

I have three caveats to all of these analytics. They are:

1. Throughout, I have referred to *visitors* or *people*. In fact these numbers represent how often a device – identified by its Internet Protocol (IP) address – has visited the pages. So, if you visited the site on a university PC, your mobile phone and your home PC, it would actually be recorded as three visitors.

2. These analytics are the very basics of what is available from commercial providers (including Google). However, even from these basic examples I think you will realize just how complex analytics can get – imagine those of Amazon. But, and it is a big

but, do not be afraid of them. Like everything, the more you use them the easier it gets to *read* them.

3. In Chapter 3, I emphasized the need for online marketing to have clearly defined objectives. How could you possibly identify metrics and KPIs and then analyse data effectively if you do not know what your digital marketing is trying to achieve?

As this data covers several years, perhaps it does not fully reflect the increased use of smart phones in the last two or three years. That said, you might expect that whilst students use mobile devices for other things (social media, for example), they use a PC for study (note that I believe in these stats laptops are classed as *desktop*). A *commercial* site might take this data on board in the development of the site – develop it for use on a big screen, for example. It also suggests that the development of an app would not give return on investment.

As with the previous example, more recent years may reflect that Apple has lost its dominance over competitors below what is indicated here. I have included this more for

Device category	Sessions ↓	% New sessions	New users	Bounce rate	Pages/ session	Avg. session duration
	36,923 % of total: 100.00% (36,923)	71.45% Avg. for view: 71.36% (0.13%)	26,383 % of total 100.13% (26,350)	66.19% Avg. for view: 66.19% (0.00%)	6.55 Avg. for view: 6.55 (0.00%)	00:03:33 Avg. for view: 00:03:33 (0.00%)
1. Desktop	29,707 (80.46%)	72.85%	21,642 (82.03%)	65.18%	7.61	00:03:53
2. Mobile	5,565 (15.07%)	70.67%	3,933 (14.91%)	73.53%	1.86	00:01:33
3. Tablet	1,651 (4.47%)	48.94%	808 (3.06%)	59.54%	3.20	00:04:10

Figure 10.5 Which devices were most popular for accessing the site

Mobile device info	Sessions ↓	% new sessions	New users	Bounce rate	Pages/ session	Avg. session duration
	7,216 % of total: 19.54% (36,923)	65.70% Avg. for view: 71.36% (–7.94%)	4,741 % of total: 17.99% (26,350)	70.33% Avg. for view: 66.19% (6.26%)	2.17 Avg. for view: 6.55 (–66.80%)	00:02:09 Avg. for view: 00:03:33 (–39.48%)
1. Apple iPhone	2,254 (31.24%)	60.03%	1,353 (28.54%)	67.66%	2.18	00:01:56
2. Apple iPad	1,231 (17.06%)	47.12%	580 (12.23%)	57.19%	3.57	00:04:26
3. (not set)	894 (12.39%)	79.98%	715 (15.08%)	79.64%	1.47	00:01:06
4. Google Nexus 5	129 (1.79%)	33.33%	43 (0.91%)	96.90%	1.14	00:00:04
5. Samsung SM-G935F Galaxy S7 Edge	46 (0.64%)	28.26%	13 (0.27%)	69.57%	3.24	00:06:42
6. Samsung SM-N9005 Galaxy Note 3	46 (0.64%)	43.48%	20 (0.42%)	54.35%	3.35	00:03:52
7. Microsoft Windows RT Tablet	45 (0.62%)	55.56%	25 (0.53%)	62.22%	1.87	00:01:55
8. Samsung SM-G900F Galaxy S5	36 (0.50%)	66.67%	24 (0.51%)	58.33%	2.56	00:02:17
9. Asus P023 Zenpad 10 Z300C	32 (0.44%)	6.25%	2 (0.04%)	56.25%	3.34	00:08:17
10. Samsung GT-193300 Galaxy S III	31 (0.43%)	80.65%	25 (0.53%)	74.19%	1.65	00:01:09

Figure 10.6 Which mobile devices were most popular for accessing the site

Figure 10.7 Where in the world visitors were located geographically when they visited the site

interest than as useful data as the only use I can think of is for designers to consider the different browsers used by the major smart phone manufacturers. Perhaps I could include this as an example of organizations analysing data because the data exists – not because it might be useful. If I was paying for each of these analytics individually, I wouldn't bother with this one.

