Figure 12.9 YouTube Analytics

Facebook Analytics also give you some information about your video's performance, though it tends to be less detailed.

12.5 VIDEO PROMOTION

There are four main ways in which users find content and video online:

1. A user knows what sort of video they are looking for and goes directly to a search engine to search for content. This relies on SEO or search advertising, if you decide to promote the content on Google.
2. A user follows recommendations from others, found through emailed links, social bookmarking and sharing services, or social media such as blogs, Twitter, Facebook, and YouTube. This relies on social sharing.
3. Someone knows exactly what they are looking for and navigates to the appropriate URL directly. This relies on good branding and market awareness.
4. The user finds the video through paid advertisements and promotions. This relies on paid advertising.

12.5.1 Earned video promotion

We covered the general guidelines for optimising your video for search earlier in this chapter. Here are some specific considerations for YouTube search optimisation, as well as social sharing.

YouTube video search optimisation

YouTube, which is owned by Google, is still the dominant player in the video-sharing market, despite increasing competition from social media sites. While we focus in this section on optimising for YouTube in particular, many of the same approaches apply to other video-sharing sites.

Once you've determined how users are already accessing your videos and where they appear in SERPs, you can use various techniques to improve your rankings. While YouTube, like Google, keeps its search algorithms a closely guarded trade secret, digital marketers can speculate and experiment to see what works and what doesn't.

Firstly, the following components are evaluated on a keyword and key phrase level by the search engine spiders:

*   Titles
*   Descriptions
*   Tags
*   Playlist additions
*   Inbound links.

Additionally, YouTube defines relevance in accordance with the popularity of a given video, as well as the interaction taking place around it. The following factors play a dominant role in the algorithm:

*   Video views
*   Channel views
*   Ratings
*   Comments
*   Shares
*   Embeds
*   Subscribers
*   Age of video.

Keeping YouTube content current and entertaining is vital if a video is very new. This will allow the video to engage with viewers. Remember, a new video growing in popularity (that is, views), will take preference in the SERP over an older video with more views.

Social sharing

You should initiate and encourage social sharing; ask your viewers to post your video on social networks, aggregators, social bookmarking sites, and other channels. The more users share, the wider an audience you can potentially reach, and the more likely your video is to go viral or, at least, spread far and wide. Social sharing and recommendations are also increasingly relevant ranking factors for search engines.

12.5.2 Paid video promotion

In the same way as with Google's search advertising, you can pay to have your video recommended on YouTube. You are able to bid on searches or popular videos, show pre-rolls on other videos, and have your video content displayed alongside the search results of other videos.

Paid promotions on YouTube are a cost-effective and quick way to promote video content, especially if the content is topical. It's targeted and controlled. For InStream, you pay only when a user watches 30 seconds or more of your video or, if your video is shorter than 30 seconds, you'll pay only if they finish watching the entire clip. For InSearch and InDisplay, you pay-per-click on your video. This is a great opportunity for brand awareness, coupled with a potentially lower cost.

However, some users find this form of advertising highly intrusive, particularly in markets where bandwidth is slow and expensive, and it may take several seconds for the ad to load before it can be skipped. Some ad blockers block YouTube advertising.

Besides standard Display Ads, YouTube offers a wide variety of video ad types:

*   **Overlay ads:** Only available on YouTube's desktop platform. They are 468 × 60 or 728 × 90 pixels and will appear in semi-transparent state over the lower 20% of the videos you choose to target. The ad can be text or images.
*   **In-search ads:** Appear at the top of the search results page in YouTube, above the organic results and with a yellow 'Ad' icon.
*   **Discovery ads:** Thumbnail image ads that appear in the upper-right corner of the search and watch pages.
*   **Sponsored cards:** Appear during your video to display relevant products featured in the video.
*   **Bumper ads:** Non-skippable ads up to 6 seconds long that must be watched before a video can be viewed.
*   **Video ads:** Appear at the start of, or during, regular YouTube videos. These ads can be skippable after the first five seconds – in which case the full video can be 60 seconds long – or non-skippable, in which case the full video can be 30 seconds long. With this format, brands can include a small banner ad next to the video for free. Be sure to check out the YouTube Trends dashboard (youtube.com/feed/trending) to stay on top of the most popular videos at any given time.

The video you use for these ads doesn't have to be an advert in itself. You could choose to promote some of your regular content, too. Ensure that the key message appears in the first few seconds to get viewers intrigued enough to keep watching. Check out this useful article on why the first 5 seconds of your video are very important: hound-studio.com/blog/why-first-5-seconds-your-video-are-very-important/.

Figure 12.10 YouTube advertising options

12.5.3 Owned video promotion

If you are hosting your video content yourself, you can and should still optimise the content around it for best search opportunities. As with posted video, it's the text content on the page with the video that is so important.

Make sure that your page title is descriptive, as well as the video title and the video file name. The text on the page with the video is important, so optimise it to reflect the content of the video. You can also use speech-to-text software, such as otter.ai or veed.io, to transcribe the video. The text can then be used in the video metadata.

Use social media sharing links to make it easy for visitors to share the video on their social networks, aggregators, and blogs. If you have a Facebook page, post it there or upload it natively to Facebook. If you have a Twitter account, tweet about it! Don't forget to drive website visitors to your video content. Include a link or strong call to action on your homepage or main landing pages to encourage visitors to view and engage with your videos.

12.6 FACEBOOK VIDEO

While this chapter focuses on YouTube as the biggest video-only network, it faces a rising rival in Facebook. Although Facebook is a social network, it was boasting more than 100 million hours of video consumption per day back in 2016.

Facebook and YouTube are very different. People on Facebook don't have the same kind of intention when they come across a video as people who deliberately search YouTube might.

Facebook videos also disappear from the feed comparatively quickly, while YouTube videos remain easily findable. The most important difference for marketers is what counts as a view. On YouTube, 30 seconds counts whereas on Facebook, just 3 seconds registers as a view. Given that Facebook often autoplays videos, this can be reached before a viewer even notices the video in their feed.

Your approach to videos on Facebook can't be the same as YouTube. Some tips for Facebook Video:

*   Videos need to be short (under 60 seconds). Facebook users want a distraction, and they're more likely to like and share shorter videos – which results in increased newsfeed exposure.
*   Facebook users have short attention spans. You have 4 seconds to catch their attention and keep it. Make the first 4 seconds of your video count.
*   Play around with Facebook's various video options. Live video gets considerably more engagement than pre-recorded.
*   Let your viewer know what to expect in the post to entice them to click.
*   Include a call to action early on.
*   Thumbnails matter. Choose them carefully.
*   85% of video is watched without sound.' Most videos on Facebook are watched without sound – keep that in mind, and include closed captions (Vrountas, 2020).

Remember, relevance is key for Facebook videos, so make use of the Facebook targeting options (discussed in **Chapter 13: Social media**) to make sure your video reaches exactly the right people.

Don't forget that Facebook allows you to create video ads. It is one of the options on Facebook Ads Manager. Facebook also allows you to create short mid-roll ads that play in the middle of another video. The viewer must finish these before they can continue with the video.

12.7 ADVANTAGES AND CHALLENGES

Posting regular video content shouldn't result in any push back, provided it is done in a focused, engaging way. Videos are great for engaging viewers and growing your social media community. However, 62% of consumers are more likely to have a negative perception of a brand that published a video they considered poor quality (Adelie Studios, 2016). Focus and engagement are important.

By studying analytics, platform insights, and comments, you can see which videos on your channel are providing users with what they're looking for. You can then choose to advertise your best videos with the various formats that YouTube and Google have on offer and optimise future videos using this information.

Starting out with video production can be a bit challenging as you learn the ropes of what makes a viewable, entertaining video. It can also be difficult to come up with constantly new

and interesting ideas, but this will become easier with time. Optimising video can also take a while to show results (as with normal SEO).

12.8 MEASURING SUCCESS

The number of views you get is an important factor in getting ranked or featured on YouTube and, by pushing your best content through the paid medium, you can get the ball rolling and significantly increase your chances of picking up organic traction (both within YouTube and Google's universal SERPs).

Number of views is far from the only important metric, however; you will also want to track:

• Average view time
• Conversion assists
• Clickthrough rate on the CTA
• Viewer engagement
• Drop off points (where the viewer stops watching).

All of these and more will help tell you whether or not your video is successful and where you can make changes to maintain or bolster viewer engagement.

Here is a handy guide from Buffer on Video Metrics (BufferSocial, 2017b).

Figure 12.11 Video metrics across various popular platforms

12.9 TOOLS OF THE TRADE

A wide range of tools are at your disposal to help with your video marketing efforts. Most of these are listed in the chapter already, so look at the relevant sections for pointers on what to use.

YouTube is the giant of video content marketing and offers a full suite of tools from video hosting and optimisation to paid advertising, analytics, and social promotion. Google Ads for Video (support.google.com/google-ads/answer/2375497?hl=en) is a feature that allows you to link your existing Google paid advertising account to your YouTube channel, and manage all your YouTube advertising from a single interface.

TubeMogul (launchdigitalmarketing.com/tubemogul-video-advertising/) is a video advertising tool that lets you buy paid video placements across the web. It simplifies the process of placing and paying for video adverts.

Brightcove (brightcove.com/en/products/online-video-platform/) is a leading video hosting and publishing platform. Brightcove Video Cloud gives you everything you need to deliver professional quality video to audiences on every screen.

12.10 CASE STUDY: NIKE DREAM CRAZY

Nike's famous 'Just Do It' strapline has been at the centre of many iconic adverts over the years as the brand has gone on to be revered as one of the most innovative advertisers in the industry.

One-line summary

Nike released the video advert Dream Crazy in September 2018, featuring a former NFL quarterback with the slogan: 'Believe in something. Even if it means sacrificing everything. Just do it.'

The problem

On the back of Colin Kaepernick's decision to take a knee during the national anthem at NFL games that put his career at risk and sparked national debate about the appropriateness of bringing politics onto the field, Nike backed the former NFL player by making him the face of their Dream Crazy campaign, featuring him with sports stars like Serena Williams and LeBron James to illustrate how athletes have defied expectations to make seemingly insane dreams a reality.

The solution

Although the ad sparked massive criticism for its political stance, the advert was inspiring and motivating for celebrating the power of sport to move the world forward. As they usually do with the motivating and inspiring ethos, Nike followed some important best practice principles when creating this video:

#justdoit
Nike / Dream Crazy (United States)
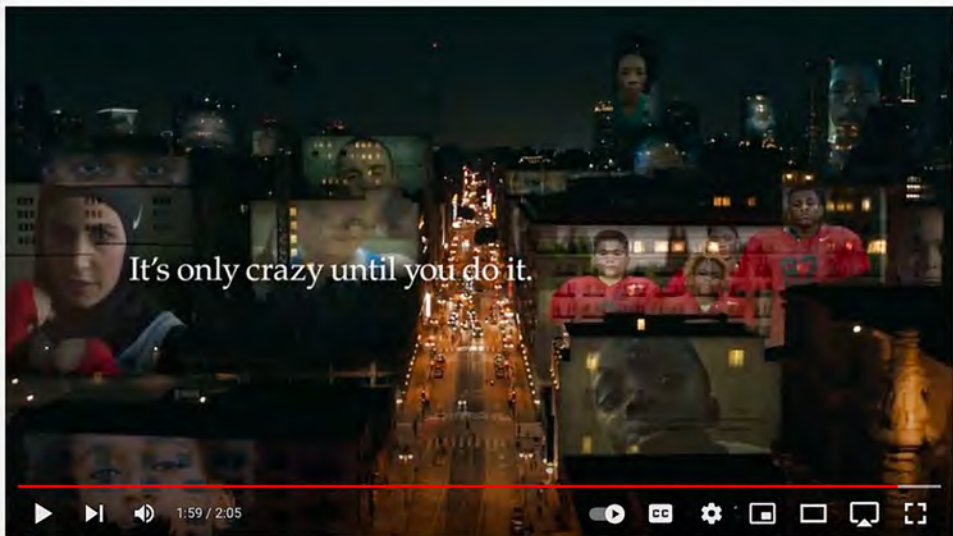
Figure 12.12 The Nike Dream Crazy ad focused on the message, uses subtle branding and good annotations (the Nike swoosh) to include a call to action

- The ad produced great content with a focus on belief rather than status for the consumer.
- It was relevant. It was topical and timed well and also connected emotionally and culturally to the company's target audience.
- The campaign engaged with users on social media to drive traffic to the video and shared the video itself on social media as well.
- It prioritised effective research to understand what would appeal to their target market.

The results

- Nike earned outstanding commercial at the Creative Arts Emmy's for Dream Crazy – a first for Nike.
- Nike's stocks rose by 5% a week after the advert was released.
- As of 2018 the video has been viewed 21.1 million times since it was published.
- Online sales grew by almost a third within a week and saw a 31% increase in online sales.
- Although it initially received mixed reactions, the Dream Crazy ad earned Nike global PR coverage worth $43 million and 2.7 million mentions within a week of release.

12.11 CASE STUDY QUESTIONS

1. When producing video content, what key points do you need to keep in mind?
2. How did Nike use best practices when creating their video?
3. How did online and offline channels work together to contribute to the success of this video?

12.12 THE BIGGER PICTURE

Video marketing can form the cornerstone of a great content marketing strategy, linking closely with the other content that you create to engage and provide value to your customers. Videos can also be added to marketing messages, such as email newsletters, to improve engagement.

Because search engines serve a range of media types on their results pages, video content plays an important role in search engine optimisation. Not only can optimising videos for search increase your search engine ranking, but data show that it increases clickthrough rate from the search engine results pages, these visits are longer and more engaged than other search visits and more likely to result in conversions. Social media provides a great tool for spreading your video, and video content can be a strong driver for users to join your social media platforms. Make sure that you provide users with great value.

12.13 SUMMARY

Video has become an integral part of the online world. The potential for exposure, as well as interaction, is massive and brands that fail to capitalise on this, risk being left behind as competitors build thriving communities.

As with most content, it is up to the brand to decide how to represent its video content. Videos can be hosted on popular video-sharing websites to capitalise on already existing audiences and developed interfaces, or on bespoke websites that allow for free reign in customisation. Brands should then aim to optimise their videos on the chosen platforms to increase their visibility on search engines.

Creating a healthy community is also important in increasing exposure. Very rarely, if ever, does an audience come to video content without input from the creators. On top of optimising for search and other tweaks, brands should upload content regularly or risk losing any ground gained. Social media should be considered as its platforms allow for the sharing of content, and commentary. Overall, brands should be aware that there is no quick fix for video. It requires planning and investment, as well as long-term commitment to creating brand advocates.

12.14 CHAPTER QUESTIONS

1. Why should commenting on videos be encouraged?
2. What sort of personalisation would the self-hosting of a video allow?
3. How do you feel social media affects video marketing? Justify your answer.
4. What possible obstacles could a brand face when seeding a viral video?

12.15 FURTHER READING

blog.youtube – YouTube official blog. If there are announcements likely to affect a YouTube user, this is where you'll find them first.

mashable.com – Insightful and current articles on online video trends.

tubularlabs.com – Regularly posts updates and developments in the world of online video.

tubularlabs.com/blog/category/monetization/ – Some users aim to make money from their online videos by creating excellent content, rather than relying on marketing. Here are some guidelines about this.

vimeo.com/channels/staffpicks – Curated Vimeo videos picked by staff members – some great creative inspiration.

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12.17 FIGURE ACKNOWLEDGEMENTS

Figure 12.1: Screenshot, Blendtec, 2010

Figure 12.2: Screenshot, eNCA channel on YouTube, n.d.

Figure 12.3: Screenshot, Google search

Figure 12.4: Screenshot, Vimeo, 2017

Figure 12.5: Screenshot, The Daily Show on YouTube, 2022

Figure 12.7: Screenshot, comments on YouTube, n.d.

Figure 12.8: Screenshot, YouTube, 2017

Figure 12.9: Screenshot, YouTube Analytics, 2015

Figure 12.10: Black Spartans, n.d.

Figure 12.11: Buffer, 2017 medium.com/@buffer/the-buffer-guide-to-video-metrics-fd3338bdcaf3

Figure 12.13: Screenshot, one of Nike's Dream Crazy ads, n.d.

Nike logo: nike.com

13

SOCIAL MEDIA

In this chapter, you will learn:

- About the largest and most popular social media platforms
- How to track, monitor, and measure your social media marketing success
- About the best ways to engage with audiences on social media.

13.1 INTRODUCTION

Social media has become an integral part of modern-day life. It is virtually impossible to engage in online activity without experiencing it in one way or another. In fact, it is even tricky to avoid social media offline because brands are now using their handles, hashtags, and snapcodes on posters, radio, and television shows to send viewers to their social media accounts for further engagement.

The internet has changed how we see and engage with media. We can now collaborate, publish, and share content and ideas much more easily than ever before, in real time, and with people all over the world. All this online sharing and collaboration is facilitated by social media.

According to Chaffey (2022) there are 7 key areas that are crucial to understanding consumer use of social networks, namely: what is the overall popularity of social media, which are the most popular social networks, which are the fastest-growing networks, how do social media users interact with brands, what are the different engagement metrics based on consumer behaviour, how do consumers interact with different post formats, and what are the most popular times for consumers to use social media.

To succeed in social media, you need to understand the various platforms available to you, which objectives social media can help you to achieve, and how to create a strategy using social media to reach these goals. This chapter will walk you through some of the larger platforms, and the following chapter on social media strategy will demonstrate how to use social media strategically to achieve your marketing objectives.
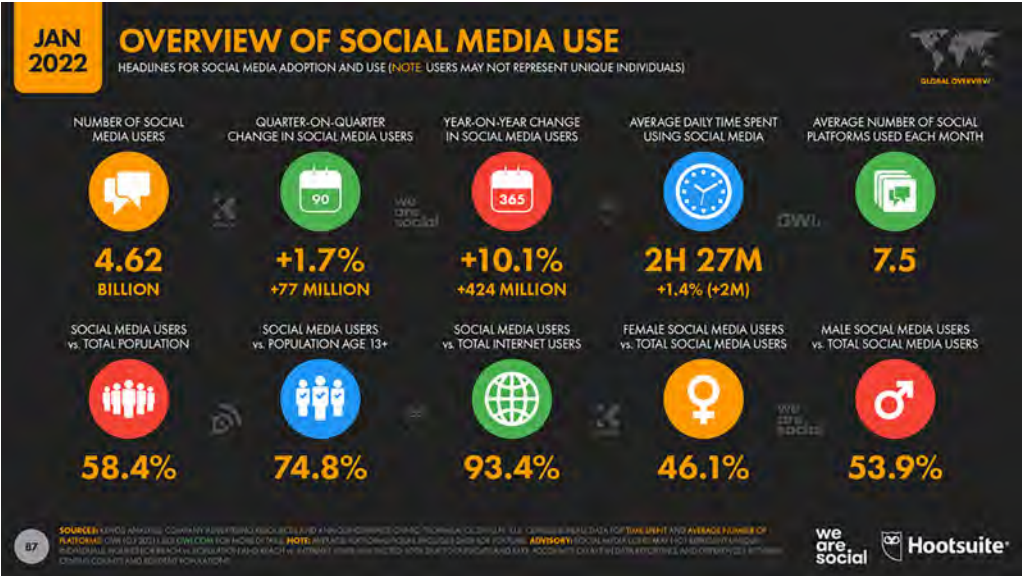

Figure 13.1 Data reportal's global social media stats – overview of social media use

13.2 KEY TERMS AND CONCEPTS

Table 13.1

Term	Description
Ads manager	An online dashboard provided by Facebook where one can view, edit, and access performance reports for campaigns, ad sets, and individual ads. You can view all your campaigns, track your payment history, make changes to your bids and budgets, export ad performance reports, and pause or restart your ads on Facebook, Instagram, or Messenger.
Avatar	A manifested online identity on social media and other online communities based on anything the user chooses. It is the personal image the user wants to project to other users.
Bitmoji	A brand name for a digital cartoon image (like an avatar), intended to look like and represent individual people, used in electronic communication.
Blog	Short for weblog. A type of website that allows users (bloggers) to post entries and self-published musings on different topics and often allows readers to comment on these posts.
Carousel ads	An ad form that allows a brand to show multiple images and/or videos with a link to action in a single ad on a social media platform.
Cinemagraph	Online photographs, with elements that move, that use looped video published as an animated GIF (or other video format) and give the impression that the viewer is watching an animation.
Content	Any item posted online. This includes status updates, images, posts, videos, and any copy. Good content should engage users and build your brand.
Conversion objectives	A measurement of a completed action that you want users to take on your website or platform.
Conversion rates	The percentage of users of the total audience number who take a desired action.
Cover image	The main image on a social media page. It needs to catch the attention of the user, be consistent with your brand, and encourage the user to read more on the page to engage further with your brand.
Crowdsourcing	Taking a job traditionally performed by a professional and distributing it to an undefined, generally large group of people in the form of an open call.

Data protection regulations	Developed to control how personal and private customer information is used or processed by organisations or government bodies. The General Data Protection Regulation (GDPR) and the Protection of Personal Information Act (PoPIA) are examples of regulations in the European Union and South Africa.
Facebook business manager	A service from Facebook that assists with managing access to multiple pages and ad accounts. The service is ideal for businesses that need different permissions for different people in the organisation.
Fake news	Describes news that cannot be verified. Normally pushed through social media to drive a certain viewpoint.
Feed	The section of a social media platform where user updates and advertisements are displayed. Feeds are where social media users spend the majority of their time.
Forum	A website where users can engage in discussions by commenting on threads or previous posts made.
Geofilter	A social media image overlay that can only be accessed within a specific area. Geofilters can be found on social media platforms like Snapchat, Instagram and Facebook.
Geotagging	Pieces of information that show the physical location of where something has been posted. It can be attached to a photo, status, or tweet on a social networking site.
GIF	Graphics Interchange Format is a computer file in the form of a bitmap image that enables short loops of video to be transferred online easily in small file sizes.
Handle	A public username used to identify individual users online, usually on social media, for example @RedAndYellowEd is the Twitter handle for Red & Yellow.
Hashtag (#)	A type of metadata tag used on social media to label what content is about. It enables content to be searched and discovered more easily.
Hashjacking	The use of a hashtag that diverts attention away from the conversation with which it was originally associated, subverting someone else's chat (a common practice with brand chats). To promote another product, or interest.
Hyperlink	A reference to data that users can find by clicking on a link that will take them to the document or page to which it refers.

Influencer	Usually a blogger or someone on social media with a large following. They are normally paid by brands to push content for them.
Influencer marketing	A form of marketing where PR agencies and brands reach out to influencers to market their products for a price. This type of social media marketing uses endorsements and product mentions from influencers.
Internet of Things (IoT)	The interconnection of computing devices embedded in everyday objects, enabling them to send and receive data via the internet.
Keywords	Anything searched on a search engine, whether a single word or a phrase. These words are used in copy or posts to increase findability, discovery, and engagement.
Micro-influencer	An active social media user with a larger following than an average person's but smaller than a celebrity's following; predicted to have the biggest impact influencing opinions/decisions.
Mobile payments	Payment services operated under financial regulation and performed from or via a mobile device, such as Venmo, Facebook Messenger, and WeChat Pay. Allow users to instantaneously send money to anyone they choose.
Near Field Communication	Set of short-range wireless technologies, typically requiring a 4 cm distance or less to initiate a connection that allows users to transfer information between devices quickly, easily, and wirelessly; whether to pay for something, exchange business cards, download information, or share a research paper.
Non-Fungible Tokens	Unit of data stored on a digital ledger, called a blockchain, that certifies a digital asset to be unique and therefore not interchangeable. NFTs can be used to represent photos, videos, audio, and other types of digital files.
Paid media	Any marketing effort that involves a paid placement to broadcast your message to others. Pay per click (PPC) ads, branded content, display ads, and promoted/boosted posts are all considered paid media.
Promoted posts	Paid for post, photo, video and/or offer that will appear higher in news feeds so that more users will see the post. The cost depends on the number of users you want to reach.
Podcasts	A digital audio file made available on the internet for downloading to a computer or mobile device, typically available as a series. New installments can be received by subscribers automatically.

Power editor	A bulk ads creation and management tool, typically used by larger Facebook advertisers or advertisers who want advanced features. It is a plugin that works with Google Chrome to provide precise control over campaigns.
QR code	A machine-readable code, similar to a bar code, that stores URLs or other information for reading by the camera on a smartphone. It is generally used for mobile payments, digital coupons, or links to websites or social media sites.
Social bookmarking	Saving or tagging a website page with a browser-based tool so that you can easily visit it again later. Rather than saving social media posts to your browser bookmarks, you can use different platform features to bookmark posts.
Social network	A network of social interactions and personal relationships on a dedicated website or platform that enables users to communicate with each other by posting information, comments, messages, images, etc. around a shared interest or goal.
Tagging	Linking a social media user, whether an individual, business, or any entity, to a social profile by mentioning them in a post or comment. Also, a keyword or phrase that groups a piece of content together under a specific theme.
The blue tick (or badge)	Represents a verified social media account usually marked by a blue checkmark symbol and has become a symbol of online clout and credibility. Seen next to a verified user on social media channels and is typically reserved for big celebrities, influencers, journalists, and big companies. On WhatsApp, the blue tick lets the sender know if the receiver has read the message or not.
Tracking pixel	A 1×1 pixel graphic used to track user behaviour, site conversions, web traffic, and other metrics similar to a cookie. The tiny, pixel-sided image is usually hidden and embedded in everything from banner ads to emails. In line with privacy regulations and laws, consent is required to use tracking pixels.
Trend	A subject or topic that experiences a surge in popularity on one or more social media platforms for a limited duration of time.
Video or virtual conferencing	An online meeting where two or more people connect on a live audio-visual call. With a strong internet connection, the participants can see, hear, and talk to each other in real time, no matter where in the world they are. Users connect using apps like Google Hangouts, Microsoft Teams, Webinars, and Zoom, as well as messaging apps like Telegram and WhatsApp.

Viral	When a piece of content becomes incredibly popular in just a matter of hours or days after being published. It circulates rapidly and widely amongst internet users, it is considered to have gone viral.
VLOG	A combination of the words video and blog. A vlog is a video blog post that uses video to stream content on sites such as YouTube, YouTube Shorts, SnapChat and Twitch, among others.

13.3 MARKETING WITH SOCIAL MEDIA

Social media has changed the world of marketing. It has evolved so much that the function often requires the capacity of an entire department to successfully and effectively create, connect, converse with, and share content online, while engaging audiences and growing online communities. Social media forms an integral part of the marketing team and ultimately, the business and brand.

The team in a social media department is structured with full-time roles that typically include the head of social media, a social media strategist, manager, as well as a social media analyst and community manager. Each role has key responsibilities and duties to fulfil the brand's social objectives.

To keep up with increasingly digital audiences, traditional media has had to adapt. This has changed the way content is published, both online and offline, and how advertising is sold.

For example, many newspapers now publish their content online as well as in their print publications. Online, they can get instant commentary on their articles, learn what their readers think, and use this information to make editorial decisions. News also comes from citizen journalists, ordinary people who post instant updates to social media about events unfolding around them. Often, news breaks via Twitter rather than news outlets.

Social media has evolved significantly over the last two decades. Initially, it was based primarily on earned media, but brands soon started to claim ownership of their social pages, profiles, and channels across the various platforms. More and more paid options have also arisen for brands to promote themselves on social media.

With an ever-increasing number of players entering the social media space, brands need to spend more to promote on social media for users to see and engage with their content. Social media is a mix of owned, paid, and earned media options for marketing. Knowledge of how each of these are managed and planned is integral to developing and maintaining a brand. Working with social media can be broken up into three phases, as depicted in the image that follows below.

Figure 13.2 The three phases of working with social media

The process is cyclical. Analytics of the current content and engagement feed back into the strategy. Depending on results, this alters the content created and shared, as well as how the brand engages with the community. These changes, in turn, are analysed and the cycle continues.

13.4 FACEBOOK

In October 2021, founder and CEO of Facebook, Mark Zuckerberg, announced that the platform would move under a new company called Meta with the intention of forming part of the metaverse that will be created. The iconic social networking app is the most dominant in the world.

Figure 13.3 The Facebook logo

13.4.1 Introduction and stats

According to Statista (2021), Facebook had "roughly 2.89 billion monthly active users as of the second quarter of 2021. During the first quarter of 2021, the company stated that 3.51 billion people were *using at least one of Meta's core products* (Facebook, WhatsApp, Instagram, or Messenger) each month". Because users are spending so much time on Facebook, advertisers and marketers want to capitalise on this audience.

> **NOTE**
> As of September 2021, there were over 28.3 million Facebook users in South Africa and a projected 35.92 million users by the year 2026 (Statista, 2021).

Facebook has a number of ways for brands and organisations to use the platform to connect with potential customers. These include business pages, adverts, promoted posts, app promotions, and now even direct online sales. Such marketing efforts are especially helpful to small businesses. Facebook enables content creation and distribution and allows brands to engage with their customers in real-time, two-way conversations through their 'page'. Facebook is a powerful platform for the implementation of a digital marketing strategy.

According to Zuckerberg, the metaverse will "be a new platform that could connect to different apps and allow users to bring items and data across different virtual spaces or even project them into the physical world through augmented reality. In other words, products can

be used all across the metaverse instead of only on one app or one platform". You can read about it here: popsci.com/technology/facebook-changes-name-to-meta/.

This move however, is still in the making and the technology does not yet fully exist. It will take time for the business to garner support for early adopters and to refine the technical challenges. That said, it shows the forward-thinking nature of the business to plan for future developments and adopt future trends.

13.4.2 Features

Facebook offers numerous features, the first of which is the ability to organise your newsfeed and contacts. Other features are discussed below:

Pages

Personal profile pages often remove much of the anonymity of the internet. Users of social networks reveal a great deal of information about themselves, from basic demographics, such as age, gender, and location, to nuanced lists of interests, likes, and dislikes. By divulging this information to the network, they are sharing it with the networks' advertisers. For marketers, the accessible personal information is like gold and can be used for targeted marketing.

While only de-identified data can be accessed for marketing, users are often unaware of the data that is amassing on their online profile. This can lead to privacy risks. Social networks do offer privacy management control options, but the default setting shares information. Different levels of information control must be activated in user settings.

NOTE

To see how much of your data is being shared publicly on Facebook, check your Privacy settings regularly. Click on the dropdown arrow at the top right corner of the page and select 'Settings & privacy', then 'Privacy Checkup'. Facebook will guide you on how to update your settings.

Businesses use Pages to share contact information, post updates, share content, promote events and releases, and to connect with their Facebook audiences. For brands, a Page is the profile for a brand, organisation, or celebrity. It looks very similar to a personal profile, and users can choose to connect with a brand on Facebook by liking its Page.
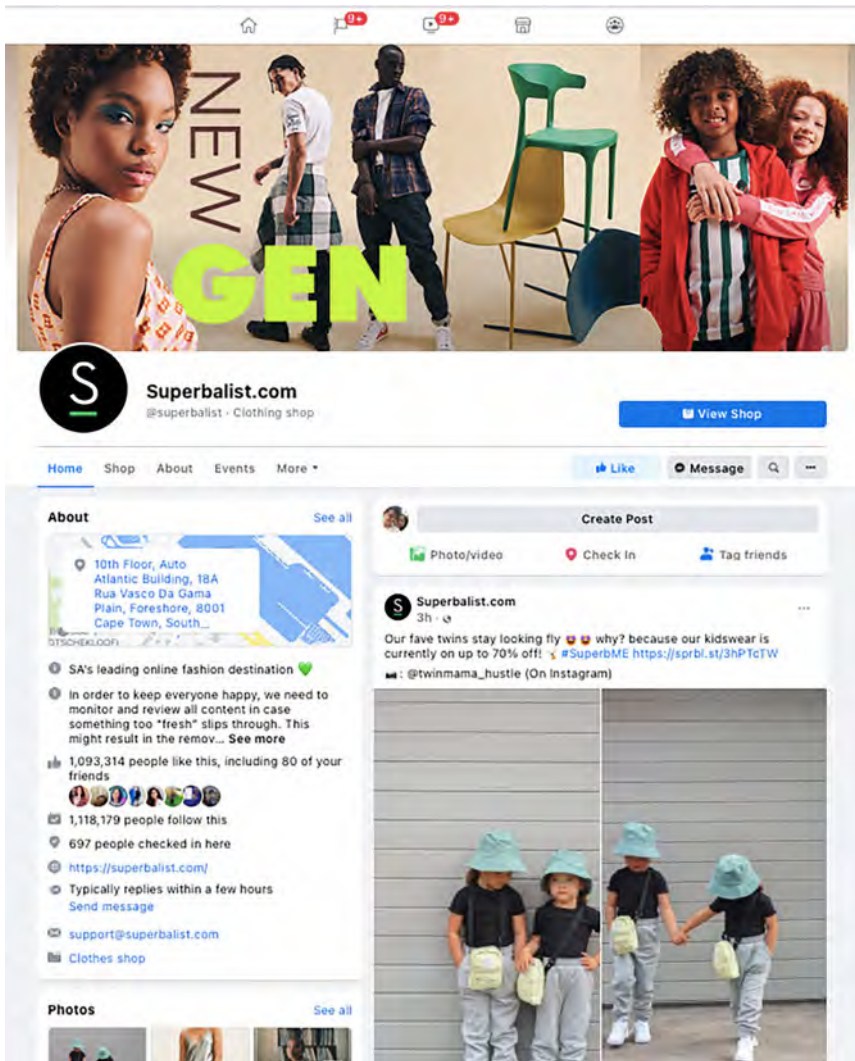
Figure 13.4 The Facebook business Page for Superbalist

Each Page consists of the following elements:

- A cover photo, GIF, or video (the large banner at the top)
- A profile image that represents the brand
- Buttons to like, share, comment, or some other form of call to action
- The timeline, where the brand's posts and interactions are displayed, usually in a chrono-logical timeline
- Tabs are distinct pages of information on the brand's Page. Tabs can be used to house richer, more graphic content, such as more detailed 'About' pages, photos, videos, services, shop, and event news.

Users tend to expect that a credible business would have a Page on Facebook. Therefore, neglecting a well thought out presence on the network can lead to lost opportunities.

Reaction buttons

Figure 13.5 Reaction button icons

The Facebook reaction buttons allow users to share their feelings about a certain piece of content with their social circle. The reactions include the original iconic 'Like' button, as well as 'Love', 'Care', 'Haha', 'Wow', 'Sad', and 'Angry'.

The 'Like' button can also be used on websites outside of the Facebook ecosystem, allowing visitors to recommend this site and content easily and to spot if friends have liked the same content.'

The use of the like button is sometimes tracked as a performance indicator for business Pages to quantify the amount of reach and engagement for a piece of content. Liking content signifies that someone has actively interacted with it, while liking a brand Page does not prove continual or repeated engagement. For this reason, the number of likes on a brand Page can be seen as a vanity metric.

> **NOTE**
> The heart, or Love reaction, as well as the Like button can be used to gauge what content users enjoy the most on their newsfeed. The Facebook algorithm then ensures similar content is shown to the user.

Metrics can't identify who actually read a post, but they can show how many users were reached, shown as impressions, through either paid or organic search. Impressions, shares, or comments are much more reliable measures of reach and engagement.

Feed

Formerly known as the News feed, Feed is the term used for the stream of content users see when they log on to Facebook. It is meant to show users stories that are meaningful and informative, with a selection of recent posts and updates from friends and brands with which they have connected on Facebook.

> **NOTE**
> You can read how Facebook algorithm works in this blog: blog.hootsuite.com/facebook-algorithm.

Facebook uses an algorithm to determine what information to show in each user's Feed. The following factors are considered by the algorithm before it displays content in a user's news feed:

- **Who posted it?** If you engage regularly with this person or brand, Facebook will show you more of their content.
- **Type of content:** Whether the content is a photo, article, or video, it can carry different weight in the algorithm.
- **Interactions:** How does this impact the algorithm and/or user experience?
- **Recency:** How does this impact the algorithm and/or user experience?

Stories are ordered, or shown, according to the relevancy score that is calculated from the factors listed above. It's based on what the algorithm believes is important and meaningful to the user.

A user is more likely to interact with content that is displayed in their Feed, so it is vital to ensure that your page content takes this algorithm into consideration. Brands are spending on ad campaigns and promoting their posts to compete with the algorithm. It is, however, recommended to work with it instead. Learn about what your specific audience finds important and meaningful to create content that will resonate with them. In turn, you will send positive ranking signals to the algorithm.

There are five things publishers can do to optimise their potential for appearing in user Feeds. These are:

- Use compelling headlines
- Avoid being overly promotional
- Try a range of media forms and monitor which is most appreciated by the audience
- Utilise publisher tools to provide Facebook with audience optimisation and audience restriction information
- Use boosted posts or paid ads to gain exposure.

Doing the opposite of the above can cause users to hide, block, or 'unsee' content that you publish. Remember to be sensitive and avoid overpromoting your brand.

When users tag their friends or brand pages in their personal Facebook content, the post will appear on their timeline, and it will notify the friend and the brand page. If it is a public post, it could be shown to some of the brand page's fans. This is also true for brands tagging other brands, which is encouraged to increase exposure.

> **NOTE**
>
> Facebook Video allows users to upload videos directly to the platform. There are a host of features and benefits that you can use to build and increase awareness on the platform. Keep updated with the latest on video tools which you can read here: www.facebook.com/formedia/tools/video.

Facebook Live allows people, public figures, and brands to share live video with their followers and friends on Facebook. It is available to anyone with a page or profile on Facebook. Viewers can react and comment in real time on the video, and brands can monitor how the broadcast is going. Facebook Live records the videos as well, which can then be viewed like any other Facebook video.

The good news is that Facebook Reels and Live are separate from the Feed algorithm. Both appear as tabs at the top of Feed, above all the other content, which is one way for you to bypass the Facebook algorithm (blog.hootsuite.com/facebook-algorithm).

It is a popular tool for brands and influencers and has proven very successful for brands. Media, entertainment, and broadcasters like *The Daily Show* with Trevor Noah and Mashable use Facebook Live to release pre-recorded and live videos.

> **NOTE**
> You can find out more about how you can use Facebook Live to create videos that your audience wants to watch here: blog.hootsuite.com/facebook-live-video/.

13.4.3 Advertising and marketing with Facebook

Facebook, like many social networks, is free for its members and relies on advertising for revenue. In turn, Facebook offers opportunities for brands to create a presence and use the existing social network to connect with and reach out to customers. Its search functionality has opened up dramatically and is becoming more advanced, which means it is providing more and more searchable keyword information for market researchers as well.

> **NOTE**
> Generally, people visit social networks to socialise and connect. Although social media is used for marketing, it is important to find a balance and respect users by maintaining a personal and valuable presence.

The social network collects demographic information that consists of statistical data like your age, gender, and income, as well as psychographic information like attitudes, aspirations, and other psychological criteria. This is valuable to advertisers because it allows them to target their adverts to a very specific audience segment.

Facebook ads that use 'conversion' objectives during set up, leveraging pixels to track conversions, remarketing, and CTA buttons such as 'Buy now', amongst others, are the most effective and can be tracked to monitor your conversion rates.

> **NOTE**
> Refer to **Chapter 17: Social media advertising** for more information on targeting of your audience.

A conversion objective encourages users to take some form of action, such as clicking through to your site, signing up for a newsletter, browsing your product catalogues, making purchases, and even driving to visit your physical store. Remember that there is a difference between conversion and traffic. If making a sale is your ultimate goal, the website will significantly benefit from increased traffic; conversion, however, is the point at which the user takes the desired action.

Figure 13.6 Tips for marketing on Facebook

Brands can run promotions, offers, and competitions through their Facebook Pages, but must ensure that they comply with Facebook's terms and conditions. You can access offers on your brand profile menu under 'More'.
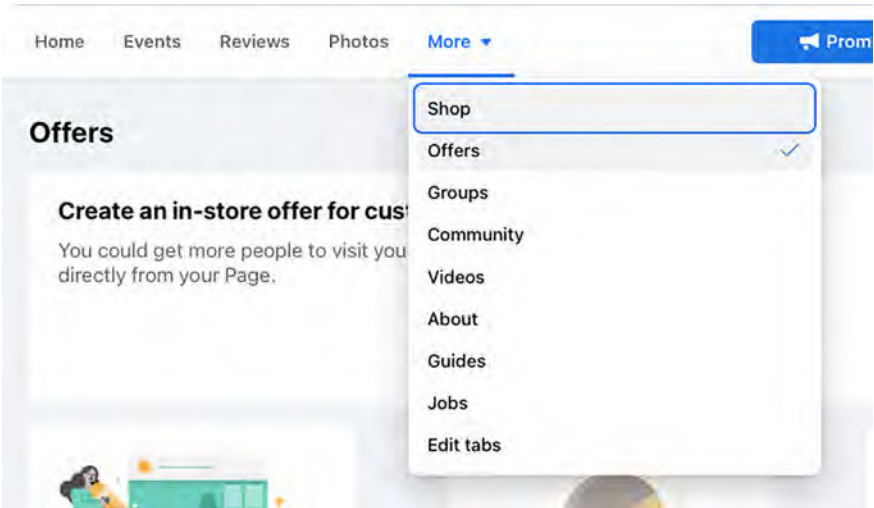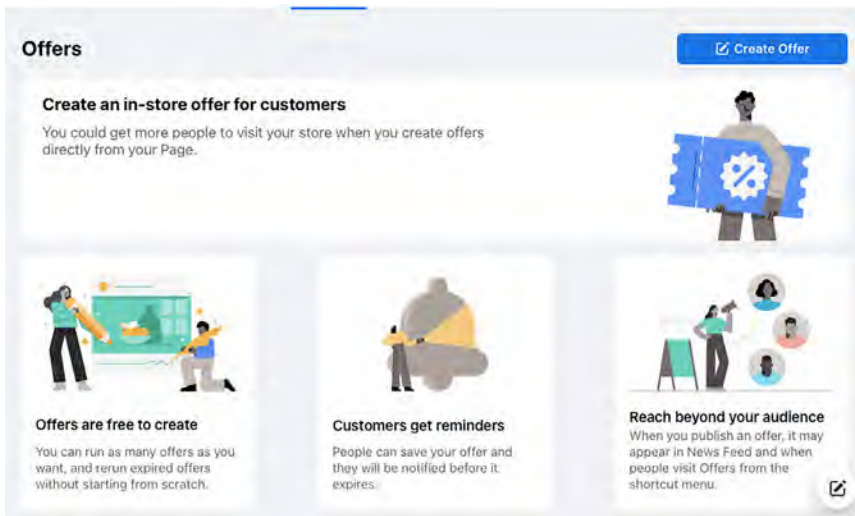
Figure 13.7 You can create an offer on your brand's profile Page by selecting 'Offers' under the 'More' menu dropdown shown above

Facebook campaign guidelines allow users to enter a competition by commenting on a post on Facebook, which does a great job of driving engagement.

Facebook is now a pay to play space, where organic reach has dropped significantly, meaning brands now need to pay to have their content reach users' news feeds. Neil Patel's (2021) research indicates that: "On Facebook, advertisers achieve average conversion rates of 9.21 percent. In other words, for every 100 interactions with your Facebook ad, nine will convert into a lead or sale".

> **NOTE**
> Read more about the Facebook policies and regulations here: www.facebook.com/page_guidelines.php.

13.4.4 Selling on Facebook

Facebook is not considered a hard sales platform and is predominantly used for gaining awareness and reach, recruiting leads, or channelling users into a database from which they can be targeted in future marketing, ultimately leading to a sales conversion.

For the majority of businesses, the Facebook Store (or Shop) is the ideal choice to showcase and sell items from your business' social profile, whereas Marketplace is arguably targeted more at individuals looking to sell items (entyce-creative.com/the-difference-between-facebook-shop-tab-and-facebook-marketplace).

Facebook Shop

Introduced in late 2015, early 2016, Facebook Shop (or Store) enabled brands to import their online store onto their Facebook Page, or business owners could list and sell products that users could shop and purchase without having to leave Facebook. This allows you to easily

tap into your existing Facebook audience and reach a larger customer base. It is considered the ideal choice to showcase and sell items from your business' social profile, with the added benefit of connecting to Instagram too.

With Facebook Shop, customers can view and purchase your products directly from your Facebook Page and check out without ever leaving Facebook. It also allows for customers to be redirected to your external ecommerce store or site if needed.

Facebook Marketplace

Facebook Marketplace was introduced in 2007, giving users the option to post classified ads. It was removed in 2014, because it didn't gain enough traction. In 2017, Facebook reintroduced Marketplace with much higher prominence, placing it closer to the top on the desktop site and mobile app. Initially, a customer-to-customer platform, Marketplace started taking off as a business to customer platform in 2019.

Sellers list their products and buyers make contact to purchase, negotiate, or inquire about the product. It acts as a site for sellers to connect with buyers and vice-versa. There are no transaction gateways to make payments on Facebook Marketplace because it does not support payment processing. Primarily, Marketplace allows you to list, find, and advertise products with a price, whether you are an individual, seller, or manufacturer.

> If you are trying to decide which one to use, Facebook Marketplace or Facebook Shop, consider both because, if you have a Facebook Shop, you can add Marketplace as a sales channel and reach more people who are in search of specific items and shopping there.
>
> You also don't pay any seller fees on Facebook. In this regard there's no difference between Facebook Shops and Facebook Marketplace. You can set up a Shop with checkout on Facebook which allows you to choose how you want to accept payment. Learn more here: facebook.com/business/help.

13.4.5 Facebook Analytics

Analytics are the key to informing social media strategy, so monitoring your posts and marketing efforts is essential. Facebook Insights is available to business Page administrators. It provides data on how users are interacting with your content and your page. This includes demographic information about the users connecting with your content (age, gender, and location breakdown), which tabs and which content posts are seen and interacted with, and how many users hide your content from their news feed, and when.

With the inclusion of Facebook Video, Facebook also created Video Insights, which provides metrics for video uploads. You can see unique views, duration, and audience retention which help you to understand how your videos are performing. Video Insights help you to refine and revise your video strategy.
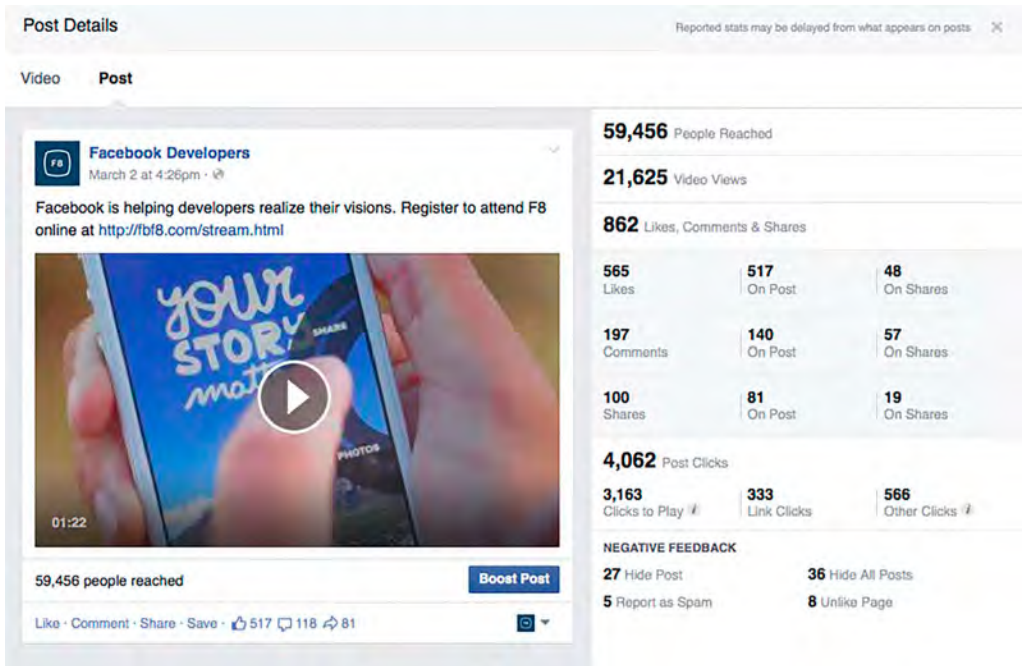
Figure 13.8 An example of Video Insights on Facebook

13.4.6 Facebook summary

Because of its sheer size, 2.91 billion users and counting, Facebook is a popular marketing choice for many brands. It offers incredible reach and is particularly powerful for brand awareness. Other social media platforms seem to appeal predominantly to younger markets, while Facebook has a broad appeal across age groups, making it a clear winner for brands who want to market to a more mature audience. The accessible analytics, helpful business tools, diverse ad options, and detailed assistance have all helped to make Facebook the number one social media choice for many marketers.

13.5 YOUTUBE

Creating and sharing content for free is one of the hallmarks of social media, and YouTube is considered the largest of the content creation and sharing websites. The key word here is free: there are no fees for joining, whether you are uploading or viewing content. YouTube Premium (formerly known as YouTube Red and Music Key) is a subscription service that offers ad-free access to content with added features, as well as YouTube Originals programming and YouTube Music.

Figure 13.9 The YouTube logo

13.5.1 Introduction and stats

YouTube attracts an enormous audience. Often marketed as the second largest search engine in the world, YouTube has 2.1 billion users worldwide. It is owned by Google and thus has the benefit of receiving prime results in the Google SERP.

YouTube encourages the distribution of its content and allows videos to be embedded easily into other websites and shared to other social platforms.
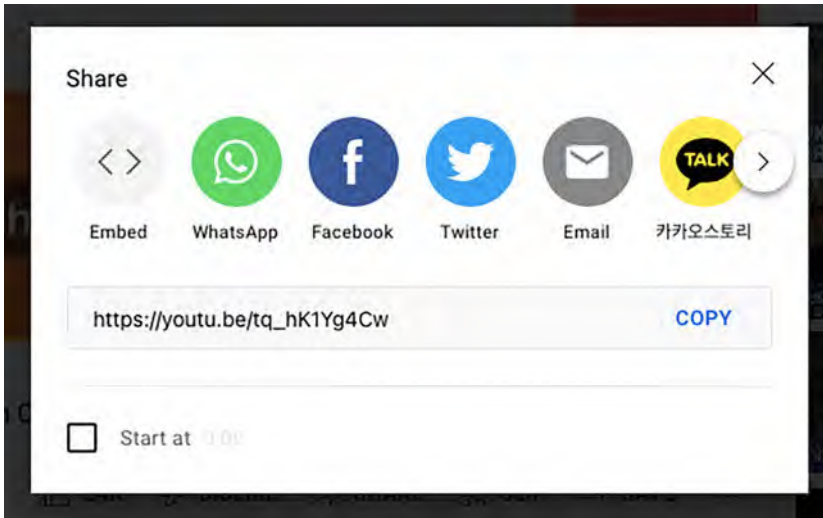
Figure 13.10 Sharing options on YouTube

Online video consumption continues to grow year on year as bandwidth gets faster and cheaper. Sharing video content is easy with YouTube. Anyone can upload videos captured on simple devices such as webcams and mobile phones or on high-end professional cameras.

Some stats on YouTube:

- Over 2.1 billion users worldwide and 1.7 billion unique monthly visitors
- Approximately 53.9% of users are male
- 37.5% of users are between 25 and 44 years old
- 500 hours of video are uploaded every minute
- 694 000 hours of video are streamed on YouTube each minute
- More than 3 billion hours of content are watched each month
- More than half of YouTube views come from mobile devices.

13.5.2 Features

YouTube is simple to use. Unregistered users can watch most of the publicly available videos. However, logging in with your Google account or following the simple registration on YouTube provides additional benefits. Registered users can upload an unlimited number of clips, comment

on and add video responses to videos, and subscribe to content feeds that catch their attention and interest. Frequently enhanced functionality and clever features continually push YouTube to deliver bigger and better services to its ever-increasing user base.

YouTube allows individuals and businesses to own a channel on the site. They can brand and customise the channel as they like and manage the content that is created and shared. Viewers subscribe to various channels and get updates on new content.

Vloggers, video bloggers, who create monthly, weekly, or even daily posts, have become increasingly popular. Some earn money to make a living with their YouTube channels, thanks to the YouTube Partner Programme. Although contentious in certain ways because of their changing policies, YouTube stars like Mr Beast (Jimmy Donaldson) earned $54 million in 2021, while seven-year old Anastasia Radzinskaya, who goes by Nastya on her various channels, earned $28 million in the past year, surpassing nine-year old YouTuber, Ryan Kaji (who reviews toys on his channel) for the first time [Statista, 2022].

> **NOTE**
>
> YouTube Premieres allows you and your viewers to watch and experience a new video together in real time. Create a teaser for your Premiere by sharing the watch page with your viewers and set reminders, chat, and leave comments.

13.5.3 YouTube Shorts

YouTube Shorts gets 15 billion daily views. Launched in 2020, YouTube introduced short-form video that allows users to record 15–60 second portrait clips using a smartphone for upload to the platform. The platform features editing functions, like adding animated text, editing multiple 15-second clips together, and controlling the speed of the video. Users can also like, dislike, and comment on your videos and subscribe to your channel. Licensed music and captions may be added to uploaded videos too.

With all of these features and functions in place, Shorts has proven to be a massive hit; challenging newcomer, TikTok, and demonstrating that viewers enjoy short content, wherever they're consuming video. Since launching, YouTube Shorts has accumulated 5 trillion views as of January 2022, according to Variety (2022). You can view it here: variety.com/2022/digital/news/youtube-shorts-5-trillion-views-shopping-branded-content-1235162043/.

13.5.4 Marketing and advertising on YouTube

There are two aspects to marketing through YouTube. The first is paid advertising by promoting video content next to, or during, other content on the site. The second is having a brand channel, which provides analytics and community features.

YouTube has a host of advertising options. YouTube Promoted Videos and YouTube Ads are just two of the many ways the site can be leveraged for promotion. Adverts can also be managed through Google AdWords. See more about this in **Chapter 17: Social media advertising**.

Having a brand channel is perfect for content marketing. Content shared on your brand channel should not be too promotional, but should offer value to your viewers. Some promotion is expected and accepted by viewers, but if you want to entertain viewers and encourage them to subscribe and continue to tune in to view your content, it needs to offer value.

Using social platforms such as YouTube allows brands and video creators to tap into an existing community of avid video viewers. For example, YouTube has changed the way we view video commercials. Marketers have shown that if

> **NOTE**
>
> Refer to **Chapter 12: Content creation: Video** for more information on marketing on YouTube.

an advert is good enough, many users will choose to watch it. Super Bowl commercials, for example, are highly anticipated each year, and the best ones receive millions of online video views. These are users who have chosen to watch this advert at a media cost of zero. Other advertisers have realised that far longer adverts can be created and uploaded. As long as the content is good, users will watch, and hopefully share. Time constraints online are not the same as they are for television networks.

Online video sharing also makes it possible for conferences to generate a far greater audience than ever before. The companies that run these conferences are able to engage with a massive audience by posting videos of the conference presentations, an excellent example of content marketing. TED and Nokia, which runs Nokia World, are excellent examples of organisations that increase interest by making their remarkable presentations available for free.

YouTube's Community tab

YouTube has created the Community tab, which allows viewers to respond to a creator's posts. It allows users to reply to messages with text to react and share their thoughts. Brands can make posts consisting of text, image, polls, or video, and users can respond to these, making YouTube a far more social platform than before.

Read more about it here: support.google.com/youtube/answer/7124175?hl=en&ref_topic=6059684.

13.5.5 YouTube Analytics

YouTube Analytics is available to all YouTube users for their videos and channels. There are different tabs to view for each report that shows you how the video or channel is performing. These include the following:

Overview tab: Provides a summary of how the channel and videos are performing. In this tab, you will see reports for your channel's typical performance, top videos, real-time (performance over the last last 60 minutes or 48 hours), how the last 10 videos have been performing, and stories over the last seven days. If you're in the YouTube Partner Programme, you will also be able to view your estimated revenue here.

Reach tab: Gives a summary of how your audience is discovering your channel. The key metrics card shows your impressions, impressions click-through-rate, views, and unique viewers.

Engagement tab: Gives you a summary of how long your audience is watching your videos. This includes showing your watch time and average view duration, as well as top videos, playlists, videos at end screen, and posts.

Audience tab: Provides a summary of the kind of viewers watching your videos. The key metrics card shows your new and returning viewers, unique viewers, subscribers, and total members. You will also be able to view your reports for the videos growing your audience, when viewers are on YouTube, age and gender and top geographies, among other metrics.

Revenue tab: Helps track your earnings on YouTube. The key metrics card shows your estimated revenue.

Video views and popularity are broken up by geographical territory, as well as some demographic information. Discovery data shows how users got to your video.

One of the most useful reports for any video is audience attention. This report shows when users stop viewing a video, or rewind sections of video, and compares this to videos of a similar kind.

13.5.6 YouTube summary

YouTube offers brands and businesses a great platform to share content with their customers. Being able to personalise and brand your own YouTube channel helps to develop your brand's online presence and assists with SEO. Your own brand channel means having an online collection of all your video content that users can peruse in their own time. And through analytics, you can observe what types of content resonate more with your users. You can optimise your efforts by sharing popular content on other platforms or even paying for promotion of popular content to get further reach and awareness.

13.6 WHATSAPP

Launched in 2009, WhatsApp is a cross-platform instant messaging and voice-over-IP service for smartphones and desktop devices.

This secure messaging service allows users to easily share photos and videos, among other great features that you will discover in this chapter. The only way the platform remains accessible is when the user's device is connected to the internet.

Figure 13.11
WhatsApp logo

13.6.1 Introduction and stats

WhatsApp uses data to send and receive messages. Currently it is the leading mobile instant messenger app in the world, with over 2 billion active users. WhatsApp is also the third most popular social network globally.

To create an account and set up, users only need a mobile telephone number and internet connection. WhatsApp prides itself on offering end-to-end encrypted messages and calls. Each message has a unique lock and key that only senders and recipients can read the contents – not even WhatsApp (CM, 2021).

Nine years after launching WhatsApp, WhatsApp Business was released to allow companies to communicate with customers who use the standard WhatsApp messenger service.

Key stats about WhatsApp:

* 2 billion active users worldwide
* the most used mobile messenger app in the world
* 4.9 billion total downloads in 2020
* Over 100 billion messages are sent and over two billion minutes spent on voice and video calls per day
* Available in more than 180 countries and 60 different languages.

13.6.2 Features

WhatsApp is simple to use. While its primary function is to facilitate voice and text messaging, the features offer a host of functionality and convenience for customer communication. More than 5 million business users take advantage of this popular messaging platform today. Here are a few of the features that keep the social platform so popular for marketers.

13.6.3 WhatsApp Business

The large number of active users on WhatsApp makes it easier for businesses to communicate directly with their customers using WhatsApp Business. Because people are accustomed to using the app, it can be used easily as a tool for marketing, brand awareness, and customer service purposes. Here are some of the reasons the platform is effective for marketing:

* **Convenient communications:** WhatsApp Business gives companies a way to engage in two-way messaging with their customers through an app they're likely already using for everyday chat conversations. It offers businesses a convenient and direct way to share a variety of customer communications and campaigns.
* **Improved customer care:** With the dawn of technology advancement and digital communication, WhatsApp Business enables companies to communicate directly with your customers in a personal, real-time environment. When used correctly, WhatsApp Business allows you to have control over what information is shared with your customers and how your business builds and fosters loyalty and trust with them.
* **Brand-verified conversations:** In order to complete your WhatsApp Business account setup, every business must create a 'business profile' on WhatsApp. This will become a unique business identity that incorporates your brand elements into your WhatsApp conversations. You can add contact numbers, website URLs, store locations, promotional

details, and more. WhatsApp Business also lets you add multimedia to messages, including images, videos, and documents.

*   **Global reach:** WhatsApp is the most popular messaging app in more than 100 countries, with a global customer base of more than 2 billion. This makes it a perfect channel for businesses to reach captive audiences.
*   **Automatically initiate more conversations:** Once users have opted in to receive WhatsApp messages from your business, you can create templated messages that notify customers to take the next step and start a conversation. Bear in mind, there are controls in place to ensure that users don't receive spam or irrelevant communication. WhatsApp requires that business users respond to incoming customer messages within 24 hours using a non-templated message. This preserves the integrity of the service.
*   **Added security with customer messaging opt-in:** WhatsApp has security features like end-to-end encryption and two-factor authentication to keep both customers and businesses safe. Managing privacy regulations and compliance laws can be cumbersome for businesses, which is why WhatsApp Business also verifies your business account when registering, it assures customers of your identity when they opt-in to receive your texts and communications.

13.6.4 Marketing and advertising with WhatsApp

Because of the widespread use of WhatsApp globally, people have become accustomed to connecting with each other using the platform. This is why, when you use the app to market or promote your products and reply to your consumers' queries, it becomes the most personalised form of communication and customer experience.

WhatsApp marketing has proven to be very effective and beneficial with these features:

Message templates: Allow you to send pre-written messages, such as appointment reminders, delivery updates, and confirmations to customers.

Quick replies: Save time by creating quick replies related to your business. It allows you to write a customised message for customers, without having to type out the same answer each time for different customers.

Automate messages: Respond to customers 24/7, so they never feel ignored. Creating a welcome greeting to new customers helps your brand promote a positive image while sharing introductory information about your business.

More time-saving messages include:

*   Notify customers of wait times
*   Follow up with links to FAQ resources
*   Prompt users to schedule a time to chat
*   Gain peace of mind with built-in security.

Create a branded business profile: WhatsApp Business prompts you to enter information, like your business address, contact information, and website URL, to inform customers how to find you online and reach you in person.

Organise your chats: WhatsApp understands that mobile messaging moves quickly. To ensure no customer messages go unseen, you can label your conversations. Add colours or labels to designate departments, sort by conversation types, and quickly retrieve messages.

Get delivery data stats: Know if and when your messages have been received or read. This information gives you valuable feedback on your delivery and messaging efforts.

Create a catalogue: Promote up to 500 products or services with a catalogue displayed on your WhatsApp Business profile. Catalogue links may also be shared on social media to help customers discover your business and contact you directly for sales and support questions.

> The first strategy should definitely be to create a resonating brand persona on WhatsApp. Create a character that reflects your brand and also connects with the audience at the same time. This will make users feel like they are talking to your brand directly and not with a robot (Dhapai, n.d.).

Integrating your digital marketing with WhatsApp marketing can be the best decision for your business because, even if you don't yet have a website, you can still run social media ads and gather a captive audience. All you need to do is direct your leads to your WhatsApp number to proceed with the sale. Simply add your WhatsApp business link to your CTAs.

13.6.5 WhatsApp Analytics

WhatsApp Business statistics allow you to track your customers' engagement by the total number of messages sent, delivered, read, and received. This measures the performance of your interactions and conversations with customers.

To view your statistics, open your WhatsApp Business, tap on More options, then Business tools, More options, and Statistics.

According to Interakt.shop (2021), the following is what you would want to measure when it comes to WhatsApp analytics:

- **Total number of chats sent:** The total number of chats that you have had with your customers on WhatsApp during a specific period (a day, week, or a month) will help you gauge the effectiveness of a WhatsApp campaign, because it will show a direct increase in the total number of chats.
- **First response time:** The first reply time is the amount of time it takes to respond to a chat request. It should ideally be 6–15 seconds long to successfully facilitate instant communication between you and your customers. The longer the response time, the unhappier

your customers will be. It simply means that your customers are made to wait longer to get a response from one of your agents.

- **Average response time:** The average amount of time it takes to respond to a message is calculated by dividing the total time that has passed until a chat reply was sent by the total number of chats held. If the average chat response time is long, it means that either the number of chats coming through are overwhelming or that there is a challenge finding solutions or answers to customer queries. On the other hand, faster response time leads to increased customer satisfaction and lower cart abandonment rates.
- **Average resolution time:** The time taken to successfully resolve a customer's query. You may find that you or your team are handling between 1 to 3 conversations at a time. Even if you can multitask, customers connecting with a business still expect a faster resolution time. This metric is one of the most important metrics to track because it's a direct indicator of preparedness and operational efficiency. To calculate the Average Resolution Time (ART), simply divide the total resolution time across all chats by the total number of resolved chats.
- **Chat to conversion rate:** Another key performance metric to calculate is the chat to conversion rate. This is the total number of people who have performed a specific action (that indicates a conversion) out of the total number of people who have chatted. Conversion would vary from company to company depending on your business goals. This could be a purchase, a sign up for a newsletter, or a repeat purchase.

Your chat metrics will help you evaluate how well your interactions with customers are performing. It helps you understand if you are providing the right solutions and messages to customers, at the speed and turnaround time that they expect. These statistics provide insights into the quality and effectiveness of your chat process, while highlighting what works, what does not work, and where it can be improved. It also provides you with opportunities to serve your customers better.

By keeping close track of your customer service agents and the chat process, you can deliver an outstanding customer chat experience, get more happy customers, and accelerate your business growth.

13.6.6 WhatsApp summary

WhatsApp, particularly for Business, allows brands and businesses to connect directly with their customers quickly, easily, and effectively. It's free to use and, because the platform is so integrated into billions of people's daily lives, it's a great way to communicate your business promotions, transactions, and queries all safely and securely.

WhatsApp allows you to add a personal touch to customer experiences with direct access to people using their mobile contact number. With a customised profile, you can maintain a level of brand presence with your customers by keeping your products, services, status updates, and catalogues updated. Being able to stay close to your customer is one of the top advantages of using WhatsApp for marketing and customer experience.

13.7 INSTAGRAM

Instagram (instagram.com) is primarily a mobile-based photo and video-sharing app that allows you to take a picture with your phone camera, edit it as you wish, and instantly upload it to your profile. A desktop version is also available. People love sharing photos, images, art, and funny pictures online. Therefore, over time, the app has attracted a significant audience to the platform.

Figure 13.12
Instagram logo

13.7.1 Introduction and stats

Over the past few years, Instagram has become one of the world's most important apps for social commerce.

Some statistics on Instagram as of 2022:

*   1.3 billion monthly users worldwide
*   400 million daily active users
*   18 to 34-year-olds make up the biggest share of Instagram's audience
*   51% of users are female and 49% are male
*   500 million people use Instagram Stories on a daily basis
*   Over 40 billion photos have been shared since inception.

Figure 13.13 Instagram sign in

13.7.2 Features

Users have a profile and a unique username. On their profile, users can post images. Often, they use hashtags in their posts and/or tag other users who may appear in the image or who they think would find the post appealing. Instagram also provides direct messaging (DM),

NOTE

Hashtags are key to tracking relevant subjects, categories, and trends on social media. For instance, if you're posting about your dog, you may use the hashtag #DogsOfInstagram or #dogstagram, which will allow others posting similar content on dogs to find your picture or video.

or that include text and photos or videos and are sent directly to up to 15 specific users. This is a useful feature for businesses that want to engage with key influencers who may in turn share the post with their followers.

You will also find Instagram Shopping on the platform. It is an online shopping experience where users can buy curated products and items from their favourite brands or business profiles. People can visit a shop from a business'

> **NOTE**
> You can watch a video on how shopping on Instagram works here: youtu.be/W9x31rb3fNk.

Instagram profile or through Feed and Stories. Once they're at the shop, users can browse products, explore collections, and purchase products seamlessly through the in-app browser or without leaving the app from shops with checkout (Business.instagram).

Instagram video, reels, and stories

Before Instagram removed it in October 2021, Instagram Television (IGTV) was home to longer, high-quality edited videos of up to 60 minutes that were recorded on web uploaders. People would compare IGTV with YouTube because it offered a space for users to discover content that covered a topic in detail (e.g. how-tos, educational videos).

IGTV was losing traction as a standalone app and, in 2020, Instagram dropped the button from its homepage. Instead, Instagram Video is hosted alongside Instagram Live videos. Trimming, filters, and tagging form part of the functions on Instagram Video when uploading content. It worked similarly to IGTV in that, 60 second videos show a preview in the Feed.

With the introduction of TikTok to the social media scene and the massive uptake of short form video by industry giant, YouTube, Instagram decided to prioritise the shift to video. It no longer wants to be seen as just a photo-sharing app, which is why it is focused on making video a more central part of the Instagram experience.

Instagram reels

Reels is Instagram's answer to TikTok videos. Its core purpose is to be entertaining, which is why it is limited to 60 seconds in length. One feature of Instagram Reels is the built-in editing functionality. You can also slow down (or speed up) your clip, add filters, mix in audio, include a voiceover, add on music, and more.

It has proven successful for brands and businesses to get creative in the Reels arena, where their brand may be seen by all Instagram accounts rather than only followers, because they are far more discoverable on Instagram. They may not have the front-and-centre prominence of Stories at the top of the Instagram app, but they are regularly featured in the Discover section. The Reels tab appears on the primary navigation of the app.

Reels has a longer lifespan than Stories; it can be picked up by the Instagram algorithm at any point, making them more likely to be found by new prospects. It is best to edit

and create original content for IG, rather than recycling content from apps like TikTok, because the Instagram algorithm will likely deprioritise the content.

In the first quarter of 2022, Meta reported that 20% of all the time being spent on Instagram, was being spent on Reels. So, it comes as no surprise that Instagram is systematically looking at consolidating their video elements. First, IGTV and Instagram feed videos were merged into 'Instagram Video'. Now, they are looking at doing away with video posts completely and keeping Reels as their only video element (Malik, 2022).

Stories

The Stories feature on Instagram is quite similar to Snapchat. It doesn't exclusively include videos; and can also be static images, text, or other animated content.

One thing to note about Stories is that it is far more interactive than Instagram Video or Reels. While others can like and comment on Reels and Instagram Video, Stories allows you to create polls, use timers, embed posts, or get feedback from your audience. Stories allows users to go live too, in a similar way that you would with Facebook Live.

Of the three types of video, Stories is by far the most discoverable. While Reels is given its own tab in the Instagram app and featured in searches, Stories is impossible to miss because it is positioned in the middle of the screen, at the top when you open Instagram.

Stories have significant prominence in the Instagram app for your followers and allow you to include links to external websites. You can also pay to promote Stories and feature it as Highlights at the top of your profile – two things that aren't possible with Reels.

If you're trying to decide which option of video to use for your digital marketing efforts, the best option is to try a combination of all three. Since people use Instagram in different ways and have varying preferences for the kind of content they like to engage with, test them all out to see which one most suits your brand, style, and position.

13.7.3 Marketing and advertising with Instagram

Business pages and posts cost nothing to set up, but like other social media platforms, Instagram is becoming a pay to play space. Brands need to use promoted posts to reach a more extensive audience than they would with simple organic reach. Brands can promote posts without a business page, but do not have access to analytics or data about their users and their engagement with posts and ads.

The large number of potential followers and the analytics data provided for business accounts provide marketers with key information about potential customers. To benefit from Instagram's

NOTE

Read more about this in **Chapter 17: Social media advertising**.

analytics tool, Follower Insights, brands need a business profile, which can automatically be

linked to their Facebook Page. Their contact information will be imported directly and any Instagram followers will be able to contact the brand through Instagram. Because Instagram is owned by Facebook, it integrates with Facebook's advertising interface, making posting across these channels seamless.
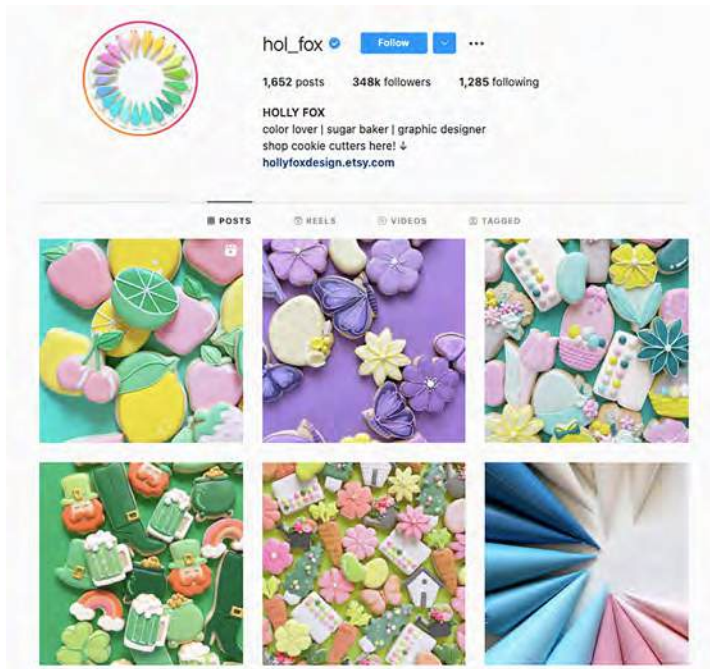
Figure 13.14 Holly Fox, a baker and graphic designer, uses beautiful and brand relevant imagery on her Instagram page, which has given her a strong and engaged following

Brands need to ensure they connect with the right communities so that they reach the right followers, but they also need to monitor competitors and their posts and followers. Brands should use hashtags in every post, preferably those that are popular and actually used by their audience. Hashtags enable tracking of mentions and shares and tends to make content discoverable. Rare hashtags can make content less easy for potential customers or users to find. But, only using popular hashtags means your content could get lost among a million other posts. A more unique hashtag, marketed and publicised well, can make your content easier to find. For example, #food renders millions of results, while #vegan will narrow these results. Hashtags are also good for SEO. Understanding your audience is crucial as a brand, and monitoring audience engagement is necessary to ensure that your posts are relevant.

Business profiles can promote posts directly and can specify the business objective and call to action. Budgets and time periods for the promotion can also be tailored to the brand.

NOTE

For the latest details on marketing with Instagram, see www.forbes.com/sites/paultalbot/2021/12/01/a-new-world-of-marketing-unfolds-on-instagram/?sh=25b6a9a44a92.

13.7.4 Instagram Analytics

If your Instagram account is linked to your Instagram Business account, then you will have access to Instagram Insights. Instagram insights track followers and what they like. Information on posts, such as how many followers saw a specific post and how many engagements and

views it received as well as total number of followers, can all be tracked. Follower activity is also monitored, with insights into demographic details, competitor posts they have engaged with, time of day they are most likely to engage, and what trends your followers are following. Individual promoted posts can also be tracked.

Marketers can use this information to improve their posts, increase engagement by planning a strategy that will ensure posts occur at optimal times, and include relevant and correct hashtags.

13.7.5 Instagram summary

Instagram is a great platform for brands that have a strong visual identity or who are able to tap into this visual audience with beautiful, eye-catching content. Instagram can also be managed through Facebook's Business manager, meaning you can share content and manage ads and promotions seamlessly across both platforms from one place, if you link the accounts on your profile.

Instagram is constantly updating its features, integrating Snapchat-like features, such as Stories, Reels, Videos, and Filters, and providing a pin-board-type feature for brands to collect and showcase their content and products. With the addition of Instagram Shop, there are new exciting s-commerce opportunities for retail-based brands. Instagram is a popular mobile platform and should be considered by any brand that wishes to engage with a mobile, millennial audiences.

13.8 TIKTOK

TikTok is a social media platform for creating, sharing, and discovering short videos. Created by Chinese tech giant, ByteDance, the app is widely used by young people as an outlet to express themselves through singing, dancing, comedy, and lip-syncing. It allows users to create videos and share them across a community. Launched internationally in 2017, TikTok was always intended to be a video-sharing networking

Figure 13.15
TikTok logo

service that is similar to Facebook and Instagram, both of which are unavailable in China. With it reaching global markets, it certainly has taken the market by storm, pushing the technological edge of video creation.

13.8.1 Introduction and stats

Here are some statistics about TikTok as of 2022:

- It is the world's third largest social network with 1.2 billion monthly users worldwide
- Outside of Asia, it is most popular in the US, Indonesia, and Brazil
- In 2021, it reached 3 billion downloads globally on both App Store and Google Play
- TikTok has 400 million daily active users
- Under 18 to 29-year-olds make up 63% of the audience
- 59% of users are female, 39% are male, and 2% identifying as other.

13.8.2 Features

TikTok is all about finding your own communities by interacting with other users online and making videos you love. Here are the features that help users find content, communities, and creators that are interesting to them:

For You

When you access your TikTok account, you will immediately find yourself on the For You feed. This is the page that shows content that interests you. It is based on the interests you selected when you created your account. The idea is to conveniently feed you the videos and creators suited to your interests. The more you use TikTok, the more tailored and curated your feed becomes.

Your For You feed is not general or universal to all users. Each user has their own, distinct feed that is specific to them and their interests. As you find and interact with videos and creators that you enjoy, you will begin to see more videos that interest you, as well as communities that are fitting for your personality. You will also be able to view trends on TikTok on your For You feed.

How it works

Powered by the recommendation system that sends suggested videos that are personalised for each user, the For You feed depends on a few factors that include:

- **Your interactions:** Including the videos you like or share, accounts you follow, comments you post, and videos you create.
- **Video information:** Such as captions, sounds, and hashtags.
- **Device and account settings:** Such as language preference, country setting, and device type.

Discover

When you tap on the search icon at the top of the screen, you will find the Discover page. Discover highlights trending videos in the app, as well as the most popular trends on TikTok. The videos that appear first under a hashtag are representative videos that may have started the trend or other popular videos that are relevant to the trending hashtag.

If you are looking for particular creators, videos, sounds, or hashtags, you can search for them at the top of this page. The top results for each category will appear first.

Profile

As with all social media accounts, your profile page is all about you. To put your best foot forward, choose a good profile image or video and share a clear bio that best describes you. Make sure that with the information you upload, you're sharing information that communicates to the TikTok community.

To make your bio relevant to the community, make it descriptive and clear about you as a creator. Remember that even on a private account, your profile information (photo, username, and bio) will be visible to others. You may choose to not share other information like your city or other personal identifiers, but there are other ways to express yourself in your profile.

Following page

On the Following page, you can view content of only the accounts that you follow. When you follow someone on TikTok, you will see them on this page. To view new trending videos you will need to have a look at the For You feed, where you will find different kinds of videos.

TikTok LIVE

TikTok LIVE is simply a live-stream video that creators publish to their fans. The function is limited to specific regions at this stage. Unlike Facebook and Instagram, TikTok creators must meet minimum requirements to make use of this feature in order to interact on the platform in real-time. Users that are 16 years and older can launch LIVE, while 18 years and older may also send and receive virtual gifts during a LIVE stream. Virtual gifts are offerings from followers that can be converted to cash at a later stage.

To unlock this feature, a user must be at least 16 years old and have a minimum of 1 000 followers (this number may range from country to country).

13.8.3 Marketing and advertising with TikTok

What makes TikTok unique is that its algorithm is different to that of Facebook and Instagram. It focuses purely on showing relevant videos. The user-centric design concentrates on what users like and dislike, which is what determines TikTok's recommendation as a relevant video. It is usually quite accurate and the For You feed is unique to every user.

More of the benefits that make this social network popular with its audiences include:

Content by everyday people for everyday people: Everyday people create most of the content and watch it, giving amateur creators the opportunity to become celebrities in their own right over time because of their popularity. The content is relatable and shares numerous examples where ordinary people have become internet sensations as a result of the quality of their videos.

TikTok is user-friendly and keeps things simple: The app is effortless to use and has an eye-catching theme. It features some easy-to-use components like home, feed, search, inbox, and personal profile.

Find and follow the latest trends on TikTok: The TikTok community is a trendsetter. When a video goes viral, video creators follow the concept, which is why we see so many unique challenges, like dance challenges, become worldwide trends. From a fashion point of view, users often take inspiration from the way their favourite TikTokers dress, setting the latest trends.

Users feel like they're part of a community: TikTok encourages and promotes interactions among people that help create a bond. This is strengthened further when TikTok influencers create physical events where people gather and interact.

Offers plenty tools for creativity: The all-in-one platform is the place to find videos related to anything and everything. It gives users and brands the freedom to explore their ideas and to get the creative juices flowing.

One of the best sources for memes and funny content: If you're looking for memes and funny videos, the chances of finding it on TikTok are great. Creative minds are creating unique content that makes people laugh for the fans' daily dose of comedy. Memers are taking over TikTok.

TikTok has content for all age groups: The content on TikTok has a universal appeal because the relatable content caters to almost all age groups.

For more on how to marketing using TikTok, visit us.tiktok.com/business/en.

13.8.4 TikTok Business

The opportunities for business are lucrative on TikTok. It is the place to be for all kinds of brands, ranging from OREO to ASOS. With over one billion monthly active users, TikTok provides ample opportunity for businesses to reach audiences all over the world.

TikTok Business provides the performance metrics, audience insights, and creative tools you need to think like a marketer and act like a creator for your business.

Some of the key benefits include:

Discover the right fit: TikTok offers users a wide variety of subcultures, meaning the chances that your business will find the right fit for your brand on the platform is high.

Learn about trends: Posting from a TikTok Business Account means finding a place on the platform's cultural landscape that will build your brand awareness and help drive sales.

Become a TikTok pro: Business Accounts offer exclusive access to specialised resources that can help improve their TikTok game and build strong content strategies.

Key business features include the following:

- **Performance and audience data:** Tailor your strategies and speak to who your users are and what content they like best.
- **Business content guide:** Get advice on everything from choosing a video topic to picking a sound, which makes the creation of TikTok more accessible.

- **Video showcase:** Browse the carousels of popular content from businesses and creators to see what's trending.
- **Commercial music library:** Explore a repository of 500,000+ pre-cleared, royalty-free sounds that brands can use for commercial purposes.
- **Web Business Suite:** Download your analytics data, view content creation tips from the Business Creative Hub, and access the TikTok for Business website for insights into case studies and more.

Creating a TikTok Business account is simple. Start by setting up your personal account first using your e-mail or Gmail, Twitter or Facebook account, and then edit your profile. For the business account, tap on the three dots on the screen, tap 'switch to pro account', then choose business or creator. Follow the prompts for your business, and you will have a business account.

13.8.4 TikTok Analytics

To evaluate your success on TikTok, there are a few metrics you will want to monitor, such as follower count, likes, comments, and shares. In addition, with TikTok, you can measure weekly and monthly growth, video play time, as well as information about who is watching. Tracking your performance on TikTok will help you determine your next steps to tap into the one billion active accounts and enhance your marketing strategy on the platform.

If you have a TikTok Business account, you will be able to view your analytics. There are four categories available for you to monitor, including Overview, Content, Followers, and LIVE.

Overview analytics

In the Overview tab, you will see analytics for the last week, month, or two months or a custom date range. The summary of the metrics will include:

- **Video views:** The total number of times your account's videos were viewed over a given period.
- **Profile views:** The number of times your profile was viewed over the selected period, which is a good indication of brand interest. It measures the number of people who liked your video enough to view your profile, or people who are curious enough to see what your brand is up to on the platform.
- **Likes:** The number of likes your videos received in the selected date range.
- **Comments:** The number of comments your videos received in the selected date range.
- **Shares:** The number of shares your videos received in the selected date range.
- **Followers:** The total tally of TikTok users that follow your account, and how that has changed within the selected date range.
- **Content:** The number of videos you have shared in the selected date range.
- **LIVE:** The number of live videos you have hosted in the selected date range.

Content analytics

This content analytics tab shows which of your videos were the most popular in the selected date range. It provides information about each post, including metrics like views, likes, comments, and shares. Apart from measuring video performance, it also provides the following:

• **Trending videos:** Shows the top nine videos with the fastest growth in viewership over the past seven days.
• **Total video views:** The number of times a TikTok video has been viewed.
• **Total like count of a post:** The number of likes a post has received.
• **Total number of comments:** How many comments a post has received.
• **Total shares:** The number of times the post has been shared.
• **Total play time:** A cumulative total of the time people have spent watching your video. An individual post's play time does not reveal much on its own, but can be compared with other posts' performances to determine your account's average total play time.
• **Average watch time:** The average time people have spent watching your video, which will give you a good indication of how successful you were at maintaining attention.
• **Watched full video:** The number of times the video has been watched in full.
• **Reached audience:** The total number of users who watched your video.
• **Video views by section:** Your post views of where the traffic for your post comes from, which includes the For You feed, your profile, Following feed, sounds, searches, and hashtags. If you're using hashtags or sounds to boost exposure, here's where you'll see how well that worked.
• **Video views by region:** This section displays the top locations of viewers for the post. If you created a post or marketing campaign for a specific location, this is how to tell if it reached your target.

Follower analytics

The follower tab provides information about your followers that includes a breakdown of gender and what part of the world they're viewing from. You can also see when your followers are most active on the app. Key audience demographic stats and your followers' interests make this section a good source for content inspiration. Consider the following:

• **Gender:** View the distribution of your followers by gender here.
• **Top territories:** Ranked by country, here's where your followers are located. If you're looking into localising your content and promotions, keep this metric in mind.
• **Follower activity:** View the times and days your followers are most active on TikTok. When activity is consistently high, post regularly during that time.
• **Videos your followers watched:** Here you will get a sense of the content that is most popular with your followers. Keep your eye on this section to see if it sparks any ideas for content. It's also a good place to scope potential collaborators.

- **Sounds your followers listened to:** TikTok trends are often defined by audio tracks, so check the top sounds your followers have listened to and see what's popular. Trends move quickly on TikTok; if you use these results for ideas, plan for a quick turnaround.

LIVE analytics

This tab shows you insights on the live videos that you have hosted within the last week or month (7 or 28 days). These analytics include follower count, how much time you've spent live, and how many Diamonds you've earned. You will also discover the following:

- **Total views:** Total number of viewers present during your live videos in the selected date range.
- **Total time:** Total time you have spent hosting live videos in the selected date range.
- **New followers:** The number of new followers you gained while hosting a live video in the selected date range.
- **Top viewer count:** The most users who viewed your live video at one time in the selected date range.
- **Unique viewers:** The number of users who viewed your live video at least once (in this statistic, a viewer is only counted once, no matter how many times they replay the video).
- **Diamonds:** Virtual gifts that viewers can send when creators, over 18 years of age, host a live video. These diamonds can be exchanged for real money through TikTok. This metric shows how many diamonds you have earned in the selected date range.

13.8.5 TikTok summary

TikTok is set to continue growing and, in fact, will likely dominate the social media space (Forsey, 2022). Whether TikTok naysayers want to believe it or not, the social network is ticking all of the right boxes as far as future trends are concerned. Brands and individuals using the creative and humorous entertainment platform to express themselves is certainly one way to capture a new audience and showcase their personality.

13.9 SNAPCHAT

Launched in 2011, Snapchat is a mobile messaging service that allows you to send photos, videos, texts, and drawings quickly and in a fun way. Snapchat gives you the power to record and share live videos, locate friends on an engaging map, experience augmented reality (AR), and more. But the message only lasts until you open it before it disappears. Snapchat also deletes unread messages after 30 days. The

Figure 13.16
Snapchat logo

app is free to download and free to send messages. Read about his here: blog.hootsuite.com/how-to-use-snapchat-beginners-guide/.

13.9.1 Introduction and stats

Here are some Snapchat statistics according to Data Reportal (2022):

- Over 550 million monthly users worldwide
- Places 12th in world's ranking of most popular social networks
- 319 million daily active users
- The age range 13 to 24 makes up 60% of the audience
- 53.8% of users are female and 45.4% are male
- Over 9 000 Snaps are shared per second, averaging out to 400 million a day, and the platform receives 10 billion daily video views.

13.9.2 Features

Users have a profile and use the app to share Snaps. A Snap is an image that the user can modify with filters or the drawing tool. A filter can denote the outside temperature, your speed, time, and location, amongst other things. The Draw tool allows users to draw over the photo or video, with a full colour spectrum, and Type allows them to annotate and add personalised text. Users can also add Geofilters and sponsored lenses to the photos, both of which have proven strong marketing tactics for brands.

Another popular Snapchat feature is Snapchatstories, a photo or video you post to your Stories feed. Stories live for 24 hours, and people can view them as often as they want during that period. Once the 24-hour time limit is up, Snapchat automatically deletes the story. Read about it here: lifewire.com/what-is-a-snapchat-story-3486000.

13.9.3 Marketing and advertising on Snapchat

Snapchat can be used for sharing various content with your audience. This can either be value added content in the form of how to's, latest industry material, and relevant tips; or it can be storytelling content, taking your audience behind the scenes of your business or showcasing aspects of your company culture and values and providing a glimpse into the brand. Geofilters and sponsored lenses are also great ways to get your audience to engage with the brand on the platform.

13.9.4 Snapchat Analytics

Just like any other platform, it is necessary to monitor your performance on Snapchat and to continuously improve and optimise your content to drive a larger audience. Snapchat analytics provide information on the number of total story completions, unique views and screenshots. Seeing which type of content your users prefer means you can really optimise your efforts.

13.9.5 Snapchat Summary

Snapchat is proving to be a powerful marketing tool, albeit an expensive one. Paid marketing efforts on the platform are mostly limited to big brands that can afford the high rates and the

development costs to create engaging and interactive filters. However, smaller independent brands can still make good use of the platform to share behind the scenes information, build up to events, and grow a loyal following, especially if your target market is more youth oriented.

13.10 TWITTER

Twitter is the most popular microblogging service. Microblogging is a form of blogging that allows a user to publish short text updates, which can be viewed by anyone or restricted to a specific community. Twitter (twitter.com) was launched in July 2006. These posts, called tweets, are usually short thoughts or links to interesting articles.

Figure 13.17
Twitter logo

13.10.1 Introduction and stats

Here are some Twitter statistics according to Sprout Social Inc (2022):

* 217 million daily active users
* Most users are from the US (about 77 million), followed by Japan (58 million)
* Most of its audience is 25 to 34 years old (38.5%.)
* On average, 500 million tweets are sent each day
* 70.4% of users are male, while 29.6% are female.

NOTE

In 2017, Twitter doubled the character limit to 280. Unlike with other social platforms, longer posts tend to perform better. The sweet spot is between 240 and 259 characters. These tweets tend to get the most likes, replies, retweets, impressions and link clicks on average (Zote, 2021).

On Twitter, you can control the communication channel. To slowly develop your story and create a feeling of suspense, threads can be published one at a time. For a fully-formed story, as demonstrated in the threaded response above, this is an effective strategy to use. When planning your content, you are able to schedule the threads so that they meet your desired strategy, such as announcing the winner of the competition the next day! When using the threads feature, you can measure engagement and interest, what topics followers are interested in, and what got the most engagement.

13.10.2 Features

Each user on Twitter will have a unique username denoted with @ and their chosen name, for example, @robstokes for twitter.com/robstokes. Tweets can be directed to a specific user simply by typing their @username at the start of the tweet. This is also known as their twitter handle.

NOTE

The hashtag was first used in 2007 so that users could track online communications and discussions about a specific event called the Barcamp. The #barcamp is thus the first use of the hashtag on social media.

Figure 13.18 A sample of a company announcement from
Twitter using the Twitter thread feature

Like Instagram, Twitter users use hashtags to categorise their posts by adding a word or phrase prefaced with the # symbol (e.g. #DigitalMarketing). The hashtag will become a link that you can click to see other tweets that share this tag. Users can also choose to follow a hashtag, meaning that they will see all public messages with that tag, whether they follow the user who posted it or not. This can be a very useful way of collating information at events such as conferences. If you're not at the event, you can still follow messages from the event by following the hashtag. For those at the event, all tagged messages can be broadcast in a shared location.

If a hashtag or keyword is used very frequently in a short time, it can become a trending topic and is displayed to the left of a user's tweet stream. Events of global interest usually feature heavily, but sometimes brands can trend too (although not always for the right reasons). If a tweet is considered noteworthy, it can be retweeted or quote retweeted. Retweeting means reposting somebody else's tweet to your own profile, along with their username. Twitter automatically displays this as a retweet. A quote retweet allows you to retweet another post and include a comment about the tweet as well.

Figure 13.19 An example of the 'quote tweet' feature on Twitter that allows you to include a comment about the post you are retweeting

13.10.3 Marketing and advertising with Twitter

Twitter has become a popular and important marketing tool for many organisations, brands, and individuals. Many brands use it successfully for rapid customer service, for example, @jetblue, @klm and @dstvcare. It's also a great market research and consumer insights tool. The ability to search for brand keywords on Twitter and track indirect conversations offers huge insight to brands.

Twitter's immediacy allows for news to be broadcast to dedicated followers and fans first, as pop star Lady Gaga has done with single releases (@ladygaga). Dell lists several Twitter channels, many of which exclusively release offer information (@delloutlet).

Twitter has a series of self-service advertising options that are covered in detail in **Chapter 17: Social media advertising.** These include Promoted Tweets, Promoted Accounts, and Promoted Trends.

Twitter Threads

A Thread on Twitter is a series of connected Tweets from one account, whether personal or business. With a thread, you can provide

NOTE

For a step-by-step guide on creating a Twitter thread for your business, visit the Twitter for Business website here business.twitter.com/en/blog/how-tweet-threads.html.

additional context, an update, or an extended point by connecting multiple Tweets together. A Thread allows you to post many tweets all at the same time if you are trying to put out a great deal of content, or if you want to release bits of information at a time.

13.10.4 Twitter Analytics

Currently, Twitter Analytics are available to everyone that uses the Twitter API to provide analysis. Here, you will be able to view your top-performing tweets, mentions and top followers among others.

Hootsuite's Twitter management tools also have built in analytics that can provide insightful data. Important metrics for Twitter include how many users interact with your content by clicking through on links, how many reply to you, how many retweets you receive, as well as hashtags and trends.

13.10.5 Twitter summary

Twitter remains a powerful platform for brands. It facilitates two-way communication with users and provides great reach and awareness through possible retweets. The analytics are good, and the hashtags enable great tracking of sentiment about your brand, products, and events. The increasing number of ad options is also a great plus for marketers.

13.11 LINKEDIN

LinkedIn launched in 2003 and is primarily used for professional networking and career development, allowing job seekers to post their CVs and employers to post jobs. As of 2015, most of the company's revenue came from selling access to information about its members to recruiters and sales professionals.

Linkedin

Figure 13.20
LinkedIn logo

LinkedIn allows members (both employees and employers) to create profiles and connect with each other in an online social network which may represent real-world professional relationships. Members can invite anyone (whether an existing member or not) to become a connection. LinkedIn can also be used to organise offline events, join groups, write articles, publish job postings, post photos, and videos (en.wikipedia.org/wiki/LinkedIn).

13.11.1 Introduction and stats

LinkedIn's latest statistics present impressive numbers for anyone interested in reaching a professional network and penetrating a B2B market:

• 756 million total number of users

- 690 million total number of professionals
- 280 billion feed updates are viewed annually
- Females account for 43.1% of the total users, while 56.9% of users are male
- The age group with the most users is between the ages of 25 and 34 at 60.1%
- 50% of internet users with a college degree or higher use LinkedIn
- There are 61 million senior-level influencers and 65 million decision-makers
- There are 57 million companies listed
- LinkedIn is the top network for B2B content marketers for organic social marketing at 96%.

13.11.2 Features

LinkedIn is the ultimate destination for job seekers, experts, executives, mentors and more. Apart from securing your privacy, saving you time and expanding your network, it offers the following features:

Company page

A company page helps LinkedIn members learn about your business, your brand, and any job opportunities in your company. A company page is a great starting point for developing a reputation as a leader or player in your industry.

Initially, company pages were viewed as HR landing pages, but they have since evolved. They can help drive business results, increase awareness about your business and its products and services, and promote career opportunities. Your LinkedIn company page should be viewed as a supplement to your company website and should help to drive traffic to your website. These pages provide free marketing opportunities and can enhance the credibility of your company. Good copy on your page should incorporate your key phrases and key words to ensure your site is optimised for search engines.

Some key tips for a great company page include:

- Highlight your business entities with a showcase page
- Share engaging content regularly
- Optimise for search engines using keywords
- Target prospective candidates with a Careers tab
- Use an eye-catching cover image to grab user attention (Edgecomb, 2016).

Showcase pages

LinkedIn also has Showcase pages, which provide a way for companies to highlight their individual brands, specific products, or new initiatives. Showcase pages are an extension of Company pages. A dedicated page helps drive engagement and allows businesses to share specific content with a targeted audience.

NOTE

For more information on creating a quality company page, see the following link: www.linkedin.com/business/marketing/blog/linkedin-pages/5-non-obvious-ways-to-improve-your-linkedin-company-page.
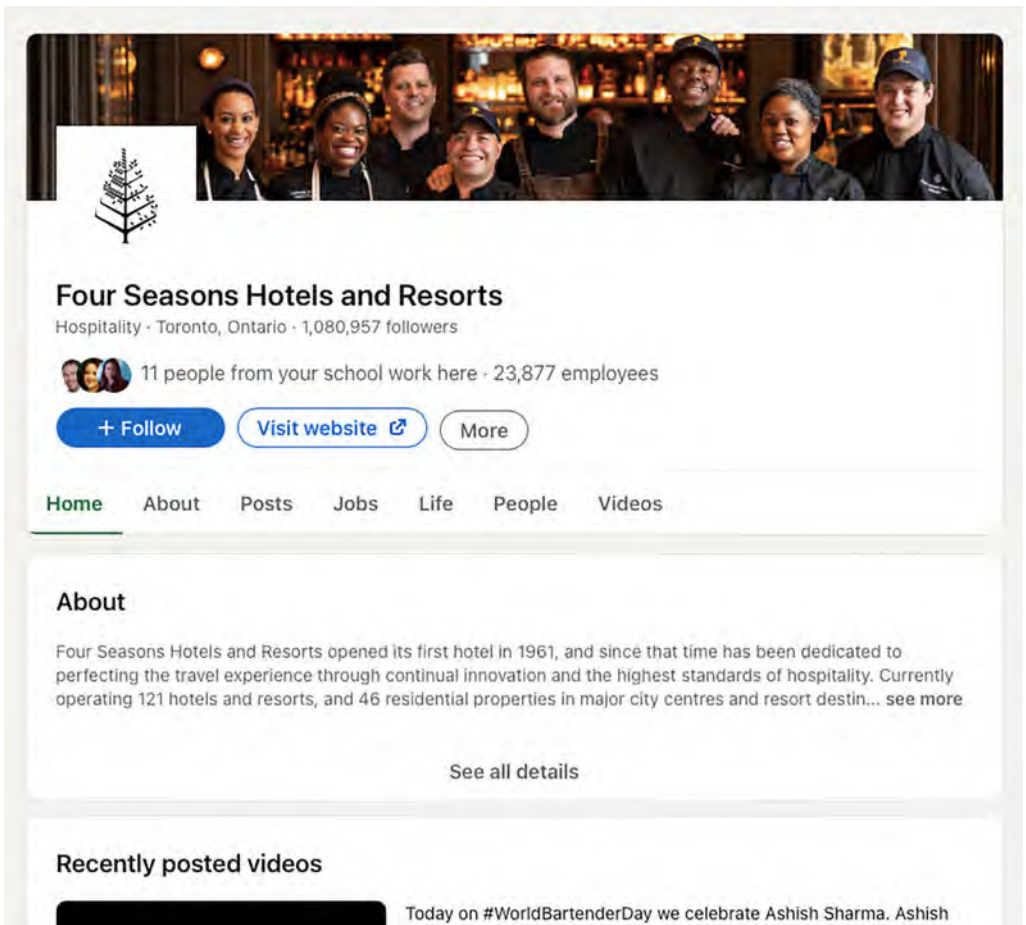
Figure 13.21 The Four Seasons Hotels and Resorts' company page on LinkedIn uses a great image and focuses on their people rather than pushing the hotel

LinkedIn users can now follow only the aspects of your business they are interested in. Showcase pages are designed to build relationships with relevant LinkedIn members, and LinkedIn suggests using Sponsored Content and Sponsored InMail for more campaign-based marketing efforts.

LinkedIn Groups

LinkedIn Groups allows for your company to join with other professionals and businesses outside of your immediate circle of contacts. It broadens exposure and connects your business with others in your industry. It provides a platform for you to share industry expertise and establish your business as a thought leader. Participating in Group discussions also potentially attracts visitors to your company page.

Groups help extend the reach of your content and provide constructive feedback from relevant professionals. Groups share information about target audiences and provide market researchers with insights. It is important to join Groups that are relevant to your business and interests. Sharing company content on a Group increases traffic to your page and your website. To avoid being seen as overly promotional in Groups and only pushing your own agenda, engage in a courteous manner and share, comment, and use the opportunity to create meaningful relationships.

Job postings

LinkedIn is often the first place top talent look for work, so it's important that your job vacancies are displayed and kept updated. It is also useful for HR to recruit new talent by looking at potential candidates using LinkedIn and asking them to apply for specific positions.

13.11.3 Marketing and advertising on LinkedIn

LinkedIn is a great marketing and advertising tool in terms of generating leads and awareness, understanding your target audience, making connections, networking, and building relationships. It also offers a range of advertising solutions, including:

> **NOTE**
> For more information on advertising on LinkedIn, see business.linkedin.com/marketing-solutions/how-to-advertise-on-linkedin and **Chapter 17: Social media advertising**.

* **Sponsored content:** Boosting content across devices by promoting company updates to targeted audiences on desktop, mobile, and tablet with different format options:
  * Single image ads
  * Video ads
  * Carousel ads
  * Event ads.
* **Sponsored messaging:** Engage your target audience in LinkedIn Messaging, where professional conversations happen using:
  * Text ads
  * Conversation ads.
* **Text ads:** Start generating leads in minutes with a compelling headline, description, and image to reach your audience in minutes.
* **Dynamic ads:** Expand campaign reach with digital ads automatically personalised to your target audience.

13.11.4 LinkedIn Analytics

LinkedIn has its own native analytics service which provides a good amount of information on audience and engagement. It gives useful data on updates, reach, and engagement.

'Updates' is a table showing the most recent developments, including:

- Previews of posts
- The date posted
- The audience the post was sent to
- Whether the content was sponsored or not
- The number of impressions to LinkedIn members
- The number of clicks your content received
- The number of interactions (likes, comments, or shares)
- Any additional followers who were acquired due to the post
- Total engagement.

Additional graphs showing the reach of the post include the trend on the number of times updates were seen organically and through paid channels. Engagement is also illustrated on a graph to demonstrate engagement across organic and sponsored campaigns for various time lines (White, 2016b).

Other companies, like Quintly (quintly.com/linkedin-analytics) offer detailed analysis of LinkedIn pages and their performance for your business.

13.11.5 LinkedIn Summary

For B2B marketing, LinkedIn is definitely the platform of choice. The unique targeting and search functionalities of the platform make it well suited to such marketing efforts. Additionally, it offers a lot of unique options for B2C marketers, and can be leveraged nicely for professional contacts and to gain acclaim within your industry.

13.12 OTHER SOCIAL MEDIA OPTIONS

There is a host of social media options for you to consider, whether you are a marketer, a marketer looking to venture into social media marketing, or a business owner looking to leverage social media. It is helpful to know about all the sites which will allow you to engage with the right people, maximise your brand reach on social media, and achieve your social media goals.

13.12.1 Pinterest

Pinterest is an image sharing and social media service that allows user to discover and save information in the form of images, animated GIFs, and videos for inspiration and ideas in the form of pinboards. This highly visual virtual pinboard is not only used by shoppers and hobbyists; the section on architecture and design are also well populated. Created by Ben Silbermann, Paul Sciarra, and Evan Sharp, Pinterest has accumulated over 430 million global monthly active users as at February 2022.