In Figure 10.7 the darker shade indicates the most popular home countries of visitors. The darkest is, as you might expect, the UK. Additional data informs me that I have had virtual visitors from 190 countries/territories. For me, this is simply interesting information – but in a commercial scenario I could be looking where to concentrate, strengthen or withdraw my marketing efforts based on where my *customers* were located geographically. Maybe by the next edition of the book I'll have no un-shaded areas left.

Figure 10.8 is a numerical representation of the *countries* map. Note how Google uses *sessions*, *new users* and *pages per session* in this analytic. A session is how long a visitor stays on the site in one visit. New users – as the term suggests – is someone who hasn't visited the site before. If I isolate the analytics of the site's visitors over the period of a term or semester my *new visitor* numbers fall from a high percentage to around half the original figure as students start using the book for their studies and return each week as *previous* visitors. An analysis of these figures suggests that – perhaps – students in Germany are more engaged than other countries as they spend much more time and visit far more pages than people from any other country. Unless, of course, there has been some kind of anomaly. Publishers of a commercial site would isolate the Germany analytics to investigate the possibility of such.

The user flow shown in Figure 10.9 is of little use to me, but a wider examination of these analytics than presented here suggests that the site is easy to navigate – that is, it has a good UX. User flow is another example of how analytics can be interpreted differently. Take a mid-sized online clothes shop, for example. Let's say a customer enters at

Country ⑦	Sessions ⑦ ↓	% new sessions ⑦	New users ⑦	Bounce rate ⑦	Pages/ session ⑦	Avg. session duration ⑦
	36,923 % of total: 100.00% (36,923)	**71.45%** Avg. for view: 71.36% (0.13%)	**26,383** % of total: 100.13% (26,350)	**66.19%** Avg. for view: 66.19% (0.00%)	**6.55** Avg. for view: 6.55 (0.00%)	**00:03:33** Avg. for view: 00:03:33 (0.00%)
1. 🇬🇧 United Kingdom	**11,917** (32.28%)	46.88%	5,587 (21.18%)	47.81%	3.79	00:04:49
2. 🇮🇳 India	**4,570** (12.38%)	84.55%	3,864 (14.65%)	77.42%	1.83	00:01:28
3. 🇺🇸 United States	**3,961** (10.73%)	85.51%	3,387 (12.84%)	78.36%	1.86	00:01:27
4. 🇷🇺 Russia	**2,447** (6.63%)	79.81%	1,953 (7.40%)	93.54%	1.24	00:00:26
5. 🇩🇪 Germany	**1,149** (3.11%)	93.65%	1,076 (4.08%)	32.03%	130.22	00:29:14
6. 🇲🇾 Malaysia	**907** (2.46%)	74.75%	678 (2.57%)	71.33%	2.05	00:02:23
7. 🇦🇺 Australia	**820** (2.22%)	88.29%	724 (2.74%)	76.22%	1.83	00:01:57
8. 🇮🇹 Italy	**814** (2.20%)	58.48%	476 (1.80%)	46.44%	4.57	00:05:29
9. 🇧🇷 Brazil	**681** (1.84%)	99.71%	679 (2.57%)	96.48%	1.10	00:00:07
10. 🇵🇭 Philippines	**642** (1.74%)	93.93%	603 (2.29%)	82.71%	1.42	00:01:23