Each pin is an idea. This could be a recipe, an image, an article, or a quote that links back to its original site. By including the Save button (or Pin It) button to your site, you make it easier for users to pin your content onto their boards in Pinterest.

Marketing and advertising on Pinterest

As a business, you can create your own business page with a host of tools, such as:

- Analytics
- Direct links back to your website
- Easier pinning of your website content via the save button
- Newsletters
- Buyable pins
- Options for promoting material
- Widget builders.

Business profiles should not only be providing boards of their products but should also include the lifestyle or essence behind the brand. A makeup business, for example, could include boards on high fashion, new trends in makeup, interesting use of makeup in movies, and even general skin care.

To promote messages, businesses pay to reach more people using promoted pins. These native ad units help users discover and save your ideas. It works well for awareness, engagement, and directing traffic to your website. Pinterest has also introduced buyable pins, which allow users to buy your products directly through Pinterest.

> **NOTE**
>
> To see more about using Pinterest for marketing and advertising, see business.pinterest.com/en/advertise and **Chapter 17: Social media advertising**.

Pinterest summary

The visual nature of Pinterest and the ability to use boards as collections make the platform a good choice for retail brands. Brands that target women are likely to do well on the platform because women make up the majority of users on the app. Marketers who have used Pinterest comment on its higher than average conversion rate, with some attributing it to the fact that users of the platform are further along in the buying cycle. Pinterest is gaining in popularity as a social media space for marketing and should not be written off when considering platforms.

13.12.2 Reddit

Reddit is an American social news aggregation, web content rating, and discussion website. Registered members submit content to the site, such as links, text posts, images, and videos, which is then voted up or down by other members. Posts are organised by subject into user-created boards called 'communities' or 'subreddits', which cover a variety of topics: news, politics, religion, science, movies, video games, music, books, sports, fitness, cooking, pets, and image-sharing. Submissions with more upvotes appear towards the top of their subreddit and, if they receive enough upvotes, ultimately on the site's front page.

The top 6 Reddit statistics that you should know are as follows:

- 26.4 million people in the US use the app
- Has 330 million monthly active users
- Top posts are under 120 characters
- Posts with questions receive the most comments
- External links are the most popular type of content
- Has one billion native video views per month.

Although considered a social sharing website, Reddit is not a typical social media platform. Its users build the community and are good at spotting marketers. Value is important to the community and if the selling proposition outweighs the value, you may simply get banned.

Learn more about Reddit here: rosssimmonds.com/reddit-marketing/.

13.12.3 Twitch

Twitch is an American video live streaming service that focuses on video game live streaming, including broadcasts of esports competitions, in addition to offering music broadcasts, creative content, and 'in real life' streams. It is operated by Twitch Interactive, a subsidiary of Amazon. com, Inc (en.wikipedia.org/wiki/Twitch_(service).

In short, it's a community where streaming, gaming, and pop culture meet social media. Millions of people around the world use this streaming service to share their gaming skills, cooking abilities, lifestyle, and anything else they're interested in.

According to backlinko (backlinko.com/twitch-users), the latest statistics for Twitch that you will find useful are:

- Currently gets 140 million unique visitors every month
- 107,800 live broadcasts are going on at any given time. The US has the biggest share of viewers. It's home to nearly a quarter of all users
- 65% of users are men
- 73% of users are below the age of 35
- The app has been downloaded over 100 million times
- League of Legends is the most-watched title on Twitch, with streams of the video game accumulating 42.55 billion watch hours.

With these statistics, it's hard not to consider an alternative means of connecting with people who are drawn to Twitch. Learn more about advertsing with Twitch here: twitchadvertising.tv.

13.12.4 Blogging

A blog is a website where entries (blog posts) are typically displayed in reverse chronological order. Blogbasics (2017), defines a blog as a 'frequently updated online personal journal or diary'. Blogs usually allow readers to comment on posts. A typical blog will feature text, images, and links to other related blogs and websites.

Blogs for marketing can help you:

- Create an online identity
- Curate a voice for yourself or your company
- Promote engagement with your audience
- Build a community.

Blogs can be very successful marketing tools. They're an excellent way to communicate with staff, investors, industry members, journalists, and prospective customers. Blogging also helps to foster a community around a brand and provides an opportunity to garner immediate feedback on developments.

Corporate blog content should be:

- Industry relevant
- Appealing to your target market
- Transparent and honest
- Personal and entertaining
- Related to what's going on in the blogosphere
- Posted regularly.

Search engines value regular, fresh content, and blogging can create just that. The more you post, the more often search engines will crawl your site looking for additional, relevant content. Basing your blog on the keyword strategy created during the SEO process can also ensure that your website ranks highly for key phrases. Blogs, by their social nature, can increase the incoming links to your website.

Using a blog platform that is designed to be search engine-friendly is crucial to harnessing the SEO power of blogging. Some features of SEO-friendly blogging platforms include:

- Each blog post should be assigned a unique page that can easily be accessed and indexed by the search engines (this is called a permalink).
- It should be possible to tag pages with keywords relevant to your SEO strategy.
- Each post should be able to have its own unique metadata (title, description and key phrases).
- Social sharing and bookmarking functionality should be built in.

Promoting your blog

List the blog in blog directories. While they're not as popular as search engines, many internet users visit them when looking for information. Examples include Blogarama (blogarama.com).

Blogs are powerful because of their reach, their archives, and the trust that other consumers place in them. For a marketer, they present

NOTE

Cards Against Humanity used Medium in early 2017 to post about a 'fake news' press release after the Super Bowl. You can read more about this at: www.adweek.com/creativity/why-did-cards-against-humanity-air-or-not-air-a-horrible-super-bowl-ad-about-a-potato/.

opportunities to learn about how others perceive your brand and to engage with the audience. Some brands get this right; some get it wrong. Blogs can provide a snapshot of audience sentiment regarding a brand. Marketers can also listen to blog activity around competitors to gain market insights.

Blogging platforms that can be used to set up a blog quickly and easily include:

- Wordpress.com
- Blogger.com
- Medium.com.

13.12.5 Podcasts

A podcast is a digital radio or video programme downloadable from the internet. It is possible to subscribe to a podcast as one would to a blog. You can listen to a whole range of programmes and voices. Just as blogs have allowed users to become writers without having to deal with

NOTE

Tumblr is a part blogging, part microblogging tool, and part social community. Each user has their own Tumblelog where they publish short text posts, images, quotes, links, video, audio, and chats. Tumblr is perfect for users who don't need a full blog, and want to publish quick multimedia posts, usually from their mobile device. If you are interested in seeing how to use this platform see this article: How to use Tumblr www.thoughtco.com/how-to-use-tumblr-4049305.

a media channel controlled by someone else, podcasting has allowed anyone who fancies doing so to become a broadcaster. Many traditional radio shows are now also available in podcast format. Many liken the shift from traditional radio to podcasts to that of traditional TV channels to on demand online services, but at a much faster pace. Users see podcasts as the 'Netflix for radio' (Main, 2016).

'Podcatching' software allows you to download the latest edition of any podcast you subscribe to automatically. Most people use iTunes, go to podcasters.apple.com for loads more information on podcasting and a huge list of available podcasts. You can listen on your computer or transfer the file to an iPod or MP3 player. Podcasts are usually free, and the most successful ones have very high-quality content and production value.

Podcasts are usually recorded and edited using home equipment and are created for the love of it. Specialised podcasting software is available, such as Apple's GarageBand or Logic Pro, and Audacity. These packages make it quite simple to record, mix, and format the audio files correctly. Just like bloggers, though, many podcasters are trying to figure out ways to make money from their podcasts and turn listeners into revenue.

Podcasts offer an incredible opportunity for marketers when you consider the following statistics:

- In 2022, 62% of the population 12+ has listened to a podcast and roughly 78% are familiar with the medium.
- Over one-third (104 million) of Americans listen to podcasts regularly.
- During COVID-19, podcasting experienced unprecedented growth, and podcast audiences diversified (Buzzsprout, May 2022).

The bottom line is that you now have a way of getting content to your target markets without having to persuade a media channel to carry it or to pay huge advertising rates.

Podcasts are:

- **Targetable:** You can create highly relevant, niche content and then promote it to a specific target market.
- **Measurable:** You can see exactly how many downloads and subscribers you have.
- **Controllable:** It's your content.
- **Responsive:** Set up a blog alongside your podcast and alter content according to the comments; you are actually having a conversation with your market.
- **Boundary free:** It's the internet.
- **Relatively inexpensive:** The equipment, software and skills are readily and cheaply available, and there are few or no distribution costs.

However, the content must be:

- **Excellent quality:** Like anything on the internet, it is just as easy to unsubscribe as it is to subscribe. Quality content is what keeps listeners coming back.
- **Real and valuable:** While there is value in having product or service information embedded in a website, there is no point at all in producing an audio version of a company brochure as a regular podcast. Even if editorial is not actually paid for, a lot of the time it has been influenced in some way by advertisers. Although there are podcasts that carry adverts, users can fast forward straight past them and the chance of real success lies in branded content.

This is not about advertising or even just product information; it is about coming up with ideas for real programmes that, through informing or entertaining, enhance your customers' experience of your brand. Refer to **Chapter 9: Content marketing strategy** for mored on creating non-promotional content that generates real value for customers.

13.13 ANALYTICS FOR SOCIAL MEDIA

As with any digital marketing tactic, you need to be able to track and measure your campaigns to understand how successful they are and what you can do to improve them.

As we have shown, most platforms have native analytics, but because you do not actually host your presence, custom tracking is limited. Smaller businesses, in particular, rely on the built-in tracking offered by the various platforms, although new third-party tracking services are emerging and offering competitive and sophisticated tools, often for a fee. In some cases, it is also possible to integrate tracking to some extent if you are directing traffic to a web property that you own.

Web analytics software such as Google Analytics can also be used for social media tracking. On Facebook, tracking script can be inserted in applications and tabs where content is served

through an iFrame. When sharing links to your own site and content, campaign tracking parameters can be used to track the source of visits and report on them in your web analytics tool.

13.13.1 Click tracking with URL shorteners for social media

URL shorteners offer analytics that show how many users are clicking on links, when they are clicking, and where in the world they are. When you share links on services like Twitter, you should be tracking this data. When selecting a

NOTE

Check out the list of URL shorteners recommended by Guiness (2022): zapier. com/blog/best-url-shorteners/.

URL shortener, consider whether or not they keep the click analytics private. URL shortening services provide an easy way to share long links by generating a short URL that redirects to the original link. This is especially important when sharing links in messages with limited character counts.

There are several URL shortening services while some websites have their own bespoke services, such as nyti.ms for *The New York Times*, which is excellent for reinforcing brand recognition. Twitter also has their own bespoke service, and no longer requires you to use one of the URL shortening services. Twitter will automatically alter the length of any URL provided in the tweet to 23 characters. Some URL shortening services allow you to customise your link.

13.14 SELECTING THE APPROPRIATE PLATFORM

When choosing the most appropriate platform for your brand or business, you need to look at three key questions:

1. Who is your audience?
2. How can you reach this audience?
3. What does your audience want?

Who is your audience?

You need to define your target audience as much as possible and research them well. Find out as much about them as possible. Include their digital habits and typical online behaviours in your research.

How can you reach them?

Once you know who your target audience is, you can analyse the demographics and psycho-graphics of typical users of different platforms and choose the platform your target audience uses and spends the most time on. Monitor and track your audience behaviour by tracking their activity on your analytics. You may find that you need to post at different times or on different days to reach different audiences.

Facebook and YouTube are popular choices because of their large user base and thus potential reach. However, more niche platforms, such as Pinterest or LinkedIn, may be better choices as your content will appeal to and resonate more with these refined target audiences, possibly resulting in more engagement than on one of the larger platforms.

What are your goals?

Certain platforms lend themselves to certain business and marketing goals. Do you just want awareness? Or do you want to build relationships and establish yourself as an industry expert? Are you looking for hard sales and traffic? Each platform will meet different objectives, and it is important to choose one that is most appropriate to what you want to achieve.

As discussed earlier in the chapter, marketing on social media is no longer without costs. As more and more players enter the market, getting your content seen and noticed requires promoted posts, paid-for ads, and targeted marketing. Even if having a channel, page, or profile on a platform is free, creating content, especially videos, to put on the platform, costs money. It is important that the channel you use to post your content gives you the return on investment that you want.

13.15 RULES OF ENGAGEMENT

Social media implies a democratisation of information, and it requires authenticity and openness from those who deliberately use it for marketing. This means that good and bad stories spread easily and stay accessible. Jeff Jarvis had problems with Dell way back in 2005, and you can easily find all the relevant information about his ordeal with a quick Google search for 'Dell hell'.

Although you engage publicly with a wide audience when marketing online, marketers need to remember that they are communicating with individuals. While marketers should engage in the conversation, and ideally lead it, they cannot control it nor should they take over the conversation or risk getting cancelled.

Ideally, marketers should follow a workflow protocol to manage the social community. This process is further discussed in **Chapter 14: Social media strategy**.

13.15.1 Marketing to content creators

Content creators can have strong followings on social media and are thus regarded as online influencers, who tend to hold a lot of sway. They are a great option for social media strategy to reach new audiences, but only if such collaboration fit into your brand strategy. If there is potential alignment, supply specific content creators with the tools and resources they need to talk easily about your product, including links to your social profiles, Twitter handles, and hashtags.

Remember that, when acquiring the services of an independent person to deliver work for you, it's always advisable to have a contract in place to ensure that everyone is on the same page.

13.15.2 Marketing to content consumers

Social media allows anyone to have a say; the same tools that are available to individuals are available to companies. Company blogs allow a brand to build an online personality and to interact with their target market. Entertainment created and spread via social media increases brand touchpoints. Using the same channels that are available to your consumer, aids in understanding them, and levels the plane of conversation.

When using social media to reach out to content consumers, go to where they are. The media you use is dictated by your users. For example, a nightclub for students can create a Facebook Page to advertise its weekly specials and interact with fans, while Land Rover enthusiasts may prefer to engage on a discussion forum.

With all interactions, marketing messages need to be clearly identified and labelled, with a disclaimer added if necessary. Trying to hide them as something else will only decrease your authenticity and probably your following.

13.15.3 Marketing to content sharers

Content sharers are content consumers who also pass your message on, whether it's by chat or email, by sharing a link on a blog or by submitting your content to a bookmarking or aggregating service. They are a crucial link in the chain that passes your message around. Make it as easy as possible to share your content by making the post shareable using unique and easy-to-read URLs.

13.15.4 Advertise on social media platforms

While marketers can use the tools of social media to convey their message, the characteristics that define a social media platform are also important. Social media allows users to express themselves, and this means that rich demographic and psychographic information can be compiled for more useful and targeted advertising. This presents many opportunities for finding creative ways to reach an advert-fatigued demographic. It also introduces the risk of dealing with personal information, so make sure you're up to speed with the relevant laws in your country.

13.16 ADVANTAGES AND CHALLENGES

People are finding it easier to switch off or ignore traditional advertising, particularly through traditional media channels such as TV or radio. Social media gives brands the opportunity to interact with customers through relevant and targeted communications that customers can choose to engage with on their terms. For example, a consumer may visit a branded YouTube channel as opposed to deliberately ignoring advert breaks on television.

Social media's potential shareability can be one of its greatest benefits; if users like your content enough, they may share it with their own communities. This is increasingly rare and difficult to engineer.

Social media allows you to engage with an online community and connect your brand to the appropriate audience. Together these create an online community for your brand and its supporters. Social media has created a forum for brand evangelists.

The interactions on social allow you to garner feedback from your communities. Such feedback helps drive future business insights and innovation, as well as marketing strategies. You can learn more about your audience's likes, dislikes, behaviours, and needs.

However, companies need also be aware that bad messages spread as quickly as good ones. The connectedness that can prove so useful can also be a conduit for negative messages and brand attacks.

Social media facilitates a two-way conversation between customer and company. This necessitates that the company shifts approach from 'deploy and watch' to one of constant involvement with the audience.

This new landscape is one in which the customer really is king, and any attempt to dethrone the king can have dire consequences. Efforts to control the conversation in social media are soon found out and can backfire horribly. Any company embarking on a social media strategy needs to be sure to monitor their reputation online regularly. It's crucial to know what is being said about your brand online and to respond timeously when communicating in the social media sphere.

Finally, never forget that special rules and laws apply when you are dealing with personal information provided by users; be very careful how and where you use this data.

13.17 CASE STUDY: HARLEY-DAVIDSON

Harley-Davidson is the iconic motorcycle brand from the United States; yet there existed a perceived lower appeal for the brand among the youth.

One-line summary

Harley-Davidson Australia used Instagram to successfully reach a younger audience in the 18–35 year old millennial market.

The problem

Harley-Davidson is an iconic American motorcycle brand. The brand has come to symbolise freedom and individuality, but is associated with an older market. The brand wanted to raise brand awareness and engage a younger audience.

Figure 13.22 An example of the 2016 Harley-Davidson posts on Instagram

The solution

Harley Davidson decided to use Instagram ads, for the first time, to reach 18–35-year-old men in Australia and New Zealand.

Harley-Davidson used a series of illustrations to fit in with the visual nature of Instagram. They wanted to appeal to young, adventurous people who appreciate the world through a more visual lens. The brand identified three themes they felt resonated with their intended audience, and tapped in to their own artistic heritage of seeing motorcycles as pieces of art. The brand commissioned local Australian artists to interpret these themes.

The illustrations were displayed as carousel ads for each theme. When swiped, the images connected to form a storyline. The visual style was designed to mimic tattoo-like images and motifs that are popular in biking culture.

> ### The results
>
> - Over a run of just over two weeks, the ads reached almost 1.4 million men, aged between 18 and 35.
> - The ad drove over 8 000 clicks through to the brand's website.
> - Harley-Davidson achieved their objective of resonating with a younger audience, ultimately expanding their demographic (Digital Training Academy, 2016).

13.18 CASE STUDY QUESTIONS

1. Why was Instagram an appropriate choice for Harley-Davidson?
2. Why do you think the brand decided on illustrations?
3. What other platforms would you have considered, and why?
4. Are the themes the brand chose relevant to their target audience? Justify your answer.

13.19 THE BIGGER PICTURE

A strong digital marketing strategy draws successfully on various tactics, leveraging these together. Social media can complement tactics as follows:

- **Social media is inextricably linked to the content marketing strategy:** Content is the foundation of any social media marketing endeavour, whether you're creating digital copy, images, videos, or other media.
- **Social media can have SEO benefits:** By using social media services, either to create or share content, websites can attract links and generate engagement, helping to enhance search engine rankings. Signing up to several social media channels can help a company own a larger chunk of the search engine results page. Companies can also use their SEO keyword strategy to focus their social media efforts.
- **Social media can provide a targeted network for online advertising:** Detailed demographic information can play a large role in media planning and buying. Advertisers should create targeted interactive advertising for these mediums to encourage engagement. Social media also provides affiliates with new avenues for targeted traffic, resulting in revenue growth for the company being marketed this way.
- **Social media plays a large role in online monitoring and reputation management, viral marketing and digital PR:** Social media is used to express opinion. Any company that wants to communicate to this connected audience needs to listen to social media. Social media is also key to finding and accessing your biggest brand advocates and influencers, who can be powerful allies in building your reputation.

All other marketing efforts should feed into building your online community. Shareable links and referrals to your social media pages should be included on all marketing material. Social media should in turn try to convince users to sign up for newsletters or loyalty programs to

get users to join your brand-owned CRM. If the user is simply following you on the platform, their customer data lies on the third-party platform. Having their data in your own CRM allows you deeper access to that data so that you can engage with your customers through other mediums, such as email and mobile.

13.20 CHAPTER SUMMARY

Social media refers to the creation and sharing of content by consumers on the internet. It gives all internet users, including brands and organisations, the opportunity to become both creators and consumers of content.

Social media refers to a collection of sites and platforms that include the following activities:

- Creating and engaging in social networks
- Generating and sharing content
- Using other internet users' preferences to find content.

Most social media services are free to all users and rely on advertising for revenue. Social media provides targeted demographic information to advertisers looking to direct their advertising.

In this chapter, we have discussed some of the main platforms, but there are many other smaller niche platforms, such as Tumblr, Vine, Spotify and SlideShare.

13.21 CHAPTER QUESTIONS

1. Visit guardian.co.uk. List the ways in which this print publication is embracing social media.
2. Why is transparency so important to marketing that uses social media? Has this halted or accelerated the use of social media for marketing?
3. What is the difference between social media advertising and social media marketing? What are the benefits of social media to each, and what are the challenges?

13.22 FURTHER READING

mashable.com – A blog that has become a website covers social networking and social media.

socialmediaexaminer.com/ – An online magazine that publishes original research and oversees multiple communities for social media marketers.

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13.24 FIGURE ACKNOWLEDGEMENTS

Figure 13.1: Screenshot. Datareportal's global social media stats – overview of social media use, 2022

Figure 13.3: The Facebook logo, logo.wine/logo/Facebook

Figure 13.4: Screenshot, Facebook Business Page for Superbalist

Figure 13.5: Screenshot, reaction button icons 2022

Figure 13.6: brandongaille.com/17-facebook-business-marketing-tips-and-tricks/, 2022

Figure 13.7: Screenshot, Facebook business page

Figure 13.8: Screenshot, Facebook, Video Insights

Figure 13.9: Screenshot, YouTube logo

Figure 13.10: Screenshot, sharing options on YouTube

Figure 13.11: Screenshot, WhatsApp logo

Figure 13.12: Screenshot, Instagram logo

Figure 13.13: Screenshot, Instagram sign in

Figure 13.14: Screenshot, Holly Fox instapage

Figure 13.15: Screenshot, TikTok logo

Figure 13.16: Screenshot, Snapchat logo

Figure 13.17: Screenshot, Twitter logo

Figure 13.18: Screenshot, Twitter

Figure 13.19: Screenshot supplied, Twitter

Figure 13.20: Screenshot, LinkedIn logo

Figure 13.21: Screenshot, LinkedIn

Figure 13.22: Screenshot, Harely-Davidson, 2016

Harley-Davidson logo: blog.logomyway.com/harley-davidson-logo
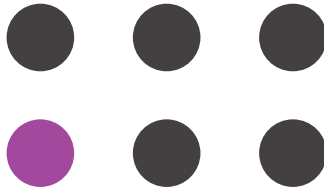
UNITING

INTRODUCTION TO UNITING

This section is called **Uniting** because now you are bringing your brand and the customer together. One of the worst mistakes a brand can make, is to deliver poor service; no matter how polished your copy, or how slick your videos. If you have a terrible relationship with your online community, they will go elsewhere. Consider the Pareto principle: 80% of profits are generated by 20% of customers, while 20% of customers are responsible for 80% of the brand's service problems.

While most traditional marketing is one way (from brand to consumer), the internet offers exciting opportunities to engage meaningfully with your customers.

Chapter 14: Social media strategy focuses on how you can engage with your customers on a level and at a speed that is not possible through traditional marketing platforms. You need to understand the landscape to implement and maintain your strategy.

Once you have customer buy-in, the next step is to manage and maintain your brand's relationship with the customer.

Chapter 15: Customer relationship management (CRM) is critical for any business. It is especially important for a brand that has an online presence to understand the customer's needs, and foster long-term loyalty, which, in turn, can lead to gaining online brand ambassadors.

Direct marketing is all about communication directly to the customer, and this involves email, and to some extent, mobile channels.

Chapter 16: Direct marketing: Email and mobile focuses on how to utilise these two channels. Considering that 70% of the global population uses a mobile phone, and that most emails are opened on mobile devices, you cannot discount the power of these marketing strategies. However, you need to manage this relationship carefully; users see mobile as their personal device, and resent any intrusions on it.

Social media is powerful, and mistakes are amplified. Remember that whoever has the social media network passwords represents your brand. Direct marketing can result in the highest ROI, but you need to be mindful of customer fatigue. Creating quality content and messages that will be read requires focus, dedication, and above all, ingenuity.

14

SOCIAL MEDIA STRATEGY

In this chapter, you will learn:

- How to use social media strategically
- About the steps involved in creating a social media strategy
- About the documents and policies that you should have in place for social media success
- About the importance of effective community and crisis management.

14.1 INTRODUCTION

In the previous chapter, we covered some of the major social media platforms, their statistics and features, marketing opportunities, and the three phases involved in using them to reach your customers. These included strategy, implementation, and analytics. Strategy is by far the most important, because it informs what and how often you post and how you choose to engage and relate to your audience. Strategy also informs how and what you will analyse. It is important that all these parameters are clearly established, and that your strategy is informed by the data and analytics you receive based on your content and engagement.

Social media can be used to solve business, marketing, and communication challenges; it is an important part of digital marketing. With so many platforms and choices available in social media, this chapter will show you how to use these spaces strategically to address challenges.

The last few years have seen a shift in social media strategy. The space is now considered a standard medium for advertising with a far better ability to target consumers. While it is still recommended to build a community on Facebook (or the platform of your choice), there are brands using the platform for effective advertising, without actually having any followers.

Despite these changes, effective community and reputation management should remain key considerations in your social media strategy. Planning and thinking strategically, while leaving room to be flexible and respond to analytics and tactical opportunities, are essential to making the most of social media marketing.

Kepios.com analysis shows that there were more than 4.62 billion social media users around the world in January 2022 – 58.4% of the total global population. Social media user numbers have seen strong growth over the past 12 months too, with 424 million new users joining social media, which is likely attributed to global lockdowns during the pandemic.

The latest figures indicate that well over 9 in 10 internet users now use social media each month (DataReportal, 2022). Creating content for every social media platform is more important now than ever to reach and connect with your audience in a way that's relevant and appropriate. The figure below provides a high-level view of how to use each platform effectively:

	PURPOSE	WHAT YOU SEE	THE BOTTOM LINE
Facebook	Connect	Emotion-driven content (fear, outrage, uplifting), like-minded views	Tell me how you feel about what you're doing
Google	Learn	Facts, lists, utilities, instructions	Tell me how to do it
Instagram	Observe	Trends, lifestyle, desirable	Show me what my friends want others to see they're doing
Snapchat	1-to-1 Connect	Candid, intimacy, animation	Show me what my close friends are really doing

Twitter	Monitor	Live events, news, opinion, ideological warfare	Tell me what the world is doing
Pinterest	Aspire	Arrangements, designs, styles, recipes	Show what I could do
Reddit	Crowdsource	News on specialized topics, niches, primary sources	Tell me what a certain community is doing

Data: Axios research; Chart: Axios Visuals
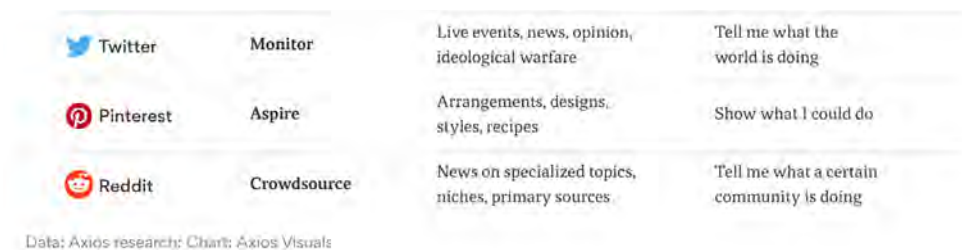
Figure 14.1 Creating content for every platform by Axios research

14.2 KEY TERMS AND CONCEPTS

Table 14.1

Term	Description
Community guidelines	The rules and principles that community members must adhere to when communicating on a social media platform.
Community management	The building, managing, and monitoring of online communities generated from your brand's blogs, forums, social network pages, etc.
Key performance indicator (KPI)	A metric that shows whether an objective is being achieved.
Lead	A person who has shown interest in a brand, product, or service and could be converted into a customer.
Objective	A desired outcome of a digital marketing campaign.
Online reputation management (ORM)	Understanding and influencing the perception of an entity online.
Search engine optimisation (SEO)	The process of improving website rankings in search engines.
Social media dashboard	A service that allows you to centralise management of your social media properties.
Social network	In an online context, a type of website model where individual members become part of a broader virtual community.
URL Shortener	A web tool that creates a shorter version of a full URL.

14.3 USING SOCIAL MEDIA TO SOLVE BUSINESS CHALLENGES

Strategy is an important aspect of social media planning. Part of that strategy is identifying which business challenges, marketing and communication challenges in particular, your social media will address. These can include:

- Communication and outreach
- Community management
- Support and customer service
- Reputation management
- Advertising and awareness
- Sales and lead generation
- Search engine optimisation
- Insights and research.

NOTE

Not all businesses face every one of these challenges. Which ones are relevant to your brand?

Figure 14.2 Social media marketing can help with a number of business challenges

14.3.1 Communication and outreach

Social media offers brands effective two-way communication and real-time broadcast channels. This bi-directional communication is what makes social communities so exciting (and challenging). Just as consumers can communicate with each other and send messages to businesses and brands, so businesses and brands can use this medium to communicate with and reach out to the public. Social media is a highly effective public communications tool.

Businesses, governments, and other organisations use Twitter and Facebook to broadcast timely messages, allowing interested parties to keep informed in real time. This has become a vital aspect of newsworthy and breaking news

NOTE

Ideally, you want to be the trusted go-to-source of information about your industry.

events such as elections, disasters, and global sports. Many organisations also use social media tools to broadcast service updates.

14.3.2 Community management

Social media platforms are built around communities and are sometimes virtual representations of real-world networks and communities. This feature of social media can be used to build and maintain a supportive community around your organisation.

'Community manager' is a role that has risen to prominence as more organisations start using social media, but it has always been an important role in any community, from groups that thrive on forums, to communities run on Facebook.

Creating, building, and nurturing a community mean that organisations don't just participate in conversations that are happening around and about them, but also actively lead and guide those conversations. These communities are generally made up of the organisation's biggest fans, often called brand evangelists, who believe that they have a big stake in that organisation.

> **NOTE**
> Check out some great tips on successful social media marketing at: www.forbes.com/sites/forbesagencycouncil/2021/10/29/social-media-marketing-tips-every-business-should-be-using/?sh=5666aef132c0.

This creates an environment where those fans can interact directly with the organisation, and where the organisation can send messages directly to those fans and solicit their feedback.

Dove Dove ✓
11 October 2021 · 🌐

This year, to celebrate International Day of the Girl, we're doing our part to help young women build their self-esteem. Our focus is on navigating social media positively. As much as we all love filters, sometimes they do more harm than good.

Download the new Dove Confidence Kit now, and learn to be aware on social media, this month and beyond: https://bit.ly/3hCedB5 💙 #NoDigitalDistortion

00 48   23 comments 9 shares

Figure 14.3 Dove creating awareness and responding to customers

Building and maintaining a community is a long-term project. It starts with determining what the best platform is for that community; something that already exists like Facebook, or developing a customised new community platform created for the specific brand's purpose, either from scratch, or using a service like Tribe (tribe.so).

14.3.3 Support and customer service

Social media is an additional customer service channel. Consumers are becoming increasingly comfortable transacting online, and they expect the businesses with which they transact to respond to their queries in the social space, as they would do through a call centre or email. Some customers have found that problems or questions on social media tend to be resolved

more quickly, as brands are wary of having unresolved issues left out in public. For any organisation that runs a social community, customer service is often one of its primary functions.
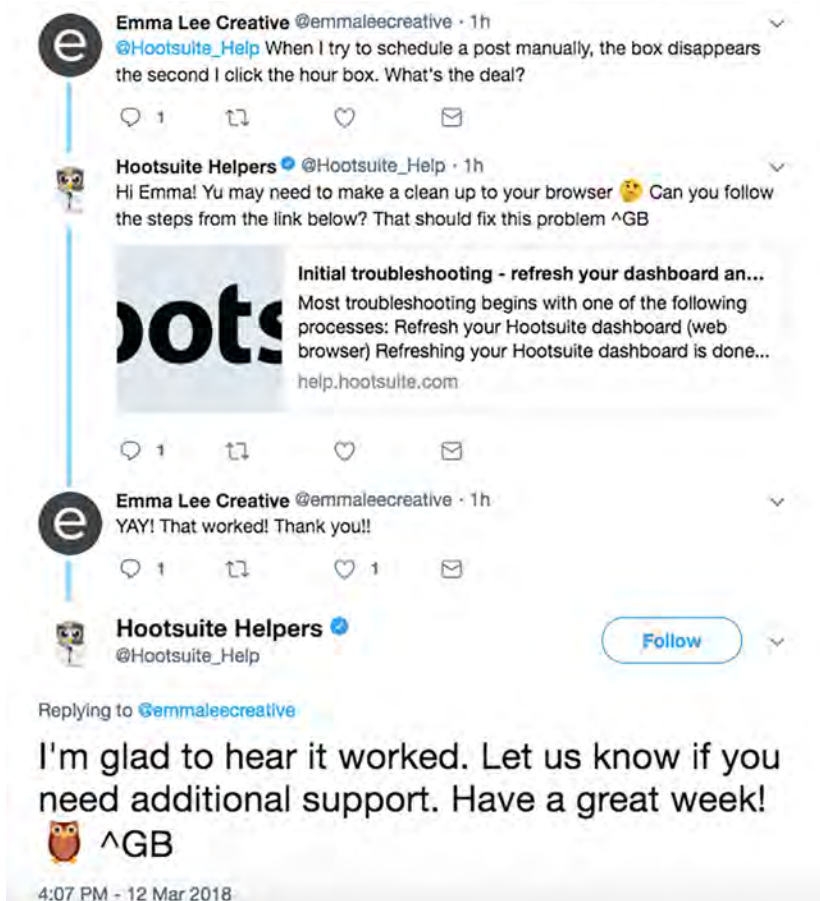
Figure 14.4 Hootsuite is one of the brands on Twitter that's doing customer service well

It's important that brands respond to customer queries or complaints on social media because platforms like Twitter and Facebook keep track of response times. One of the factors that contribute to a brand's online image is its responsiveness to customer comments. According to Reputation X (Shah, 2021), "Answering a social media complaint can increase customer advocacy by as much as 25%, effectively improving a brand's reputation".

Interestingly, social media customer service can be collaborative in that customers assist each other and, in this way, reduce the reliance on the organisation for support.

14.3.4 Reputation management

Social media is a very effective tool for crisis communication and management. In some instances, it is also the place where crises start. This can be due to offensive content, an

employee saying something inappropriate, or even angry customers sharing their complaints and getting reactions. It is important that you manage this effectively to preserve your reputation.

Social media policy and guidelines

To preserve and protect your online brand reputation and presence, there are a few important things you need to put in place, and a social media policy is one of them. In addition, it is important to include the guidelines and protocols for your brand to ensure consistency and uniformity in how you assist your customers on social media.

Hoodsuite describes social media policy as "an official company document that provides guidelines and requirements for your organisation's social media use. It covers your brand's official channels, as well as how employees use social media, both personally and professionally" (Newberry and Cooper, 2021).

It is essential that brands develop a social media policy to manage what gets published on their social pages, especially when it comes to employees. The primary purpose of this policy is to manage the social media risks your brand may face.

Your policy should include:

* Employee roles and responsibilities
* Security processes and protocols
* Plan of action for a security or PR crisis
* Outline on complying with the law
* Guidelines for employees' social media accounts and posting
* Advocacy guidelines.

> Hootsuite provides a comprehensive guide on "How to write a social media policy" that includes templates and examples that may be helpful: blog.hootsuite.com/social-media-policy-for-employees/.

To assist in setting social media guidelines, there are a few questions you should ask yourself to facilitate the process:

* What is your tone of voice?
* What is your ideal response time for each channel?
* What FAQs you are going to include?
* What is your process for miscellaneous customer issues and escalations?
* Will you respond to positive feedback? How?

You may also want to create templates to answer frequently asked questions in order to be proactive when responding to social comments and messages. Always tweak your templates to remain personable for each query and to maintain the brand tone of voice.

Social media is a great tool for monitoring what is being said about your brand, and to spot a potential crisis long before it becomes one. Such a 'heads up' allows your brand to mediate the crisis by being proactive and preparing for the situation before it takes hold. Being ready in any event is a great space for you to manage your communication because it enables you to get your side of the story out.

14.3.5 Advertising and awareness

Where there is an audience, there is advertising. The more time users spend on social media, the more brands want to advertise there. It's not only the large numbers of active users or the time users spend social networks, it's the rich demographic and psychographic targeting opportunities that make them appealing to advertisers.

Adverts can be targeted based on the profile information that individuals provide, either overtly or through their actions on the social network. Most social networks offer a number of advertising options that are accessible to

> **NOTE**
>
> Learn more about the advertising options available on social media in **Chapter 13: Social media**.

both small advertisers and big spenders. Social advertising is dynamic, with new advertising options released regularly. To find the platform and ad type that works best for your audience, you should experiment with the different formats and models offered.

14.3.6 Sales and lead generation

Adding a social layer to a commercial transaction can create a richer experience for online consumers. These can be based overtly on social connections or on inferred connections based on behaviour.

Amazon's collaborative filtering is an excellent example of the layer based on inferred connections. If you've browsed their website, you will no doubt have seen product information, such as 'Frequently bought together.' In real time, based on consumer purchase behaviour, Amazon presents products that you are likely to have an interest in, based on users who browsed and purchased products that you like, or have selected to buy.

You may not realise it, but this is a social layer in the online shopping experience. Users benefit because they are exposed to new items that they may not have thought about looking for, making the shopping experience easier and tailored to their needs. The brand benefits from the additional sale on items that the user may not have considered purchasing until they were shown the options.

Social communities can also be lead generation or sales generation assets. You may find your friends tagging someone (maybe even you) to a post that they believe will be interesting or useful to them (or you). One way of managing your community to grow your audience base and improve targeting is knowing how to engage with these leads to get them to follow you.

14.3.7 Search engine optimisation (SEO)

Social media plays an important role in SEO. It provides additional assets that can be optimised so that a brand 'owns' the results page for searches for their brand. A savvy SEO strategy will make use of social media assets, links, and likes for strengthening the position of other web assets in the SERPs.
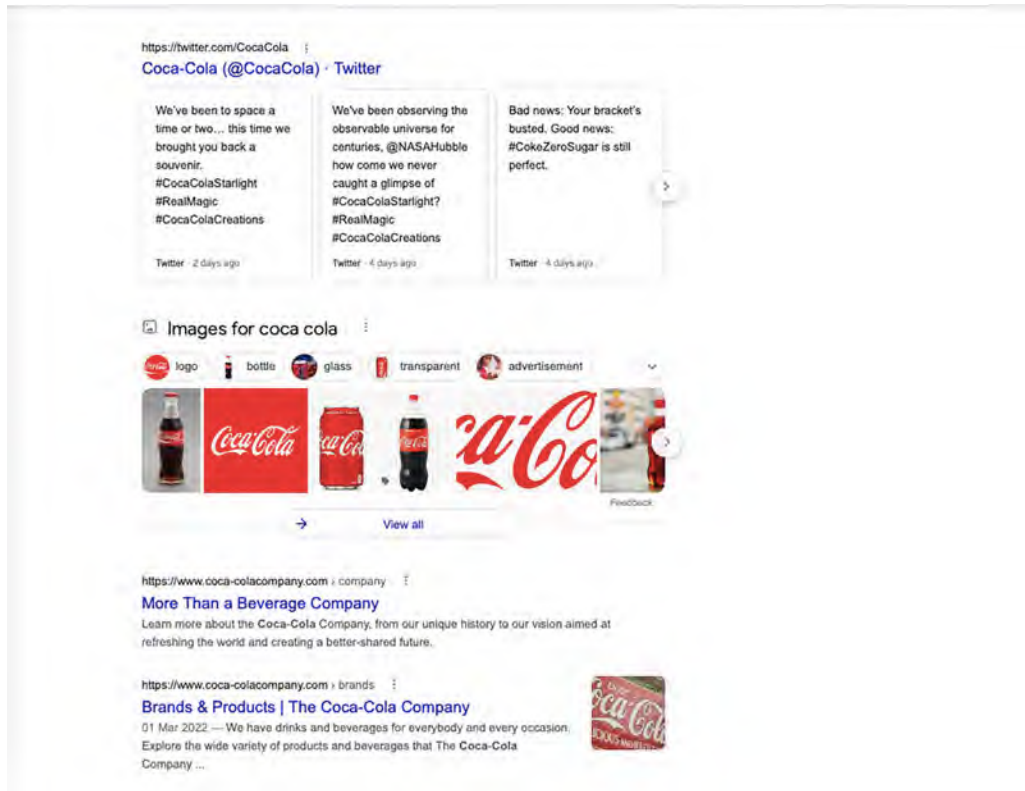
Figure 14.5 Coca-Cola's branded social media platforms appearing in Google search results

With a little bit of planning and keyword research, a brand can use social assets effectively to own searches on their brand name. This ties back neatly to managing their online reputation, too.

14.3.8 Insight and research

Social media can be a very powerful insight and research asset, but the information needs to be judged in its proper context. When you are planning a campaign, social media can provide a rich source of data, both demographic and preference based. You can use the information users share freely to understand more about your market, brand, or product. ORM tools help you to track mentions and sentiment, giving you insight on how you are perceived by consumers.

Using social network ad planners, like Facebook's Ads manager, can give you rich information about the size of your market and things that consumers like. You can measure sentiment and

the changing number of mentions to help you understand the impact of other campaigns. Google Trends is another useful tool for people's search behaviour. It offers keyword-related data based on searches by volume and geographical data.

Building your online community gives you a group you can reach out to for information and feedback through an always-on online focus group. Remember though, that these users are inherently biased just by the fact that they would join your social community.

Social data is valuable, but must be treated correctly. It offers qualitative and quantitative information and, in many ways, provides secondary research. For research purposes, it can and should be used to help form research questions to gain further insights.

14.4 STEP-BY-STEP GUIDE TO CREATING A SOCIAL MEDIA STRATEGY

Social media is fast-moving, which means proper planning is vital to success. Effective social media strategies come from embracing the fact that social media is a two-way communication tool. Organisations need the resources to not only push messages out, but to quickly manage messages coming in.

Planning is the foundation of success. Here is one method of approaching social media strategically:

Step 1: Get buy-in

Getting buy-in for using social media is essential. It may be seen as a free resource, but even if you are not paying for exposure, there is a time and resource investment required. A number of stakeholders will need to be aware

> **NOTE**
> It is important to choose your platforms wisely, and to consider the risks of not being on social media as well!

of your social media plans, and these may be both internal and external. Of course, you will need sign-off on any budgeting or additional resourcing requirements.

Addressing the various stakeholders will also force you to do the necessary research and planning to take the next steps.

Step 2: Listen and understand the landscape

Social media provides a wealth of publicly available information and data that is useful for your strategy. A good first step to understanding the full social media landscape is to listen closely to conversations your target market is already having around your brand or industry, and monitoring what your competitors are up to on their pages.

Some important questions to answer include:

- What conversation already exists around your brand, your industry, and your competitors?
- Do they have the facts?

- Where does it take place?
- Who is doing most of the talking?
- What are the emotions involved in conversations about your brand?
- What are the motivations of those that comment on your brand online?
- What can you, as a brand, add to this conversation? Is it valuable?

Online monitoring tools, such as DataEQ (dataeq.com) can help you with the listening part of your planning but, in the early stages, you may want to start with free tools like Google Alerts (google.com/alerts).

Step 3: Analyse

Using all the data that you have been gathering, make the time to analyse. Think critically about social media and your brand, as well as your brand's broader marketing, communication, and business challenges. All of this should be considered in the context of the information that you already know about your local marketing and business environment.

The outcomes that you should look at include:

- A list of the social channels and platforms your brand should be on, based on who your customers are, where they interact, and where they expect to interact with you
- Non-official groups or communities that already exist, which may have been created by fans

> **NOTE**
> Discover the sentiment around your brand and whether it is strongly positive or negative. Typically, most comments will be neutral or informational.

- An overview of the existing conversation (volume, frequency, and sentiment), as well as any content or conversation themes that occur
- An overview of what your competitors are doing in this space
- A list of potential brand evangelists and influencers in your industry.

Step 4: Set objectives

Your objectives are the desired outcome of your social media strategy. Your ultimate objective, as to what social media should achieve for your business, should be established upfront and be based on the context of your marketing and business challenges.

Once the listening and analysing phase is complete, you can set specific social media objectives that will feed into your overall outcome. You need to identify exactly how you will use social media to reach the business objectives for your organisation, and then set SMART objectives that will help you to achieve these.

To make them tangible and measurable, establish key performance indicators (KPIs) for your objectives, with benchmarks and targets where appropriate. Determine SMART objectives as shown below.

Figure 14.6 The various elements of a SMART objective

Your objective, for example, could be to grow a community of fans around your brand in a particular country. Therefore, your KPI might be fan numbers, and you could set a target of 5 000 Facebook fans over six months. This gives you a measurable goal to achieve within a given time period that can be monitored.

Step 5: Create an action plan

Once you have a clear idea of what you want, you can begin compiling an action plan to get there.

This is where you need to make sure that you have created the necessary documents and processes that form the foundation of your plan. Remember to keep your chosen platform in mind when making these plans. You will need to:

• Decide on the roles and responsibilities of the project team and other stakeholders
• Determine what social media tools you will use
• Commit to a frequency and volume of activity, and how quickly you will respond
• Develop a content calendar and conversation plan
• Create tone of voice guidelines, frequently asked questions, community guidelines, and content plans.

Step 6: Implement

Putting everything into action is the fun part. Now that you have all of your research and plans in place, it's time to set up your platforms according to the specific guidelines for each. Most platforms have helpful and informative guidance for businesses that want to be on their site. They also provide brand packs and assistance in establishing yourself on the site.

Get your first followers on board by alerting your stakeholders that you are starting your engagement plans, and make sure that you have tracking in place. Continue to monitor mentions of your organisation and responses to your messages. Keep to your general plan, but be prepared to adjust as needed.

Step 7: Track, analyse, optimise

The beautiful thing about digital marketing is that you can track every single user interaction and use this information to learn from, and continually improve, your efforts. You should track the success of your social media campaigns on an ongoing basis and set milestones for your team at less frequent intervals (every couple of months or so), when you will sit down and do an in-depth review.

There are several tools you can use for tracking social media. You will need to build a suite of tools to suit your measurement and reporting requirements.

Platform insights

From the previous chapter, you saw how each major platform offers its own analytics to businesses and brands that sign up for business pages or profiles. These are a useful starting point for reporting on your social media efforts, from numbers of followers or fans, to time of day when your audience is most active and interact with the content you share.

Web analytics

If you are using social media channels to send traffic to your own website, you should tag the links so that you can segment that traffic in your website reports.

> **NOTE**
> Read more about this in **Chapter 20: Tracking and analysis**.

In Google Analytics (google.com/analytics), you would use campaign tracking parameters.

URL Shorteners

URL shortening services, such as bit.ly, goo.gl and Hootsuite offer usage data that will tell you how many users click on links you share, when they click on them, and where in the world they are located.

UTM parameters

UTM parameters are just short pieces of code that you can add to links, for example, the links you share in your social posts. They include information about the link's placement and purpose, making it easier to track clicks and traffic from a specific social media post or campaign (Newberry and Cooper, 2021).

> **NOTE**
> UTM stands for Urchin Tracking Module. The name comes from the Urchin Software Company, one of the original web analytics software developers.

UTM parameters help you to analyse how each of the marketing channels you have invested in, such as search, display, or social, have contributed to your campaign. You will be able to see which channel sent the most number of users to your site, what the conversion rate of the various channels are, and which channel offers the best return on investment. You can also organise your data so that you can compare different campaigns to assess content, timing,

and distribution platforms. They are invaluable tools (Kissmetrics, 2016). Note the UTM tag at the end of the URL.

blog.hootsuite.com?utm_sopurce=twitter%utm_medium=organic_social&utm_campaign=analytics_series&utm_term=roi&utm_content=long_post.

You can read more on how to use UTM parameters at neilpatel.com/blog/the-ultimate-guide-to-using-utm-parameters.

Online monitoring software

Online monitoring software, also known as sentiment analysis or opinion mining software, is an important measurement investment that you may need to make. It helps you to keep track of all mentions of your brand and understand the sentiment and influence of those mentions.

You should be tracking your reputation for trends and changes over time. Some popular choices are: DataEQ (dataeq.com), Brandwatch (brandwatch.com), SEMRUSH (semrush.com), and Hootsuite (hootsuite.com).

Social media dashboards

There are a number of services that make it easier for you to centralise management of your social media properties and make collaborative management easier. They also integrate analytics data from a number of sources, making reporting easier.

Figure 14.7 Analytics overview on Hootsuite

Some services include:
buffer.com
hootsuite.com
nuvi.com

> **NOTE**
> Some dashboards even let you schedule or respond to posts directly from the interface.
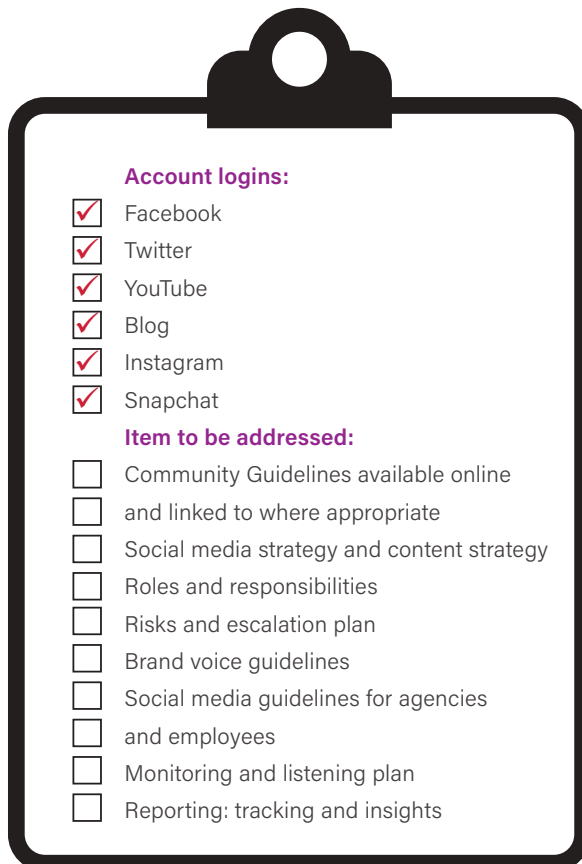
sproutsocial.com
socialbakers.com
tweetstats.com.

14.5 DOCUMENTS AND PROCESSES

The foundations of social media success and your social strategy is likely to involve many stakeholders from across your organisation. Good documentation, processes, and guidelines ensure consistency across the various channels. These should be created, agreed on, and approved before you take any action on social media.

Start with the documentation and processes you already have in place for marketing and communication, for example, brand and tone of voice guidelines, or PR policies. Build on these to create a robust foundation that suits this spontaneous, dynamic space.

A good starting point is a social media checklist to make sure that you have everything in place. Examples of the checklist, conversation calendars, and escalation protocols are shown below.

Account logins:
- ☑ Facebook
- ☑ Twitter
- ☑ YouTube
- ☑ Blog
- ☑ Instagram
- ☑ Snapchat

Item to be addressed:
- ☐ Community Guidelines available online
- ☐ and linked to where appropriate
- ☐ Social media strategy and content strategy
- ☐ Roles and responsibilities
- ☐ Risks and escalation plan
- ☐ Brand voice guidelines
- ☐ Social media guidelines for agencies
- ☐ and employees
- ☐ Monitoring and listening plan
- ☐ Reporting: tracking and insights

Figure 14.8 The social media checklist

14.5.1 Community guidelines

As well as a privacy policy and terms and conditions, it's a good idea to establish community guidelines for the communities you manage, especially when the community is on behalf of a brand. Community guidelines help to set the tone for the community and are useful to refer to should members behave in a way that is undesirable. Guidelines indicate what will and will not be tolerated, such as hate speech, profanity, discrimination, or other inappropriate content. Community guidelines don't prevent such behaviour, but are useful to fall back on should you need to remove comments or community members from your social page.

Guidelines should be friendly, with the tone in keeping with your community or brand.

Many social media platforms provide their own guidelines that all users, including brands, have to adhere to. Failure to adhere to any of the guidelines may get you removed from the platform.
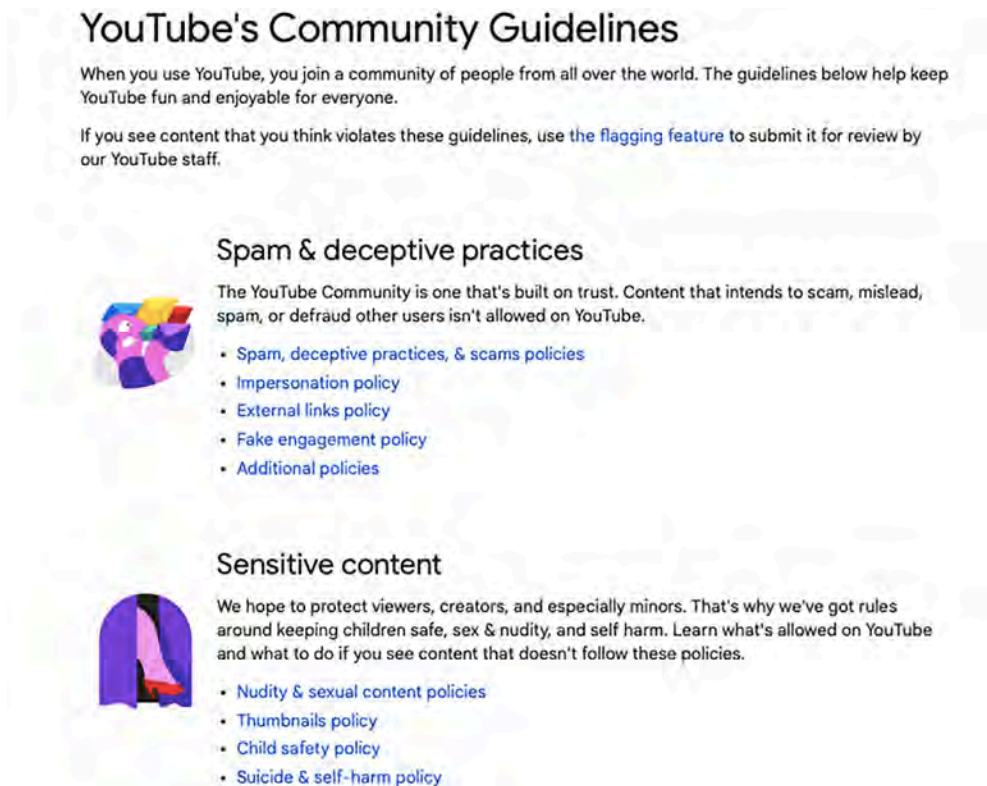
Figure 14.9 Part of YouTube's 2022 Community Guidelines

Guidelines should not only include information about how and who to report violations to, but also recommendations for member's conduct and the types of material that can and cannot be shared. Methods for members to protect their personal information and intellectual property are important things to include.

14.5.2 Content plan

Content plans help you to plan your community conversations and the messages you send. We suggest aligning your content with your objectives. Decide on what you want to achieve with each objective, by when, and what level of priority it is for your business. Map these objectives weekly and monthly as necessary. Then create weekly or monthly content plans around these objectives, based on each objective's relative priority for your business per week.

For example, if your objectives are brand awareness, sales, and app installs, you need to weigh them according to their importance. If your main objective on social media is brand awareness, make this 50% of your content plan. This means that 50% of all content you post will be aimed at increasing brand awareness. If the other two objectives are equivalent, then content driving sales and content driving app installs should each make up 25% of your content plan. If this changes over time, so that in week three, you want app installs to be your most important objective, then content driving app installs becomes 50% of your content plan, with content promoting brand awareness dropping down to making up only 25% of your content plan.

Content plans are useful, centralised planning documents that ensure that various teams are aware of each other's efforts and that communications are integrated. For any kind of content and communication strategy, content plans are invaluable. Be sure your content plan speaks to your objective, your brand identity, your chosen target audience, and the themes or topics you have selected.

Reaching social audiences requires that you create content that truly resonates with them. Successful social content must be interesting, relevant, shareable, and authentic. It is

> **NOTE**
> Read more about this in **Chapter 10: Planning your content**.

especially useful to plan and create social content around your content pillars, since this gives you a solid structure and starting point to follow.

To start creating a conversation calendar, you should plot everything that is relevant to your community. This could include public events, dates and anniversaries, or events and communications already planned by your organisation.

You should also use your conversation calendar for reporting. Keeping track of interactions and responses to your planned posts will help you to determine what kind of posts your community responds to, what days are best for posting, and what frequency works best for your community.

CoSchedule.com, a content marketing editorial calendar software, provides some guidance on how often to post on each platform. Some platforms like Twitter and Pinterest require frequents posts each day, while Facebook, Instagram and LinkedIn require less posts (CoSchedule Blog, 2022).

However, with platform algorithms changing all the time, the frequency of posts is becoming less important. A great post will circulate and appear in newsfeeds for much longer, because it has good relevant content.

Brands should only post content relevant to their objectives, not to fill spaces on a content calendar. Posting poor content to meet a prescribed number of posts may impact your brand negatively. Because of the algorithms, competition for brands to create good content is becoming intense, but ultimately the user will get to experience better organic content. Some brands may have to resort to paid media to get their posts seen at all. The content you choose to create and the frequency of your posts, should be informed by your community on each platform.

Planning the conversation helps to keep momentum, especially in the early days of building a community. However, it should not replace spontaneity. You are creating a conversation, after all.

Date	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
Theme							
Image							
Facebook							
Twitter							

Figure 14.10 A template for a conversation calendar

There are many fields that can go into a conversation calendar, such as suggested copy, and links. Take the basic calendar template provided in Figure 14.10 and adapt it to your needs and preferences.

14.5.3 Communication and escalation protocol

An established communication and escalation protocol helps to ensure that all parties are aware of procedures for handling social messages and can respond accordingly. This is especially important for large organisations where several users might be interacting on social media on behalf of a brand, or where several departments or agencies have a stake in the organisation's social media presence.

A communication and escalation protocol should include:

- Anticipated messages, frequently asked questions, and appropriate, standard responses for both positive and negative situations

> **NOTE**
> Make sure that all stakeholders understand their roles and appreciate that social media interactions often need to be handled quickly.

- Guidelines for determining the sentiment and risk of messages, which include a flagging system for comments that need more senior attention
- The crisis management process to follow if a brand crisis erupts on social media
- An escalation plan for messages that need signoff or further consideration
- Contact details of relevant stakeholders
- Suggestions for responding, including response rate, standard messages, brand voice, and tone.

Social media response process			
Positive	**Neutral**	**Negative**	**Urgent**
Range from satisfied customers to loyal brand enthusiasts. Acknowledge user's comment (Like or Retweet). Reply with thanks or additional information to continue dialogue.	Neither congratulatory nor defamatory; rather factual. Could also be a basic or complex question. Acknowledge all questions and resolve them to show the community that brand addresses their concerns.	Dissatisfaction with brand's product or service. Always acknowledge negative posts, never delete. Show the community that a user's concern is important and will be addressed. Offensive or inappropriate posts: document post via screenshot, delete from wall, send private message to user explaining reason for deletion.	Abusive comments or serious user aggressions should be escalated to brand management for immediate response. If immediate response is not possible, place empathetic holding message. Ensure user feels heard and query is taken seriously. Further communication with user should take place offline, but comment thread should be wrapped up on the wall. Document incident via screenshot for reporting.

Basic: Social media manager responds on the wall.

Complex: Beyond social media manager's knowledge. These are escalated to client via account representative. Place holding response if client is unable to answer timeously.

*Note: This process weas created predominantly for Facebook, but these basic principles apply to most social media networking platforms.

Figure 14.11 A decision flowchart is a useful way of disseminating information

14.6 DEALING WITH OPPORTUNITIES AND THREATS

The use of social media has equipped consumers with a voice and a platform and the ability to amplify their views and truly inform their decision making. The connected nature of the internet makes these views easy to share, and the accessibility of social media tools makes it easy for other consumers to find these views, respond, and build on them. All of this contributes to the perception of the brand.

The best way to show that you are listening to customer comments, complaints, and questions online is the same as with a normal conversation. Comment when it's appropriate, listen with interest, be polite, be respectful, and add value wherever possible. Brands should become active participants in the conversation.

Brands that are successful in communicating with their audiences are constantly on the lookout for opportunities to propel their brand forward. At the same time they keep their eyes peeled for risks that may threaten their reputation. In both situations, the power sits in how the brand responds. This response can range from direct engagement to full new marketing campaign. Ultimately, it depends on how powerful the opportunity or risk is.

An extreme example of successfully grabbing a social media opportunity is Morton's, an American steak restaurant chain. One weary business traveller jokingly tweeted Morton's asking them to deliver him a porterhouse steak at the airport when he landed. The Morton's social media team were listening and responded by ensuring that the customer was met at the airport with a steak. This social media stunt garnered enormous media attention, a very loyal brand advocate, and a hefty increase in sales for the following weeks (Stokes, 2013).

Figure 14.12 Morton's restaurant responding to a customer
tweet and earning themselves great media publicity

14.6.1 When to talk (and when not to)

Knowing when to respond or post on social media is important for any brand. Deciding when it is ideal to comment requires an awareness and understanding before taking action. According to an article on Clutch.co people expect brands to respond to social media comments within 24 hours. With living and growing up in a digital world comes instant gratification, expression, and responses. Millennials, in particular, take this mindset to the world as a consumer (Sherman, 2018). They respond to marketing in different ways than previous generations. This is because of the rise of online shopping, social media, and an overall sense of immediacy.

When everything being said is nice

A great position to be in on social media is when every possible mention is overwhelmingly positive. However, that doesn't mean that there is nothing to do. During this time, the brand must do everything in its power to drive high volumes of conversation.

Stakeholders are being positive about the brand because their expectations are being exceeded. Unfortunately, expectations change. Brands need to stay on their toes and constantly be on the lookout for new and innovative ways to meet and develop their brand promise.

When everything being said is neutral

If this is the case, it sounds as if the company is uninspiring, which is not a good way to get attention. If a company is playing it so safe that no one is commenting either praise or criticism, it's in danger of being forgotten. The next step is no one talking about the company at all. In this instance, it is important to review your social media strategy, content, and audience to understand why the content is not connecting and then, to come up with ways to interact with your audience.

When negative things are being said

Negative statements can often be understood as broken brand promises. If there is underperformance on expectation, it must be resolved as a matter of priority. During this period, brands need to be very careful not to stir up any more conversation than is absolutely necessary. That said, it's certainly not all doom and gloom. If

> **NOTE**
>
> Resolving a serious complaint to the customer's satisfaction can gain you a loyal brand advocate; someone who has first-hand experience that your brand cares and goes the extra mile.

the conversation is broadly negative, it is normally because there is some underlying problem, and this information offers the business an opportunity to focus and resolve it.

Complaints often come from stakeholders who have had dealings with a company that hasn't met their expectations. By complaining, the customer is, often unwittingly, giving the company the opportunity to make things right and probably indicating where the company can improve. Usually, the skilled customer service department should deal with these. They should also share resulting insights with the business strategy department so that the underlying problems can be prioritised and resolved on a broader level.

If a complaint is online, the resolution should be there as well, although you can try to have it taken offline first. Customer service will likely take place either over email, by phone, or posting a personalised comment in a blog post, for example, which may demonstrate to the community that the company listens, responds, and serves the critical objective of actually resolving the underlying issues. Criticism need not necessarily come from customers, but it is important to be aware of it. If criticism involves false information, it should be corrected. And if criticism is true, then it should be dealt with accordingly.

14.6.2 RESPONDING

Responding involves recognising that consumers hold the upper hand in the relationship. They are better trusted, there are more of them, and, in most cases, the barriers to exit from a brand are relatively low.

Customers dictate the channels of communication. An organisation needs to go to the consumer, not the other way around. Ignoring this will result in the business losing customers because they are not willing to truly engage. This is why it's so important to research your audience and tailor your strategy to them and not vice versa.

Responses to customers on social media should be personalised for each individual. Do not use blanket responses.

> **NOTE** Read more about this in **Chapter 3: Market research.**

When responding, be transparent, be honest, and treat the person as you would like to be treated. At all times, remember that you are engaged in conversation, not a dictation.

14.7 STEP-BY-STEP GUIDE FOR RECOVERING FROM AN ONLINE BRAND ATTACK

The following rules to recovery provide a practical approach for brands facing an online threat:

Step 1: Be prepared

No brand is immune to an online brand attack. The best brands have strategies in place to identify a reputation crisis immediately and respond to it quickly enough to stop the negative word of mouth from spreading.

Keep your brand in front of consumers by engaging in the conversation. This can be done by making use of blogs, communicating with customers, and being as open and honest as possible. Engaging in and leading the conversation allows you to build an authentic voice. If a crisis hits, you will be well placed to respond in a way that is authentic.

Step 2: Act immediately

The easiest way to solve most brand attacks is to respond quickly. A brand that shows it is listening and does indeed care will go far when it comes to ensuring a solid online reputation. Acknowledge what has been said and react accordingly.

Step 3: If what they're saying is false

If the attack on your brand is factually incorrect, send the person evidence that they are wrong and, in a friendly tone, ask them to remove or retract the entry, and offer to keep them

> **NOTE** Cultivating a loyal community of fans can help immensely when clearing up false information. You will look much more credible if your fans back up your statements.

informed of future news. If the person doesn't react or respond, add a comment to the post that it has been addressed.

Step 4: If what they're saying is true …

If the mention is negative but true, send your side of the story and try as best possible to take the conversation offline. If appropriate, apologise quickly and sincerely and offer to make amends.

Step 5: Keep the negative pages out of the search engines

Keeping more users from reading negative things about your brand is imperative. Knock them off the first page of the results with basic SEO and some social media pages, such as

> **NOTE**
> Read more about this in **Chapter 5: Search engine optimisation (SEO).**

Facebook, Twitter, or blog posts. Keep adding pages and links until you've forced the offending pages out of sight.

14.8 SOCIAL MEDIA STRATEGY RISKS AND CHALLENGES

Any social media strategy should account for the risks and challenges of interacting in this environment, and should incorporate a protocol for dealing with these risks. It can take a long time to recover from mistakes recorded online.

Some of the common risks and challenges that you should note:

No one cares: It can be difficult in the beginning to get the traction you want, especially when building a community from scratch. This is why understanding the landscape in the context of your organisation's market is so important. Make sure you are interacting in the spaces where your customers are, and where they are happy to hear from you.

The social media space is used by unhappy customers (who are free to post detractive comments): Even if the only feedback you are getting is negative, it is input that you can use as an opportunity to do something about it.

It requires ongoing attention and monitoring: Social media channels may be free, but there is still a time and resource investment required to make your strategy a success. Understand what your objectives are for using social media and budget the time required to meet them.

It can be difficult to measure the impact of the campaign: Social media can be difficult to measure, but that does not mean your campaigns are not successful. Don't expect to find a solution (or success) overnight. Start with measuring things that can be measured easily, and watch for case studies in this space that will help you to turn your social media investment into revenue for your organisation.

14.9 CASE STUDY: APPLE: "#SHOTONIPHONE"

Apple's success lies in a strategic vision that transcended simple desktop computing to include mobile devices and wearables.

One-line summary

#ShotoniPhone was a campaign that turned into a phenomenon, demonstrating how a simple idea that resonated with the audience successfully generated long-term impact for the brand (Adorno, 2021).

The problem

Today's smartphone cameras have far surpassed the point-and-shoots that some of us might still have stashed away in the back of a closet. Each year, smartphone cameras get fresh updates on resolution, lenses, and sensors. While many people may use their smartphone cameras for selfies and food photos, both amateur and professional photographers know the importance of a good camera.

The solution

Apple's ShotoniPhone campaign began as a simple UGC campaign challenge that took iPhone users' photos, shared them on the brand's social media feeds, and put a select few up on billboards, short TV ads, newspapers, and magazines, worldwide.
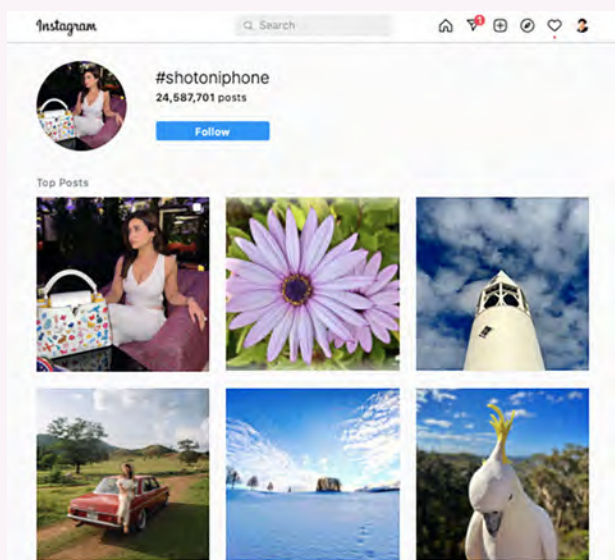
Figure 14.13 The #ShotoniPhone campaign has over 24 million posts on Instagram

> ### The results
>
> When incredible photos and videos were produced by real users, the resulting content made the iPhone camera quality much more convincing to others. The campaign currently has over 20 million posts on Instagram alone and is ongoing (Chen, 2021).

14.10 CASE STUDY QUESTIONS

1. How has this user generated content (UGC) campaign benefitted Apple over time?
2. What do you believe has been the main contributing factor to the success of the #Shot-oniPhone campaign?
3. Why do you think users are still participating in this campaign so many years later?

14.11 THE BIGGER PICTURE

What sets one brand apart from another is a solid social media strategy, and its successful implementation. It supports broader business goals, while incorporating customer feedback to achieve the set objectives. Since it has become the standard medium for advertising, it has also opened a variety of new ways for people to connect across networks and build unique relationships with brands.

What is important to remember amid the planning, scheduling, social listening, and media monitoring is that remaining flexible for, and actively responsive to, your social communities is essential for long-term success. User-generated content and customer reviews are becoming more frequently used to verify what brands are claiming in the social space, which is why maintaining a positive reputation through effective community management requires brands to be authentic and sincere in their audience engagement, as well as their content and messaging.

14.12 SUMMARY

Social media can be used strategically in a number of marketing and communication challenges:

- Community management
- Support and customer service
- Reputation management
- Search engine optimisation
- Communication and outreach
- Advertising and awareness
- Sales and lead generation
- Insights and research.

Creating a social media strategy requires careful planning, and a strong foundation that will allow you to be dynamic.

The steps to creating a social media strategy include:

Figure 14.14 The steps involved in a social media strategy

Social media is a vital strategic consideration for any brand. Whether your organisation is actively involved in social media or not, your consumers are. If nothing else, this means that there is market data available to you if you are open to taking the time to find it.

Organisations that make a considered move in the social media space will find it both challenging and rewarding. The rapid feedback loop can often change preconceptions or even marketing plans, as the voice of the customer is amplified through social media. In addition, the collaboration with passionate customer stakeholders is extremely rewarding.

14.13 CHAPTER QUESTIONS

1. What are some of the pitfalls of engaging difficult customers on social media platforms?
2. What skills do you think are important for a great community manager to have?
3. Should all brands be active in social media spaces? What brands have less to gain from trying to create an online community?

14.14 FURTHER READING

socialmediatoday.com – Social Media Today offers news, insights, and analysis of social media trends.

www.socialmediaexaminer.com – Social Media Examiner offers practical advice, tips, and strategies for engaging on social media.

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14.16 FIGURE ACKNOWLEDGEMENTS

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Figure 14.2: Stokes, 2013

Figure 14.3: Screenshot, Dove Facebook profile page, 2021

Figure 14.4: Screenshot, Hootsuite Twitter profile, 2018

Figure 14.5: Screenshot, Coca-Cola's Google search results, 2022

Figure 14.7: Screenshot, Hootsuite analytics overview, 2022. youtube.com/watch?v=_mthYb9LRZc

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15

CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

In this chapter, you will learn:

- Why CRM is essential for any business
- About the role that customers play in shaping and steering your business
- About the difference between applying CRM as a communications strategy or a core business strategy
- How to collect, store, analyse, and update your essential CRM data
- About the step-by-step process of putting together your CRM strategy.

15.1 INTRODUCTION

Customer relationship management (CRM) has existed since people first started selling things. The first shopkeeper who stopped to chat with their customers, who knew them by name, and perhaps gave them a small 'freebie' for continually using their services, was practicing a form of customer relationship marketing by making customers feel special. They were also probably seeing the favourable impact on their bottom line. It helped that customers were being served directly by the business owner. This meant it was easy for a shopkeeper to grow their brand perception and value through direct interaction with customers.

Today, with businesses becoming more digitally remote and with person-to-person contact becoming sporadic, CRM is more important than ever. We need to build and maintain relationships with our customers. A faceless company is not personable or engaging and therefore has to work harder to fill the gap between attracting and retaining customers (and their goodwill). The relationship a customer builds with a company and/or brand is often the reason they return. Building those relationships today is more difficult than ever. Customers are smart and exercise their right to choose, and a competitor can be just a click away. Users expect companies to engage with them, interact and share meaningful content.

CRM is a customer-focused approach to business, based on fostering long-term, meaningful relationships. CRM is not about immediate profit. It's about the lifetime value of a customer, their future purchases, the positive word of mouth they will generate on your behalf, and the loyalty they will show your brand. Effective CRM enables businesses to collaborate with customers to inform overall business strategies, drive business processes, support brand development, and maximise ROI.

There are two approaches to CRM. Businesses can apply it either as an approach to communication strategy, using personalised and segmented contact, or as a core business strategy, such as loyalty programmes. The size and goals of your business determine which one you choose.

There is a truism that a happy customer tells one person, but an unhappy customer tells ten. With your customers' voices being heard on blogs, forums, review sites, and social media, they can talk loudly and impact your business easily.

15.2 KEY TERMS AND CONCEPTS

Table 15.1

Term	Description
Bounce rate	The percentage of people navigating away form a website.
Churn rate	The annual percentage rate at which a business loses customers.
Customer	A person who buys or uses goods or services, with whom a company should develop a relationship.

Customer-centric	Placing the customer at the centre of an organisation's business planning and execution.
Customer lifetime value (CLV)	The profitability of a customer over their entire relationship with the business. CLV assists with segmentation.
Customer relationship management (CRM)	A strategy for managing a company's relationships with current, potential, and lapsed clients. It often makes use of technology to automate the sales, marketing, customer service, and technical processes of an organisation.
Data mining	The process of analysing data to discover unknown patterns or connections.
Key performance indicator (KPI)	A metric that shows whether an objective is being achieved.
Lapsed	Someone who is no longer a customer.
Model	A strategic visual representation of a process that a company adheres to.
Prospect	A potential customer.
Remarketing	The practice where customers who are interested in certain products and services are targeted again, across the web.
Segmentation	The practice of dividing customers into smaller sub-groups based on shared interests or characteristics.
Stakeholder	A person or organisation with an interest in how a resource is managed.

15.3 A CRM MODEL

Many companies that practice CRM rely on a simple model to guide them strategically. In many cases, this sums up exactly what CRM is about. Below is a simple model:
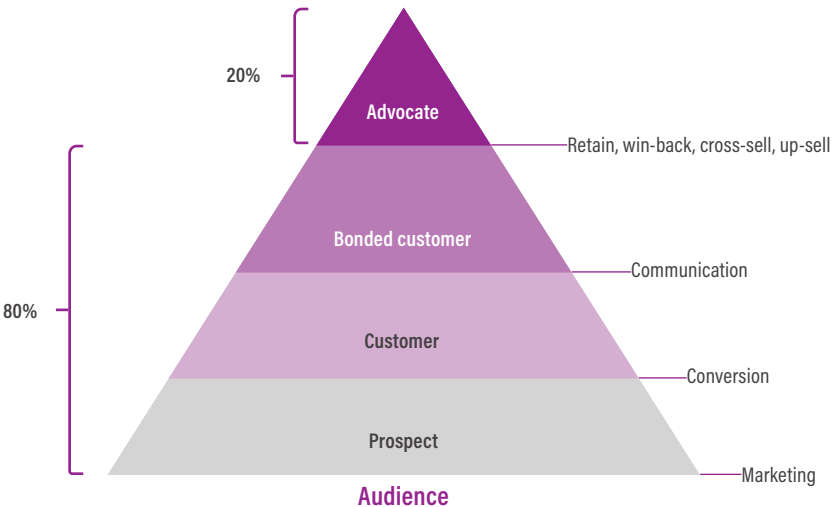
Figure 15.1 A simple CRM model can provide strategic guidance

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As you can see, a good CRM strategy turns strangers into customers, customers into friends, and friends into advocates for your business. One needs to identify the right touch-points and messaging to drive a customer further along this funnel.

NOTE

Notice the Pareto effect, discussed later in this chapter, demonstrated in this model.

15.4 UNDERSTANDING CUSTOMERS

Customers should be seen as the most important stakeholders in a business. Without customers purchasing goods or services, most businesses would not have a revenue stream. It can be difficult to shift from realising this important fact to implementing it in day-to-day business decisions and strategies.

A successful relationship with a customer is based on meeting or even exceeding their needs. You need to establish what problems the customer has, and provide solutions, sometimes before the problem occurs. You also have to continually give the customer a reason to transact with your company above any other.

CRM should not only mean implementing customer-centric processes and consider technology, but embracing customer-driven processes. Through innovations in digital technologies, enhanced customer engagement, social listening, and the introduction of mass personalisation, the customer can often drive the business.
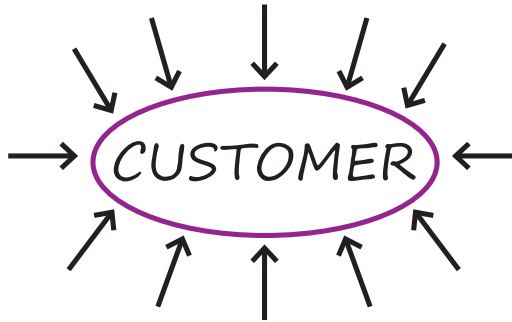
Figure 15.2 A customer-centred approach keeps the customer as the focus of all business activities

15.4.1 Consumer touchpoints

Consumer touchpoints are all the instances that brands touch consumers' lives during their relationship. This is the start of all CRM. A brand needs to speak with one voice across all of these touchpoints and deliver a rewarding and relevant experience every time it interacts with

NOTE

A good CRM infrastructure must ensure touchpoints for dialogue.

its customers. CRM can drive the anticipation of customer needs. Touchpoints can be brand initiatied (e.g. an email newsletter) or customer initiated (e.g. a customer making an in-story purchase).

A consumer touchpoint can be as simple as a print or banner ad. It can also be as multifaceted as a conversation between a call centre agent and a customer. It can be a timely tweet, or an outbound email giving the customer details about their account. Even statements and bills are touchpoints and need to be managed carefully to ensure that the brand continues its relationship with the customer successfully.

Customer touchpoints can generally be divided into three spheres or phases: pre-purchase, purchase, and post purchase.
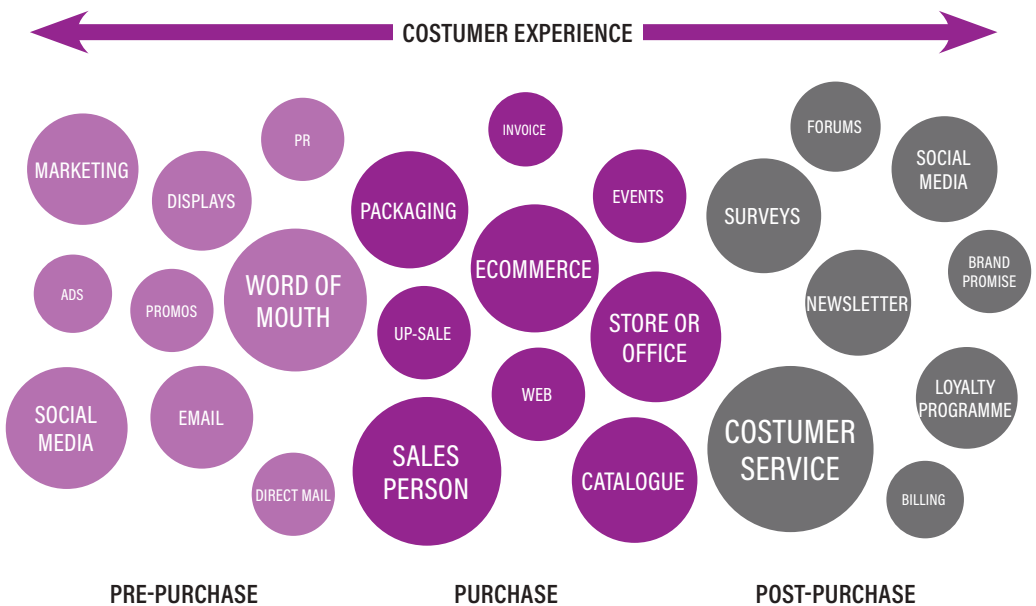
Figure 15.3 Examples of touchpoints at each stage in the purchase process

Pre-purchase, or pre-usage, covers the various ways brands and prospects interact before the prospect decides to conduct business with a company. The brand's goals here are to:

• Gain customers
• Heighten brand awareness
• Shape brand perceptions or highlight the benefits it offers over competitors
• Indicate how the brand provides value and fulfils the needs and wants of consumers
• Educate consumers about products and services
• Ignite the possibility of a relationship.

Purchase, or usage, covers the touchpoints at which the customer decides to purchase a product, use a service, or convert according to set criteria. It initiates the brand-customer relationship. The key goals are to:

* Instill confidence
* Deliver value
* Reinforce the purchase decision
* Heighten brand perceptions
* Facilitate ease of purchase
* Reduce post-purchase dissonance.

Post-purchase, or usage, covers all the post-sale interactions between the brand and customer. Now, the brand wants to:

* Deepen the relationship
* Maximise the customer experience
* Deliver on the brand promise
* Increase brand loyalty
* Remain top of mind
* Invite repeat purchases.

15.4.2 Customer loyalty

The main objective of any CRM strategy should be to gain customer loyalty over the long term. But what is loyalty? This may mean different things for different organisations. Ultimately, it is about acquiring and retaining customers who:

> **NOTE**
>
> Think of a brand that has extremely loyal fans, for example, Apple, Nike or Harley-Davidson. What do you think the brand did that encouraged people to support them so vocally?

* Have a projected lifetime value that makes them a profitable prospect to your business
* Buy a variety of your products or use your services repeatedly during their time as a customer
* Share their positive experiences with others
* Provide honest feedback on these products and services, as well as their experiences
* Collaborate with you on ways to improve their experiences
* Become online ambassadors, who share and engage with your content.

15.5 CRM AND DATA

Data is central to the success of CRM initiatives. Knowing who your customer is, how they behave, and what they want makes a CRM strategy successful. Data gathering can begin even before your prospect becomes a customer. Matching a prospect's profile to the product or offer is the first step.

Data on its own is meaningless if it is not analysed and acted upon. Through analysis, data can be turned into insights, which can then inform the various CRM processes and, indeed, the business itself.

Data should underpin the way each touchpoint is utilised to build loyalty.

Consider the consumer who shops on her store card at a retail outlet. Her transactions are recorded against her card and she is sent offers that detail the latest fashion trends and earns points on her card shopping for these. At some point, her transactional data shows that she has started shopping for baby clothes so she can now be cross-sold products, and rewarded with double points when she buys them. Now she is increasing her spending in the store, cross-shopping for both herself and her family and being rewarded for this, thus ensuring that the retail outlet is offering her value and retaining her business.

15.5.1 Customer data

A good CRM programme begins with data. Who are my customers and what do they want? What are their demographic and psychographic needs? Why did they choose me in the first place? How many of them are active and continue doing business with me? Why do the others stop? What is the average tenure of a customer?
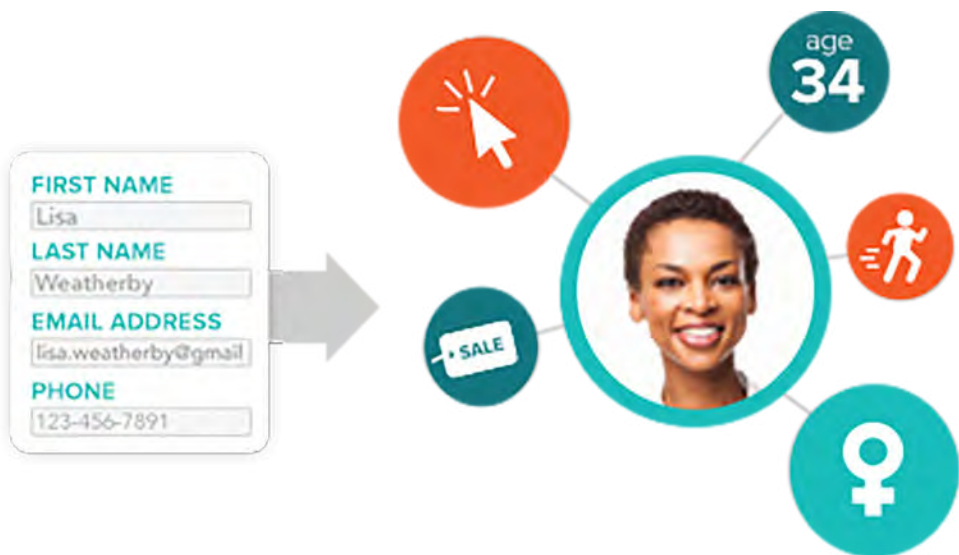
Figure 15.4 What do you want to know about your customers?

Often, you will need to research this information. If the company has a database, conducting surveys, focus groups, or dipstick telephonic research can help you get an idea. Consider that an Audi Q7 driver is vastly different to an Audi A1 driver, for instance. They both pick the brand for similar reasons, but their motivations behind choosing the products differ vastly.

Data can give you these insights. It can enable a company to create real value for the customer and thereby gain true loyalty. There is little point in running a customer insights survey, looking at the results and saying, 'that's interesting' without putting into action any changes suggested by the results. Not auctioning noticeable changes also means customers are less likely to take part in surveys going forward, and quite rightly so. What's in it for them? Conversely, if you do action changes, customers will feel increased ownership in the brand and its offering.

The actual technology you use to gather and collate data is also crucial. Remember that there are many facets to CRM, and the quality and accessibility of the data will have a major impact on how well these processes run.

When deciding on which system to use, it is important to note the key requirements of your specific brand, as each tool or system has its own USPs and quirks.

> **NOTE**
>
> Choosing a CRM system and operationalising it in your business is no small undertaking. Cost can be dramatically impacted by how well this system can integrate with other processes and tools in your business. Make sure to do your homework before jumping in.

When looking at data, it is essential to keep in mind the Pareto principle. The Pareto principle, or 80/20 rule, holds that in many situations approximately 80% of profits are delivered by 20% of customers. Also keep in mind the traditional view that 20% of customers are responsible for 80% of problems related to service and supply (Koch, 2008).

Pareto principle

80% of profits are generated by 20% of your costumers, while 20% of customers are responsible for 80% of problems relating to the service
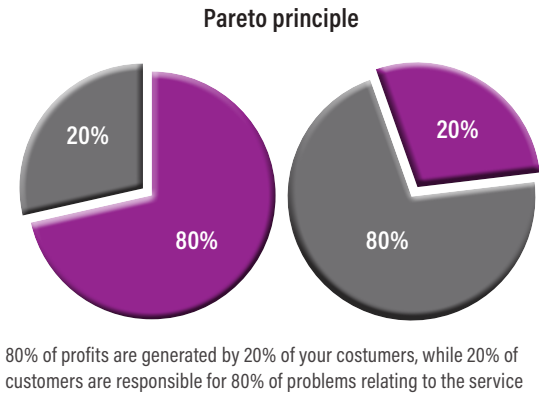
Figure 15.5 The Pareto principle

This means designing solutions with efforts directed at the 20% of customers who generate the most profits. To do this, you should segment customers effectively. High-value segments are unique to each business.

You'll also want to consider the exact data to collect. While this will depend largely on your business objectives, here are some considerations:

- Information should be commercially relevant
- Capture additional contact details from the customer at every organic interaction, such as on purchases, contracts, negotiations, quotes, and conversations
- Allow your customers to manage their data along with you
- Keep track of any information you send out to the customer
- Consider anything that adds value to the relationship
- Note any legal implications around capturing and storing data, particularly web-based behavioural data, as the user's privacy must always be taken into account.

15.5.2 Where and how to gather CRM data

CRM data is gathered from a variety of touchpoints. Let's look at some of the possible opportunities for CRM data capture and analysis. Each avenue discussed below collects a range of data from whichever touchpoints the business deems valuable.

Traditional CRM system data

Most traditional CRM systems are used to capture data for sales, support, and marketing purposes. On top of simply creating a central repository for data access, these systems and their related databases also offer basic analytics. The actual range of data collected within the traditional CRM system is dictated by the CRM objectives. For instance, data could include the following:

- Demographic details on potential leads, current leads, and contacts, such as contact information, age, gender, and income
- Quotes, sales, purchase orders, and invoices (transactional data)
- Psychographic data on contacts, such as customer values, attitudes, and interests
- Service and support records
- Customer reviews or satisfaction surveys
- Web registration data
- Shipping and fulfilment dates, such as when orders were shipped and delivered.

Data mining and testing hypotheses

Data mining involves analysing data to discover unknown patterns or connections. It is usually conducted on large datasets and looks for patterns that are not obvious. Data is analysed with statistical algorithms that look for correlations. It is used by businesses to better understand customers and their behaviour, and then to use this data to make more informed business decisions. For example, a grocery store that is in a primarily residential area may experience an increase in customers looking to buy prepared meals and/or convenience meals in the late afternoon or early evening as people begin arriving back in the area after work. This store will be busy on weekends with people purchasing groceries for the week ahead; these groceries including protein, frozen foods, and pantry staples. However, a grocery store that is in an area with a high number of office parks may experience the opposite; they will see more people

coming into the store looking for convenience meals and/or hot prepared food during the day, and particularly, during the 'lunch rush'. They may also see an influx of customers in the late afternoon/early evening buying ingredients for dinner at home, such as unfrozen protein goods and fresh produce.
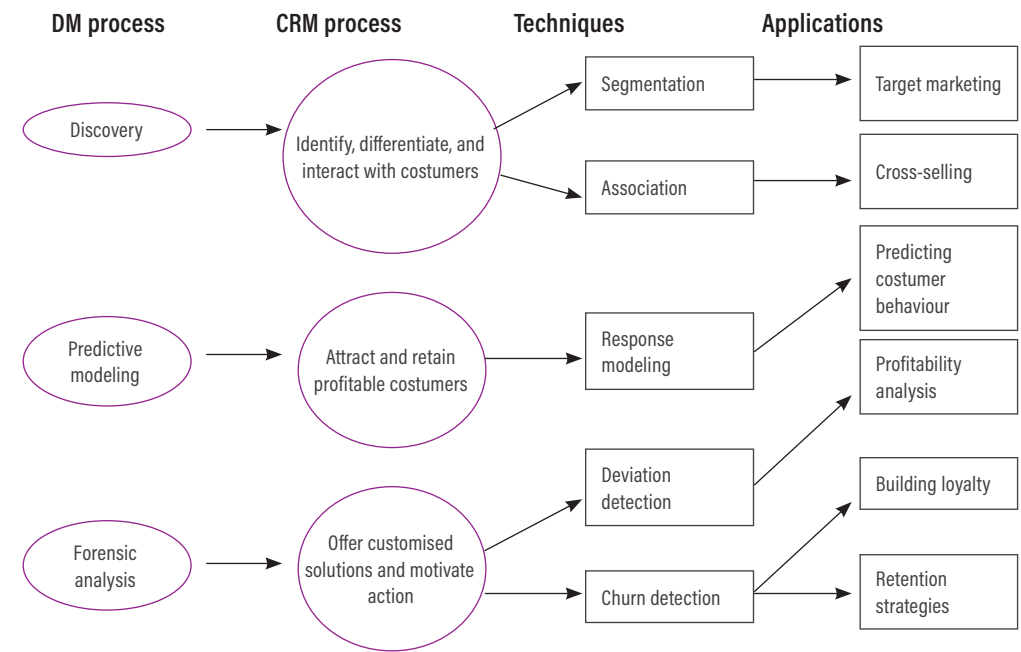
Figure 15.6 A data mining model for CRM

Analytics data

Analytics data is generally captured through specialised analytics software packages. These packages can be used to measure most, if not all, digital marketing campaigns. Web analytics should always look at the various campaigns being run. For example, generating high traffic volumes by employing CRM marketing tactics, like email marketing, can prove to be a pointless and costly exercise if the visitors who you drive to the site are leaving without achieving one or more of your website's goals.

> **NOTE**
> Data mining is typically performed by computers, which can sift through massive amounts of data and find tiny but significant patterns that a human researcher may overlook.

> **NOTE**
> Read more about this in **Chapter 20: Tracking and analysis.**

Social media monitoring data

There are many social media metrics that are important to monitor, measure, and analyse, and some of these can provide valuable insights for CRM implementation. This can cover everything from quantitative data about number of fans and interactions, to qualitative data

about the sentiment towards your brand in the social space. Social media metrics can also lead you to new prospects.

15.5.3 Collating and organising your data

Typically, you'll find that a business has:

*   One or more databases, such as email, customer, mobile, or call centre databases, or datasets in silos
*   A point of sale system where product purchase data is stored
*   Various forms of web data from display or search networks, keyword research, site analytics, social media, or email marketing
*   Social media profiles on sites like Twitter, Facebook, Instagram, TikTok, or LinkedIn, which can also be considered databases of sorts.

CRM software can be used to automate lead and sales processes and to collect all of this customer information in a centralised place, allowing a company to get a holistic view of the customer; from this, meaningful data insights can emerge.
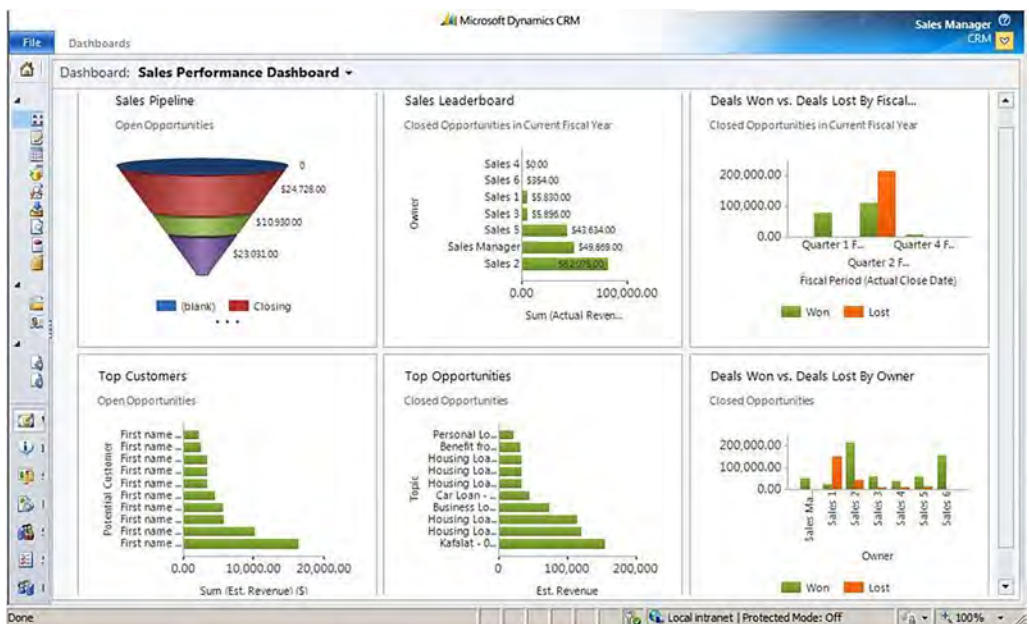
Figure 15.7 CRM software can present dashboards for monitoring and analysing your data

Organisations can be large, and a customer often speaks to several members of the organisation, depending on the nature of the communication. It would be extremely frustrating for the customer to have to explain all previous dealings with the organisation each time, and

NOTE

Have you ever had a frustrating service experience with a brand? How did you feel about the brand afterwards? Large organisations need a single view of the customer to avoid frustrating them.

equally frustrating for an organisation not to know who has spoken previously with a customer and what was dealt with. This could be a touchpoint at which a company falls down and leaves a less than positive impression with the customer.

Fortunately, there are many technological options that help to record all this information in one place. Most of these services can also schedule elements of the sales process and set reminders where appropriate for follow-up action.

Some notable examples include Salesforce (salesforce.com) and Genius (genius.com). Bespoke technology tailored to business problems can have remarkable results.

> **NOTE**
>
> Consider user adoption rates and the cost of time and integration when making a decision about which CRM software to use.

15.5.4 Keeping data fresh

Call it what you will, but 'stale', 'outdated', or 'unhealthy' data doesn't benefit anyone. Some generic older data can help you assess trends over time, but identifiable customer data is usually redundant if not up to date. People move house, update their contact numbers and email addresses, and change jobs. They earn more or less, stop working, start working, have kids, and retire. All of these mean that their needs change, and their contactability changes; therefore maintaining a customer relationship and delivering relevant communication becomes impossible if your information is not fresh.

So, how do you keep your data fresh?

For generic data (like web analytics), you must continuously monitor trends and note what causes changes over time. This is also useful for monitoring trends and identifying gaps in data when a business evolves. For instance, if you know that you generally receive increased website and store visits during December, but your sales drop, you know that you need to gather more data around your inventory and in-store environment during that time.

Keeping identifiable data current means you need to facilitate regular dialogue with contacts on your database. Whether it's through a call centre, an online prompt, or a quick question at your in-store point of sale, there needs to be a plan for updating details at regular intervals. You can empower your customers and incentivise them with programme attractiveness.

15.5.5 Analysing data for marketing

One of the most powerful features of interactions and transactions over the internet is that everything is tracked and recorded (see **Chapter 20: Tracking and analysis** and **Chapter 21: Conversion optimisation**). This provides a wealth of data that can be analysed to make business decisions.

For CRM, this means that the customer acquisition source can be recorded and analysed against sales data. This leads to a very accurate return on investment (ROI) calculation and indicates where CRM and marketing efforts should be focused.

ROI stands for return on investment, and it's key to understanding whether marketing efforts have been successful. Here's a simple example: Company A sells accounting software and makes R10 000 on each product it sells. It sends an email to its customer base, users who have bought a previous version of the software and might be interested in upgrading. The campaign has an overall cost of R100 000. Of the 5 000 users who receive the email, 10% decide to buy. That means it cost R200 to acquire each of the 500 customers. The company has made R5 million, an ROI of 50:1.

Integration is the key to the effective use of technology in CRM. Ensure that all channels can be tracked and that information is usable to all parties within an organisation. Knowing where your customers come from, but not what they purchase, is pointless; these two metrics need to be compared in order to produce actionable insights.

Analysing CRM data can aid marketing initiatives in a variety of ways, for example:

- **Campaign analysis:** Find out which marketing campaigns are leading to the best returns so you can refine them and increase ROI.
- **Personalisation:** Customise your communications to each customer.
- **Event monitoring:** Tie offline events, like shows or sales, to your online interactions and sales.
- **Predictive modelling:** Predict a customer's future behaviour and meet this need at the right time.

> **NOTE**
> Mobile marketing can play a key role in offline events. The mobile phone is portable and connected to the internet, which means that users can engage a brand directly on location.

Analysing CRM data can aid in improved customer segmentation, including:

- **Customer lifetime value (CLV) analysis:** Predicting each customer's lifetime value and managing each segment appropriately (e.g. offering special deals and discounts).
- **Advanced customer profiles:** Identifying certain behaviours, such as big spenders or those who look for bargains by attending sales. This information can be used to tailor marketing communications accordingly.
- **Customer prioritisation:** Targeting small groups of customers with customised products and service offerings that are aligned to meet customer needs, rather than simply generic current offerings. You should craft specialised retention strategies for customers with the highest CLV.
- **Identify brand influencers and advocates:** Consider the realm of social media, where influencers are central to the spread of content. Brands are increasingly prioritising relationship building with social media influencers to build brand advocates who will help market the business for them. By identifying which customers are providing the most value and positively influencing others to become customers, you can focus efforts towards them and increase their loyalty, creating true brand advocates.

Understanding customer lifetime value

CLV is the profitability of a customer over their entire relationship with the business. Businesses need to look at long-term customer satisfaction and relationship management, rather than short-term campaigns and quick wins. This approach leads to increased value over the entire lifetime of a customer and means that CLV is a metric central to any CRM initiative.

It's important to look at your customer base and segment them according to how often they purchase and how much they spend with your company. Very often, customers who spend more, cost more to acquire, but they might also stay with the company for longer. Referrals made by a customer can also be included as part of the revenue generated by the customer.

| Costumer lifetime value with margin (CLV) | = | Average order value (AOV) | X | Purchase frequency (f) | X | Margin (m) |

Figure 15.8 The customer's average order value and how often they order are used to determine their CLV

The key is to understand these costs and then target your CRM strategies appropriately. CLV lets you decide what a particular type of customer is really worth to your business, as well as how much you are willing to spend to win or retain them.

For example, a potential customer looking to purchase a digital camera is likely to search on Google for cameras. As a company selling digital cameras, your excellent search advert and compelling offer attract the potential customer who clicks through to your website. Impressed with your product offering, the user purchases a camera from you and signs up to your email newsletter as part of the payment process.

Analysing the amount spent on your search campaign against the sales attributed to the campaign will give the cost per acquisition of each sale. In this case, this is the cost of acquiring the new customer.

As the users are now signed up to your newsletter, each month you send them compelling information about products they may be interested in. These newsletters could focus on their obvious interest in photography and highlight additional products they can use with their new camera. Think about the value exchange that is necessary for a customer to give you their attention. Content marketing is a powerful tool here. The costs associated with sending these emails are the costs of maintaining the relationship with the customer.

When they purchase from you again, these costs can be measured against the repeat sales likely to be made over the course of the customer's lifetime.

For example, most customers will purchase a new smartphone every 2 to 3 years; the new phones will be the latest or most current model. In between that, they may purchase accessories, such as phone

NOTE

See **Chapter 9: Content marketing strategy** for more on the importance of offering customers value.

cases, spare chargers, or earphones. Each of these opportunities allow a company to calculate a lifetime value and ensure that their spending on a particular customer is justified.

15.6 THE BENEFITS OF CRM

At its core, effective CRM promises the following:

- Increased revenue and profitability
- Improved customer satisfaction and loyalty
- Better service delivery and operational efficiencies
- Decreased acquisition costs; keeping churn low through CRM offsets the need to spend as much on the acquisition of new clients, while retention of existing customers is cheaper for obvious reasons.

Maintaining good customer relationships is critical to the success of a business. The cost associated with acquiring a new customer is generally far higher than the cost of maintaining an existing customer relationship. While an

NOTE

A CRM communication programme is a cross-functional investment, which requires leadership buy in.

investment in a CRM communication programme or platform can be large, these costs are often offset by the increased revenue generated by encouraging repeat business.