Figure 10.8 The top ten locations for visitors to the site
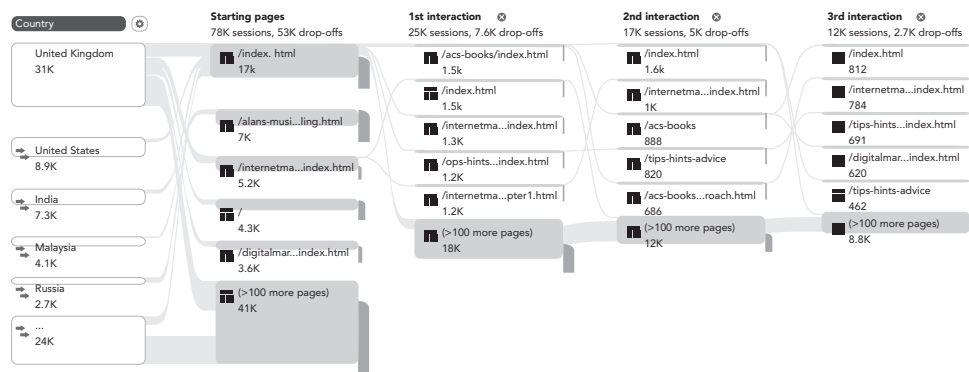
Figure 10.9 A brief section of the site's user flow (also known as click stream)

the home page via a URL from an offline advert (that would also be part of your ad analytics). As the first click is on women's clothes, it is reasonable to assume the visitor is a she (but not always – husbands buy wives presents). She then spends 30 minutes on the site visiting every department and looks at several products in each. Eventually, she returns to a previously visited product, puts it in the basket and completes a purchase.

- A positive analysis might be that she enjoyed *shopping* on the site and was tempted by the product she eventually purchased.
- A negative analysis might be that she struggled to find what she was looking for, or the *put in basket* facility was poor. Or both.

Once again: imagine what Amazon's site user flow is like.

I expect that by this last chapter in the book you are fully aware of the holistic nature of digital marketing, but I will give you another example here. Remember Chapter 5.3 on user expectations? If not, give it a quick revision. To get UX *right* for every customer, you need to study the site's analytics and make corrections where you got it wrong.

Google is not the only company to offer free *visual* analytics. All of the major social media platforms offer similar data – but in nowhere near the depth of that provided by Google. Figures 10.10, 10.11, 10.12 and 10.13 illustrate some of the analytics provided by Facebook's *Insights* facility for the author's page (www.facebook.com/AlanCharlesworth. DigitalMarketer). As with the author's website, this is not a commercial page in that it does not seek to generate an income – though it is registered with Facebook as *commercial* (that of an author) rather than a *personal* page. It is also not a widely followed page – though those who do follow it are quite loyal. Followers are predominantly ex-students of the author who now work in digital marketing. Note that metrics and analytics of marketing on social media are addressed in detail in Chapter 9.8, which covers the subject.

Aggregated demographic data about the people who like your page based on the age and gender information they provide on their user profiles.

	13–17	18–24	25–34	35–44	45–54	55–64	65+
Women 45% your fans	0.307%	8%	28%	5%	2%	0.92%	0.92%
Men 54% your fans	0%	10%	33%	5%	3%	1%	1%
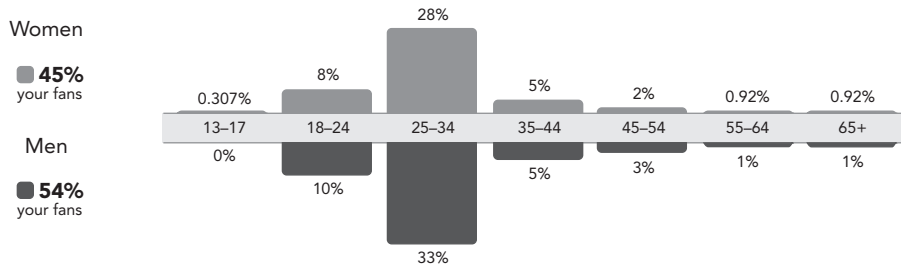
Figure 10.10 The gender profile of people who follow the author's Facebook page

Reactions, Comments, Shares, and More
These actions will help you reach more people.

— Reactions   — Comments   — Shares   — Answers   — Claims   — Other

BENCHMARK
Compare your average performance over time.