15.6.1 Putting a value on CRM

Broadly, CRM can be looked at from:

- **A marketing perspective:** Understanding your customer segments and building a relationship with them.
- **A cost perspective:** Decreasing the amount you spend on customers; it costs more to attract a new customer than to maintain an existing one.
- **A sales perspective:** Turning the users who know about your service or product into customers who have made a purchase, in other words, managing prospects.
- **A service perspective:** Ensuring that users who have interacted with you are satisfied and delighted.

Effective CRM can also create a powerful new marketing and referral force for a company, namely its happy customers. Delighting customers fosters positive word of mouth.

The first step to any CRM initiative is to understand the value of a customer relationship to a business.

Relationship value = Revenue generated by customer – Cost of maintaining/servicing the relationship

15.6.2 CRM implementations

CRM should infuse every aspect of a business in the same way that marketing should be integral to everything you do, but it is useful to look at the different ways CRM is implemented.

You should consider your relationship with your customer at every point. There are a multitude of ways that customers and your business will connect (or collide). As far as possible, try to ensure that these connections are positive.

Marketing

Marketing is the first way that a customer will hear about your product or service. There is no point throwing information out into the world and hoping that your ideal customer will find you; you have to nurture this relationship.

- Conduct personalised targeting and profiling across a range of marketing channels such as telemarketing, email marketing, social media marketing, and campaign management projects.
- Place the right mix of a company's products and services in front of each customer at the right time.
- Understand what customers do and want, matching that knowledge to product and service information and measuring success.

Sales

Ensure the customer receives the correct product.

Make sure that correct sales-related processes are carried out within the organisation. This could include:

- Client or campaign management
- Sales configuration, for customising products or pricing
- Call management
- Contact management
- Ad management
- Sales force automation (including territory)
- Account and lead management systems

- Interaction between all parties in the transaction
- Systems that put sales reps directly in touch with customers at the point of sale.

Service and service fulfilment

Improve the service you give to current customers through:

- Email response management
- Social media support systems
- Telephony capabilities, such as automatic call distribution
- Computer-telephony integration
- Queue/workflow management
- Interactive voice response and predictive dialling.
- Problem resolution systems, workflow automation, and field service dispatch systems.

Services invoked by the customer

Create and manage systems or capabilities that can be directly invoked by the customer. Here are some examples:

- Web self-service
- Search
- Instant messaging
- Email queries
- Voice over IP (VoIP)
- Browser and application sharing
- Conferencing
- 'Call me' capabilities
- Social media support
- Online forums.

CRM loyalty programs

There is a difference between CRM and loyalty programmes. Loyalty programmes actively seek to maintain customers by rewarding them with a hard currency, like points. Loyalty programmes are designed to develop and maintain customer relationships over a sustained period of time by rewarding them for every interaction with the brand. You may, for instance, earn points on a purchase, for shopping on certain days, completing a survey, or choosing to receive a statement by email.

Consider South African health insurer Discovery and their Vitality program. It aims to keep customers healthy by rewarding them for health-related behaviours like exercising, having regular check-ups, stopping smoking, and buying healthy foods. By doing so, it reduces the burden of ill-health on the medical aid itself.
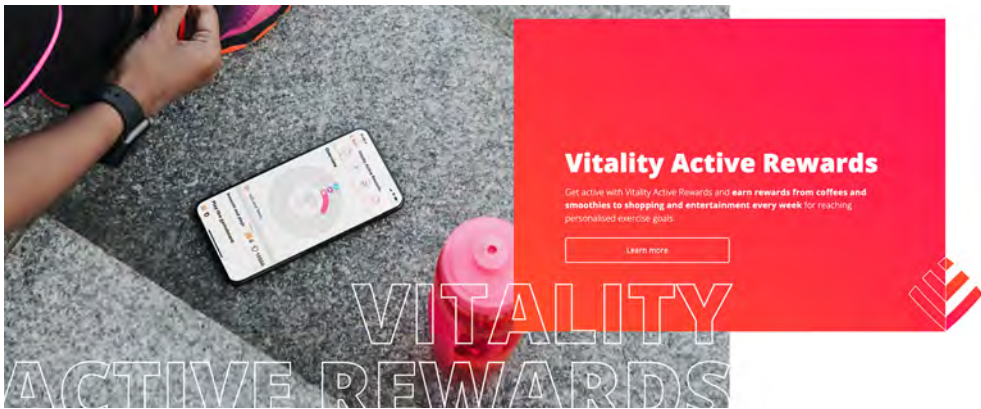
Figure 15.9 An advert for Vitality promising rewards for keeping fit

Not all loyalty programmes are created equal. Many brands have embraced them as a way to improve their sales, and consumers have come to believe that they are simply a way of extorting more money from them.

To create an effective loyalty programme, consider the following:

- **Carefully calculate the earning and redemption rates of points:** A loyalty programme needs to give the appearance of real value, while working within the company's profit projections.
- **Loyalty programmes are about value exchange:** You need to find a way to partner with the customer.
- **Rewards are key to success:** You need to offer value to the customer in a way that is real and desirable.
- **Customer care is important, but it's a hygiene factor, not a differentiator:** Technology allows for effective real-time conversations.
- **Data, a single view of our customer, is central to success:** You need to maintain accurate records in one central place.
- **Digital allows for innovation:** This can apply to new payment technology, digital communications channels, and more.
- **Trust is pivotal to success:** Customers need to know that their data is being protected and that you will honour your commitments. Legal requirements in your country may demand it.
- **Loyalty programmes are not quick wins:** Consider up-front how the programme might come to a close or risk alienating and disappointing customers and undoing any positive results.

The loyalty currencies offered as part of the loyalty programme offer huge potential for brands. Amazon's loyalty currency, Amazon Coins, is available in eight countries and already has many customers investing hundreds of millions in the currency (BizCommunity, 2017).

However, any financial rewards offered as part of your loyalty programme need to be carefully considered and their value proposition evaluated and assessed before implementation. For

example, Pick n Pay, a large grocery store chain in South Africa, drastically cut the rewards on its Smart Shopper loyalty programme in early 2017. Customers went from earning R1 for each R100 spent, to earning R1 for each R200 spent. The initially generous loyalty program and associated loyalty currency was impacting on the business' bottom line. Such a radical change in reward levels did not go down well with customers, and the brand did experience some fall out. The impact of the programme on the business' operational costs should have been assessed and addressed earlier, rather than so many years after implementation leaving customers with a negative experience of the brand (*Business Day,* 2017).

Where loyalty programmes are built around straightforward points and rewards systems, they can also become a point of parity. A loyalty programme should deliver on value that is unique and central to your organisation. You don't want to be competing with your competitor on who can provide more points, which essentially means more discounts, and ends up being a competition based on price. The sum of the parts of your loyalty programme should be difficult for a competitor to replicate.

Cryptocurrencies

Like loyalty currencies, cryptocurrencies are also based in the digital world and not tied to a central banking authority. Cryptocurrencies, like Bitcoin, were developed as a means of facilitating electronic payments online using a peer-to-peer network that was not managed by a server or central authority. Essentially, cryptocurrencies are digital money created from code. The data is encrypted and encoded to signify a single unit of currency. Such currencies are not secured by people or by trust, but by pure mathematics, making it a more secure system because it is not impacted by central banks and monetary supply. It is also almost immune to corruption. As well as Bitcoin, there is Ripple, Litecoin, Ethereum, and Monero, to name a few (Blockgeeks, 2016).

These digital currencies, both universal cryptocurrencies and loyalty currencies, are challenging the traditional banking and international monetary system. Individuals are losing trust in banks and national governments' roles in monetary policy.

However, it must be acknowledged that cryptocurrencies carry their own level of risk and weaknesses. One of the criticisms levelled against cryptocurrencies is the enormous pressure it puts on the environment due to the massive amounts of energy required to run the mining servers. People are also not as trusting of cryptocurrencies yet because they do not necessarily understand it or know how it works. Because the currency is not necessary linked to traditional currency, people may not understand where their money has 'gone' or how to use it.

To learn more about cryptocurrencies visit: blockgeeks.com/guides/what-is-cryptocurrency/.

Apps

CRM apps are a great step forward in customer relationship management. They help to track customer contact info, which members of your team they interacted with, their emails, and positions, as well as the last conversation the customer had with your company. Larger companies make use of software tools like Salesforce, but the high price tag makes the software unattainable for small businesses and startups.

CRM apps like HubSpot CRM, Zoho CRM, and Intercom are popular choices. If you're looking for a full-featured CRM, HubSpot works for up to 1 million contacts and integrates with Gmail or Microsoft Outlook. Google contacts is a nice simple choice that works inside of Gmail and is ideal for smaller businesses and startups. Intercom is a CRM that focuses on what people view on your site, so that you can track what they are likely to purchase. It links user behaviour to user profiles, and the paid options include chat options that allow you to chat directly with customers online. Zoho is a great choice if you already use Zoho software.

Apps are making CRM easier by managing your contacts and tracking their interactions with your brand. They continue to get better and better, and brands should be making use of these useful tools.

Apps for payment services

As well as CRM apps, brands can develop loyalty apps that also enable payment. Brand specific apps that enable purchases are becoming a preferred means of payment. The Starbucks Rewards program accounts for almost 50% of Starbucks' revenue (as of October 2020). Over 60% of millennials are happy to use apps to purchase products in store, which is changing the landscape of loyalty currencies and how such currencies are managed by brands (BizCommunity, 2017). More and more brands are offering payment gateways and even credit and microloans through their apps. This is impacting how customers view brands as service providers and greatly changing how they see banks and traditional monetary institutions.

SMS

SMS is a handy tool for communicating with customers about product delivery and updating them about specials and promotions. As with all mobile channels, you will have access to your customer exactly where they are at that

> **NOTE**
> See more about SMS and apps as marketing tools in **Chapter 16: Direct marketing: Email and mobile.**

moment and in a very personal space. Therefore, use this channel responsibly and only when you have permission to do so. Sending endless SMSes can lead to customers removing themselves from your SMS contact list and could give that customer a negative perception of your brand.

Live chat

Having the ability to chat to your customers when they are on your site is very useful in addressing customer queries immediately and can lead to valuable conversions. Real, live customer service

agents or sales people can converse directly with customers, addressing any concerns easily and directly or selling them any products they may be browsing at that moment. Live chat offers many benefits, including improved conversions, SEO, average order times, awareness of additional products, efficient management of issues, and reduced overhead costs. Cost per contact is much lower than call centre or in-store customer assistance.

Various providers offer live chat functionality to websites, such as Intercom, Pure Chat, Live Chat, Live Agent, and Freshdesk. It is becoming increasingly common to have live chat on brand sites, and customers that expect to find live chat don't walk away from your brand. Just like not being on Facebook could be detrimental to your brand, simply because customers may expect all credible businesses to be on the social network, not having a live chat could also negatively impact customer's perception of your brand as a viable business.

In an attempt to streamline processes, some companies use chat bots to solve customers' problems according to a set of predetermined FAQs. This can be effective, but (at least until AI improves and can match the problem-solving

> **NOTE**
> Read about the "5 Common Chatbot Fails and How to Prevent Them" here: www.userlike.com/en/blog/chatbot-fails.

abilities of a human customer care consultant) the customer should always have the option to speak to a person.
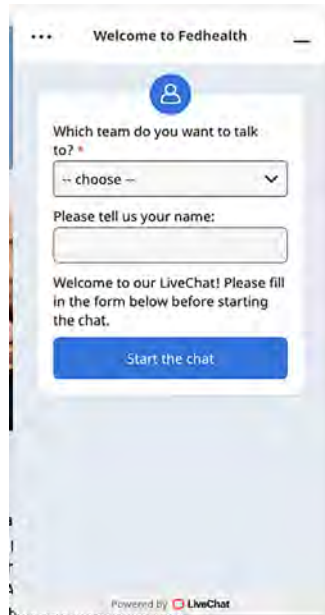
Figure 15.10 The live chat feature on Fedhealth

Be wary of using chat bots to address clients on live chat. Customers dislike robotic responses and want to feel heard and acknowledged by a real person. Although chat bots offer large-scale solutions to CRM, their use should be carefully considered against customer response and attitude to communicating with a bot.

15.7 SOCIAL CRM

Widespread social media usage means that CRM has to be conducted in this forum in order to deliver an all-around experience for the customer. Not only should social media be integrated into any existing CRM strategy and looked at from a touchpoint and channel perspective, but social media can also be used to drive CRM.

WHAT HAPPENS AFTER
POOR CUSTOMER EXPERIENCE

56% WILL NEVER USE THE COMPANY AGAIN

52% WILL TELL FAMILY & FRIENDS ABOUT THE EXPERIENCE

54% WILL ESCALATE TO A SUPERVISOR OR MANAGER

Figure 15.11 Stats on poor customer service cost

Social media platforms allow customers to easily share their brand experience (good or bad) with their online social connections, who in turn can share this experience. This means a potential word-of-mouth audience of millions could witness a single user's brand experience and weigh in on the situation.

Customers place a great deal of value on the opinions of their peers and are more likely to look favourably on a brand, product, or service if a peer has recommended or praised it.

Influence of Peer-Driven Media
Percent who use each media source several times a week or more

▲ General Population

Media	Percent
Search	71
TV	69
Social	67
Newspapers	45
Magazines	32
Blogs	28

2 of top 3 most-used sources of news and information are peer-influenced media
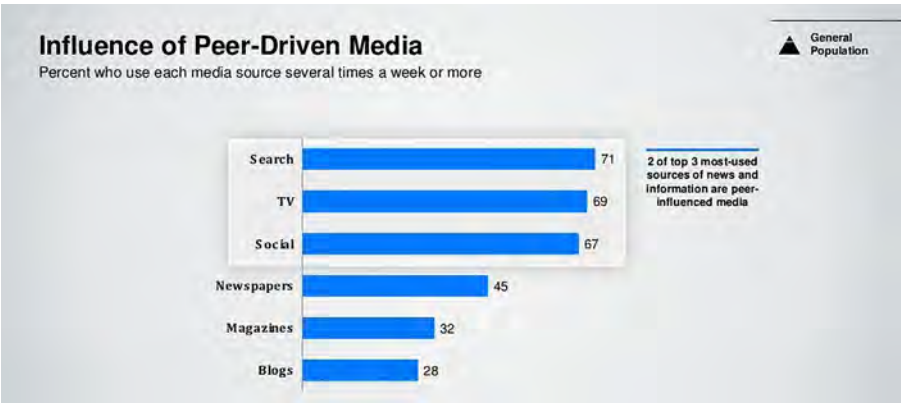
Figure 15.12 Influence of peer-driven media

Brands have realised that they need to leverage this in their CRM strategies and now understand that communication is not one way (from brand to consumer) or even two way (between consumer and brand), but multidirectional (brand to consumer, consumer to brand, consumer to consumer).

The convergence of social media with CRM has been termed social CRM or CRM 2.0 and has developed into a field on its own.

Figure 15.13 Peers recommend companies and influence purchasing

15.7.1 Social CRM and support

Social customers are increasingly turning to social media channels for support. With the immediate accessibility offered through mobile devices, they see this as a convenient channel to communicate with brands. This means that brands need to respond quickly and transparently to consumers' questions, gripes, and even compliments. A support query going unanswered on Twitter, for instance, is likely to cause frustration for the consumer, and prompt them to take a situation that is already visible to other consumers even further, potentially causing a brand crisis.
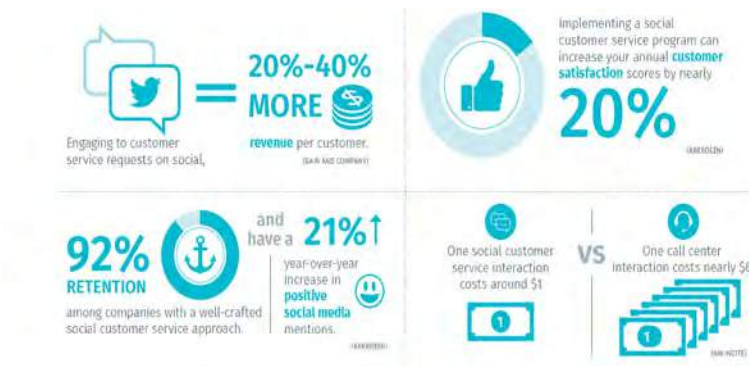
Figure 15.14 Social CRM is valuable

Brands should carefully consider whether all social media channels are appropriate for them and be prepared for any eventuality. Brands that are well liked will generally have positive responses on social media, and those that receive a mediocre response from consumers will have a bit of a mixed bag, but those that have a lot of support issues are likely to experience very large numbers of complaints that need to be addressed.

Social support staff should have access to all the historical data relating to customer issues, such as all the data collected about previous complaints and reference numbers. These channels make customer support public. In this way, they can respond directly to the consumer in the social channel that they've selected and escalate the problem appropriately.

15.7.2 Social CRM and online monitoring

Social CRM can also make use of online reputation management and monitoring tools. Online monitoring, or reputation management, entails knowing what is being said about your organisation and ensuring that you are present in or leading the conversation.

By using these tools, brands can rate and sort these mentions based on their sentiment. This allows them to effectively test the temperature of the online community's feeling towards the brand, which can then guide any future action.
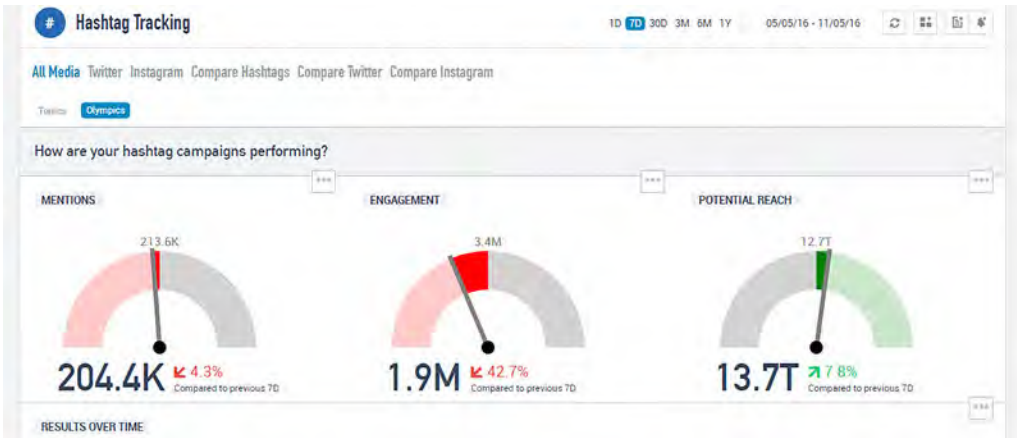
Figure 15.15 Hashtag monitoring on a social listening dashboard

Social listening

Data that you accrue through social listening and enhanced customer profiles can help you draw valuable insights about your target audience on an individual and/or collective level. It is all about collecting data; whether it is brand mentions, relevant hashtags, competitor mentions, or industry trends. If you are not using social media listening, you may not know what your competitors are up to in real-time. Social listening is like a early warning system that sends signals about how your brand is perceived – negative or positive.

Make sure that you are not just tracking metrics; rather, gain insight into your customers and potential customers, and then address their needs.

15.8 STEP-BY-STEP GUIDE TO IMPLEMENTING A CRM STRATEGY

There are five steps to implementing a CRM strategy:

Step 1	Conduct business analysis and develop a problem statement.
Step 2	Understand your customers' needs.
Step 3	Set objectives and measurements of success.
Step 4	Develop your CRM strategy, and determine how you will implement it.
Step 5	Choose the right tools.

Figure 15.16 Five steps to implementing a CRM strategy

Step 1: Conduct a business needs analysis and develop a problem statement

A major part of determining where to begin with CRM implementation is having a clear understanding of business needs and where CRM would most benefit the organisation. CRM touches on both online and offline sales, marketing, and customer service. It's important to review the needs of each business area so that you can determine your CRM strategy.

Ideally, you should have individual goals for each department. All members within the organisation should buy into the strategy in order to drive it successfully. Implementing successful CRM across the organisation is a process, in which stakeholders make decisions collectively and share their views and needs. Decisions should be based on realistic budgets and resources and full calculations carried out before any kind of loyalty currency is decided upon. Remember the Smart Shopper example from Pick n Pay above. Failing to carefully consider how rewards may impact on your bottom line, could cause problems later on.

Step 2: Understand customer needs

CRM is about the customer. You might have identified a range of business needs, but what about the needs of the customer?

Two elements of CRM in particular, service delivery and customer support, are actually all about meeting the needs of the customer. And what's the best way of determining customer needs? By asking them, of course. There are various ways to find out what customers want, but in all of them, it is important to listen. Use online monitoring tools and insights from social media to gather a more rounded view of what your customers think, feel, and want. Look at past behaviour, churn rates, and successes. It may be worth doing a detailed data mining exercise to understand which of your customers is the most valuable and why.

Step 3: Set objectives and measurements of success

CRM is a long-term commitment. Therefore, you need to consider a long-term approach. Depending on the business needs, you may decide to focus on communications objectives, sales objectives, business objectives, or all three.

Objectives and success measures could include the following:

Table 15.2 Objectives of sales and business

Sales objectives	Business objectives	Communication objectives
increasing customer numbers		improving responses to campaigns
increasing market share	increasing profitability per customer	improving end-to-end integration of the sales process cycle

The metrics you select for measurement will depend on these objectives. There are numerous metrics that you can choose from when measuring your performance, and the actual metrics you choose are generally referred to as your key performance indicators (KPIs).

Step 4: Develop your CRM strategy, and determine how you will implement it

Once you've identified all CRM implementation objectives, you will need to determine how you are actually going to roll it out. What channels will you use? What touchpoints will you leverage? What data will you need for this?

Next, you need to determine which tools you will use to gather this data and how you will implement your initiatives across these channels. Don't forget that you need to communicate with your internal stakeholders before you launch the initiative to your external ones.

You will need to make choices based on what is available to you or what you intend to embrace. The digital space offers a range of innovative options for CRM delivery; you simply need to get creative in your execution.

Step 5: Choose the right tools

There are lots of excellent CRM tools available, but these are useless without a clear CRM strategy in place. You can only select your tools once you know what your objectives are,

what touchpoints and channels you are going to utilise, and what data you need to collect and analyse.

15.9 TOOLS OF THE TRADE

CRM systems that gather information on customer preferences and needs, as well as information on competitors, and in the industry in general, let organisations focus on providing customer solutions instead of simply pushing products.

We've outlined a host of options below.

Collaborative CRM tools

Collaborative CRM refers to a process that combines customer data across all facets of a company. For example, queries regularly submitted to the technical support or customer service arm of a business can be used to inform product development and website content. Instead of various departments collecting their own customer data and using this in isolation, data is collated so that all channels make informed decisions based on the holistic customer experience.

Nice (nice.com) is an example of a CRM product that offers collaborative authoring. This means that multiple users can simultaneously edit shared documents while maintaining an audit trail and version control.

Social CRM tools

Social CRM tools perform a number of functions, from standardising the collection of data from social media channels, to automatically posting links and accepting friend requests. These tools can also be used to identify customer sentiment within social media channels.

BrandsEye (brandseye.com) and Simplify360 (simplify360.com) are examples of social CRM listening tools that collect data on brand mentions across social media channels online, in real time.

Operational CRM tools

Operational CRM tools deal with the most obvious channels that relate to customers: the front end of a business and its customer service. From a web technology point of view, operational CRM informs the website what a customer sees as well as their entire online user experience.

Two examples of operational CRM tools are OnContact (oncontact.com) and Zoho CRM (zoho.com/crm).

Sales and marketing automation CRM tools

Sales force automation (salesforce.com) uses CRM software to manage sales cycles and to collect customer sales data. The software enables businesses to track leads, schedule trans-actions and communications with potential and existing customers, and generate detailed reporting on the sales process.

Marketing automation tools identify current customers and use their response information to manage email marketing lists. The tools can also identify prospects, as well as unhappy customers.

HubSpot (hubspot.com) offers a marketing automation tool that allows companies to generate and send behaviour-driven emails.

Analytical CRM tools allow companies to record, save, and investigate customer data to better understand customers through their behaviour. For instance, data collected about the nature of visits to your website can be used to make informed decisions about where to focus attention based on customer behaviour. Past purchasing behaviour of customers can be analysed to predict future purchasing behaviour. Data can be used to segment customers and tailor communications. These tools can help target marketing campaigns at customers and predict future sales and customer spending.

KXEN was an American software company which existed from 1998 to 2013 when it was acquired by SAP (sap.com). It is a popular analytical CRM tool with the ability to forecast customer behaviour and shed light on customer preferences and spending power. It also allows you to tailor marketing campaigns to specific customers, segmented by various demographics.

15.10 CASE STUDY: AMAZON PRIME

Amazon Prime is the loyalty programme for Amazon.com. Amazon is a international online shopping hub that has products in almost all categories; from household detergents to party packs to online books.

One-line summary

Amazon Prime has become one of the largest and best loyalty programmes in recent years, despite not using point systems and oversimplified projections of loyalty by providing consumers real value by addressing their needs for instant gratification and exclusivity, while streamlining the customer experience and seeing a substantial financial return for the company.
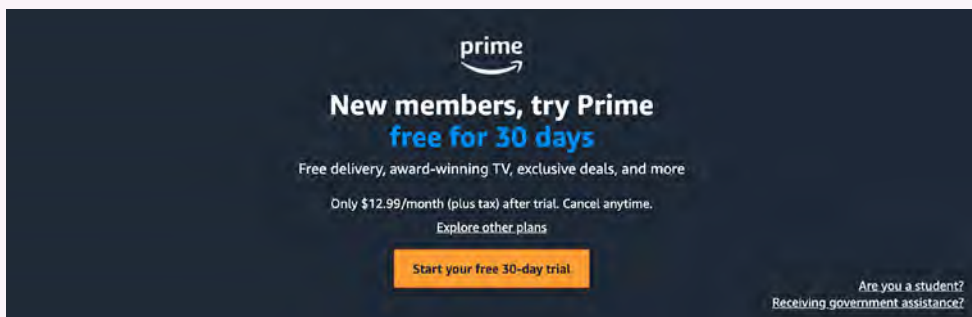
Figure 15.17 Call to action to sign up for Prime on Amazon's homepage

The problem

Amazon noticed that shipping was often a stumbling block when it came to completing purchases. If shipping took too long, users would drop out of the purchase. Similarly, if users purchased an item that was less than the minimum to receive free shipping, they would also abandon the purchase. They needed to somehow streamline this process, so that customers would complete their purchases.

They considered a loyalty program that would address these two aspects, but knew that customers are inundated with loyalty programmes that offer cash-back rewards and promotions. Every retailer, bank, and service provider offer some form of loyalty programme that is very similar to all the others.

Amazon noted that many loyalty programmes fail because they don't meet the needs of the customer and promise delayed gratification. They offer customers nothing new nor anything they can derive any real benefit from in the short term. Customers have to build up points and cash-backs and wait to receive their reward. Many customers have become wary of loyalty programs, seeing them as another way to extort more money from consumers.

Customers need something that offers real benefits, for which they are willing to pay US$139 a year. They want real value immediately and not something they need to wait months or years to see any benefit from.

The solution

Amazon Prime provides its customers with what they really want and need from the brand. It has created a program that is designed to meet their customers' need for instant gratification and removes the stumbling blocks in the purchase process. Prime members receive next day delivery on all items, and do not need any minimum value in their shopping carts to receive free shipping. They reap the benefits of the program immediately and every time they shop online.

Instead of making these shipping features free, Amazon Prime made the service part of an exclusive loyalty programme that users had to pay a yearly fee to benefit from. In addition to tapping into instant gratification, Amazon Prime also made use of customers' desire to be involved in something exclusive, that would set them apart from general customers. As well as shipping benefits, Amazon Prime users would get access to exclusive deals and discounts, as well as the first option on new products. Prime members get to see and purchase products before they are made available to other customers.

To ensure they provided perceived real value, Amazon also included access to their entire library of Amazon Prime videos in the Prime membership. Amazon Prime has started to produce its own content for Amazon Prime (called Amazon Originals). This means that the customer receives great value in the form of online viewing content, and the brand gains invaluable input that it can use to fuel further development.

Figure 15.18 The highlighted benefits of Amazon Prime on Amazon's homepage
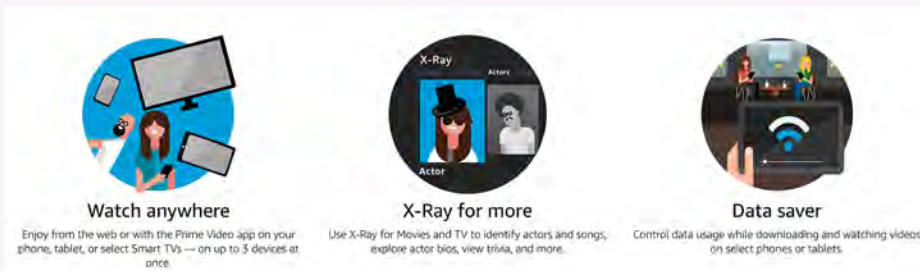
Figure 15.19 The highlighted benefits of Prime Video

Amazon Prime is more than a loyalty or a rewards program, it is a privilege program that taps into customers' need for feeling important and special, as well as addressing stumbling blocks in the purchasing process, and meeting our growing need for instant rewards (YourStory, 2017).

The results

Amazon created a truly extraordinary loyalty programme that users were prepared to pay for. By providing customers with what they need and streamlining the customer experience, Amazon demonstrated that gimmicks and cash back rewards were not the solution for loyalty programmes.

Amazon Prime saw rapid adoption in the US and experienced a 40% increase in subscriptions year-on-year for more than a decade after its inception. From 2020 to 2021, the subscriptions increased by 50 million, and Amazon reported in 2021 that there were more than 200 million Prime subscribers worldwide (Howley, 2021).

More than 60% of Amazon's US customers had a Prime membership. Prime members spend nearly double (US$1,300) what non-Prime members do (US$700) per year (*Business Insider*, 2017). The programme was a huge success for the brand, with revenue from Prime alone making up US$ 6.4 billion in 2016. The programme was so successful that revenue from subscriptions alone was nearly enough to cover the largest cost of the company: its overall shipping costs (Bloomberg, 2017).

Essentially, establishing customer loyalty is about providing users with an experience that is simply better than anything else, so that users change their purchase behaviour to favouring your brand. And that is exactly what Amazon was able to achieve through Prime (LooseThreads, 2017). An example of these benefits and positive experience was the time-saving that shopping with Prime offered customers. According to Bezos (2021), 'a typical trip to a brick-and-mortar store may take an hour, a purchase on Amazon takes 15 minutes.' Without having to take time to go to physical stores, the founder estimates that the average prime customer saves 75 hours a year.

15.11 CASE STUDY QUESTIONS

1. Why do you think Amazon Prime has been successful for so many years, when most other programmes lose their allure?
2. What aspect of loyalty does Prime tap into?
3. What do you think of Amazon's decision to include their video streaming as part of their Prime membership?

15.12 THE BIGGER PICTURE

Managing customer relationships should be built into every marketing tactic and activity you perform, especially if your organisation has adopted CRM as an ongoing strategy to drive customer retention.

Successful email marketing is built on two very basic customer needs: privacy and permission. The very first step in using email to communicate with a customer is gaining their permission. Data mining and segmenting customer databases allows email marketing to be tailored and personalised. Email is often the primary point of contact for service-related messages.

Online advertising is a double-edged sword when it comes to CRM. It can be a very effective acquisition tool for new customers, but intrusive advertising can attract attention for all the wrong reasons. Effective online advertising speaks to customers' needs and presents solutions to them, attracting attention without being overly intrusive. The key is to be relevant and useful wherever possible.

Search engine optimisation and search advertising start with customer intent. Existing customer data can indicate where to focus search engine marketing efforts, especially when it comes to analysing how well a website caters to the intent indicated by a customer's search term. Social media marketing is based on customer needs and preferences. It is also a powerful tool for turning delighted customers (who are expressive online) into advocates for an organisation. Social media creates new communication channels for an organisation, enabling discussions and customer service to take place where the customer feels most comfortable.

Effective web development and design starts with understanding and catering for customer needs, and should focus on the experience of the web user. Designing for customers first and foremost gives web visitors a seamless experience. CRM data can tell you what your customers need, and web experiences can support the customer journey. Web designers and developers can also create sophisticated customer service portals to manage CRM, such as support pages.

Through all of the digital marketing tactics, effective analytics is the most useful CRM tool. It allows each channel to be measured on its merits, and the customers acquired by each channel can be analysed.

15.13 SUMMARY

Customer relationship management is the cornerstone of your interactions with customers. Digital technology makes the process of discovering key insights seamless, effective, and very useful, but CRM cannot be restricted to only digital channels as customer interactions happen offline too. There are many benefits to implementing a CRM strategy, from reduced customer service costs to happier customers, and quicker, more tailored, and effective communications.

Naturally, understanding customers is the biggest outcome of CRM. This understanding leads to meeting their needs much more effectively, which in turn has direct bottom-line benefits for the brand.

There are many facets to CRM that you should consider before deciding how you will approach it. Some key factors include:

Brand touchpoints: How do customers interact with the brand, and vice versa?

The tools you need for your business: Will you use operational CRM, analytical CRM, collaborative CRM, or sales force automation?

Communication channels: Which are available to you to communicate with your clients?

Implementations: Will you implement for sales, marketing, and customer support and service fulfilment, or all of these?

Strategy: What are the steps you need to take within your organisation to ensure a successful CRM strategy?

Costs: What cost are you looking at and what return on investment are you expecting?

Your long-term aims: What is your goal? Why do you need to manage your relationship with your customer? How will this benefit your company?

Data capabilities and needs: Are you gathering the correct data, storing it correctly, updating it constantly, and then analysing it for insights?

15.14 CHAPTER QUESTIONS

1. How do you think CRM changed or evolved as social media rose to popularity?
2. Why do customers respond so positively to personalised communication?
3. What ethical problems do you think customers might raise with regards to behavioural tracking?

15.15 FURTHER READING

www.destinationcrm.com/BuyersGuide/ReadCompany.aspx?ID=1730

www.churchofcustomer.com – This useful blog regularly features guest writers and experts in the field of social media and CRM.

www.cluetrain.com – Home of the Cluetrain Manifesto, a set of guiding principles geared towards conducting business in the digital world.

www.upgrad.com/blog/data-mining-techniques/

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15.17 FIGURE ACKNOWLEDGEMENTS

Figure 15.2: Adapted from Bulhorn, 2016

Figure 15.3: Wotsthebigidea, 2017

Figure 15.4: Janrain, 2017

Figure 15.5: www.slideshare.net/CommLab/the-8020-rule-the-pareto-principle, 2022

Figure 15.7: Microsoft Dynamic CRM Google search result www.crmdirectory.org/product/microsoft-dynamics-crm/

Figure 15.9: Screenshot, Vitality Active rewards

Figure 15.10: Screenshot, Fedhealth, 2017

Figure 15.11: Screenshot, Pinterest, 2022 za.pinterest.com/pin/17803361010651302/

Figure 15.12: Edelman, 2016

Figure 15.13: Edelman, 2016

Figure 15.14: CxSocial, 2016

Figure 15.5: Google search result

Figure 15.17–Figure 15.19: Screenshots, Amazon Prime homepage, 2022 www.amazon.com/amazonprime

Amazon Prime logo: amazon.com/amazonprime

16

DIRECT MARKETING: EMAIL AND MOBILE

In this chapter, you will learn:

- About the basics of email strategy
- How to structure and design an effective marketing email
- How to plan and execute a successful direct marketing campaign using email
- About techniques for measuring and optimising your email campaigns
- How mobile can tie into and enhance your direct marketing campaigns.

16.1 INTRODUCTION

Direct marketing is all about communicating directly to customers rather than indirectly, via ads or billboards. Direct marketing via digital generally involves email and to some extent, mobile channels.

At its core, email marketing is a tool for customer relationship management (CRM). Used effectively, this extension of permission-based marketing can deliver one of the highest returns on investment (ROI) of any digital marketing activity (the principles covered in this chapter can apply to any kind of permission marketing). Simply put, email marketing is a form of direct marketing that uses electronic means to deliver commercial messages to an audience. It is one of the oldest and yet most powerful of all digital marketing tactics. The power comes from the fact that it is:

- Extremely cost effective due to a low cost per contact
- Highly targeted
- Customisable on a mass scale
- Completely measurable.

Furthermore, email marketing's main strength is that it takes advantage of a customer's most prolific touchpoint with the internet, their inbox.

Almost 70% of the world's total population uses a mobile phone. Furthermore, growth in this sector is steady, rising by around 1.8% annually. By the start of 2021, the total number of mobile connections was 8 billion.

During 2021 mobile clients accounted for 41.6% of all email opens (emailmonday, 2022), whereas desktop accounted for 16.2%.

47% of consumers use a mobile application for checking their email (Campaign Monitor). Email open rates on mobile show that email remains the most useful channel for getting to people. Depending on the market you're targeting, if you send an email, it will be opened on a mobile phone at some point.

This means that you cannot think about email without thinking about mobile at the same time.

Like mobile-specific channels, email marketing is a tool for building relationships with both existing and potential customers. It should maximise the retention and value of these customers, which should ultimately lead to a greater return on investment.

> Some people consider email marketing to be old fashioned. Indeed arguments about its demise have been going on for years, but it can be one of the most powerful tools in your digital arsenal.

16.2 KEY TERMS AND CONCEPTS

Table 16.1

Term	Description
Alt Text	The 'alt' attribute for the IMG HTML tag. It is used in HTML to attribute a text field to an image on a web page, normally with a descriptive function, telling a user what an image is about and displaying the text in instances where the image is unable to load. Also called alt tag.
Business-to-business (B2B)	When businesses sell products or services to other businesses and not to consumers.
Business-to-consumers (B2C)	When businesses sell products or services to consumers.
Call to action (CTA)	A phrase written to motivate the reader to take action, such as 'assign up for our newsletter' or 'book car hire today'.
Clickthrough rate	The total clicks on a link divided by the number of times that link was shown, expressed as a percentage.
Customer relationship management (CRM)	A strategy for managing a company's interactions with clients and potential clients. It often makes use of technology to automate the sales, marketing, customer service, and technical processes of an organisation.
Database	In email marketing, the list of prospects to which emails are sent. It also contains additional information pertinent to prospects.
Domain name system (DNS)	DNS converts a domain name into an IP address. DomainKeys, an email authentication system designed to verify the DNS domain of an email sender and the message integrity.
Double opt-in	The act of getting subscribers to confirm their initial subscription via a follow-up email asking them to validate their address and hence opt-in again.
Email service provider (ESP)	A service that helps you design and send emails.
Hard bounce	The failed delivery of email communication due to an undeviating reason like a non-existent address.
Internet Protocol (IP) Address	An exclusive number that is used to represent every single computer in a network.
Internet service provider (ISP)	The company providing you access to the internet (e.g. MWEB, AOL, Yahoo!).
Newsletter	A daily, or weekly or monthly newsletter that is sent out by bloggers or companies to promote their products or provide information. A simple form of marketing still used today. Can be shared on social media.

Open rate	The percentage of emails determined as opened out of the total number of emails sent.
Opt-in	Giving permission for emails to be sent to you.
Opt-out	Also known as unsubscribe. The act of removing oneself from a list or lists so that specified information is no longer received via email.
Return on investment (ROI)	The ratio of profit to cost.
Sender ID	A method used by major ISPs to confirm that an email does originate from the domain that it claims to have been sent from.
Soft bounce	The failed delivery of an email due to a deviating reason like an overloaded email inbox or a server failure.
Spam	Email sent to someone who has not requested or given authorisation to receive it.
Unique forwarders	Refers to the number of individuals who forwarded a specific email on.
White list	A list of accepted email addresses that an ISP, a subscriber, or other email service provider allows to deliver messages regardless of spam filter settings.

16.3 DIRECT MARKETING STRATEGY AND PLANNING

The first part of any digital direct marketing campaign should involve planning for the goals you need to achieve. Email and mobile marketing can be used as a tool to help you achieve your business and website goals. As with all tactics, direct marketing should be considered in line with your overall business, marketing, and digital strategy.

As discussed in the chapters on analytics and conversion optimisation, you will decide on the key performance indicators (KPIs) for your campaign. KPIs are the metrics that indicate how well you are performing.

> **NOTE**
> Read more about this in **Chapter 21: Conversion optimisation.**

You have a few options for digital direct marketing:

- Promotional emails
- Newsletters
- Transactional emails
- SMS marketing.

Promotional emails will usually have an immediate goal:

- Users make a purchase
- Users download some content
- Users request further information.
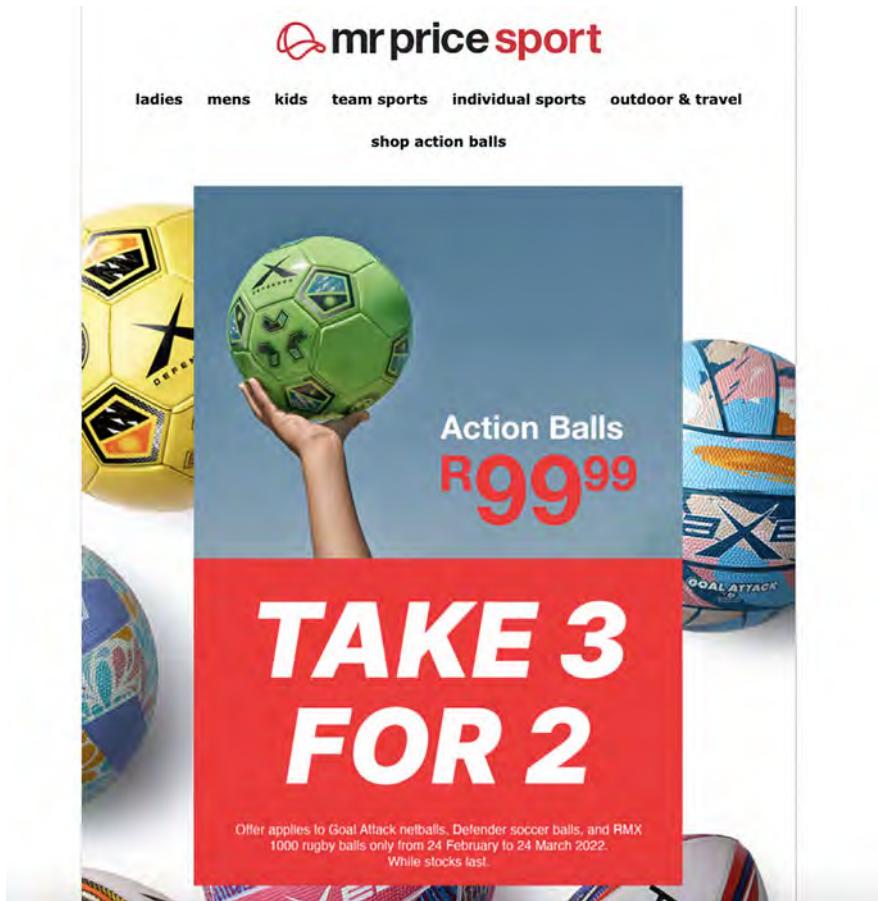
Figure 16.1 An example of a promotional email from Mr Price Sport

Newsletters tend to focus on longer-term goals and are usually geared at creating and retaining a long-term relationship with the reader so your KPIs are more important here.
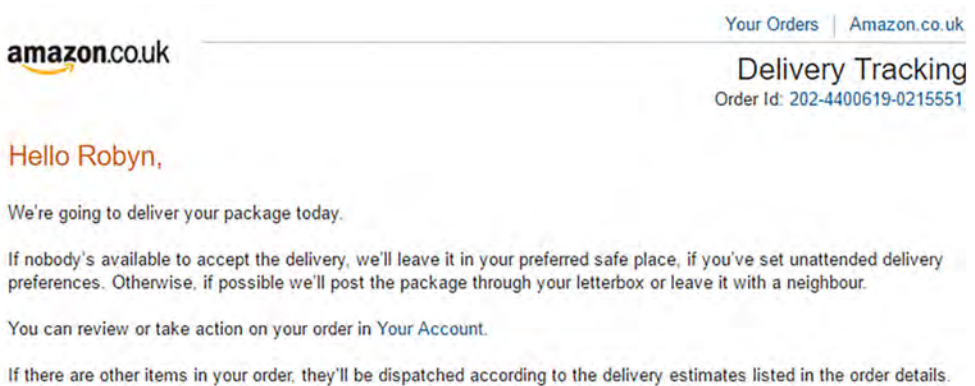
Figure 16.2 An example of a transactional email from Amazon UK

Figure 16.3 An example of a retention-based newsletter from Babylonstoren

Transactional emails are generally automated emails that inform customers of payments, subscriptions, or changes to their account. This category can also include confirmation emails or reminders.

An sms can be used in much the same way as a promotional or transactional email – to let the customer know about products or specials, deliver coupons, or send transactional reminders.

> **NOTE**
> Brisson (2016) came up with a list of situations perfect for using sms to drive last minute sales. Read more about this here: callloop.com/blog/13-ways-to-drive-last-minute-sales-with-sms-reminders.
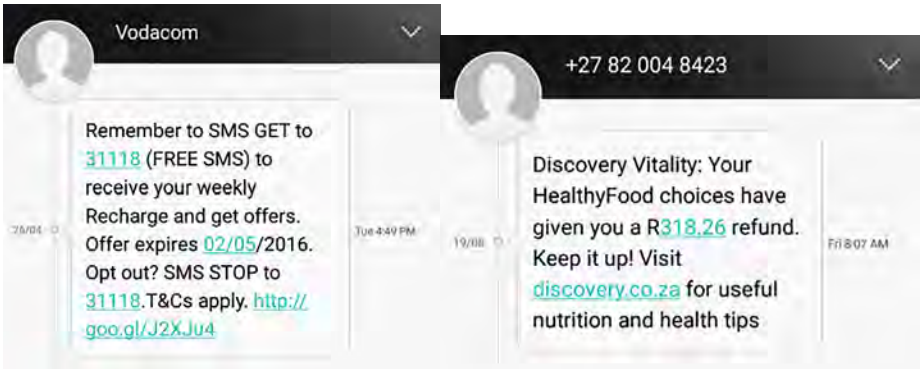
Figure 16.4 (a) A promotional SMS from Vodacom (b) A transactional sms from Discovery

16.3.1 Email service providers

An email service provider (ESP) is a partner who can help manage your email design and send. For bigger organisations, it often makes sense to purchase your own software

and server or to partner with an ESP. This is especially true if you are sending more than 50 emails at a time. Most ESPs are do-it-yourself services that do not manage or strategise your campaign, but give you the tools you need to manage it yourself.

There are some important questions to ask when choosing an email service provider:

- How easy is it to use? This is important if you are managing the campaigns yourself.
- Can you upload and migrate the contact list? It's advisable that you own your lists.
- Is the process self-service or managed?
- How does the reporting work?
- What is their deliverability like?
- Are they endorsed by email and deliverability authorities, such as Return Path or Trust-e?
- Do they adhere to best practices for direct marketing?
- How is the data stored, processed, and secured? Who owns it?

16.3.2 Using mobile for direct marketing

Remember that users see their mobile as a personal device and can resent intrusions on it. This means that there are certain principles you'll need to keep in mind if you plan to use mobile for direct marketing purposes.

Privacy and permission

One of the most important principles for mobile is privacy. Users see their mobile as a very personal device; they don't respond well to unsolicited marketing messages invading that privacy. The location-based nature of mobile also presents some challenges to user privacy. No one wants their location published without their permission, and users need to be able to control notifications.

For a business to avoid damaging its brand by coming across as invasive, marketers using mobile need to use permission marketing and make it clear that they will value and respect users' privacy. Users need to opt in to marketing messages and should be able to opt out at will. A strong database of preference profiles and

NOTE Remember that many countries have legislation governing the collection, storage, and use of personal data. Make sure that you follow the laws of your country!

constant maintenance of consent can drastically reduce the risks and make users feel more in control of their marketing experience.

Read how Hindustan Unilever targeted low-income consumers to build a permission database in an area with vast basic mobile penetration but relatively little smartphone presence: hbr.org/2016/12/how-unilever-reaches-rural-consumers-in-emerging-markets.

Value and reciprocity

The best way to avoid coming across as invasive and intrusive for mobile users is to ensure that every message you send on this personal device is valuable to them. Push notifications from apps, for example, have a high engagement rate, but users won't opt in unless you are offering clear value and have taken the time to build up some trust. Digital consumers have far too many distractions competing for their attention to pay attention to an unsolicited marketing message that gives them nothing.

Offering value to mobile users does two things: It helps to build up relationships and, as a result, loyalty, and it uses the principle of reciprocity. If you give consumers something, they are more likely to be willing to give something back.

For this reason, any messages you send directly to users should be helpful and set the customer up to remember you in a positive light. For example, a hotel could send a confirmation sms, a reminder or a way to shorten the check-in process, or a query about whether the guest needs anything upon arrival. None of these would be seen as intrusive.

Offering real value to your consumer won't amount to much if they're not reading the messages you send, which they won't if they don't trust you. To build up that trust, you need to consistently invest in a value exchange; their attention for your message.

Relationships

If you practice permission marketing and offer value to your mobile audience, you will ultimately build a stronger relationship with your customers. These relationships can result in a higher customer lifetime value as well as positive sentiment, which can be spread by your audience and result in more converts to your brand.

Because mobile's ability to connect you to your customer at their moment of need is unparalleled, so is its ability to help you build a connection with your brand's followers. When used well, mobile devices offer an effective way to build strong relationships, and those relationships should be your primary focus.

16.3.3 Choosing an SMS/MMS service provider

There are some important factors to consider when choosing an SMS/MMS provider. Here are some key questions to ask about any potential service provider:

- Can you pre-check cell numbers with networks and carriers to find out which numbers are MMS-enabled?
- How does the reporting work? What can you measure?
- Do they optimise the MMS for the screen size of the phone?
- How good are their creative services? Make sure you see some examples of previous work to assess their skills.
- Do they provide and manage an opt-out service?
- What are the personalisation options?

16.3.4 Email on mobile

You now know that most email is opened first on a mobile device, in fact, about 3 to 5 consumers say they check their email on the go (mobile) and 75% say they use their smartphones most often to check email (Van Rijn, 2022).ial. Users expect an engaging, attractive experience across devices, so an email that isn't formatted for a mobile device isn't going to get a good response. Many users will simply delete the email or even opt out rather than opening it again on desktop.

This presents a challenge for email design. The mobile screen is obviously much smaller than a desktop screen, so the way an email is displayed differs as well. Not only that, but different mobile devices have different screen sizes, and they make use of different mobile operating systems. This means that each one has different standards and default settings and renders emails in a unique way.

To make things even more difficult, very few users view an email on only one device. They may switch from their smartphone to their laptop to their tablet and back to their mobile

> **NOTE**
> Read more about this in **Chapter 7: Web development and design**.

phone during the course of a day. Although sending two versions of your email is an option, one for mobile, one for desktop, it's probably not the best solution. You want an email that displays well across as many different clients and operating systems as possible. One way to achieve this is through responsive email design.

Some smartphones do render HTML emails and can auto-fit them for mobile screens, but this can still affect the way the email displays.

The most important things to keep in mind when designing an email for mobile are:

- The screen is a lot smaller
- Inputs can vary, with touchscreens being the most common.

> **NOTE**
> When designing an email for mobile, read this article: www.dyspatch.io/blog/icymi-how-to-design-email-for-mobile-first.

Take into account that 62% of mobile users will delete an email if it is not mobile-optimised. In a study it was found that 52% of users said that a bad mobile experience made them less likely to engage with a company (Rinaldi, 2022). Your content must be easy to skim, with clear calls to action.
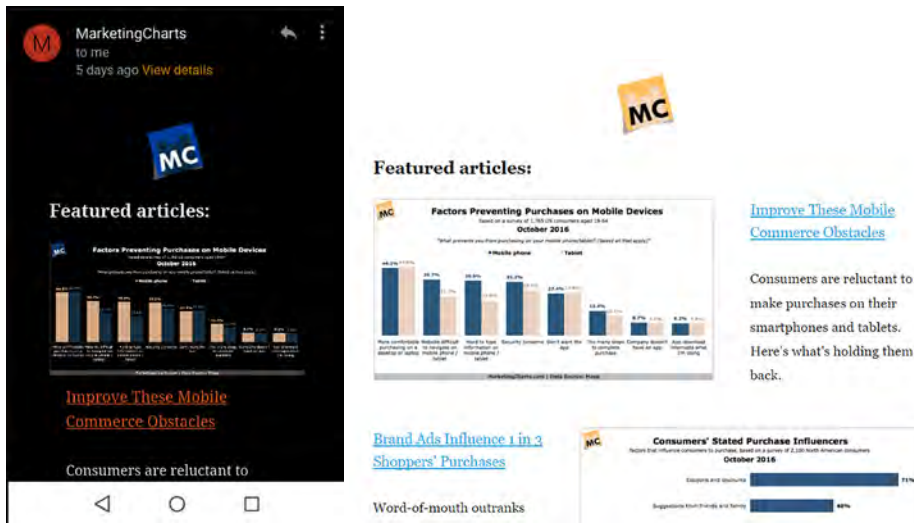
Figure 16.5 The Marketing Charts email template responds to the screen size of the device on which it is viewed

To ensure optimal rendering on mobile devices, here are some common best practices to follow when designing your emails:

> **NOTE**
> Don't worry if some of this sounds a bit too technical. Your web developer will understand and be able to advise you.

- Generally, most emails are designed to be 600px wide to display well in an email preview pane. This scales well on typical mobile screen sizes. On a 320px screen, an email can be zoomed out to 50% and display perfectly; similarly, on a 480px screen, it can display at 75%.
- Host your email newsletters online and link to them from your preheader. That way, anyone who opens your email on a mobile can click straight through to an HTML version of your newsletter.
- Design your email in a grid system. This means your content needs to be laid out in vertically and horizontally aligned blocks, with gaps in between. Doing this will make it easier for various operating systems and email clients to scale your email down to fit a mobile screen. This is not a guarantee that the email will display properly in mobile, but it should solve the problem for most mobile devices, such as iPhone, which auto-fit HTML emails.
- Make sure that you include alt text for your images! Your email needs to convey its message with or without images.
- Mobile devices that don't automatically scale your email down will display the content on the left of your email first. Make sure that your most important content is placed here.
- Button links need to be at least 44px to render well on mobile phones. *Smashing Magazine* recommends 72px so that users can easily tap buttons with their thumbs and see visual feedback that the button has been pushed.

Something important to remember: design for touch.

Most mobile devices have touchscreens. This means that, instead of clicking on your links with a mouse, users will be tapping your links with their fingers. If your links are placed too close together, it will be difficult for users to click on one link without accidentally also tapping the other. To make the user experience easier, make sure your links are placed in a 30–45px area, with a margin of at least 15px around them. By spacing links like this, it will be easier for touchscreen users to follow through on your call to action.

16.3.5 Rules and regulations

There are a number of laws across the world to protect users from unsolicited emails and SMSes and stop businesses from abusing these communication channels. While they vary in severity according to the country, and we recommend that you do some research into your local legislation, it's important to acknowledge two very important rules:

1. You cannot send communications to someone without their permission.
2. If someone requests to be unsubscribed from your communication, you have to meet their request or face penalties in many jurisdictions. This means including an unsubscribe option for emails and an "SMS 'stop' to opt out" option for SMS.

16.4 STEP-BY-STEP DIRECT MARKETING PROCESS

Direct marketing requires careful planning and weeks, if not months, of preparation work to get right. These steps will guide you through the process of setting up your direct marketing strategy.

16.4.1 Growing a database

Running a successful direct marketing campaign requires a business to have a genuine opt-in database. This database, or list of subscribers who have agreed to allow a company to send them emails or SMSes with marketing messages, is the most valuable asset of a direct marketing campaign.

Permission must be explicitly given by all users to whom messages are sent. Companies that abuse this can put their reputation in jeopardy and, in many countries, legal action can be taken against companies that send unsolicited bulk messages also known as spam.

It is important to track the permissions that are generated for each user. A time stamp is a key part of the data capture and opt-in process and helps to protect you against spam complaints and potential legal action.

Spam is unsolicited bulk email or SMS messages. It means that the recipient has not given permission to be sent that message. According to statistics released in 2019, around 9% of

marketing emails in 2018 were considered spam by email providers. This is out of a total of just over 281 million emails sent in that year.

By 2025, it is estimated that over 376 million emails will be sent in that year alone, which is a growth of almost 100 million emails in less than ten years.

Growing this database while keeping it targeted is a key factor in any direct marketing campaign. The database needs only one entry, the prospect's email or phone number, but the following should also be considered:

- Name, surname, and title
- Date permission granted
- Source of permission
- Gender
- Country
- Date of birth
- Phone number or email (depending on which you already have)
- Frequency (how often they'd like to hear from you).

Fields such as name, surname, and title should be separated in your database. You should also gather date of birth as opposed to a prospect's age as it ensures that your database can stay up to date.

Don't be tempted to ask for more information than required. The more information a marketer can gather, the better they can customise marketing messages. However, the more information a prospect is required to give, the less likely they are to sign up. Further information can be requested over time.

> **NOTE**
> As always, the best long-term strategy for growing your database is to create valuable, shareable content that users want to read.

There are many ways to attract prospects to opt into a database. An email sign up form on a company website is vital. Website visitors express an interest in a company by clicking-through and this is an opportunity to develop that interest further. Following the same principle, any other properties where newsletter or SMS sign up can be promoted should be taken advantage of.

Consider having a sign-up form on your company blog, email signatures, Facebook page, and mobi site, or perhaps mention it during presentations you deliver. And don't forget other offline marketing channels that you're already using, such as flyers, posters, or

> **NOTE**
> If you want to grow your email list, read this article: blog.hubspot.com/blog/tabid/6307/bid/32028/25-clever-ways-to-grow-your-email-marketing-list.aspx.

in-store displays. Many brands use competitions to encourage opt-ins as well. Remember, users are more likely to opt in with an email address than a mobile phone number on most channels.
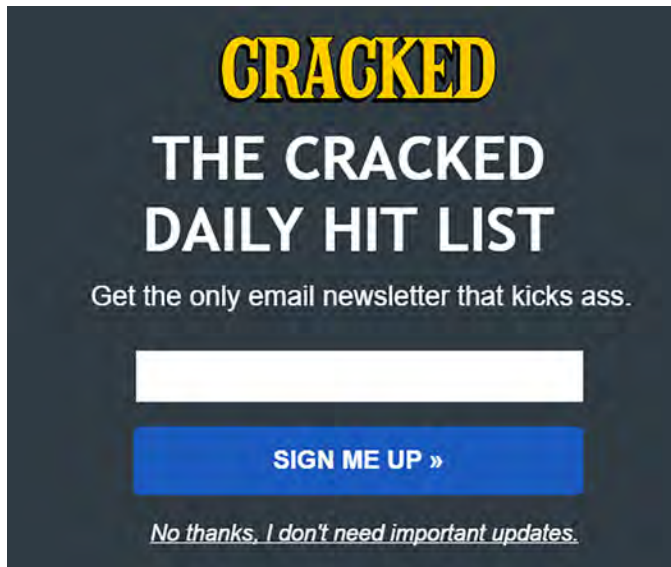
Figure 16.6 An email newsletter sign-up call to action

Here are some best practice tips for sign-up forms:

- Put the sign-up form where it can be seen, above the fold and on every page.
- State your anti-spam stance explicitly, and be clear that you value subscribers' privacy.
- Clearly state what the subscriber's information will be used for.
- Use a clear call to action.
- Include a benefit statement. Tell subscribers what they will get and how often they will get it.
- Ensure the email address or phone number is correct by checking the syntax.
- Test to see what works best!

Every interaction can be used to ask permission to send marketing material, though some work better for email than mobile, for example:

- Offer something valuable, and ask them to sign up to your email newsletter at the same time (e.g. white paper, gift voucher, music track).
- Add a newsletter subscribe box to the checkout process of your retail site.
- Use interactions at trade shows to ask for email addresses and possibly phone numbers.
- Ask for email addresses or phone numbers in-store.
- Call out your email campaign on your social networks, and link through to your subscription form.
- Invite users to submit their phone number and email address in order to enter a competition.

16.4.2 Designing an email

Emails should be created and viewed as HTML for desktop and most mobile devices. Simpler phones require basic text emails. Be sure to check your audience's preferred devices carefully,

as cheaper smartphones are becoming available, which increases their penetration into lower-income areas.

Text emails include small, plain, text only content. If you use a Windows Operating System, open Notepad, and type there, you will be creating a text file. As these are text only, the copy really counts here.

HTML emails have more complex designs. These emails can contain images, different fonts, and hyperlinks. They're probably what you've had in mind throughout this chapter when we referred to email marketing.

Parts of an email

Each part of an email serves a particular function.

Sender information

This includes the 'to', 'from', and 'reply to' fields. These are opportunities to build a relationship through creating a perception of familiarity. In other words, the reader needs to perceive that the newsletter is somewhat unique and

> **NOTE**
> Refer to the images of the full newsletter later in this chapter to see how these elements look in context.

sent personally by the publisher. Using a personalised company email address, (e.g. trevor@company.com), for the 'reply' field creates familiarity and builds trust with the reader provided the name is recognisable. Otherwise, using the brand name is fine. The 'from' address should also include the organisation's name. A meaningless 'from' address that the reader cannot identify serves only to confuse the origin of the newsletter.

Subject line

The subject line may be the most important part of an email! Subject lines help the reader to identify the email and entice them to open it. The subject line is also scrutinised by spam filters, so you should avoid using unusual

> **NOTE**
> You could also try personalising the subject line with the recipient's name or location to make your email stand out.

characters, for example, '#2$%&^^%###' or '!!!!!'. Emojis such as smiley faces or hearts can sometimes work, but first test to see what works for you.

Consistent subject lines using the name of the company and the newsletter edition can build familiarity and help readers to sort their inbox. Subject lines should also reflect the content of the email. As with everything online, testing different subject lines will lead marketers to the formula that works for them. Some brands have found that using emojis can improve open rates, while others have had no success with them.

Did you know that 47% of email recipients open an email based on the subject line alone? At the same time, 69% of email responders report emails as spam based solely on the subject line. Apart from curiosity, FOMO is possibly the one psychological principle that drive consumers to open an email. Being humorous requires a bit more thought and creativity, but subject lines that make your subscribers laugh, can pay off in terms of your open rates.
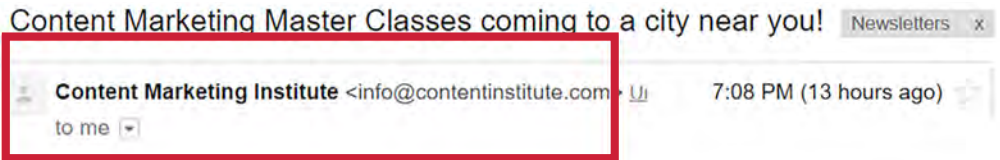
Figure 16.7 Sender information and a subject line on an email

Preheader

The preheader is a line or two of text displayed above your email header. Most commonly, it's the line of text that will redirect you to 'View online'. Where possible, try including your call to action in the preheader. This could be difficult, given the limited space, but it does ensure that every recipient, even those who don't necessarily open the email, will still be exposed to it.
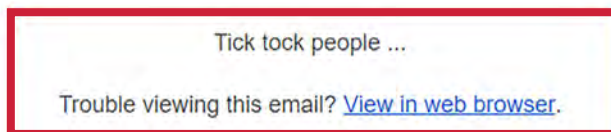
Figure 16.8 An email preheader

Header

The header is the colourful banner or image that is included in many emails. This often contains the logo, which is important for branding, as well as a CTA or image to catch the recipient's attention. Not every email will have a header, but these do provide added impact.

Figure 16.9 An email header

Personalised greeting

With a database that has the capability to store readers' names, it is possible to personalise the greeting of the email. "Hi, Kim Morgan" can elicit far better responses than "Dear Valued Customer", but it is possible to create a greeting with personality without personalising it. Occasionally, the subject line can be personalised as well to boost responses. Including your subscriber's name is not the only way to make your subject lines more personal. You can also use casual language, share something, or use copy that implies familiar tone or friendship.

Figure 16.10 A personalised email greeting

Body

This is where the content of the email goes. Don't be tempted to use too many images; they can increase the size of the email and obscure text when images do not load. Be sure that text can be read without an image being loaded. The structure must allow readers to scan and navigate the email easily. Short paragraphs, emphasis through bolding and colours, as well as sectioning information with bullets and borders, all contribute to a well-structured email.

Footer

A standard footer for emails helps to build consistency. It is the customary place for the contact details of the company sending the email. It should include the name, physical address, and contact email of the company. It can also include the privacy policy of the sender or even extra copy to reinforce branding. One way to grow the email list is to add a 'forward to a friend' link in the footer or, more commonly, social media buttons. The most important part of the footer is a clear unsubscribe link.
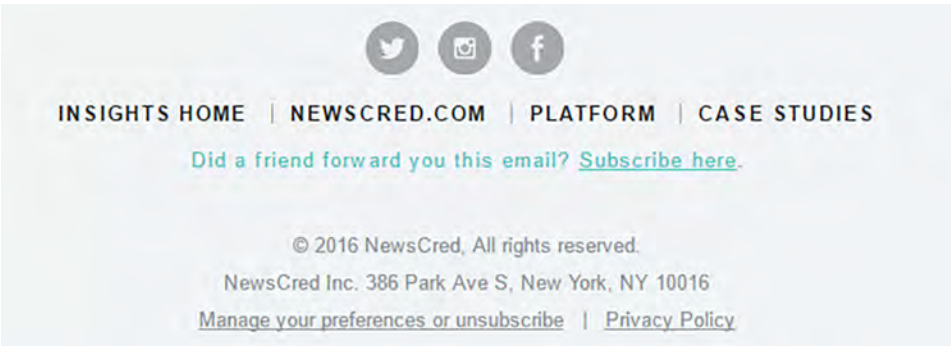
Figure 16.11 An email footer with an unsubscribe link and social sharing buttons

Unsubscribe link

In many countries, it is mandatory to have an unsubscribe link on all commercial emails. In best practice terms, you should also include a link for managing subscription preferences – this lets the receiver decide exactly which emails they receive from you, rather than opting out from all of your email marketing.

Working with templates

An email template is a predesigned structure you can use for each email you send; you just need to slot content into the appropriate sections. Some email service providers offer

> **NOTE**
> Read more about this in **Chapter 6: User experience design**.

ready-made templates for you to use. As with website templates, paid-for email templates come with some benefits and disadvantages. While they are often cheaper than commissioning a custom template, they can be inflexible and generic, meaning that they will not uniquely represent your brand. If you are choosing a template to buy, consider picking the plainest one, so that you can adapt it to your brand as needed.

A custom-designed email template will allow you to plan your own content structure and ensure it displays well across many email readers and devices.

When having your template designed, it's important to test it with a number of email readers, browsers, and mobile devices so that you can ensure that it displays correctly. This can become challenging as some users still use preview panes to read their email.

Design considerations

How an email looks is integral to how well it is received by your database. Design also refers to how it is built, which can impact whether the email is delivered and how likely users are to interact with it. Some design considerations are included below. A few of these are a little more technical, so make sure that your email partner has these covered for you.

Figure 16.12 Online, users tend to read in an F-shape

The look and feel

Studies have found that users read or scan emails following an F-shape (Nielsen, 2006). A follow-up study by the German Research Center for Artificial Intelligence looked at how users read text on smartphones, testing different layouts and paragraph lengths, and found that the F-shape still applies (Biedert, Dengel, Buscher, and Vartan, 2012). So, plan your important information to follow this flow.
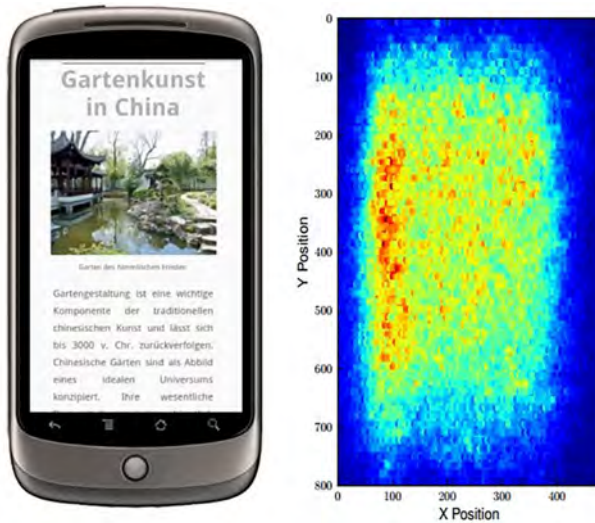
Figure 16.13 The F-shape still applies on smartphones, with the left-hand side of the screen dominating patterns

Cluttered inboxes and busy subscribers mean an email that's lengthy and difficult to get through probably won't be read. Help your subscribers by structuring your email content into segments, making use of borders or colour blocks to accentuate and divide content. It's important to balance image and text in your emails. Make a point of placing images next to the relevant text.

General design guidelines

HTML and CSS design principles differ for web and email. Here are a few things to keep in mind when designing your email:

- Don't make use of external or embedded style sheets and avoid unnecessary embedded rows and columns.
- Make use of table nesting as far as possible, as this is generally considered to render the best results with difficult email clients. Email designers tend to make use of tables to design their email layout, using inline styles within these tables.

- Set a fixed width for your email by specifying the width and spacing of each cell rather than the entire table. When these specifics are not declared, email clients tend to render the email according to their own defaults and can break the design.

> **NOTE**
> Naturally, your email design should echo your overall corporate identity and personality.

- If you are using a block background colour, be sure to include a 100% width table to cover the entire email.
- Keep fonts in your email design larger than 16px. Anything below that becomes difficult to view in mobile. Also bear in mind that, while coloured text (or light-on-dark text) may look visually impressive, it can be difficult to read an entire email like this and may strain your subscribers' eyes. Rather limit such visual tricks to smaller sections of your email, or to emails that contain less written content.
- Make use of inline CSS. Some email clients strip the CSS from the head and body of the email.
- Test your emails in a variety of email clients before you send.
- Use responsive design!

Designing for the preview pane

Many email users still use desktop clients to manage their email. Given the number of emails users receive on a daily basis, many still prefer to view emails in their preview panes rather than opening them. This has added another challenge for designers who want to ensure that their emails display properly.

Images and layout should consider the preview pane and be tested for rendering. Preview panes can be vertical or horizontal.

Tips for designing for the preview pane:

- There is no set width. Therefore, testing is the way to go. A width of 600px works best for preview pane display (HubSpot, 2016).
- Ensure that plain, email-friendly fonts are used toward the top of your email in order to ensure that the first text encountered is properly displayed.
- Consider carefully what images you display in the top section of your email and test displays accordingly.
- Placing your logo prominently at the top left of your email can ensure optimal brand recognition and exposure.
- Try to include your call to action in the area displayed in the preview pane. That way, even if subscribers choose not to read your email, they'll still see your primary message.
- Some successful email templates use the area likely to be seen in the preview pane to provide a table of contents for the email. Users know what they can look forward to when opening the email.

Email and images

Avoid using images to convey important content. Make sure that there is alt text for all images used in the email. This ensures that the message of the image will still be communicated even if the image itself is not seen. Even though most email clients display images by default, some users may still not see them. Your email should make sense whether or not the user can see images.

Tips for using images in email design:

- In the past, background images did not render well in emails, but this is changing. A block background colour tends to display well across most email clients. Some email clients, like Outlook, still do not display background images.
- When including images in your HTML, be sure to declare the height and width for each image to ensure consistent rendering across most email clients.

Emails that make sense without images and render correctly across all platforms are more likely to persuade a reader to open the email and click through to the website.

> **NOTE**
> The images you use in the email should support the overall message, rather than convey it directly. If the image doesn't appear, the message should still be clear.
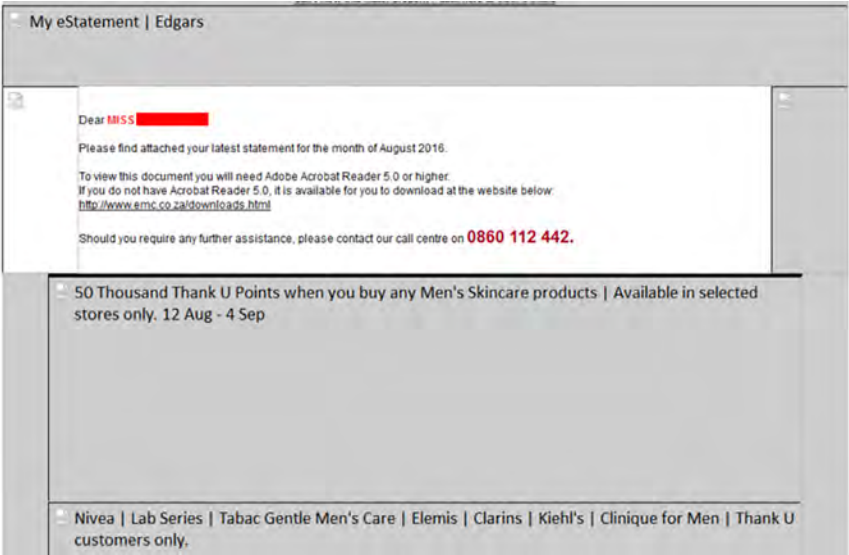
Figure 16.14 Good use of clear image alt tags in an email newsletter

The call to action

Email design should support calls to action. For your campaign to be effective, your goals and KPIs should be supported by the email layout and design. Calls to action can be hyperlinked

text (also called text links), or can be images which look like buttons. Don't forget, that if images are blocked, your buttons will be blocked too.

Generally, both text links and CTA buttons are effective for generating clickthroughs, though some studies find that buttons perform better. While you should use buttons for links that support your CTA (e.g. 'make a booking,' 'check availability') your email shouldn't be littered with them, and hyperlinks should be used for additional links. You should test them to see what kinds of CTAs perform best for you.

The copy of the CTA is exceptionally important: a well-crafted and enticingly written CTA makes a big difference to the performance of your campaign. Again, test variations to determine what drives the highest clickthrough and conversion rates on your campaigns.

> **NOTE**
> Check out this article for examples of good email CTAs: www.campaignmonitor.com/blog/email-marketing/2016/03/75-call-to-actions-to-use-in-email-marketing-campaigns.

Testing

The design should be tested to ensure that it renders clearly in as many clients as possible. Make sure that images line up, that copy is clear, and that all the links work.

16.4.3 SMS best practice

Structuring an SMS involves considerably fewer considerations than writing an email. Keep in mind:

- The core concern for SMS writing is that they are limited to 160 characters, which means the hardest part of writing one is finding a way to convey your core message with very limited space.
- Part of your SMS needs to be dedicated to offering an opt-out option so that users feel in control of the communications.
- Because the mobile phone is so personal, sending relevant, targeted SMS messages is imperative. Make sure that your mobile opt-in database is very carefully segmented; 200 subscribers who actually want to hear from you are far more valuable than 2 000 who feel annoyed or harassed by your messages.
- Think about when you send your messages: are they being sent at a time that is relevant to your customer? If you are sending a sales promotion message, are you sending it at 6 a.m. in the middle of the month or at 10 a.m. on a weekend after payday?
- Make sure that if your SMS includes a next step, such as clicking through to a website, the landing page is mobile-optimised.

SMS is often best used for customer relationship management, but you can also use it to send promotions targeted to a time of day when your customers are likely to be out shopping or aimed at specific demographics or geographic areas. Just remember, as with all direct marketing, these messages need to be relevant and valuable to your customer.

16.4.4 Creating content

Content that is relevant and valuable to readers is vital to ensuring the success of a direct marketing campaign. Valuable content is informative and should address the problems and needs of readers. It is important to realise that the reader determines the value of the content, not the publisher. Newsletters can offer:

- Humour
- Research
- Information
- Promotions
- Exclusive content.

SMS messages can offer:

- Special offers and discounts
- Information
- Time-dependent discounts
- Celebrations
- Contests
- Trivia or voting
- Reminders.

Determining the content of your direct marketing messages is an important element of your overall brand content strategy.

> **NOTE**
> Read more about this in **Chapter 9: Content marketing strategy**.

Any copy written for your brand should follow a predetermined brand voice guide. Consistency is important and will dictate how your customers trust and build a relationship with your brand.

The principles of writing good online copy apply. You should start with the most important information first, and make sure that your language is scannable, meaning that it makes use of the appropriate formatting, such as bolding and bulleted lists.

It may be helpful to review **Chapter 11: Content creation: Copy** chapter at this stage, but there are two elements that are important to highlight now with respect to writing for direct marketing.

> **NOTE**
> Read this article on how to make a newsletter online: flippingbook.com/blog/marketing-tips/how-to-create-online-newsletter.

1. The first is in-message links. It's important to consider that any links you include in your email copy will lead readers away from your email. You'll want to keep these to a minimum, and include a link only when it is a call to action, a legal requirement, or a service feature. Links in SMS messages should be shortened with a URL shortener like Bitly and should lead to a mobile-optimised page.

2. The second element is, for email, the all-important subject line. Many users decide whether or not to open an email based on their first point of contact: the subject line.

For an email newsletter, it's useful to put together a recurring content structure. The example shown here depicts a consistent content structure with repeating elements.
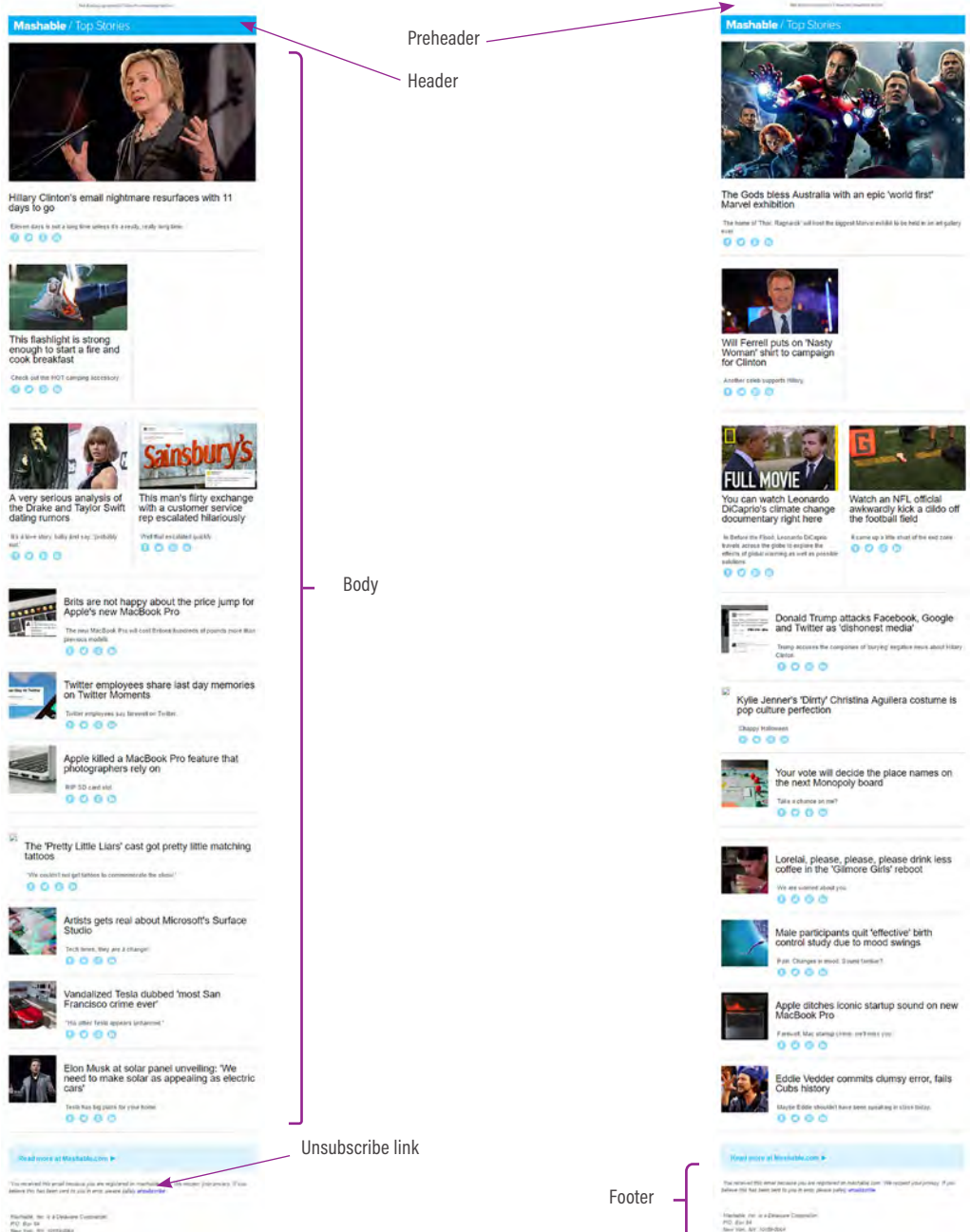
Figure 16.15 Two editions of a newsletter showing a similar structure

If your newsletter contains a lot of content, you can use enticing snippets with a link to the full article displayed elsewhere, such as in your company blog. Sending out too much long content in your newsletter can be daunting for time-starved readers, and they may not make it all the way through your newsletter.

> **NOTE**
> Note how the same elements recur for every newsletter, creating consistency and delivering on reader expectations.

However, if your newsletter consists of only one article, it may help to publish it in full.
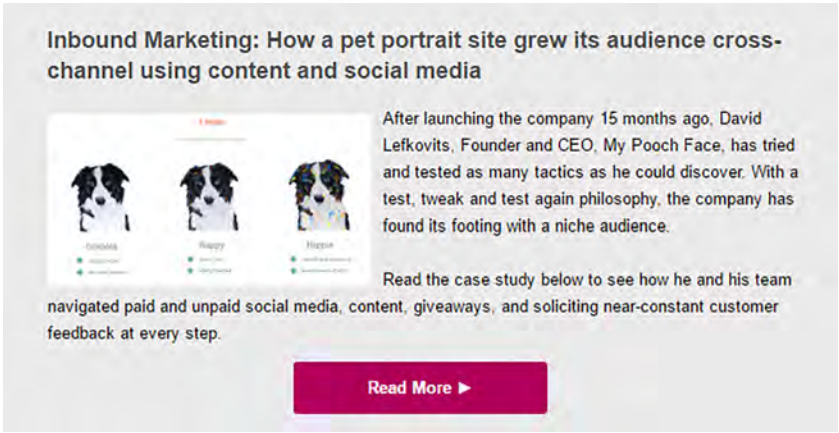
Figure 16.16 An article snippet in an email newsletter

Content in an SMS obviously needs to be more concise. You should get to the point as fast as possible, which can mean including price points so that users know immediately if they are interested. Remember to include an opt-out option.
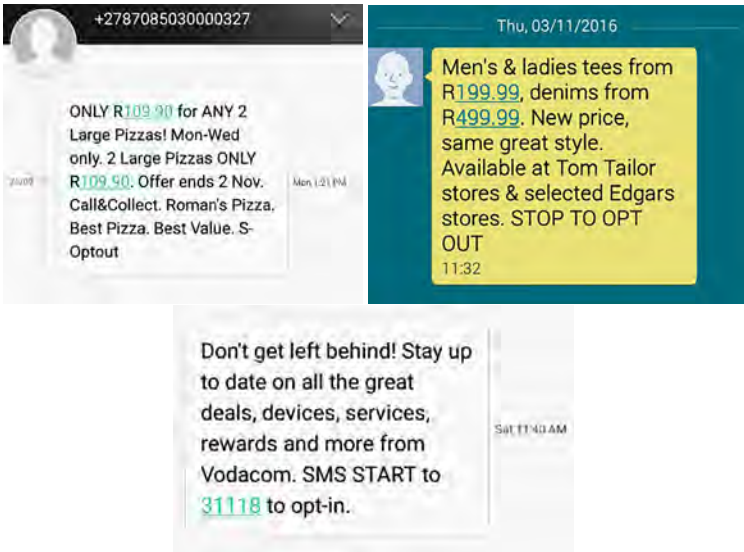
Figure 16.17 SMS marketing examples

16.4.5 Segmenting your database

The technology of direct marketing allows for mass customisation; it is one-to-one marketing on a macro scale. Even simple personalisation can see improved results.

Customisation covers everything from using the recipient's name and sending the correct email version to their device, to sophisticated measurement of a recipient's preferences and tailoring content to suit them. This is even more important for SMS marketing, where content that doesn't interest the reader can actively damage their relationship with your brand.

Segmenting a database can allow for customis-ation across demographics or purchase history. For example, you may choose to divide your database according to gender or age. A political campaign may benefit from targeting slightly different messages to different demographics.

> **NOTE**
> Other options include segmenting by location, user behaviour on site, or position in the sales funnel (e.g. potential vs. existing customers).

A pet store may find it useful to segment their list according to the different kinds of pets their customers own. In this way, it is possible to send messages that are slightly different and tweaked to different target groups.

16.4.6 Deploying

By creating valuable content, establishing the correct frequency, and testing your messages for display and deliverability, an email marketer should be able to ensure an excellent delivery rate. Consistency in deploying newsletters also aids in fostering trust and fulfilling expectations.

When should you send emails? Common sense tells you not on Monday morning or Friday afternoon, but this varies by audience. Testing will guide you. Generally speaking, the best days of the week to send emails are between Tuesday and Thursday.

SMS messages need to be timed even better, given that they will be delivered immediately to a device the consumer is carrying with them. Best times for delivery will vary depending on type. According to SMSGlobal (2016):

- General marketing messages should be sent between 10:30–11:30 a.m or 2:30–3:30 p.m.
- Appointment reminders should be sent 24 hours and/or directly after the appointment is made.
- Weekend sales and special events reminders should be sent on Thursdays or on the morning of the event.

As always, of course, you need to test send times to check which works best for your customers.

Sender reputation

Email reputation is a score given to you depending on how well your emails are regarded by Internet Service Providers (ISPs) and your subscribers. If the sender's score falls within the

ISP's thresholds, a sender's messages will be delivered. If not, the sender's emails may arrive in the bulk or spam folder, be quarantined, or be bounced back to the sender.

> How it works: There are various authentication systems that can impact your reputation score. One of these is the Domain Keys Identified Mail (DKIM) and Domain Name System (DNS). DKIM associates domain names with individual email addresses, ensuring that each organisation has to take responsibility for emails sent that are associated with their domain. Basically, DKIM signs out any outbound emails.
>
> The DKIM signature is added to the email header and includes an encrypted code. The receiving mail server will then take that DKIM signature and verify it with the DNS system to find the matching DKIM public key. Once it has this key, it can use it to unlock the encrypted code. If the code hasn't been changed, the email hasn't been tampered with, which means it can be authenticated and passed into the receiving mail server.

Becoming an effective email marketer requires constant list cleansing and hygiene. In fact, most lists shrink by about 22% each year as a result of subscribers changing email addresses (HubSpot, n.d.). Build a preference centre and send out an email once a year asking subscribers to update their details. Make sure you are diligent about maintaining a current opt-in list to achieve maximum deliverability via reputation.

Tips to help your reputation score:

- ISPs offer various authentication standards, such as Sender ID, sender policy framework (SPF), and DomainKeys. We highly recommend the use of these standards.
- Remember that a huge but inaccurate and outdated database is far less useful to an email marketer than a tightly maintained, smaller database. Strive to boost your database, but don't forget to clean as you go.
- Ensure that email broadcast rates are not too high.
- Respond to complaints and unsubscribe requests. If someone requests to be unsubscribed, do so. If you don't, there's a good chance you'll face stiff penalties.
- Educate users about white lists.

An email's reputation score can be checked at senderscore.org.

If the recipient has given permission to be sent marketing messages by email, then it is not spam. Users give permission when they tick a box that says, "Yes, please send me offers from your company by email/phone". The email address can be provided to another company only if the user ticks a box that says, "Yes, please send me offers by email from third parties selected by you".

NOTE

The success of your direct marketing relies on users explicitly indicating that they want to hear from you. Don't break your customer's trust.

Permission for any kind of direct marketing must be explicitly given to the company. Trying to gain permission in a sneaky way is illegal and should never be done.

An email's spam score can be checked at spamassassin.apache.org.

SMS credibility

Reputation via SMS is just as important; consumers are becoming increasingly suspicious of marketing messages in general, so reputation is important to convince the customer even to take your message seriously.

To make sure your SMS is credible, you'll need to pay attention to how it's written, the message itself, the words you use, and so on. Time of delivery is also important, as is branding the message so that your customer knows who it's from. Remember the key: send users only what they want, when they want it, and you'll be trusted.

16.5 MEASURING SUCCESS

As with all things digital marketing, tracking, analysing, and optimising are key to growth and success. Most direct messaging tracking systems produce statistics in a user-friendly manner.

Key measurables for understanding the performance of direct marketing campaigns include:

- Number of emails or SMSs delivered.
- **Number of bounces:** This should be separated into hard bounces and soft bounces.
- **Number of unique opens:** To explain this, consider this example: If one of your customers/recipients of your email opens the email ten times, it will count as ten overall opens but only one unique open. If two customers open it ten times each, it will count as twenty overall opens, but only two unique opens.
- **Unsubscribes:** Significant or consistent loss in subscribers is an indication that you are not meeting the needs of your subscribers.
- **Pass-on rate:** A high pass-on rate (forwards) indicates that your customers value the content enough to share it constantly with others. Adding a sign-up link to forwarded emails will organically grow the opt-in list.
- **Clickthrough rates and conversion:** These measure the effectiveness of a message via the links placed in the content. When a reader clicks through to a web page, these can be easily measured as a percentage against the number of delivered, opened, or sent emails. It reveals which content or promotion was the most enticing for the reader.

Some metrics are more useful than others. A good example of this is the open rate. Emails are tracked using a tiny, transparent image that gets downloaded, but some email desktop clients block the downloading of images. If the tracking image doesn't load, the email won't register as opened. However, this can be factored in to some extent, and open rates give you an idea of how well your subject lines resonate.

What you should be interested in is what activity takes place based on a message. This means you'll need to track leads or actions. You can do this through link tagging, meaning appending tracking parameters to a URL in your newsletter or SMS. These parameters are then identified by the Google Analytics of your website, registering that the user has come to the site through your email or SMS. Google Analytics will then take the information in the tag and store it in a cookie, from which it can track the user's interactions with the site after they arrived at the landing page.

Here is a link to the Mobile Marketing Watch website as it may appear in a Mobile Marketing Watch email campaign:

mobilemarketingwatch.com/urban-airships-industry-first-platform-services-fine-tune-personal-ized-interactive-notifications-69570/?utm_source=feedburner&utm_medium=email&utm_cam-paign=Feed%3A+MobileMarketingWatch+%28Mobile+Marketing+Watch%29.

The tracking parameters are:

?utm_**source**=**feedburner**&utm_**medium**=**email**&utm_**campaign**=**Feed%3A+MobileMarketingWatch+%28Mobile+Marketing+Watch%29**

These can then be used to report on traffic from that message using Google Analytics.

Generic direct messaging benchmarks can be used as a guide to see how well your campaigns are performing, but the best way to monitor performance is to benchmark your own campaign.

Smaller lists tend to have a higher open rate, but this is probably because they're more targeted. The overall average email open rate is 27.4%, though this varies by industry, while the average clickthrough rate is 4.5%. Overall rates are quite low because far too many ignorant or lazy email marketers bring down the average. It's best to look at the average open rate for your industry, rather than the overall rates. You can do this by checking the Email Stat Centre website (EmailStatCenter, n.d.).

The overall SMS open rate is harder to determine. Many reports put it at between 82% and 98%, but this is difficult to ascertain. The average clickthrough rate varies by source but is generally far higher than email, at anywhere between 6% and 19% with overall response rates above 30% (Gilhooley, 2021).

Once the reports have been generated, it is time to work out what the numbers are revealing, and use this information to improve the next message to be sent out.

To make sure that your email marketing efforts are continually improving, it's important to test your campaigns. The most common form of direct marketing testing is to conduct an A/B split test. This is a test that involves sending one version of your newsletter or SMS to a specified percentage of your database, while sending a modified version to the remainder of your database. Some factors to test include:

- Open and response rates across different subject lines, calls to action, and delivery times
- Optimal number of links in an email for clickthrough rates and conversions

- Different copy styles and copy lengths
- The effect of video on delivery rates, open rates, and conversions for email and MMS
- Balance of text and image ratio.

By monitoring the results of each send, you can determine which version yields the desired results. You can, for instance, test variations of your call to action to determine which is more effective in persuading subscribers to click through.

Examples of what to test:

- Subject lines (for email)
- Send times
- Best day to send
- Layout
- Text vs. button links
- Database segmentation
- Call to action
- Copy differences (for SMS).

Testing and monitoring your send statistics go hand in hand. It's important to analyse your results after sending to ensure you're implementing the most effective strategies for your database.

Useful KPIs include:

- Open rate
- Clickthrough rate
- Number of emails forwarded
- ROI
- Number of social shares
- Database growth
- Conversion rate (activity on your site generated by the email)
- Delivery or bounce rate.

16.6 TOOLS OF THE TRADE

There are many good ESPs available. MailChimp (mailchimp.com) is one example of an email service provider that can manage the email send for you from start to finish. It provides tracking, support, subscriber list management, and email templates.

More advanced ESPs that offer a range of message and campaign management facilities, as well as broader data management and delivery value, include Salesforce Marketing Cloud (salesforce.com), Hubbion (hubbion.com) and Oracle Responsys (oracle.com), which offer mobile and email solutions, among others.

All emails need to be tested for email client compatibility and any potential spam problems.

- For email client compatibility, as well as mobile rendering, you can test your email at litmus.com/email-testing or at putsmail.com
- An email's spam score can be checked at spamassassin.apache.org
- An email's reputation score can be checked at senderscore.org.

Once a message has been sent, results need to be analysed to pinpoint growth areas for the next campaign. Use your ESP's built-in analytics feature and correlate this with your Google Analytics data.

16.7 ADVANTAGES AND CHALLENGES

Permission-based direct marketing can give the highest return on investment of any marketing activity. Technology allows mass customisation, allowing personalisation across a large list of subscribers. When used to foster relationships with a customer base, direct marketing can go a long way towards increasing the lifetime value of that customer.

Direct marketing is highly measurable, and databases are able to be easily and thoroughly segmented. However, with the increasing numbers of companies and individuals using email and SMS marketing, many consumers are fatigued. It requires ingenuity, focus, and dedication to maintain a direct marketing database and consistently deliver useful quality messages that will be read.

16.8 CASE STUDY: GLOBALGIVING

GlobalGiving is a charity crowdfunding website that provides social entrepreneurs and non-profits the chance to raise money for community causes worldwide.

One-line summary

GlobalGiving website increased engagement by 10× using personalised email.

The problem

GlobalGiving was sending more than 3.5 million emails per year, but they were getting decreasing marginal returns from each send, finding it more and more difficult to catch the attention of donors due to email fatigue (Marketing Sherpa, 2016).

The solution

The brand decided to personalise and customise content and make sure it was getting to the right people.

Figure 16.18 GlobalGiving personalised email

They worked with an ESP to make sure their emails were certified and created an entirely opt-in email list. Using tracking, they identified a handful of domains and sub-segments of donors that were reporting abnormally high spam rates, which they decided was due to regional differences – their campaigns worked well in the United States, but not in each of the 180 countries to which they were sending emails. For example, non-English-speaking countries reported higher spam rates. They suppressed these domains from their list and automatically unsubscribed anyone who reported an email as spam.

Next, they created a personalised recommendation email using a recommendation engine similar to Netflix. Rather than looking at watching habits, they looked at users' past giving habits. GlobalGiving used this information along with a matching offer and a time-bound appeal for users to donate by a certain deadline.

They followed this with constant A/B split testing to ensure that their recommendation engine was working. They also tested subject lines, content, appeals, and more.

The results

The team saw a tenfold increase in engagement from email:

- Their recommendation emails dramatically outperformed the emails that sent random projects to donors.
- When factoring in the donor's giving history, using projects they had supported in the past, they saw a 20% boost in engagement as well.

They also created a carefully set up email program focused on improving the brand's reputation in the long term.

16.9 CASE STUDY QUESTIONS

1. Which elements of GlobalGiving's email marketing constitute best practice?
2. What role did the database play in this example? Why was it so important?
3. Explain how personalisation played a role in the campaign.

16.10 THE BIGGER PICTURE

While direct marketing can operate as a stand-alone marketing campaign, integrating it with other channels, both online and offline, will serve to reinforce the brand's message and increase responses.

There should never be a disparity between the content, tone, or design of an email or SMS when compared to the rest of a company's offerings. In-store promotions can be reinforced and promoted to a direct marketing database, or website information can be summarised for email or SMS.

Custom landing pages, if required, should be created for any promotions being communicated by email. For the most part, marketing messages should aim to get the customer to the site; landing pages are therefore essential. They need to be optimised to close the call to action. The message gets the subscriber onto the page and the landing page gets them to sign up, buy, or engage. The idea is to create a flow between the two that brings the 'selling' process full circle, whether it's actually buying something or just reading through the content to engage them with the brand.

Direct marketing and social media work very well together for cross-channel promotion. Where email and SMS can create a one-on-one feel between a brand and an individual, social media can move that attention towards a sense of community and keep your consumer involved in a dialogue.

16.11 SUMMARY

Direct marketing can deliver the best ROI of any digital marketing tactic. It is:

- Highly targeted and customisable
- Cost effective
- Easy to set up, test, and track.

Gaining explicit permission to send marketing messages to a person is an essential prerequisite for successful direct marketing. Once you have this permission, all messages sent by an organisation and the individuals in that organisation can be seen as marketing opportunities.

Successful direct marketing requires careful planning and testing. HTML emails need to be tested across a range of email clients and should be tested for a spam score before being deployed. All messages sent to a list of subscribers need to provide an easy and accessible unsubscribe option. Make sure you adhere to your local regulations for direct marketing.

16.12 CHAPTER QUESTIONS

1. What is meant by 'mass customisation' and why is this so beneficial?
2. What are the key differences between direct marketing by email or SMS and direct marketing by post?
3. Why is it important for permission to be gained before marketing by email or mobile to a prospect?
4. Emails that are expected and recognised are more likely to be read. How can a marketer use this knowledge to increase the readership of emails?

16.13 FURTHER READING

www.destinationcrm.com/Categories/Marketing-Automation_257.aspx – Browse their vast selection of articles for more information on the relationship between CRM and marketing.

www.redeye.com/resources/author/andy-gilhooley/ – More blogs and articles about marketing automation.

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16.15 FIGURE ACKNOWLEDGEMENTS

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Figure 16.2: Amazon, email, 2022

Figure 16.3: Promotional email form Babylonstoren, 2022

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Figure 16.12: Nielsen Norman Group, 2006 www.nngroup.com/articles/f-shaped-pattern-reading-web-content/

Figure 16.13: Write Clearly, 2016

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Figure 16.18: Marketing Sherpa, 2016

GlobalGiving logo: globalgiving.org
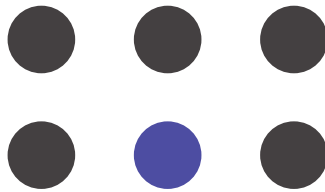
ADVERTISING

INTRODUCTION TO ADVERTISING

Digital tools can be powerful for advertising. It is now time to put your knowledge to practice. In this part, **Advertising**, the focus is on social media advertising. You are now targeting specific customers; meaning that you are not flinging mud and hoping some of it will stick. Your money is going where it needs to in order to push content, drive traffic to your website, and increase reach and engagement.

Chapter 17: Social media advertising focuses on how to use social media, the skills and knowledge you need to implement your strategy on various social media platforms. You will be introduced to the guidelines for proper effectiveness, available targeting options, and how to measure the effectiveness of your social media advertising.

In **Chapter 18: Search advertising** you will put your SEO skills to work and learn how to put together a search ad, and how to bid on key phrases. You will see that it is not enough to just get clicks on an ad; you want your users to take an action once they get there.

Digital advertising is all about increasing sales, improving brand awareness, and retaining customers. You know that images need to be compelling and fit the medium.

In **Chapter 19: Online and display advertising** the focal point is on the various ad formats, pay models, and ad types. Digital advertising has become more important than ever with the quantum leap of digital adoption as a result of the COVID-19 pandemic. Even though you have online marketing tactics, such as animations, games, video, and images at your disposal, be aware that consumers can suffer from advertising fatigue. Make sure your ads inform, persuade, and ultimately, convert users.

17

SOCIAL MEDIA ADVERTISING

In this chapter, you will learn:

- How to use social media advertising as part of your complete paid, earned, and owned strategy
- How to create and place effective social media ads for various platforms
- How to use the available targeting options to reach consumers at the right time and in the right place
- How to approach measuring the effectiveness of social media advertising.

17.1 INTRODUCTION

Social media first became a choice for marketers in 2005, when Facebook launched its first advertising option. The medium has advanced in giant strides since then, offering a reasonably low-cost ad option to marketers and reaching a wide audience as long as the ads are engaging enough.

Social media ads can be recognised by labels such as 'suggested post' or 'promoted pin', depending on the platform. The ad formats available are continuously evolving, which means that marketers need to keep up with what's available to them; there are ever-increasing opportunities to reach their consumers on a platform and in a format that suits them.

17.2 KEY TERMS AND CONCEPTS

Table 17.1

Term	Description
Ad types	The kind of ads you can create on social media, such as Twitter Cards, Facebook sponsored posts, or Lenses or Geofilters on Snapchat.
Demographics	Statistical information about a particular population, such as age, gender, language, or location.
Hashtags	A word preceded by a hash, such as #nofilter, used to help users find posts related to their interests.
Key performance indicator	Important metrics that can be measured to indicate success.
Objectives	What you want to achieve from a marketing effort.
Payment models	The various ways available to pay for ads online, such as cost per click (CPC), cost per engagement (CPE), and cost per mille, meaning cost per thousand views (CPM).
Platform	A single social media network, such as Facebook, Instagram, or WeChat.
Promoted content	Posts that extends its reach via paid-for advertising/promotion.
Social media ROI	The return on investment on social media. Though difficult and not straightforward to measure, it is important to track.
Targeting options	The options available to make sure that ads reach the right users at the right time.

17.3 UNDERSTANDING SOCIAL MEDIA ADVERTISING

Social media advertising should be considered as part of an overall social media effort. While brands can start a Facebook page and share engaging posts, those posts would be seen only by a fraction of the possible audience, even if they have already liked your page. It is necessary to pay to promote your posts to ensure that you reach a much larger percentage of your target audience.

Social media advertising is a form of online advertising that takes place on social media networks. Many platforms offer extraordinarily detailed targeting options that match users whom advertisers have identified as belonging to specific purchasing groups, making it a great way to reach exactly the right group of users with your ads.

While more traditional forms of advertising are arguably somewhat inefficient, the targeting offered by social media platforms make it stand out even from other forms of online advertising, such as search or display ads. Social media platforms also tend to have higher clickthrough and engagement rates at a lower cost (Hootsuite, 2015).