Reactions

Comments

Shares

Answers

Claims

Other
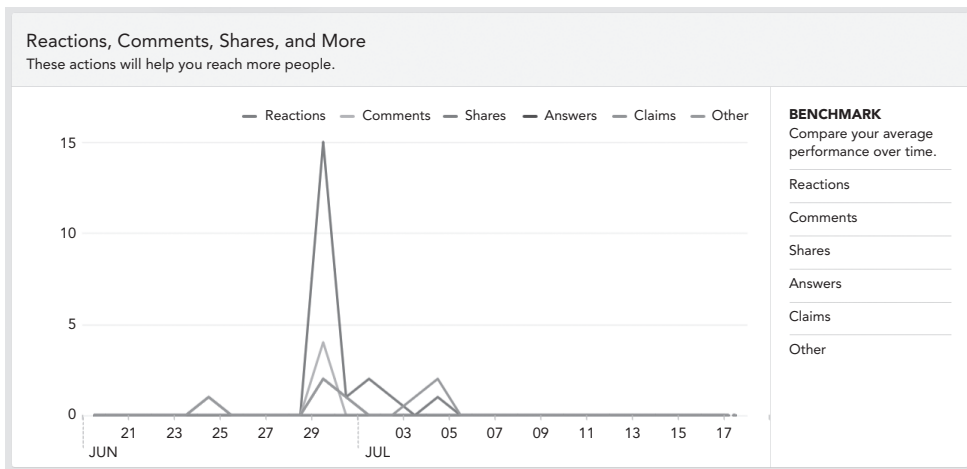
Figure 10.11 Visitor activity over two weeks on the author's Facebook page
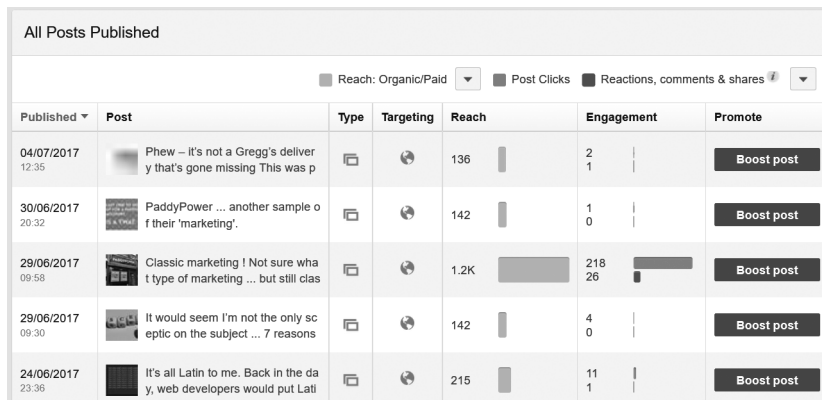
Figure 10.12 Engagement on five posts over two weeks on the author's Facebook page

At first glance, the age range in Figure 10.10 seems to be a little skewed – shouldn't the biggest age group be of student age (i.e. 18–24)? Just a little analytical thought, however, gives the answer. Facebook's data is in real time; therefore, the 25–34 age range reflects ex-students. Given that the gender of students I teach is generally not far from 50/50, the male/female ratio of my *fans* is about right.

Note that the gender classification for my website is usually around the same 45/55. However, the age breakdown usually puts the 18–24 and the 25–34 year olds around the same at 28/32. Surely it can't be that more ex-students use the site than current students? Or maybe some students around the world are older? The answer probably lies in the fact that the book has two main target audiences. The first is, obviously, students. However, the book is also marketed as a self-help book for marketing managers and small business owners. Both of these groups are likely to be in the 25–34 age group.

Figures 10.11 and 10.12 are from the same time period. The *reach* for four of the posts is a reasonable representation of average engagement. Note, however, the post that starts: *Classic marketing!* It has nearly ten times the average activity – it is the *reaction* spike in Figure 10.11. I have no idea why it caught attention in the way that it did. It is likely it was picked up by someone with a great many social media followers to whom he/she forwarded it. I have used it here as an example that being successful on social media can be a *chance* affair at times. The *Boost post* links on the right-hand side of Figure 10.12 are the *adverts* mentioned in Chapter 7.6, whereby – for a fee – posts can be distributed beyond followers, hence them being categorized as ads.