While it is possible to use social media advertising without considering any other aspect of your digital marketing strategy, it should be considered holistically. **Chapter 14: Social media strategy** discusses how social media in general can fit into other channels. Social media advertising can be used to:

- Draw attention to products and drive sales
- Drive traffic to websites and other online properties
- Encourage foot traffic
- Encourage other activities offline.

Social media, used well, should be an essential part of any paid media campaign, when one considers the targeting options and access to consumers it offers.

17.4 CORE PRINCIPLES

Social media consists of a vast number of different platforms, most of which have different rules for what will and will not work well as an advertisement. There are, however, some general principles that govern social media advertising as a whole.

17.4.1 General guidelines

First, remember that 85% of social media time takes place on mobile devices (Backlinko, 2021). This means that any ad you create for social media is highly likely to be viewed on mobile, so you need to make sure that it will display well on that device. Test your posts on mobile devices before you pay to promote them. Consider:

- Images should be clear and convey meaning even when small
- Text should be brief enough to minimise the need for scrolling

- The point of the ad should come across immediately with a clear CTA
- Any links in the ad should lead to mobile-optimised landing pages.

Second, most content on social media is user-generated, so if you're creating paid ads, you need to match the rules of the platform you're on and generate content that fits what users of that platform will expect. Make sure you understand the platform before you start advertising on it.

Figure 17.1 Netflix's Twitter account matches the tongue-in-cheek and playful tone preferred by Twitter users

Figure 17.2 Catching feels: A Tweet to encourage audience engagement using a fun play on words

Figure 17.3 For the love of memes! Using playful language and memes to build a relationship with their audience

Figure 17.4 Witty interplay with their audience
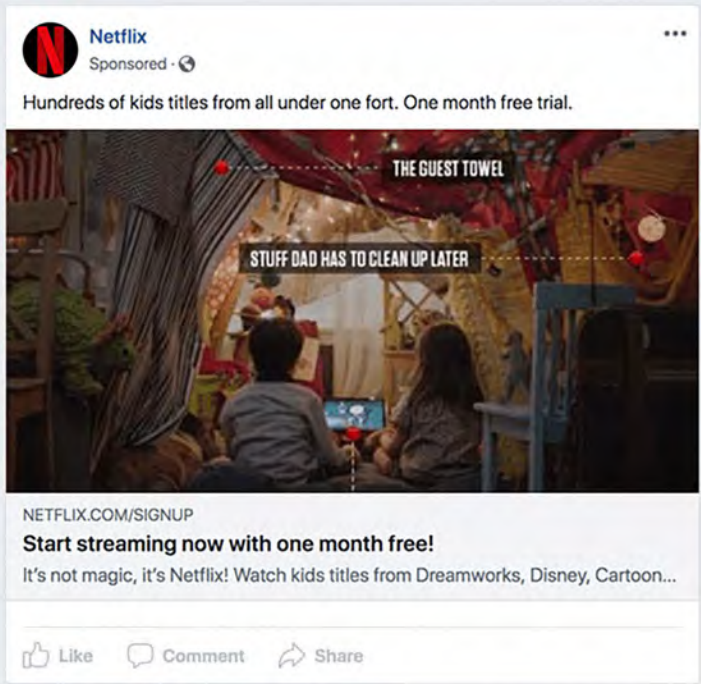
Figure 17.5 Netflix's Facebook ad — note how good this would look on mobile!

Figure 17.6 Amazon's Twitter

While promoted ads aren't the same thing as responding to customers, the same principle applies: fit your tone and content to the platform. On Facebook a more neutral, but still brand-relevant tone is best since their audience is broad and reading that audience can be difficult. On other platforms, because you can see more about the users you are speaking to, it can be easier to adapt your tone to them. Remember that your tone should also be informed by your brand identity and overarching strategy.

Third, use your regular, unpaid posts to test out your paid ads. Make sure that you use effective social media copy in every post. Keep your copy short and to the point, with a clear call to action that tells the reader exactly what to do next, and give them a reason to click or carry out the CTA. Then, track which posts are being liked, shared, or commented on – those should be your first choice for paid promotion. The feedback you get on posts is often near-instantaneous, which allows you to respond quickly to whichever posts are doing well and which are doing badly. Facebook Ads Manager can help you do A/B testing by putting equal funds behind two different posts. The one that gets a better initial response gets the rest of the funds.

Fourth, rotate ads often. Social media users expect fresh content; they should not be seeing the same ad multiple times over multiple days, so rotate ads every three to five days (Hootsuite, 2016). The general rule is that a user should see an ad a maximum of four times.

17.4.2 Payment models

The various payment models are explained in greater depth in **Chapter 19: Online and display advertising**.

> **NOTE**
> Read more about payment models at this site: www.digitalagent.com/pricing-models-digital-advertisements/.

The most likely payment models you will encounter on social media include:

- CPC (cost per click, pay only when the ad is clicked on)
- CPE (cost per engagement, pay only for demonstrated engagement with the ad)
- CPM (cost per thousand impressions)
- oCPM (optimised cost per mille, Facebook's flexible ad bid type, where bids can be adjusted based on the goals the advertiser hopes to achieve).

> **NOTE**
> You can learn more about Facebook's oCPM bidding here: www.facebook.com/business/help/494633817315490.

Other payment models will be encountered on other platforms. For example, depending on the goal of the ad campaign, Pinterest uses a CPM or optimised CPC payment model. A lot of specialised paid media on Twitter is done via third parties like Ad Dynamo and can require high budgets and one-off costs rather than being cost per view or engagement.

17.4.3 Platforms

One of the core principles to keep in mind when choosing a social media platform on which to advertise is that you need to go where your audience is. You will find different audiences and communities on different platforms. Even if one person is on multiple social media platforms, they perform vastly different activities on each of them. Be sure to choose a platform that fits your needs as a business as well.

Let's take a look at a few of the most popular platforms to see what they can offer and why you might want to focus your attention on them. As you read, keep in mind that for most

> **NOTE**
> Learn more about popular platforms in **Chapter 13: Social media**.

networks, the number of older users is increasing which can lead to changes in the behaviour of younger users on the platform or even drive them off entirely.

Facebook

What they offer: Facebook offers a wide array of targeting options and the biggest social media audience in the world, with roughly 2.89 billion users as of the second quarter of 2021 (Statista, 2021).

Ad formats are based on desired objectives, which we will discuss in the next section. Their pricing can vary significantly based on a number of factors, but their ad platform is fairly intuitive, and Facebook Analytics gives you a lot of information you can use to optimise ad performance.

You will have access to Facebook Ads Manager, which allows you to manage campaigns, ad sets, and individual ads. This is also available as an app.
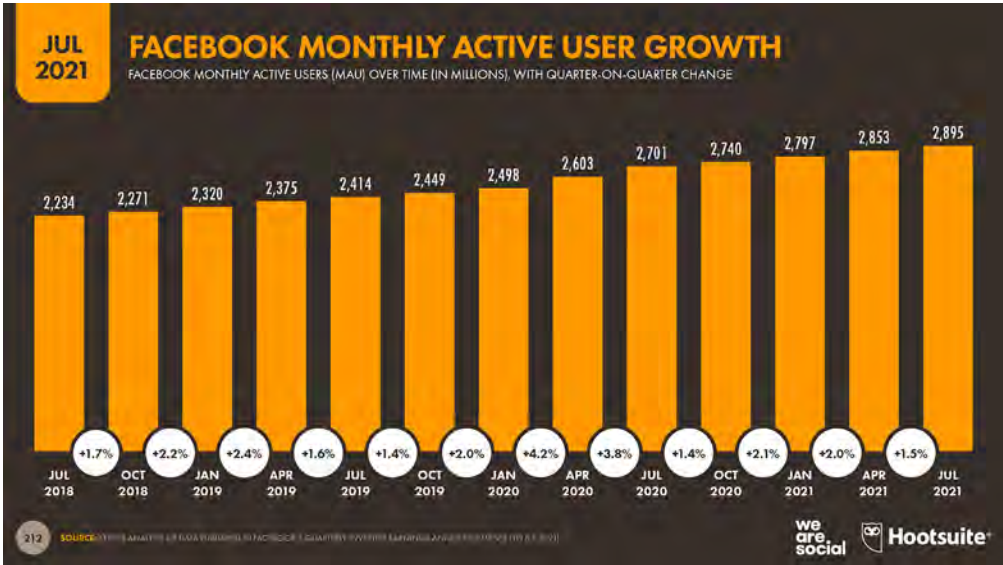
Figure 17.7 Facebook user growth from July 2019 to July 2021

Who uses it: Worldwide, of the 2,98 billion Facebook users, 44% of female-identified and 56% of male-identified users are active on Facebook. The demographics are skewed toward the youth market, with 23% of active users aged 18 to 24 and 31% aged 25 to 34. 62% of users have some form of higher education (Statista, 2021).

Best suited to: Hootsuite statistics indicate that two thirds of Facebook users visit the Facebook page of a local business. Every business should have a Facebook page, as it is the bare minimum of what users expect. Your business should be on Facebook even if it is just listed with an address, website, and other basic details. Whether a business should use paid advertising to promote posts depends on what it wants to achieve, but if you plan to use social media advertising at all, you should consider starting on Facebook. To find out more about Facebook marketing, visit the Hootsuite website: blog.hootsuite.com/facebook-marketing-tips.

Instagram

What they offer: Instagram offers photo, video, and carousel ads in a number of formats. Instagram also offers an omnichannel, integrated shopping experience. The newest feature, Instagram Shoppables, enables purchases to be made directly on the platform. Because it is owned by Facebook, it has many of the same features, including analytics (through Facebook Ads Manager), good targeting options, and various objectives to drive campaigns. Instagram stories is also a powerful feature, which is mentioned in **Chapter 13: Social media**. Instagram is potentially the best platform at the moment to work with influencers. It has a very tight community culture with a focus on quality, unique content, and creativity.
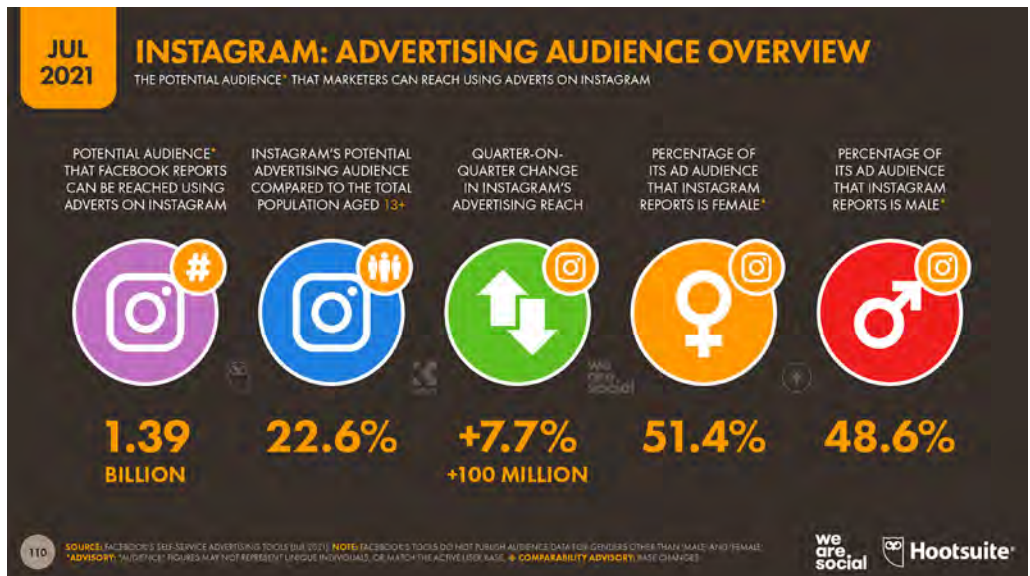
Figure 17.8 Instagram user audience overview

Who uses it: Globally, 51% of female-identified and 49% of male-identified Instagram users are active on the platform. Of its 1.386 billion users, 180 million reside in India and 110 in the

United States. Closely following are users from Brazil and Indonesia, respectively. The important thing to note for Instagram is age. As of July 2021, 62% of active Instagram users were between 18 and 34, compared to only 6% above 55 (Statista, 2021).

Best suited to: In theory, any business can use Instagram. The key attraction for Instagram is visually attractive pictures and videos. Businesses that lend themselves to visuals like this, such as food, decoration, or travel-related brands, will have an advantage, but any business that wants to capture that all-important 18—34-year-old demographic should be active here.

> **NOTE**
>
> Using Instagram reels for user-generated content is a viable marketing strategy. Explore this in greater detail in **Chapter 10: Planning your content**.

Twitter

What they offer: Twitter offers ad campaigns based on objectives, much like Facebook and Instagram, and the kind of targeting you would expect from a major social media platform. Many marketers point out that advertising on Twitter is a problem because the ads are expensive, the targeting is not as good as Facebook's, and user growth has stalled. However, pay-per-click (PPC) on Twitter can be cheaper than other options.

> **NOTE**
>
> Read more about payment models, such as PPC, in **Chapter 19: Online and display advertising** and **Chapter 18: Search advertising.**

Followers earned from a Twitter campaign tend to be fairly qualified prospects. They will have been chosen to see your tweets based on how well they fit your targeting profile, and they then choose to follow you based on how well your tweet speaks to their needs.
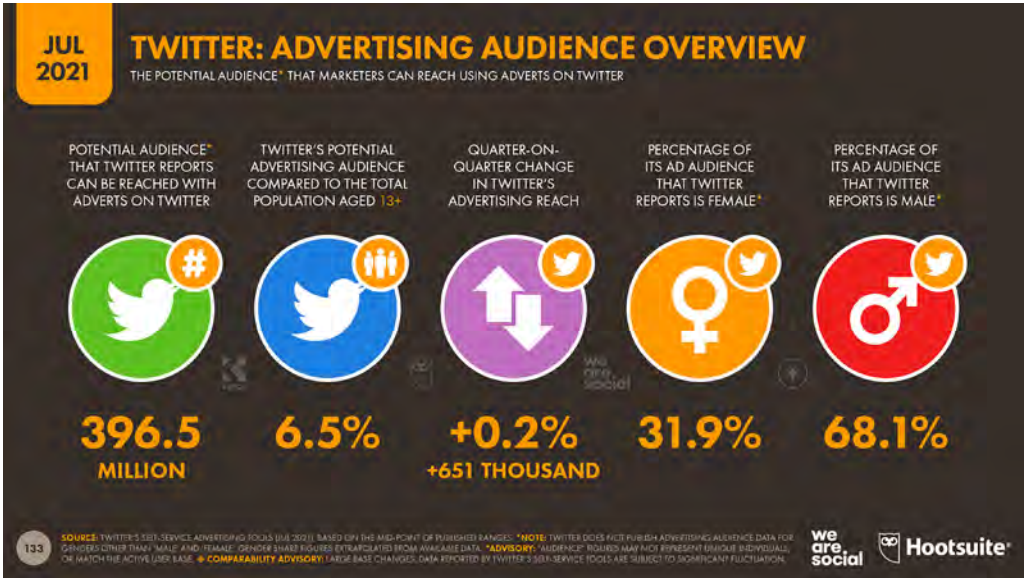
Figure 17.9 Twitter audience overview

Who uses it: Twitter's users are also skewed towards the youth market: 55% of adults aged 18 to 34, but only 17% of adults over 50, use this platform. At 68%, it also has a significantly higher adoption rate from male-identified users. At 73%, the highest proportion of Twitter users originate from the United States. 55% of Twitter users are from Japan, where Twitter ranks as the top social media platform. Closely following are users from India, United Kingdom, and Brazil respectively (Statista, 2021).

Best suited to: Twitter is suited to any business that wants to reach an audience like the one described. Twitter audiences are used to instant gratification, Twitter feuds (check out the hashtag #cuteanimaltweetoff for a good example of this), and snappy comebacks. Twitter is a highly politicised space, so any slip-ups or faux pas on the part of your brand will be quickly picked up.

LinkedIn

What they offer: Most social media sites offer good targeting options, but in keeping with its position as a social network for business professionals, LinkedIn's targeting options involve someone's professional abilities. It also tends to convert well on gated content that requires users to enter an email address or other information to download something.

Who uses it: Global user reports indicate that 57 % male-identified and 43% female-identified LinkedIn users are active on the platform. The highest engagement from a user-group is those aged 25 to 34. With those below and above this bracket having similar adoption rates, as indicated in the breakdown below (Statista, 2021):

- 19.6% of adults 18−24
- 59.9% of adults 25−34
- 17.5% of adults 35−54
- 2.9% of adults over 55.
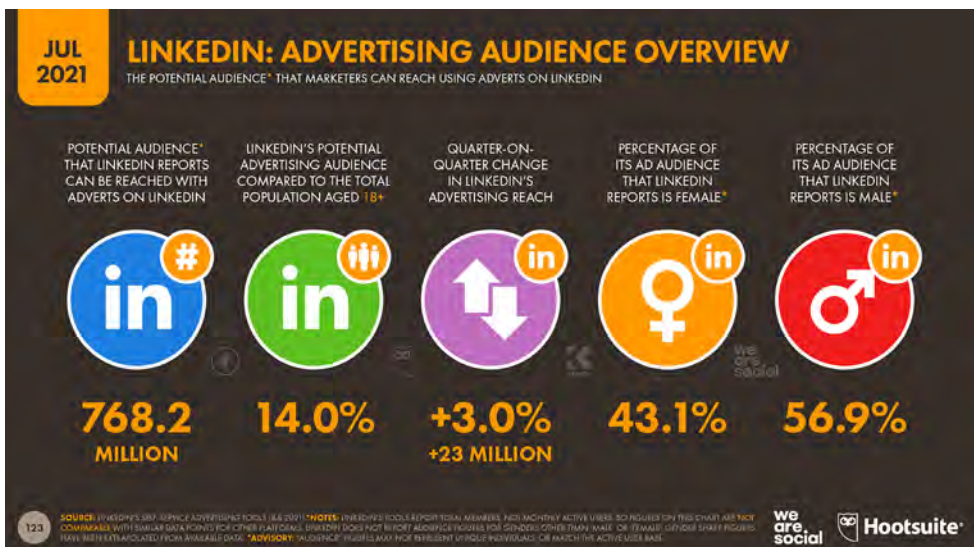
Figure 17.10 LinkedIn audience overview

LinkedIn gained more users over the global Covid 19 pandemic. At the start of 2020, it had 700 million users. In the first quarter of 2021, it increased to 722 million and it spread to over 200 countries. LinkedIn reports indicate that of the 722 million, 690 million are professionals and 3 million are MBA degree holders. It also has a high proportion of decision makers, so it is a viable option for B2B marketing.

On the LinkedIn press page, you can see a map of all their users (LinkedIn, 2021).
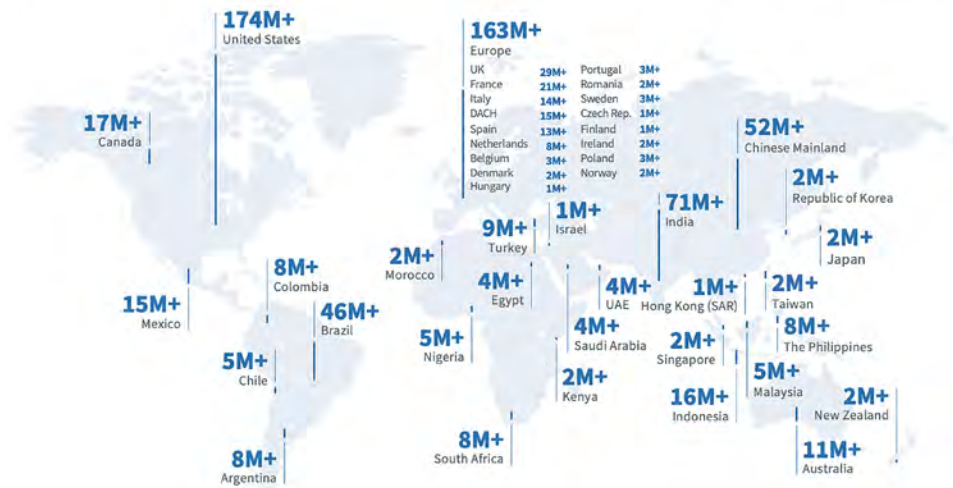
Figure 17.11 LinkedIn's user locations

Best suited to: B2B marketers who want to target business professionals, as well as companies that hire a lot of people, should start with LinkedIn.

Pinterest

What they offer: Pinterest doesn't offer as many targeting options as some other social media platforms, but it still has basic location, device, gender, and language targeting. Users often visit Pinterest specifically to gather information about and plan potential purchases, and those who view ads on Pinterest tend to have greater awareness and purchase intent than those who don't.

Who uses it: Pinterest is a great platform for targeting women. Of users on Pinterest, 71% identify as women and 15% identify as men, with the remainder unspecified. At 89.9 million users, the United States has a significantly high adoption rate. Brazil has 27.5 million users, followed by Mexico (14.5 million), and Germany (14.1 million). It is again skewed toward the younger market, with 57% of adults between 18—34 using it, dropping steadily as age increases. Only 4% of adults aged 65+ use the platform (Statista, 2021).
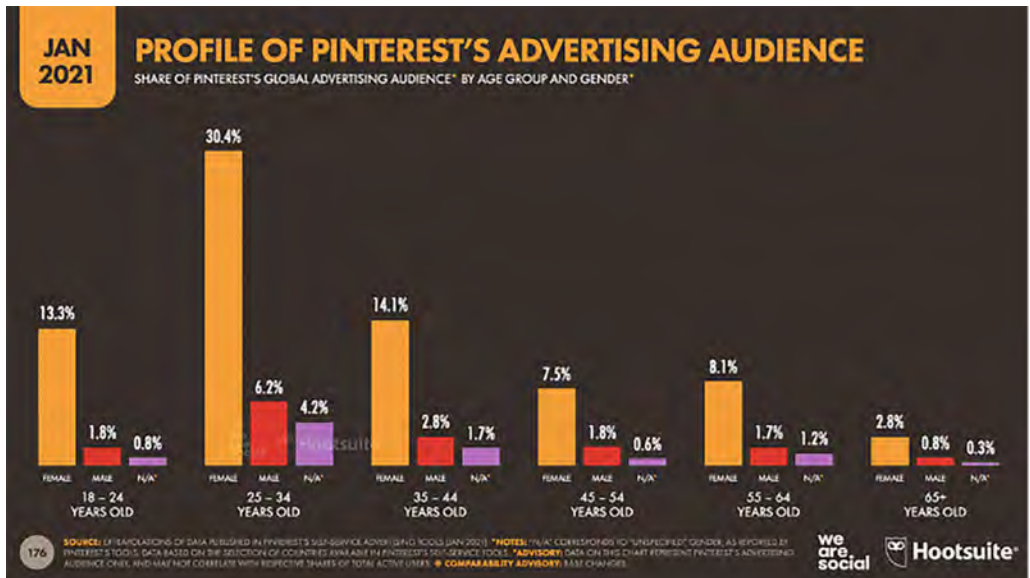
Figure 17.12 Pinterest user demographics demonstrating the skew towards young users

Best suited to: Retailers tend to make the most use of this platform, though other businesses can create successful accounts as well. The key is to create beautiful, useful boards that people want to look at, and to use advertising to capitalise on that.

Snapchat

What they offer: Snapchat has come a long way since its origin as a niche platform mostly used by teenagers. It still has a lot of pull with young demographics, and it encourages real-time content creation and consumption, with users paying more attention to content. Facebook, Instagram, and WhatsApp have been fairly blatant about stealing Snapchat's features, including Stories and Filters, which could mean a drop-off in users over time. However, Snapchat is fighting back with new offerings, such as Lenses and Virtual Reality Try-ons.

> **NOTE**
> To find out more about VR try-ons, visit the SnapChat Business Guide: forbusiness.snapchat.com/inspiration/clearly-used-snapchats-to-drive-a-purchase-lift-with-virtual-try-on.

Who uses it: As of July 2021, Snapchat has 293 million active daily users and up to 513.9 active monthly users. Globally, 56% of its users identify as female and 43% as male. It has the highest adoption rate in the United States (105.3 million) and India (99.8 million). France (23.3 million) and the United Kingdom (19.8) follow respectively. When looking at the age of users, the numbers are closely spread. At 22%, the highest active use is from those aged 25 to 34. Closely following this are users aged 13 to 17, who account for 21%, and users aged 18 to 20, who account for 20% of the user profile (Statista, 2021).
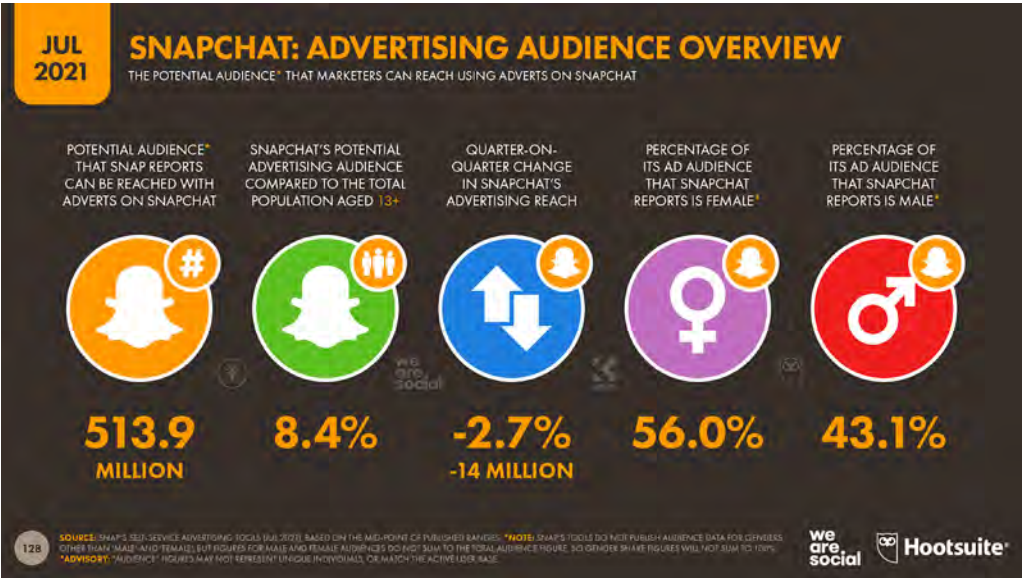
Figure 17.13 Some Snapchat user statistics

Best suited to: Snapchat has fewer options for small businesses than most other social media platforms simply because their options are expensive. Prices have come down, however, with cheapest option, the Sponsored Local Geofilters ad, coming in at as little as US $5. This means that, while the bigger options are still only available to large businesses, other options are available to almost anyone. This means that Snapchat is suited to any business that wants to find a particularly young audience.

YELP

What they offer: Yelp is a review site that helps users select a business that suits their needs. There are many sites similar to Yelp, so keep in mind that you may want to choose a different option that is more active in your area. Tracking leads generated by Yelp can be difficult, but it does provide some metrics, like page views and ad clicks. With users relying more and more on reviews and review sites when choosing where to buy, platforms like Yelp are increasingly attractive.

Who uses it: Yelp's demographic profile shows that it has an even spread from male and female users. 53% of Yelpers are women, showing only a slight preference of over men (47%). Yelp has an equal adoption rate in rural and urban areas, and its most popular users are aged 25 to 34. Most remarkably, 43% of the demographic come from high-income households. In general, a Yelp user is more likely to try an innovative product and, whilst 54% are more open to direct advertising in exchange for free content, 46% of Yelpers expressed annoyance from receiving direct ads (Statista, 2021).

Best suited to: Yelp works best for location-based businesses. That said, many advertisers argue that advertising on Yelp may not be worth the money compared to a free profile, so weigh your options carefully.

Figure 17.14 An overview of Yelp statistics from Finances Online

17.5 IMPLEMENTING SOCIAL MEDIA ADVERTISING

Each platform has its own objectives, ad types, and targeting options. In this section, we will examine a few of the most popular ones.

> **NOTE**
> Remember to keep your goals SMART. Refer back to **Part One: Planning** to revise these goals!

17.5.1 Facebook

We have already looked at what kind of audience can be found on Facebook and the broad strokes of what they offer.

Objectives

Facebook offers several paid-for advertising solutions based on the action the advertiser wants the audience to take and the purpose of the ads. The core objectives are awareness, consideration, or conversions, which Facebook has broken down further into more specific objectives on which you can base your ad creation:

• **Awareness:**
  • Brand awareness
  • Local awareness (promoting to users nearby)
  • Reach (show your ad to the maximum possible number of users).

• **Consideration:**
  • Traffic generation for your website or app
  • App installs
  • Engagement (encourage comments, page likes, shares, event responses, and offer claims)
  • Video views
  • Lead generation (collect lead information from interested parties).

• **Conversion:**
  • Increased store traffic for your website or app
  • Product catalogue sales (create ads that automatically show products from your catalogue based on your target audience)
  • Store visits (promote multiple business locations to users nearby)
  • Ad format (that matches advertising objective).

Ad types

Once you have chosen an objective, Facebook offers a set number of ad formats to choose from that will help you meet that objective. Those formats are:

• Photo
• Video
• Stories
• Messenger
• Carousel
• Slideshow
• Collection (with an Instant Experience feature)
• Playables.

> **NOTE**
> To explore Facebook formats further, visit their Business Ads page here: www.facebook.com/business/ads/ad-formats.
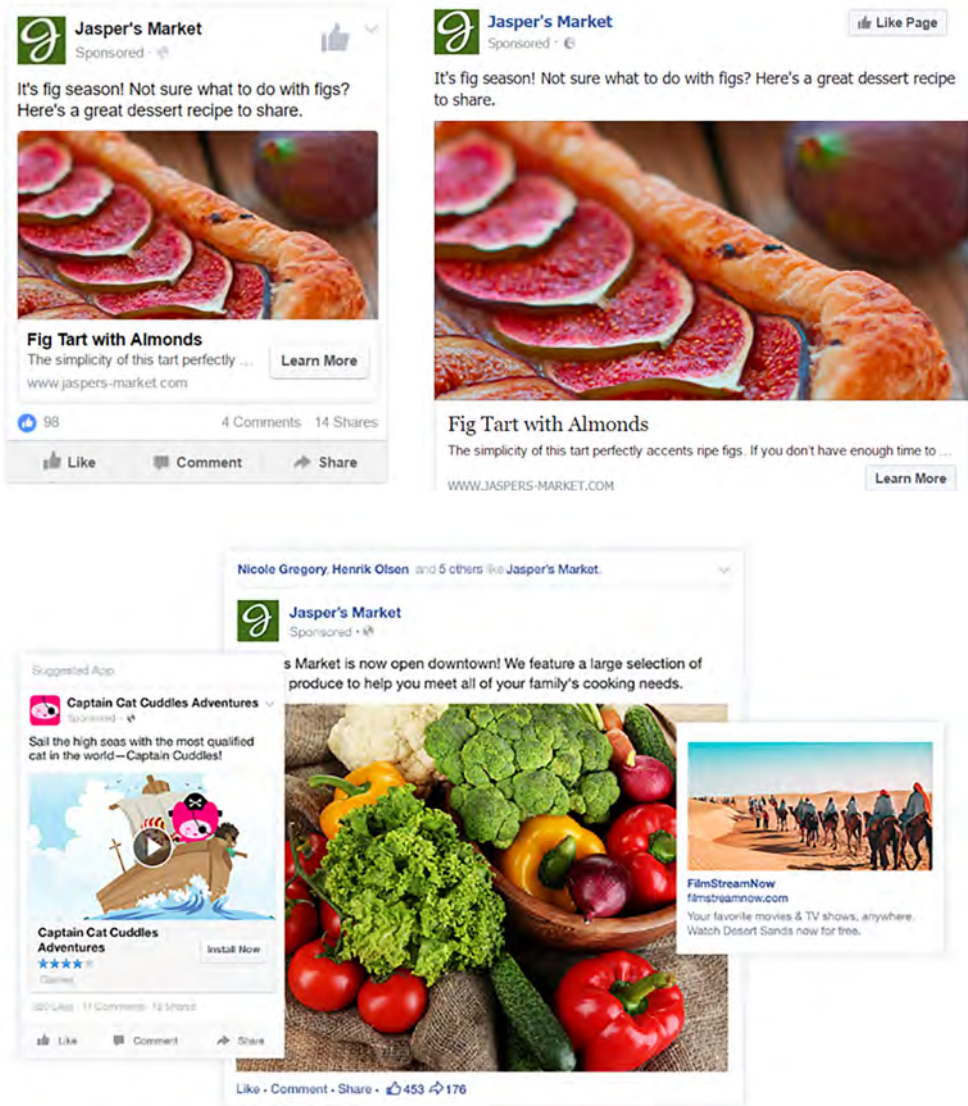
Figure 17.15 Facebook ad examples for mobile and desktop feeds

These ads have several options for placement in your users' feed. They can appear RHS (right hand side) desktop, in the news feed on desktop, or in the news feed on mobile. Because Facebook owns Instagram, you also have the option of showing certain ad types there. The vast majority of Facebook's revenue comes from mobile, so they are very focused on a good mobile experience for their users. Find out more about their ads here: facebook.com/business/ads-guide?tab0=Mobile%20News%20Feed.

Facebook Desktop and Mobile   Instagram Mobile

Figure 17.16 Facebook ad placement options

Targeting options

Once you have chosen an objective and ad type, you will need to look at Facebook's targeting options, which gather user data from Instagram and WhatsApp as well. They offer three audience options to choose from:

> **NOTE**
> Facebook advertising information can be found at: www.facebook.com/business/products/ads.

1. **Core audiences:** You select your audience manually based on demographics like age and location.
2. **Custom audiences:** You upload a contact list to connect with customers on Facebook.
3. **Lookalike audiences:** You use customer information to find people similar to them on Facebook.

Core Audiences

Select your audience manually based on characteristics, such as age and location.

Custom Audiences

Upload your contact list to connect with your customers on Facebook.

Lookalike Audiences

Use your customer information to find people similar to them on Facebook.

Figure 17.17 Facebook audience options

Core audiences

This is a manual selection which allows many detailed targeting options:

*   **Location:** Where the users are located, city, region, etc. Allows exclusion of locations.
*   **Demographics:** Age, gender, languages, relationship status, type of work, education, and more.
*   **Interests:** Interests, hobbies, and Pages they like on Facebook.
*   **Behaviours:** Activities users do on or off Facebook that give information on which device they use, their purchase behaviours or intent, and travel preferences.
*   **Connections:** Offers the option to include or exclude users who meet at least one parameter (not all of them). This can include whether people have a connection to you on Facebook (or have friends who do).

For a full list of Facebook targeting options, look at this infographic: i.marketingprofs.com/assets/images/daily-chirp/170213-infographic-complete-guide-to-facebook-ad-targeting-full.jpg.

Figure 17.18 A defined audience on Facebook

If you select multiple options from within an ad targeting category, you'll reach users who meet any of the options you've selected. For example, if you choose multiple Locations like the United States and Canada, you'll target anyone who lives in either the United States OR Canada, not both.

Another example might be choosing multiple options from the Interests targeting category. If you choose interests like Golf and Tennis, you'll target anyone who likes golf OR tennis, not just users who like both golf and tennis.

Keep in mind that it's not possible to target ad sets only to the users who fall into all of the selected categories.
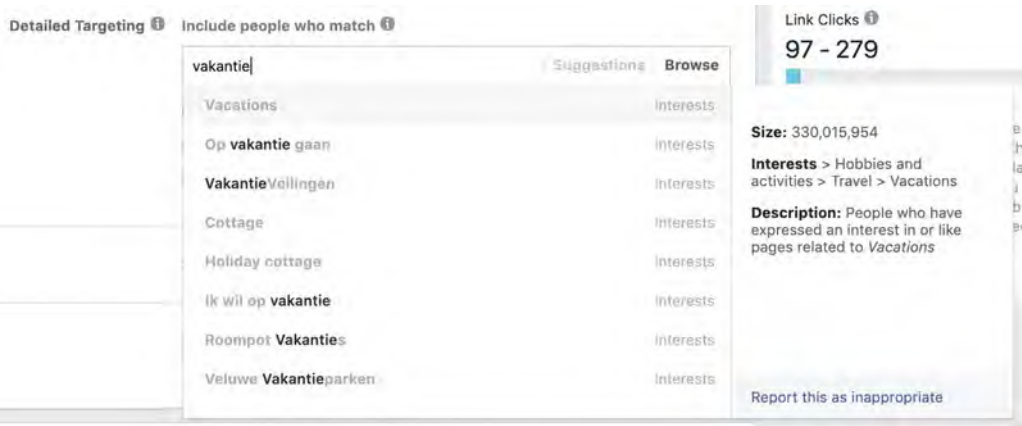
Figure 17.19 Interests targeting on Facebook

Custom audiences

This kind of selection has several benefits, including:

*   Powerful exact targeting
*   No wastage
*   Cap bidding and frequency
*   Encrypted and secure data.

Using these selectors, you can create a list of who you want to reach using their email addresses. Facebook matches the email addresses and allows exact targeting of those users through their ads. Custom audiences are extremely powerful; if you have users' email addresses, you can target individuals. This is useful for any brand that make use of newsletters or gathers email addresses elsewhere.

Lookalike Audiences

Lookalike audiences is useful because it helps you find a similar audience to your existing fans and gives more accurate targeting. This makes it easy to find more users on Facebook who are like the people you know. You can build a Lookalike Audience based on:

*   People who like your Page
*   Custom audiences that you've created with emails, phone numbers, or website or app data.

It's an effective way to reach even more potential customers, because you can target your Lookalike Audience with the adverts you create. Think of Facebook as a 'sophisticated audience matchmaker. You tell Facebook what you like in a customer, and Facebook delivers a new audience segment filled with prospects that meet your criteria' (Sehl, 2019).

The Facebook Pixel

The Pixel is a piece of code you can build into your website to help you track user actions and remarket to them on Facebook. Your conversions can be tracked across mobile phones, tablets, and desktops. Additionally you can optimise your bids for website conversions and ensure that your ads will be shown only to the users most likely to convert. Furthermore you can remarket to or reach users on Facebook who have visited your website. You can learn more about the Pixel and get started with it here: facebook.com/business/learn/facebook-ads-pixel.

Advertising tips

As you dip your toes into Facebook advertising, remember:

• Ads can be unpublished posts targeted at a specific audience

• Multiple ads can run at the same time

• Targeting should not be too granular, unless the audience is highly qualified

• With awareness-based advertising, keep your reach and frequency as high as possible

• Check your ads in Facebook's Ads Manager (or, for more advanced advertisers with multiple campaigns and ad sets, the Power Editor).

> **NOTE**
> Facebook will suggest a bid to help make sure that your ad will reach a significant portion of your audience.

> **NOTE**
> You can do Facebook's own training course, Facebook Blueprint, for free to learn every aspect of its offering: www. facebook.com/business.

17.5.2 Instagram

Instagram is a very large mobile platform with an engaged mobile audience, making it a good option for some businesses.

Objectives

Instagram offers three ad types driven by the objectives you want to achieve, which are, not surprisingly, similar to Facebook ad objectives:

• **Awareness**
    • Brand awareness
    • Reach

• **Consideration**
    • Traffic
    • App installs
    • Engagement
    • Video views
    • Lead generation
    • Messages

- **Conversions**
  - Ad Catalogue
  - Store traffic

Ad types

Not every ad type is available for every objective. Once you choose an objective, you will be shown the ad types you can use. The ad types offered by Instagram are:

- **Image ads:** A high-quality, single image ad.
- **Stories ad:** A video or full-screen ad that is displayed in the user's feed. This ad type comes with additional features like filters, polls, text, GIFs, and interactive stickers.
- **Video ads:** These can be short videos of up to 120 seconds.
- **Carousel ads:** Brands can use up to 10 images or videos to display a product line or develop their brand story. Users swipe horizontally to explore the next image or video.
- **Collection ads:** Is a blend of the features of a shopping ad with the display functionality of a carousel ad. Much like a product catalogue, brands can display the product line (in carousel format) and users can make purchases directly from the catalogue.
- **Explore ads:** This option is for better ad placement. Brands can select a text or video ad that is then placed under the 'Explore' tab on Instagram – where users search for content based on interest, curiosity, and preference.
- **Instagram shop:** These ads, often affectionately referred to as shoppables, enable a user to make an in-app purchase of the product on Instagram. The Instagram ad displays the product tag. For businesses in the United States, ads have product tags and a checkout feature.
- **Reels ads:** As of June 2021, Instagram launched Reels ads. Much like Instagram Stories, these short-form videos feature in between Reels. These ads will display vertically in the users feed, unlike most of traditional formats that display horizontally.

Did you know that 40% of users consume social media with the sound off? It is important to design your ads for sound-off consumption, and to use sound to delight users who do have the sound on. Use visual elements to tell your story, add captions for any voiceover or scripted audio, and use text overlay to deliver you key message without sound.
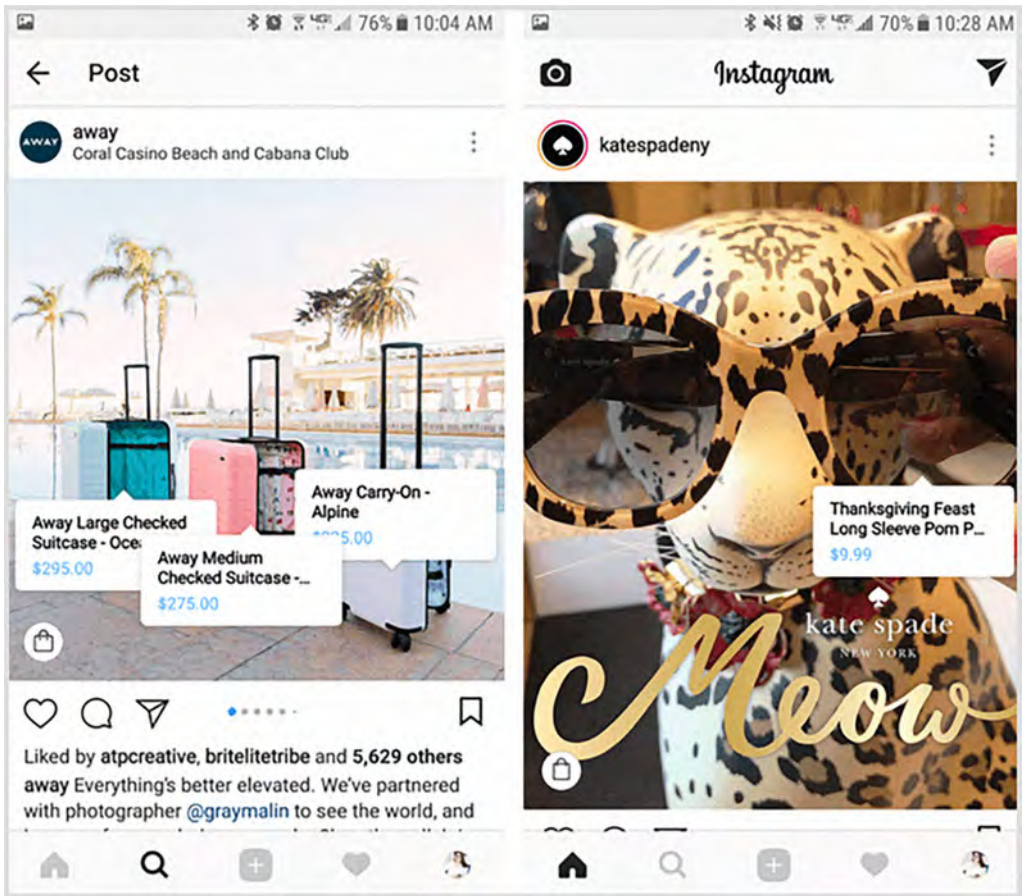
Figure 17.20 An image of an Instagram with product tags

Targeting options

Instagram has many of the same targeting options as Facebook. They include:

- Custom audiences (target audiences of users you already know, which include lookalike audiences)
- Location, age, gender, language targeting
- Detailed targeting (include or exclude users based on demographics, interests, and/or behaviours)
- Connections (include or exclude users based on connections to your page, apps, or events).

You can also save an audience to use it for future ad sets.

Advertising tips

- Remember, Instagram shares targeting options with Facebook so make use of them, but don't go too granular.

- Don't make your post look like an ad. It should be visually arresting and enjoyable first, advertising second. It should blend in with organic content rather than stand out as an ad.
- Include a hashtag so that users can find your posts/ads more easily. Bigger brands can create their own hashtags.
- Try to tell a brand story and think carefully about how details will affect what audiences take from your images.

> **NOTE**
> You can find out more about advertising on Instagram at: business.instagram.com/advertising.

17.5.3 Twitter

Twitter offers a self-service ad platform with several options and allows a degree of specific targeting. The service does still tend to change frequently, and not all options may be available to all regions or user accounts.

Objectives

Like Facebook, this is mobile first and the ad formats match the actions you want users to take. The basic objectives are:

- **Awareness**
  - Promote your brand website clicks or conversions
  - Increase followers
  - Awareness
  - Tweet engagements

- **Promotion**
  - Video views

- **Conversions**
  - App installs or re-engagements.

Learn more about Twitter campaign types (which are slightly different from ad objectives) here: business.twitter.com/en/advertising/campaign-types.html.

Ad types

Promoted ads are a collection of the more traditional ad types, such as:

- **Text ads:** Tweets that are native ads that appear at the very top of a user's timeline or in Twitter mobile apps. There is no minimum spend, and advertisers pay when users retweet, @reply to, favourite, or click on a promoted tweet.
- **Video:** A tweet that includes a single video. Additional features include: standalone video, video ad with website buttons, video ads with app buttons, video with polls, and lastly video with conversation buttons.

- **Carousel ad:** Brands that have a story to tell can use carousel ads. There is an option of six images or videos, and no less than two. Much like the other platforms with this feature, users swipe right to progress with the story. Additional features include the website and app carousels.
- **Moment ad:** Brands with a story to tell can also use the moment ad. It offers robust storytelling capabilities that can be used to present a collection of stories or moments. It is an appealing option for both advertisers and publishers.
- **Image ad:** This is a single photo ad with the same additional features as video ads. When they appear in the users feed, they are clearly labelled as an ad with the word 'promoted'.
- **Follower ad:** To gain more followers and increase awareness, these ads are promoted to attract the attention of their desired target audience.

Figure 17.21 An image ad with a label to show it is promoted

Additional formats with specialised placements are:

*   **Twitter Amplify:** Offers two formats, which are pre-roll and sponsorships. Brands can amplify their message by featuring their ad in conjunction with video content from publishers.
*   **Twitter Takeover:** A feature for trends and timelines with different placement options.
*   **Twitter Live:** Brands can broadcast live content and participants can join or interact with the live feed in real-time.
*   **Twitter ad features:** Features that can be applied to all five formats. These include polls, conversation buttons, website buttons, app buttons, branded notifications and branded hashtags.

These are the most popular options available, but there are others. You can find a full list of Twitter cards here; they change fairly frequently, so make sure to check in often: business. twitter.com/en/advertising/formats.html#Promoted.

Targeting options

Twitter targeting options are nearly as detailed as Facebook. You can choose an audience based on:

*   Location (country, state, region, metro area, or postal codes)
*   Gender
*   Language
*   Device, platform, and carrier
*   Keywords
*   Followers
*   Interests
*   Tailored audiences (upload a list of emails or Twitter IDs or put a code snipped on your website, to collect visitors, purchasers, or downloaders, and then target them)
*   TV targeting (to target users who engage with television programs in a specific market, or by show)
*   Behaviours
*   Events (users interested in global or regional events).

Advertising tips

*   Use your own campaign-specific hashtags rather than generic ones
*   Utilise multiple tweets per campaign, and test your options
*   Include a deadline
*   Monitor influencers
*   Make sure your ads contain content worth sharing.

17.5.4 LinkedIn

LinkedIn ads allow you to create and place adverts on prominent pages on the LinkedIn website, including a user's homepage, search results pages, groups, and more. It has both self-service and premium options, and offers 'sponsored updates' as a self-service option. There is a minimum budget requirement of US $10 a day, though no minimum spend; that is, you have to budget at least US $10 a day, but you don't actually have to spend any of it. Ads can be served on a CPM or CPC basis.

Objectives

When you sign into your Campaign Manager, LinkedIn provides you with a search filter for your brand goals (LinkedIn, 2021).

The three objective filters are to increase:

1. **Awareness:** Brand awareness
2. **Consideration:** Engagement, video views, and website views
3. **Conversion:** Lead generation, website conversion, and job applicants

Ad placements and types

LinkedIn offers 10 ad types, namely:

• Text ads (for desktop only)
• Video ads, which can also be placed as sponsored content
• Message ads, which can be placed as sponsored messaging
• Dynamic Ads (offered as follower ads, Spotlight ads, and Job ads)
• Single image ads
• Single job ads, which can also be placed as sponsored content
• Carousel, which can also be placed as sponsored content
• Conversion ads
• Event ads, which can also be placed as sponsored content
• Lead generation forms

Sponsored content is a particularly effective ad format to use on LinkedIn. Not only can you adapt and reuse content from your other platforms, the content is presented as a native ad so it doesn't look like advertising and has an authentic, organic feel.

> **NOTE**
>
> To read more about LinkedIn's Ad types, read this guide from Hootsuite blog. hootsuite.com/linkedin-ads-guide and for Ad Placements, visit the LinkedIn website: www.linkedin.com/help/linkedin/answer/a417880/ad-placement-on-linkedin?lang=en.
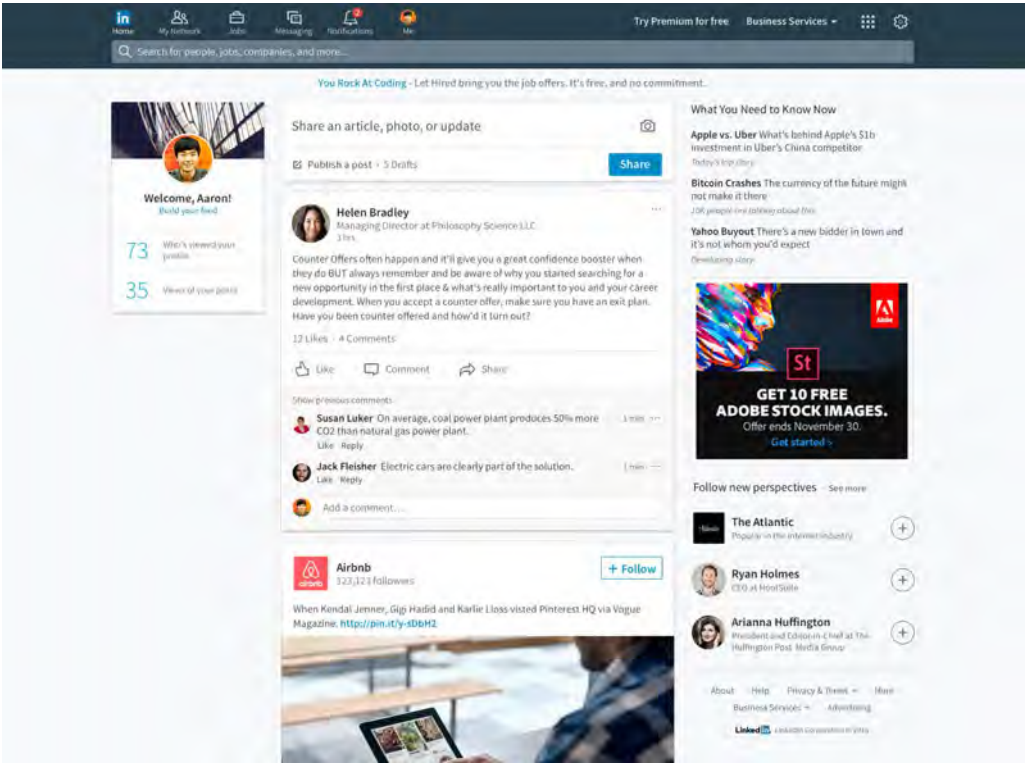
Figure 17.22 LinkedIn sponsored content ad

Targeting options

LinkedIn offers many targeting options, including:

- **Location**
  - Country
  - State
  - Region
  - Postal code

- **Demographics**
  - Age
  - Gender

- **Company**
  - Connections
  - Industry
  - Size
  - Name
  - Followers

- **Education**
  - Fields of study
  - School/College/University
  - Degrees

- **Job Experience**
  - Job function
  - Job seniority
  - Job title
  - Skills
  - Years of experience

- **Interests**
  - LinkedIn groups
  - Interests identified and inferred from actions and engagement with content.