Apart from the middle of the night – those that are online in the early hours are likely to be in a different time zone – the visitor days and times shown in Figure 10.13 are just about as evenly spread as you can get. Therefore, there would seem to be no key day or time that would be best for content to be posted. Obviously, in a commercial environment, if the days/times were concentrated towards specific times on specific days then social media marketing managers could adjust their publishing schedule and improve the effectiveness of the page. However, even within the close margins of this data,
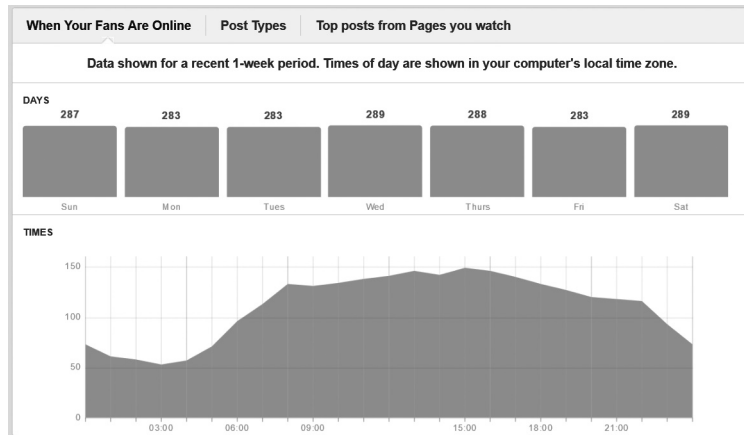
Figure 10.13 When followers of the author's Facebook page are online

around three o'clock in the afternoon would seem to be the premium time for fans being online.

Note that both Google and Facebook – along with other publishers – offer comprehensive analytics on the performance of adverts that marketers have paid for on those sites.

Basic website analytics can also provide information that is useful across the range of objectives. One such example is the analytics which tell from where a visitor came immediately before they arrived on your site. Again, that data helps the marketer assess prior activities and plan for future tactics that might achieve the objects of the online strategy. Essentially, there are three ways to get to a website:

1. Direct traffic – by entering the domain name or URL into a browser – clicking on a *favourites/bookmark* has the same outcome. A high percentage of visitors using this method would suggest that your site is established in the minds of the users (good), but it would also indicate a lack of new visitors (bad).

2. Referral traffic – by clicking on a hyperlink on another website. A high proportion of this method would suggest that your site is held in high regard in the online community – enough for them to be proactive in including a link on their page (good), but perhaps your site is not listed high on search engine results pages (bad).

3. Search traffic – by following a link from an identified search engine listing. Having most of your visitors arrive by this method – and in some markets the proportion is over 80 per cent – means you have got your search engine optimization right (good), your search engine advertising is working (good, but more expensive) or perhaps that all of your customers are new (which can suggest a lack of customer loyalty).

A snapshot of this data for AlanCharlesworth.e is shown in Figure 10.14. As with some of the previous examples, this analytic changes throughout the academic year. At the beginning of a term or semester there will be more visitors coming from search engines, but as the term progresses students have bookmarked the site. This screenshot was taken during
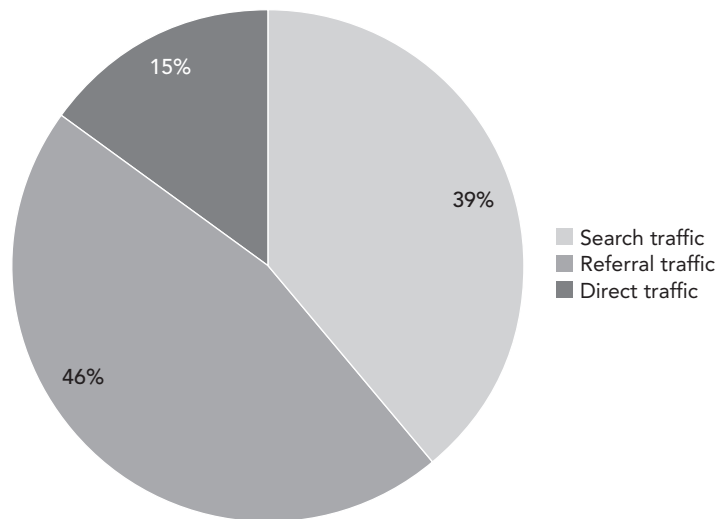
Figure 10.14 How visitors arrive on AlanCharlesworth.eu

the summer, but the time period represents several years to give a wider perspective. During term time it is not unusual for all three *slices* to be more-or-less equal.

What can be measured?

Digital communications offer the marketer something never before available – the ability to gather statistics on every aspect of the marketing that is related to the online environment. In the early days – and still today to a limited extent – the ability to gather an almost infinite amount of data was seen as an opportunity not to be ignored. As a result – and this was more often than not driven by technology providers – vast mountains of data were collected. This was then stored until it went out of date (sometimes a matter of days) and then destroyed before any analysis was conducted on it. Best practice is to gather only that data that (a) can be analysed, and (b) as a result of that analysis provides information on which decisions can be made. Although resources may impact on the decision, the primary issue is to determine the purpose of any analytical efforts – with the objectives of any digital marketing underpinning that decision.

As discussed in Chapter 3.16, online marketing objectives include income generation, brand development and customer service. However, just as each of these strategic objectives can be sub-divided, so too can the purposes of the analytics that might be used to assess the success or failure of those objectives. In addition to assessing *strategic* issues, e-metrics and analytics can be used to assess individual tactics that are employed to achieve those strategic aims. For example, the organization's strategic objective might be to sell *x* thousand pounds worth of goods per annum – a metric that is easily measured. However, individual sales can be broken down by customers, value, items per customer or a myriad of other components. Each of these might represent a key performance indicator. Some of the most commonly identified metrics and resultant analytics include the following:

1. **Brand development**

    - Visitor numbers – more visitors means more people being exposed to the brand.

    - Number of visits by individuals – returning visitors might suggest brand loyalty.

    - How deep into the site visitors go – more pages accessed implies an interest in the brand's offerings.

    > " In the early days … the ability to gather an almost infinite amount of data was seen as an opportunity not to be ignored. "

    - How long visitors stay on the site – the longer they stay the greater the affiliation might be to the brand.

2. **Provision of after-sales services**

    - Visits to, and time on, FAQ page – too many and too long might suggest problems with the product and/or instructions, whilst every visit might represent offline cost savings (e.g. at call centres).

    - How long a visitor stays on the site – a lengthy stay might suggest that the sought information is not easily available.

    - Downloads of pages that have been developed to provide specific information (e.g. pdf-formatted assembly instructions).

3. **Lead generation**

    - Conversion rate – percentage of visitors to the website versus sales achieved, or percentage of visitors to website who go on to contact the firm versus sales.

    - How many, and what, pages are downloaded – more pages featuring product details might suggest greater interest.

    - How long a visitor stays on the site – a lengthy stay might suggest that the information presented is of interest to the visitor. Or it could be that the information is confusing. Perhaps calls to action (e.g. ring us now) are not prominent enough.

4. **Online sales**

    - Sales volume – is the site generating income?
    - Sales trends – time of day/week/month/year, geographic, etc.
    - Average order size – bigger order values suggest customer satisfaction.
    - Average items per sale – fewer customers buying greater numbers is normally better (for logistical reasons).
    - Conversion rates – sales (volume, items) per site visits. Millions of visitors but few sales is not a statistic to boast about – something is wrong with the site or its marketing. Or maybe the checkout is overly complicated.
    - Click stream – the way a visitor navigates their way around the site might give clues to UX, or cross-selling opportunities.

- Point of exit – ideally, this should be the page that confirms a sale, anything else suggests improvements can be made.
- Repeat visitors – returning to buy after looking around, or simply comparing prices?
- Promotions acted on – discount coupons downloaded, for example (which can then be identified when used to make a purchase).
- Goods put in basket but not purchased – could suggest checkout problems. Or it could be customers hoping to receive a discount email through re-marketing.

5. Maximize visitor numbers (to increase ad income)

- Visitor numbers – falling, rising or constant?
- How deep into the site visitors go – more pages accessed implies an interest in the content.
- How long visitors stay on the site – longer stays suggest interest in the content.
- Point of exit – home page or page of arrival means the content is of no interest.
- Repeat visitors – any site with dynamic content would depend on these.
- Subscription numbers – a subscriber expressing commitment to the site and/or its content.

It is also the case that some of the metrics described previously might be misinterpretations of website performance rather than indications of user behaviour. For example, a short stay on the site might be interpreted as a visitor landing on the site and leaving immediately because the products on offer are of no interest to them – whereas the user might have been put off by the download speed, layout or presentation and decided not to stay long enough to view the products. Similarly, many visitors and few sales might be interpreted as a pricing problem, yet the answer is that the checkout facility on the site is poorly designed.

Yet again there is an emphasis on strategic planning – without knowing what the objectives for the website are, what you are trying to achieve and how you are trying to achieve it, even the most comprehensive analytics are of little value.

MINI CASE

Task Performance Indicators

Practitioner and author Gerry McGovern has developed what he calls the Task Performance Indicators (TPI), suggesting the website visitors' tasks – the reasons they have accessed the site – have three key metrics:

1. Success rate – if customers can't complete the tasks that they came to the site to complete, the website has failed. Naturally, to assess any success the website publisher must understand the tasks. Obviously, a negative success rate is a *failure* rate.

2.   Disaster rate – a disaster is where the visitor thinks they have completed the task, but have in fact got the wrong answer. McGovern points at out-of-date content as being the main culprit for such *disasters*.

3.   Completion time – if the first two are 'the basics', then this is best practice – McGovern suggests that saving people's time online is paramount. If McDonald's is fast food, the web is fast tasks.

Source: McGovern (2010)

Decision time

As with all of the elements of digital marketing covered in previous chapters, there is the question of performing analytics in-house or outsourcing the work. The answer lies in the objectives determined for the website or online campaign. For the offline business which has a lead-generation website that might attract a dozen visitors a month, one of the many DIY tools offered by web hosting companies will be quite sufficient. Indeed, it simply might not be worth checking as the limited data may reveal nothing that can be developed into useful information. At the other end of the spectrum, for the pure online operation, analysis of their web operations is an essential element of their business – and one that requires significant resources and expertise.

Although the operators of major e-commerce sites appreciate the benefits of web activity analysis, this view is less common in other organizations – particularly offline businesses and SMEs. As with previous elements of digital marketing, the key decision is one of in-house or outsource – and again, the answer lies in the objectives of any online marketing. For the pure online operation particularly, employing staff that can set metrics and perform analytics – or engaging an outside company to do the same – is essential.

An advantage of outsourcing the analytics is that the work can be done on a regular basis, with a periodic report delivered which highlights significant events or returns. Without this it is easy for the manager – who probably has a multitude of other things to do – to forget regular examination of the statistics.

For those who want to take the other extreme and be hands-on in tracking metrics, software is available that allows you to monitor site traffic in real time. Particularly useful for social media sites, this means you can pick up on emerging trends and so take action to stay ahead of the crowd. Of course, it also means someone watching the analytics for every minute of every day – and so you would have to be sure the organization was going to benefit from the commitment of such resources.

Essentially the decision is governed by:

1.   What are the objectives of the site?

2. How can those objectives be best assessed, given:

- the data available
- how it is collected and presented
- the expertise available to complete the analysis.

However, all of the above is a pointless exercise if the ability – and will – to act on any information gleaned is not high on the organization's agenda.

YOU DECIDE

Take a look at all of the case study organizations and consider the importance for each of metrics and analytics. List them in order of significance, with the organization for which metrics and analytics are essential at the top and the one for whom it isn't so important at the bottom.

Alternatively, consider the importance of metrics and analytics for your organization or that of your employer.

FURTHER READING

For additional content and links to articles and stories that supplement, enhance and update this chapter of the book, go to the chapter's web page on AlanCharlesworth. com/DigitalMarketing.

CHAPTER EXERCISE

Giving justifications for all your decisions, advise the marketing team at the Hotel Pillowmint (case study 3) on all aspects of metrics and analytics covered in this chapter.

Alternatively, conduct the same exercise for your organization or that of your employer.

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