Advertising tips

- Test variations of your ads to see which is the most successful.
- When creating a single image ad, keep your introductory text under 150 words to avoid truncation and unnecessary ad spend.
- Consider your budget carefully. Sponsored InMail ensures you'll be seen by your target, and display ads are a good way to stay top of mind, but both can be quite expensive.
- Make sure you use all the allotted characters for ad copy to describe your service.
- Use images with the correct ratio so that they look good, both on desktop and mobile.

> **NOTE**
> You can find more information about LinkedIn advertising at: blog.hootsuite.com/linkedin-ads-guide/.

17.5.5 Pinterest

Although Pinterest is a social media platform, a typical user places higher value on the Pins and their Pin board. It is more a place for discovery than for social interaction. To target this audience, a business account is necessary to advertise on the platform.

Objectives

When creating a Pinterest Promoted Pin, you will be asked to choose a goal for your campaign. Your options are:

- **Build awareness**
  - Brand awareness
  - Video views

- **Drive consideration**
  - Traffic

- **Grow your sales**
  - Conversion

- **Offline sales**
  - In-store purchases.

Ad types offered

Pinterest offers a number of different ad formats. Choosing which type of Pinterest ad to use will depend on the type of campaign you want to run. The five ad types on Pinterest are:

1. Standard
2. Video
3. Shopping
4. Carousel
5. Collections.

Targeting options

Targeting options for Pinterest are:

- **Demographics:** This will include information such as gender, age, location, and languages.
- **Automated targeting:** Pinterest will align your Pin with user's interests and search history.

> **NOTE** To find out more about targeting your ads on Pinterest, visit their website here: business.pinterest.com/en/advertise/.

- **Actalike audiences:** Pinterest will combine what you already know about your customers with behavioural insights from Pinterest to target new user groups with similar characteristics.
- **Keywords:** Pinterest will show ads to people searching for specific topics, such as 'decorative rugs'.
- **Interests:** Pinterest will reach people based on the types of pins and boards they like or create.
- **Customer lists:** Pinterest will use your customer list to contact people who are already in your buying-cycle or have already engaged with our website or made an in-store purchase.

Advertising tips

- Make sure that the ads you select reflect your brand promise. Misleading or exaggerated claims are more than a bad idea – Pinterest prohibits them.
- Use vertical images. This isn't required, but users prefer it.
- Optimise your pins for mobile viewing.
- Research Pinterest trends so that you can keep your campaigns relevant.

> **NOTE** Read more about advertising with Pinterest at: ads.pinterest.com.

17.5.6 Snapchat

Snapchat's paid advertising options are relatively young, but they have grown almost as rapidly as the app itself. There are a variety of ways that brands can advertise on Snapchat, such as:

- Lenses and geo-filters (including AR Lens Experiences)
- Discover channels
- Live channels
- Influencers
- Takeover
- Promotion
- Unboxing
- Product placements.

Objectives

When creating your campaign, Snapchat provides you with a list of objectives. They are:

- **Awareness**
  - Brand awareness
  - Product announcements
  - Increased traffic

- **Consideration**
  - Lead generation
  - Increased views
  - App installation

- **Conversion**
  - Increased sales or specific, goal-based user behaviours.

Ad types

Snapchat offers a few ways to reach your audience:

- Snap single image or video ad
- Filters
- Lenses, which include standard lenses, sponsored lenses, and AR Experience Lenses
- Story ads
- Commercial ads
- Product ads
- Catalogue ads.

> **NOTE**
> To find out more about Snapchat's formats, click here: www.shopify.co.za/blog/snapchat-ads.

Targeting options

Snapchat includes a variety of targeting options:

- Interests and behaviours
- Location
- Demographics
- Pixel custom audiences: An advanced retargeting feature that affords engagement with Snapchatters who have engaged with your website
- Snapchat Custom Audience Match: Brands can anonymously match data from an existing list of email addresses and mobile device IDs to Snapchat's consumer data. Users can opt out of being included.
- Lookalike: Offered as an advanced feature, much like Facebook, brands can target users with characteristics similar to their existing customers.
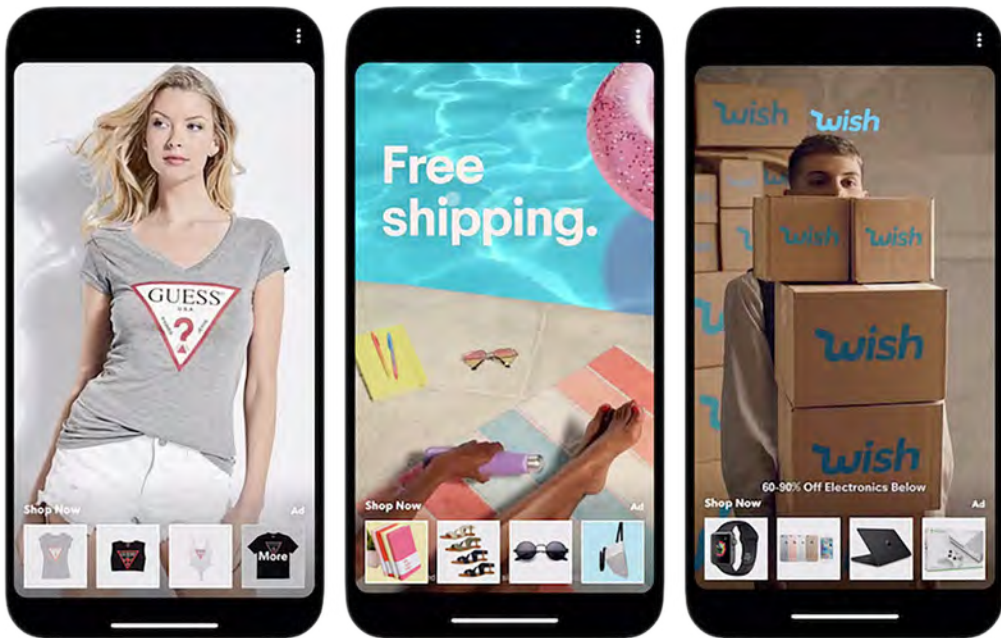
Figure 17.23 An image of a Snapchat commercial, from the SproutSocial website

Advertising tips

- As always, make sure your content fits the platform: Snapchat is informal and natural, using fun filters and add-ons, rather than the more posed images you might see on Instagram.
- Tell a story. Test your content to see what works best.
- Use influencers. This is a great way to reach even more users.

17.5.7 Other platforms

The above is by no means an exhaustive examination of available platforms for social media advertising. For example, some marketers still like Google+, and YouTube is a huge platform for marketers.

Different countries have different preferred platforms. For instance, Weibo and WeChat are dominant in China, and Vkontakte is popular in Russia.

Make sure you do your research so that you know which platforms your audience is active on and where you might want to advertise. Reddit, for example, (reddit.com) along with similar content curation platforms, is great for sharing good content, but the community is very advertising-savvy and does not welcome overt ads that do not provide value to the user.

Tik Tok (tiktok.com), ranking at 7th for global platform use with 1 billion users and 63% of them under the age of 29, is also one to watch, particularly for influencers and micro-influencers (Dataportal, 2021).

You may also want to keep an eye on up-and-coming platforms, such as Twitch (twitch.tv/) and Wanelo (wanelo.com). There is also an increased interest in social media apps like Clubhouse (joinclubhouse.com),

> **NOTE**
>
> Read more about strategies for creating audio and visual content in **Part three: Creating**.

which offers corporates and brands strategic opportunities for sponsorship and branding for rooms or events.

17.6 ADVANTAGES AND CHALLENGES

Some of the difficulties of advertising on social media are the same as the difficulties of being on social media in general. They include:

- Promoted posts all need to work hard to make an authentic connection with the audience.
- You need to consistently promote good content.
- There is always the chance that your audience will respond negatively to a post, which can escalate quickly.
- Choosing the right platform to advertise on can be a challenge.
- Tying ad spend on social media to revenue increases can be difficult, since the benefits of advertising on these platforms are often indirect. Take a look at Sprout Social's 'How to define an actionable social media ROI for your business' for some tips: sproutsocial.com/insights/social-media-roi-guide. It is important to clarify with whomever you are reporting to that ROI on social media is not an exact science. Far more data is available than on traditional media, but it has its limits. So rather than drawing a clear line from social media advertising to sales, look at encouraging behaviours that lead to sales, such as convincing users to sign up for a test drive rather than attempting to sell a car. You can easily calculate your ROI if you know how many signups for test drives you get from Facebook, and how many test drives result in sales.

Despite its challenges, advertising on social media cannot be avoided. If you want to reach the maximum possible number of users with granular targeting that ensures you're reaching exactly the right users at the right time, social media advertising is the way to go. It is also the only way to ensure that a significant portion of your audience per platform will see your posts.

Like social media in general, advertising on this channel can:

- Increase brand recognition
- Improve brand loyalty.

It is:

- Fairly low cost
- Easy to share
- Allows for real-time analysis of your campaigns and audience.

> **NOTE**
>
> Remember that the majority of consumers read (and care about) online reviews. The majority of consumers also pay attention to how businesses respond to online reviews. You can read more about how to handle negative social media comments here: www.godaddy.com/garage/how-to-handle-negative-social-media-comments/.

17.7 MEASURING SUCCESS

Measuring the success of your social media advertising activities can be tricky. As mentioned, ROI can be difficult to establish, but it can be done!

Start by identifying your KPIs. Note the difference between vanity metrics and those metrics that will actually be useful. The number of fans on Facebook, for example, is a vanity metric. It doesn't mean much on its own. Instead, you would want to look at the percentage increase in number of fans or the engagement rate of the fans that you have, to see whether you are doing well.

> **NOTE**
>
> Not only is 'number of followers' a vanity metric, too many followers who are not quality followers can actually harm your brand. Remember, only a tiny percentage of your total audience will see your content organically, so you want them to be engaged.

The KPIs you identify as important will depend on the goals of any campaign you run. For example:

- If you want to drive revenue, your important KPIs will be sales related, such as product purchases, signups for trials, or traffic to your website (which could then turn into a conversion).
- If your goal is awareness, your most important KPI might be reach.
- If your goal is building customer relationships, you would want to look at engagement numbers and sentiment.

If you want to attach actual monetary value to your KPIs, you need to decide what method you want to use. Do you want to look at average sales, the lifetime value of a customer, or how much similar reach would cost you if you used different methods of advertising?

To measure your KPIs, you'll need to use the analytics tool of the platform you're advertising on (see below). You can use Google Analytics to see whether social drives traffic to your website, to attribute revenue to specific posts, to find out how visitors from social consume your content,

and to discover how social impacts conversions. Find out more about how to do this here: socialmediaexaminer.com/how-to-measure-social-media-using-google-analytics-reports and here: blog.hootsuite.com/tracking-social-media-in-google-analytics.

You may also consider social media dashboards like Hootsuite, which help you monitor campaigns across platforms.

17.8 TOOLS OF THE TRADE

The most important tools you'll need here are the analytics tool for each platform you work on:

- Facebook Page Insights: facebook.com/business/learn/facebook-page-insights-basics
- Facebook Ads Manager: facebook.com/business/help/149770628855079?id=768381033531365
- Facebook Power Editor: facebook.com/business/help/162528860609436
- Instagram Insights: facebook.com/business/help/1533933820244654. You can also find some free Instagram analytics tools here: socialbeesmedia.com/best-free-instagram-analytics-tools-2016
- Twitter Analytics: analytics.twitter.com
- LinkedIn's Campaign Manager: business.linkedin.com/marketing-solutions/cx/21/12/advertise-on-linkedin?lr=1
- Pinterest Analytics: analytics.pinterest.com
- Snaplytics (few tools exist on Snapchat): thehub.io/startups/snaplytics
- Tik Tok for Business: tiktok.com/business/en.

Google Analytics can also be used, as discussed in section **17.7: Measuring success**. You can find a list of *5 Tools to Measure Social Media ROI* here: www.socialmediaexaminer.com/5-tools-to-measure-social-media-roi. As mentioned, you may also want to consider a social media dashboard. Some popular options include:

- Hootsuite: hootsuite.com
- Sprout Social: sproutsocial.com
- Fan Page Robot (a free tool): fanpagerobot.com
- Datorama: datorama.com.

17.9 CASE STUDY: SHEIN

Shein is an online fast fashion retailer, founded in 2008 in China. **SHEIN**

One-line summary

To reach a differentiated market, global fashion outlet, SHEIN, used a comprehensive eMarketing strategy to create an immersive, full-screen experience directed to Snapchat's GenZ and Millennial users.

The problem

SHEIN wanted to target a new market and expand its reach with a young demographic. They created an immersive shopping experience to increase brand awareness with Millenial and GenZ users. They used a strategic mix of App Installs, Snap Lifestyle Categories, and Snap Stories to create a full-screen experience for the user. They paired this with the Discover feed and an optimised analytics strategy on Snapchat.

The solution

Through a powerful mix of short video formats, attention grabbing headlines and stories, they were able to attract the attention and curiosity of this young user base. The strategic mix of advertising and marketing techniques enabled them to increase ROI by 20%. They used the Snap Lifestyle Categories to tap into a market of users with an interest in fashion. They targeted users who were already in the funnel and most likely to convert, driving their CPP down by 50% (compared to performance on other platforms). As a result of their strategic planning, they executed a comprehensive plan that leveraged the full capabilities and affordances of the Snapchat platform, which ultimately led to better results than they set out to achieve.

Figure 17.24 Shein fashion products on the SnapChat platform

The results

The brand saw very favourable results from this campaign:

- They performed better than their outlined investment goal and achieved 20% ROI.
- They successfully targeted and increased brand awareness to a new user demographic.
- Due to Snapchat's wide user base, SHEIN was able to increase exposure and influence globally.
- They decreased ad spend with 50% lower Cost Per Purchase (CPP).
- When compared to installation on other channels, Snapchat resulted in lower installation costs, as much 20% less per app install.

17.10 CASE STUDY QUESTIONS

1. Why do you think Snapchat was the right platform for SHEIN'S campaign?
2. What do you think was so appealing about the immersive experience?
3. What could other brands learn from this campaign about advertising on Snapchat?

17.11 THE BIGGER PICTURE

Social media advertising ties in with any number of other marketing channels. You can use it to push content marketing to an audience that will appreciate it and encourage shares and earned media coverage, to drive traffic to your website, to push offline campaigns and encourage chatter about them. Any marketing campaign should keep social media advertising in mind as a potential way to increase reach and engagement.

The incredible targeting opportunities offered by social media advertising allow content to reach exactly the right audience at the right time to encourage interaction or conversions, and paid promotion is the best way to boost the reach of any post.

17.12 SUMMARY

Social media advertising is an effective channel for reaching as many of your users as possible on the platforms on which they are active. Certain guidelines apply to all social media advertisements, such as ensuring that ads will look good and function well on mobile, but others are platform-specific.

Each platform offers its own unique advertisements, targeting options, and analytics capabilities. Which platform you use should be informed not by where you wish to be active, but by where your audience already is.

In this chapter, we covered some of the most popular advertising platforms, but others do exist and should be considered depending on audience, location, and capabilities.

17.13 CHAPTER QUESTIONS

1. What should be the primary consideration when choosing a platform on which to advertise?
2. What are the most exciting targeting capabilities offered by social media advertising?
3. What sets social media advertising apart from other forms of online advertising?

17.14 FURTHER READING

blog.bufferapp.com/social-media-ads-strategies – Read *The 7 Hidden Factors of the Most Effective Social Media Ads*

blog.hootsuite.com – Hootsuite's blog is always a good source of tips

blog.hootsuite.com/social-media-advertising – And check out *Social Media Advertising 101: How to Get the Most Out of Your Ad Budget*

influencermarketinghub.com/twitch-marketing/ – Are you interested in Twitch? Find out more about Influencer Marketing on Twitch. twitchadvertising.tv/ad-products/ – Look here for advice on Best Practice for advertising on Twitch

sproutsocial.com/insights – Find more useful tips on Sprout Social's blog

www.bluefountainmedia.com/blog/10-facebook-marketing-tips-for-advertising-on-social-media – Here is *10 Facebook Marketing Tips for Advertising on Advertising on Social Media*

www.marketingprofs.com/chirp/2017/31385/how-to-navigate-the-social-media-advertising-solar-system-infographic?adref=nlt020717 – Take a look at this infographic on *How to Navigate the Social Media Advertising Solar System*

www.socialmediaexaminer.com – Social Media Examiner has a lot of useful resources

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17.16 FIGURE ACKNOWLEDGEMENTS

Figure 17.1: Screenshot, Netflix's Twitter account, 2022

Figure 17.2: Screenshot, Netflix, India Twitter account, 2022

18

SEARCH ADVERTISING

In this chapter, you will learn:

- How to put together a search ad
- How to target your search ad at relevant users
- About the process of bidding on key phrases and how this affects your ranking
- How to plan, set up, and run your own search advertising campaign.

18.1 INTRODUCTION

Search advertising, also called pay-per-click (PPC) is a way to advertise your business or product directly on search engine results pages. Here advertisers pay only for each click on their ad.

> **NOTE**
> Google often tests different formats, so it's good practice to stay up to date with SERP format changes, as they are likely to change.

Ads on search engines are easy to recognise because they are indicated by the word 'Ad' featured in bold. This makes them easily distinguishable from standard, organic search results.

Figure 18.1 Search ads appearing in a search for a new laptop

Search advertising on search engines is based on keywords. This means that it is triggered by the search term that a user enters into a search engine. Advertisers target the keywords for which they want their site to appear. Since the potential customer is already expressing intent, as per the buying cycle, it allows the advertiser to target their offering directly to the potential customer.

Google is the leader in the search advertising field. This chapter is therefore very Google-centric, though the same principles should apply to any other search advertising platform.

> **NOTE**
> Other platforms to take note of are Microsoft Bing, Yahoo!, and Baidu.

Using Google search can give brands high exposure and reach. In addition to being the most popular search engine, Google paid ads also have a high trust factor. Results from an SEO Clutch Report indicated that 75% of the

> **NOTE**
> You can read about the pros and cons of search engines here: rapidapi.com/blog/best-search-engines/.

506 survey participants thought that Ads made it easier to find the information they needed. 63% of the participants indicated that they would click on a paid ad on Google rather than on another search engine (Clutch.co, 2021).

18.2 KEY TERMS AND CONCEPTS

Table 18.1

Term	Description
Clickthrough	A click on a text ad link that leads to a website.
Clickthrough rate (CTR)	A metric to measure performance of an online advertisement. The CTR is calculated using the total clicks on a link divided by the number of people who saw the advertisement, expressed as a percentage.
Conversion rate	The number of conversions divided by the number of visitors, expressed as a percentage.
Cost per action (CPA)	The amount paid when a certain action is performed by a user.
Cost per click (CPC)	The amount paid when a link is clicked on.
Google Ads	Google's search advertising program, which allows advertisers to display their ads on relevant search results and across Google's content network and on non-search networks, such as websites, mobile apps, and videos (Google Support. 2021).
Impression	Each time an advert is shown.
Key phrase	Two or more words that are combined to form a search query, often referred to as keywords.
Keyword	A word found in a search query. For example, a search for 'blue widgets' includes the keywords 'blue' and 'widgets'.
Organic results	Also known as natural results. Search results served by the search engine's algorithm. The search engine does not charge website owners to list these results.
Paid search advertising	Usually refers to advertising on search engines, sometimes called pay-per-click or PPC advertising. The advertiser pays only for each click on the ad.
Quality score (QS)	A measure used by Google Ads to indicate how relevant a keyword is to an ad text and to a user's search query.
Return on investment (ROI)	The ratio of profit to cost.

Search term	The keywords a user enters when searching on a search engine.
Search engine results page (SERP)	The actual results returned to the user based on the precise words or phrases from a search query. Sponsored results are search engine results that are paid for by the advertiser.

18.3 DEFINING SEARCH ADVERTISING

As discussed, search advertising involves placing online advertisements on search engine results pages to connect your product with consumers who are likely to be in the buying phase of the customer lifecycle.

Search engines display results to search queries based on proprietary algorithms. Each major search engine uses its own formula to determine what results to display for any term. The vast majority of searchers don't click through to the second page of results (less than 6% of people do), which means they are likely to find what they're looking for on the first page (Shelton, 2021). With search engines getting so much traffic, and delivering great value, they need to find a way of generating revenue.

With so many search engines out there, which platform should you choose?

There are some small differences from platform to platform in terms of editorial policy, and each system has a different user interface. With over 90% of users choosing Google as their search engine, Google Ads is the best known and is considered the industry standard. It allows users to transact in the currency of their choice, is tied to a comprehensive analytics tool, and offers training programmes and certifications. Also, Google Ads currently has the best contextual and geographical targeting worldwide (Google Support, 2021).

18.3.1 Structuring your search advertising campaign

When you start running search advertising, you shouldn't just create a whole stream of ads; you need to have a plan.

Your Ads account is your home for all the ads you are currently running, and it should be structured to reflect your business and marketing strategy. Within your account, organise your search ads in groupings, called campaigns, according to your strategy and the

> **NOTE**
> Many search advertisers create ad groups for branded terms, competitor terms, and generic key phrases related to the industry.

ads you are running. Within each campaign, you should have ad groups; these are sets of ads that have a common characteristic or focus. For example, if you are selling books online, you may have ad groups focused on a specific genre, author, event and special offer, as well as some ad groups around general themes, such as promoting local stores or making online sales.
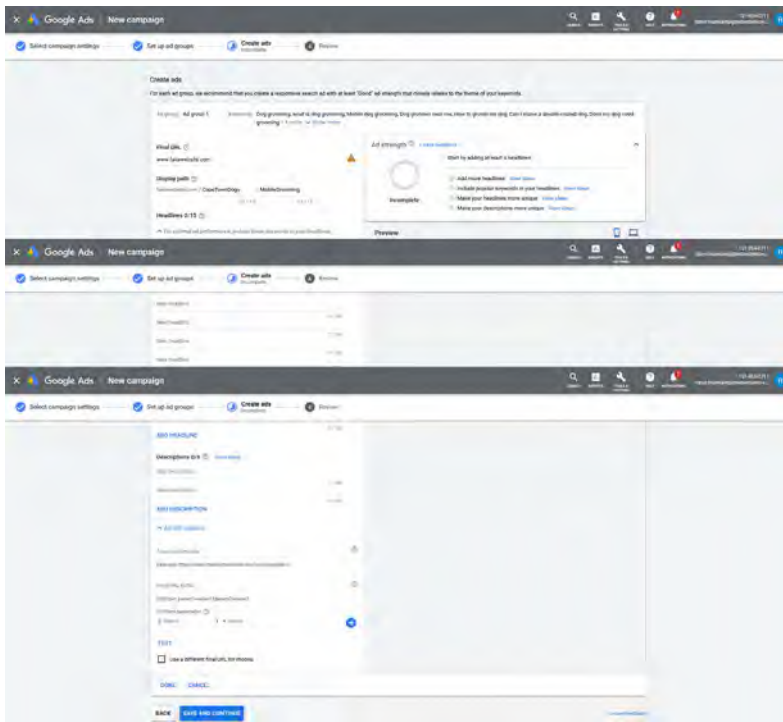
Figure 18.2 A screenshot of a Google Ads account showing
the main constituents of an Ad campaign

Structuring your account as explained above will help you to easily oversee your advertising spend, determine the effectiveness of your ads, manage your ads and bids, and switch off any ads that aren't working effectively.

> **NOTE**
> Read about cross-campaign asset reports here:
> support.google.com/google-ads/answer/9781208.

18.4 THE ELEMENTS OF A SEARCH AD

In July 2018, Google began to roll out responsive search ads with the goal to phase out Expanded Text Ads and to fully transition to Responsive Ads by June 2022. Although ETAs are still available, Google Ads strongly advises the use of Responsive Ads.

> **NOTE**
> Additional features and enhancements that can increase ad performance and visually enhance the advertisement will be addressed in the section on keywords and extensions respectively.

Responsive search ads follow this structure:

- **Headlines:** Up to 15 headlines of 25 characters each
- **Display URL:** 2 path fields (up to 15 characters each) on the display URL (optional)
- **Descriptions:** Up to 4 description lines (90 characters each).

Responsive Search Ads in Action
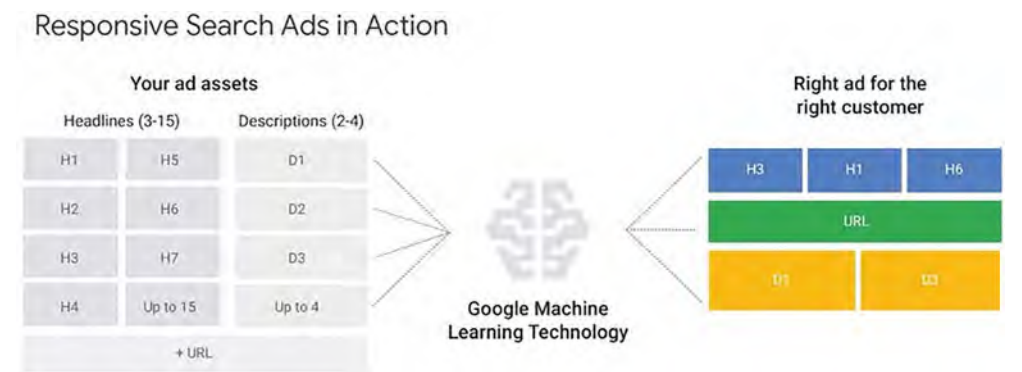
Figure 18.3 A visual from Word Stream showing the search ad assets as package

18.4.1 Responsive Text Ads

As the name suggests, through the use of Machine Learning, a Google ad adapts and responds to the user's search query and to the interface of the user's device so that the right message is displayed in the best way. A carefully and skilfully planned responsive ad can improve search relevance by showing the best combination to the user and, when aligned to clear goals, it can improve targeting measures.

With far more headings, features, and algorithms at play, it is important to plan your ads carefully. Consider the variants of the potential combinations and their sequencing. Each ad asset should make sense on its own and in combination with the other pieces. Important information, such as your CTA (call to action), must feature in headline 1, headline 2, or description 1. Headline 3 and description 2 are optional so they won't necessarily be displayed.

For greater ad performance, ads recommends creating at least five headlines of varying lengths and using all four descriptions. Whilst pins can be added to control what users see and will notify users of important information, it is advisable to use pins sparingly and strategically.

When designing an ad, there are strict editorial policies and guidelines that advertisers need to adhere to. Some of these are as follows: ads or extension that do not use commonly accepted grammar, capitalisation that is not used correctly or for its intended purpose,

> **NOTE**
> To find out more about responsive ads, watch this video from the Google Support team: youtu.be/mxdelKnGybM.

gimmicky or non-standard words and phrases, and entering a phone number in ad text. If an advertiser fails to follow the rules, Google will not publish the ad. This is to ensure that Google can maintain its professional integrity and standards. As with all of their products, these policies are subject to updates. Find out more about the policies here: support.google.com/adspolicy/answer/6021546?hl=en.

Writing effective copy

For most PPC ads, the ad copy is the only tool available to attract attention, convey a message, and entice action. This is why writing effective ad copy is such an important skill for search advertising.

Users who are searching for something usually have a specific intent; they are looking for information, guidance, comparisons, tools, or solutions to their problems. It's important to understand why users would look for your brand or product and what keywords they would use to find it when crafting your search ads. Look at the considerations for choosing keywords that are covered in **Chapter 5: Search engine optimisation** as these often overlap.

NOTE Read more about this in **Chapter 11: Content Creation: Copy**

NOTE Use compelling and well-crafted calls to action so that users know what to do and what to expect. Use phrases such as 'learn more', 'try now', 'sign up now', and 'buy now'.

Many advertisers test offers in the ad copy, such as a discount or a limited time voucher. Product or service benefits make for good ad copy, such as free shipping, secure shopping, or fast delivery. Many of these features are easily added to your ad and tracked using ad extensions. We will explore later on in this chapter.

It is more likely that you will use responsive search ads for your campaign since you will have access to far more headings, descriptions, formats, and enhancements. With enhancements like structured snippets, copy from your website can feature at the top of the website page – in position zero. This format requires you to plan your DKI (dynamic keyword insertion) and headings carefully so that they are not repetitive.

NOTE Although Ads Strengthfinder provides quality feedback on your ads strength and will make suggestions, be discerning about the feedback given to you. The keywords and descriptions might not fit your campaign's goals.

The long tail

SEO Round Table asserts that 15% of search queries on the web have never been asked before (Seoroundtable, 2021). This means that the sum of searches that are unique is higher than the sum of non-unique searches. Looking a little more closely at search terms will show a small number of high-volume searches, and then a large number of lower volume searches stretching out to those unique searches.

NOTE To understand the long tail as a business strategy better, you can read this article: www.investopedia.com/terms/l/long-tail.asp#:~:text=What%20Is%20the%20Long%20Tail,reduced%20number%20of%20popular%20items.
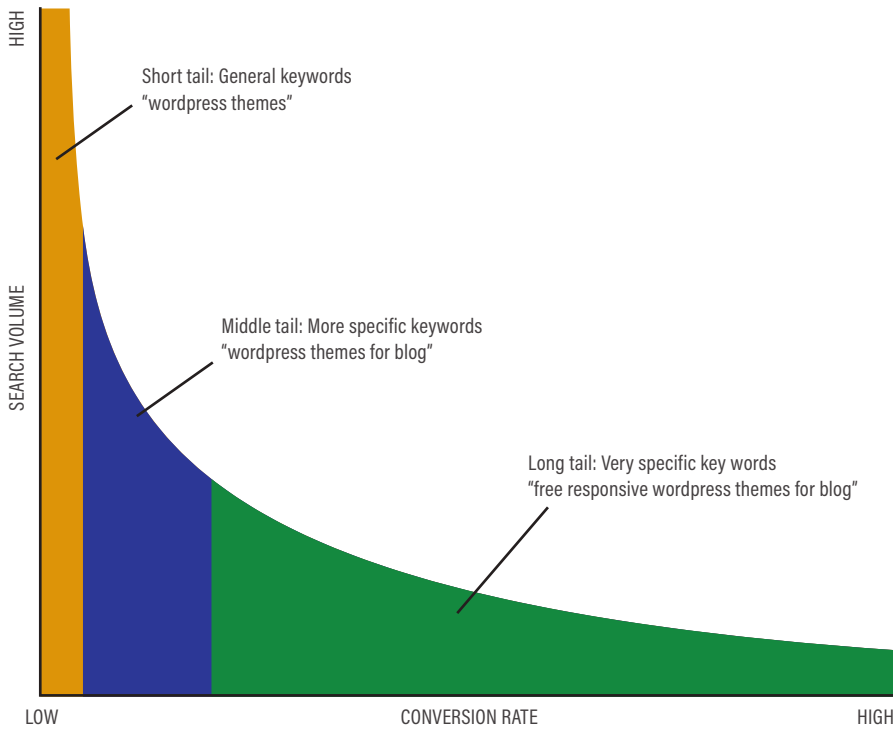
Figure 18.4 An example of long tail keywords

This is sometimes referred to as the long tail of search. Discovering these low-volume, niche search terms can do wonders for a search ad campaign.

Generally, there is not much competition for these search terms, and the search term itself is very much targeted, so it will likely be cheaper to bid on and may yield a high conversion rate.

> **NOTE**
>
> What's more important to your brand, a high volume of traffic or a smaller number of qualified leads? Consider your strategy when deciding whether to use short- or long-tail keywords. Learn more about this tactic in **Chapter 5: Search engine optimisation.**

While long-tail phrases are generally cheaper and lead to a higher rate of conversions, you will need to use a much larger number of them to make up for the lower traffic volume that they generate.

Also consider that search engine users may be at various stages of the buying cycle, and it could be worthwhile to craft a long-tail keyword strategy, targeting those who are at the end of the buying cycle and know specifically what they are looking for.

For example, if you sell cameras, targeting the term 'camera' may not bring in much targeted traffic (since users searching for 'camera' may be looking for information, pictures, price

comparisons, or even something completely unrelated). But users looking for 'buy Canon DSLR camera in London' have a clear intention in mind and could be a great target for advertising.

18.4.2 Display URL

Search ads allow you to include a display URL. The URL shown is not necessarily the URL that the user will click through to; the display URL (what is shown on the advert) actually directs to the destination URL (what the actual URL of the page is). The display URL is sometimes also called a vanity URL.

> **NOTE**
> The display URL should be short, clear and meaningful to the viewer. It should indicate what type of page the user will be taken to when they click.

Ad · https://www.netflorist.co.za/ ▾

NetFlorist: Shop & Deliver Flowers & Gifts Online with SAs Largest ✅

SA's Largest **Flower** & Gift **Delivery** Service. Shop now! SameDay **Delivery**. Easy **Online** Ordering. Nationwide. Nationwide **Delivery**. Wide Range. Types: **Flowers**, Bakery.
Flowers · Sympathy Flowers · Roses · Personalised Gifts · Birthday Gifts · Get Well Flowers

Figure 18.5 A Google search ad with a clear display URL for Netflorist

The display URL must be the same domain as the destination URL, and Google pulls this out automatically. Google will show only one ad per domain.

The final URL is specific to the ad that you have created. If you are designing for mobile users and want to use accelerated mobile pages, the URL can be added in the final URL section under the Ad URL field.

The page that the user is taken to is called the landing page, which can be any page on your website, not necessarily the homepage. When the display URL matches the keywords, it improves the ad's Quality Score. The aim should be to send users to a web page that is as relevant to their search, and the PPC ad, as possible. This is known as deep linking.

> **NOTE**
> To find out more about deep linking, visit the Google Support website: support.google.com/google-ads/answer/10023042?hl=en.

Landing pages

Search advertising is not just about creating ads and bidding for keywords. The process continues once a user has clicked on your ad. The page that the user reaches by clicking on an ad is called a landing page and is either an existing page on your website, or a new, custom-built page for the campaign at hand (useful if you are running a competition or special offer). Unlike web pages, landing pages are designed with a single focus or goal, known as the CTA. Another great feature of the landing page is that there are fewer links on the landing page, which means there are fewer clickables that will take visitors away from your page.

Figure 18.6 The Social Safe landing and homepage

Landing pages can make or break an advertising campaign. Poorly executed PPC campaigns will send all users to the homepage of a website. Campaigns that convert will make sure that users land on a page that is relevant to their search with a very visible call to action.

The aim is to keep the user as focused on the goal as possible, which is conversion. Sending users to the homepage gives them too many other options to choose from.

> For example, if users searched for 'Canon EOS 1300D', a poorly run campaign would send them to canon.co.uk.
>
> A better campaign would have the user clicking through to canon.co.uk/for_home/product_finder/cameras/digital_slr/eos_1300d/.

Landing pages also indicate relevance to the search engine, which can increase the Quality Score of the ad, and, in turn, lower the cost per click (CPC) of the keyword. Adding key-

NOTE Read more about this in **Chapter 5: Search engine optimisation.**

word-rich pages to the website can also have SEO benefits. PPC campaigns often have thousands of keywords, which can mean that you will have a lot of landing pages to build. Creating dynamic landing pages means that with a simple script, unique keyword-rich landing pages can be created for every search. The script will take the keyword that the searcher has used and insert it in predefined places on the landing page. The user will land on a page that is highly relevant to their search.

18.4.3 Ad extensions

Google ad extensions visually enhance the ad, whilst providing extra information to search ads without affecting standard ad copy limits.

Ads offer two types of extensions: Manual and Automated. These extensions are added, changed, and retired frequently. As Google is always testing their extensions, it is a good idea to check in on updates to extensions or new ad extensions on offer.

As the name suggests, when setting up the ad you can manually select which extensions to add to your Google Ad. While you can add as many as you like, make sure that they are relevant to your business goals as they come at an additional cost.

The ads manual extensions are:

Location extensions

Location extensions allow you to add location information and maps to your ad (you can add map pins, navigation assistance, and a call option). To use the extensions, you can either insert your address manually or link your ads account to your Business Profile. This extension can also run automatically. Read about Google's ad extension here: lineardesign.com/blog/google-ad-extensions/.
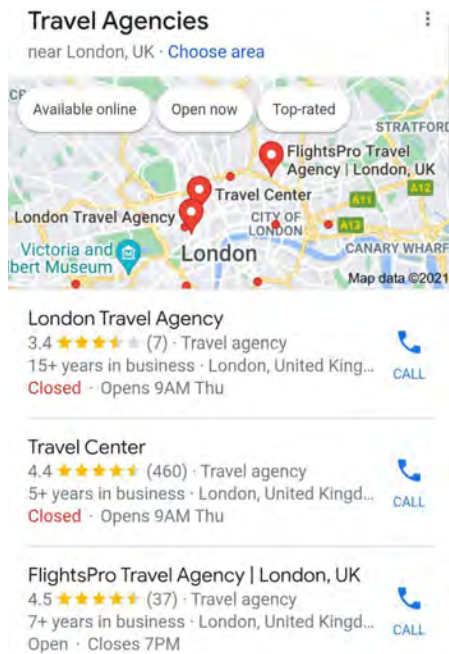
Figure 18.7 An image of the location setting (with additional features)

Affiliate location extensions

Affiliate location extensions are used by manufacturers or large retail chains to locate the nearest business outlet that stocks their product or brand. This extension can also run automatically.
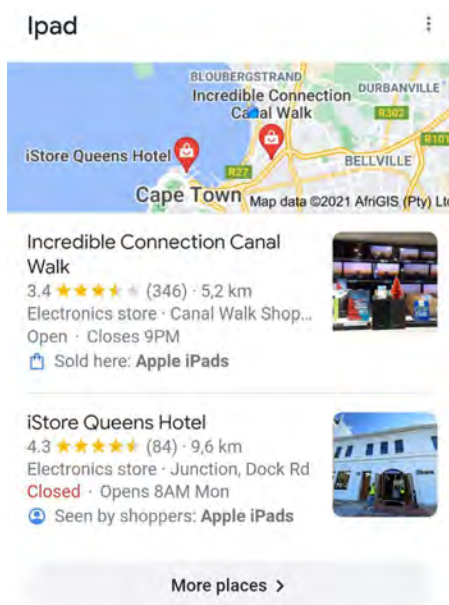
Figure 18.8 An image of an affiliate location extension search (with additional features)

Callout extensions

Callouts allow you to include additional text with your search ads to highlight the key attributes of your business, product, or service.

Call extensions

The call extension allows you to display a local phone number in a line below the standard text ad. This is particularly effective for mobile ads, where the user can click and call directly from their phone. Each call is the equivalent of a click. A business with a Search Network can use call reporting to track calls as conversions. Where deemed the best result, ads can run this extension automatically (Google Support, 2021).
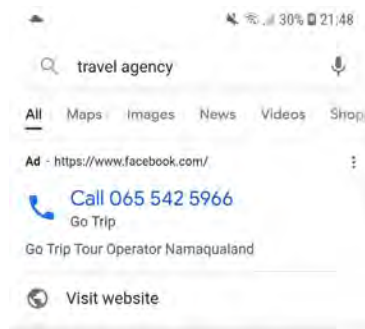
Figure 18.9 An image of a call extension for the travel and tourism industry
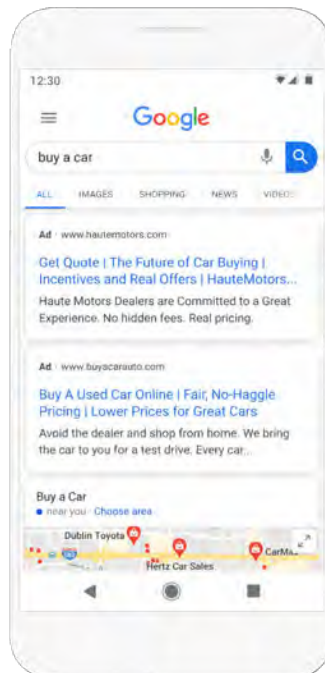
Figure 18.10 A screenshot from Google Support showing the stages of lead form generation

Lead form extensions

With the goal of generating more leads, this extension enables an advertiser to embed the form directly into the ad – creating a seamless and frictionless user experience. This extension can only be added at a campaign level and, at present, it is only available in certain countries. Ads also have strict protocols for using this extension.

Price extensions

This extension provides the user with the price for services or products. For best results, link the price extension to the landing page with that product on it. At the time of print, this feature is only available in certain countries.

Image extensions

Advertisers can upload powerful images that match the key words and clearly display their product in their search. It is also advisable to match these images with the landing page and to your ad copy. Ads can run a combination of results, including image-only SERP results.
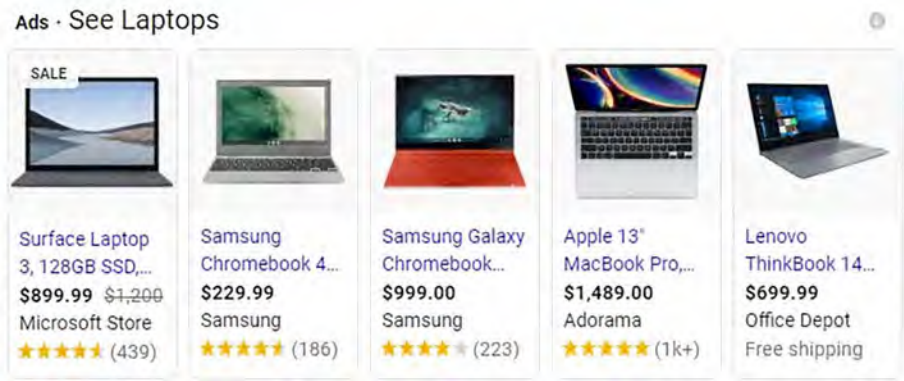
Figure 18.11 A results search showing an image result (with a review and a price extension)

Promotion extension

This extension enhances your ad by showing special deals, sales, and promotional offers. The promotion is displayed in bold to attract the potential buyer's attention.
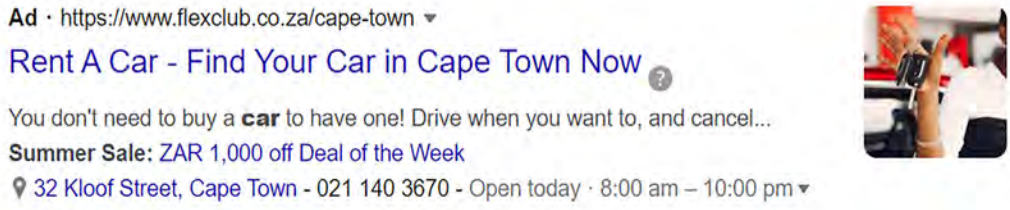
Figure 18.12 A promotion extension (with additional extensions) for a car rental company

App extensions

The app extension adds a link below your ad that sends users to the app store or begins a download of your app.
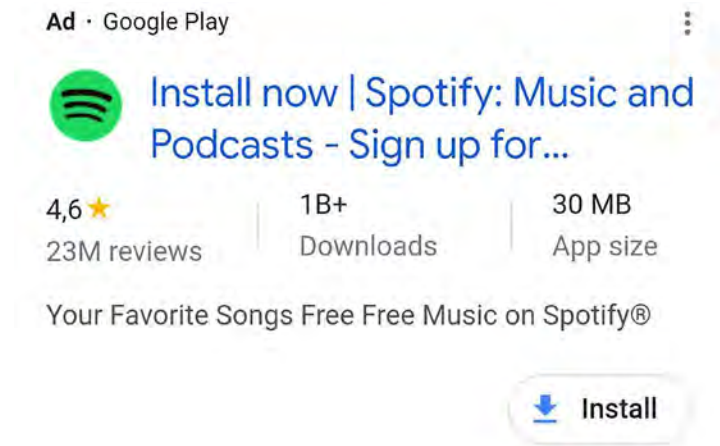
Figure 18.13 An app extension with an automated review extension

Sitelink extensions

This extension enables you to add up to six additional links of up to 25 characters that you can use to direct users to pages that are relevant to their search. Sitelinks are suitable for general or banded keywords. These links are placed at the bottom of the ad, and they are displayed as blue hyperlinks that will lead the user straight to the relevant landing page.

Figure 18.14 An Amazon search result with four sitelinks, displayed as blue hyperlinks

Structured snippet extensions

This extension adds value and can increase the change of click and conversion for your search campaign. The snippets can be added to the ad group, campaign, or account. A featured snip is displayed at the top of the SERP and provides a high-quality answer to the user's search entry. Snippet formats include lists, images, videos, and paragraphs.

> **NOTE**
>
> Snippets also prove effective for mobile users, so audio and visual content are important. Refer to **Part 3: Creating** for some guidelines on creating powerful digital content.

Figure 18.15 An ad showing keywords for car rental in bold (image includes sitelinks)

Automated extensions will be applied to your ad if Google thinks they will improve your performance; you cannot choose to add these yourself. Factors such as your bid, the ad's Quality Score, and page rank also have an influence on the metrics that Google Ads will apply to your ad. If you are watching your budget, you are able to remove extensions using the opt out feature.

A brief overview of the automated extensions are as follows:

Seller ratings extension

Ratings gathered from reviews and collected information are combined and presented on a rating scale underneath your Ad. These ratings help users make more informed decisions about the product or service that you offer.

Figure 18.16 An image showing a seller rating review of 4,9 for an app on Google Play

Dynamic sitelinks

This automatic extension follows a similar format to manual sitelinks in that the advertiser adds the sitelinks. Ads offer suggestions to improve sitelinks and run dynamic sitelinks automatically. Where it competes directly with a manual sitelink and the conditions suit it, the manual sitelink takes priority. This enhancement is used to increase the ad's performance, with the objective of conversion.

Dynamic structured snippet extensions

Dynamic structured snippets automatically show additional landing page details, which help searchers determine whether your site contains the kind of information they're looking for. This information comes from content on your site.

Dynamic callout extensions

This enhancement runs automatically and without any input from the advertiser. It is used to increase search relevance as useful and appropriate information is pulled from the landing page and placed under the heading of the ad. For greater control, manual callouts can be used to override this feature.

Ad · https://www.electrician.co.za/local/electrician ▾ 065 665 6291

Electrician.co.za - CAPE TOWN's #1 Electrician - Call Us Now ?

We solve electrical faults, tripping DB boards, burnt wires, generator connections & more. Serving Cape Town for over 5 years. Qualified **electrician**. Fast & reliable. Quick Response. Pay By Credit Card. No Call Out Fees.

Figure 18.17 An ad for an electrician showing callout extensions, such as "No Call Out Fees"

18.5 TARGETING OPTIONS

Search ads are targeted in a variety of ways, depending on how you want to reach your intended audience. Targeting your ads means you know that the traffic you are getting is relevant to your product.

18.5.1 Keywords and match types

It's not enough to simply pick the right keywords; you need to know about the different ways in which the search engine interprets and matches the search term to your chosen keyword.

Most search engines require the advertiser to provide the search keywords for which their ad should appear.

Considering the massive volume of searches conducted every day, it would be impossible to determine all the possible terms potential customers might use to find you. That is why there are different keyword match types for search advertising.

Google Ads use the following match types:

• Broad match
• Phrase match
• Exact match
• Negative match.

Broad match: This means that your ad will appear for the keywords you have entered, search terms that contain your keywords and any other words in any order, as well as some variations of your keywords, such as misspellings and synonyms.

Phrase match: This is denoted with quotation marks around the keywords; 'phrase match' means that your ad will appear only for search terms that have your keywords in them, in the same order, although other words may also be in the search term.

Exact match: This is denoted by square brackets [exact match] and means that the ad will appear for search terms that match exactly the same as the keywords selected.

Negative match or **Negative keywords:** These are denoted by using a dash in front of the keywords; negative [–] means that your advert will not appear in searches using that word, no matter what other words are used.

Advertisers can assign as many keywords as they want to an ad, but only one ad for each URL will be shown. If two advertisers are bidding to show ads for the same domain, only one will be shown. Which ad will be shown is based on the bids being placed and on the quality of the ads.

18.5.2 Language and location targeting

Search engines have versions customised for specific regions and languages, based on the user's settings and where in the world they are searching from. As a search marketer, you can choose the language and the location of the search engine to target. This is known as geotargeting.

For example, you may want your advert to show only to English searches in Asia or to French searches in Johannesburg. Targeting your ad means that your ads won't be seen by users outside your target area, and you won't pay for traffic that you cannot convert into customers.

18.5.3 Behavioural and demographic targeting

Search advertising can also be targeted based on personal behaviour. Using ads, you can re-target visitors who came to your site via an ads advert based on actions that they took. This means that if users came to your site, but did not complete a purchase, you can target ads to them in the SERPs or through other online advertising channels, such as the Google Display Network. This is called re-marketing or re-targeting, and can be very effective for remaining top of mind until the user is ready to convert. It is usually advisable to cap the number of times a re-marketing ad is shown to an individual to avoid annoying them.

18.6 BIDDING AND RANKING FOR SEARCH ADS

As you know, search ads are charged on a per-click basis. The cost that you pay for every click is determined by a variety of factors and is based on a bidding system.

The different advertising platforms offer advanced bidding options, all aimed at helping you run your ad campaign better. You can bid for placement on the SERP, or you can bid based on how much you are willing to pay per click. You are also able to tailor your approach. For example, bidding for ads during certain times of the day only.

Search advertising is usually run as a Vickrey auction model, so advertisers place bids to appear based on certain criteria. The advertising platform determines when ads are eligible to appear and serves them as is appropriate. The advertiser then pays the advertising platform when their ad is clicked on.

Advertiser	Bid price	CPC
A2	$3.00	$2.51
A1	$2.50	$2.36
A3	$2.35	$2.06

Figure 18.18 Three advertisers bidding on the same key phrase

With search advertising, the advertiser:

- Creates the copy for an advertisement
- Determines the landing page for the advert
- Selects the keywords or criteria for which that advertisement should appear
- Chooses the maximum amount, the cost per click (CPC), that they are willing to pay for a click on the ad. Alternatives to setting a bad limit based on CPC are to set a Maximum CPA, or to Target Return on ad spend.

The advertising platform:

- Checks the ad for compliance with editorial guidelines
- Displays the ad for relevant search queries or other criteria
- Determines the rank of the ad based on the advertiser's maximum bid and the relevance of the ad (which includes factors such as clickthrough rate, ad copy, keyword, and landing page relevance).

In Google Ads, you are able to set budgets for your campaign and decide on your CPC bids for your keywords. You can set daily or monthly budgets. Once your total is reached, your ads no longer run, so you can be sure that you never overspend. If you are concerned about overspending, you can set a daily budget. However, this can mean that your ads may not run as often as you may like them to.

18.6.1 Conversion and clickthrough rates

Search engines look at factors such as relevancy to try to ensure that it is not just advertisers with deep pockets that can land the top ad listing. Search engines need to ensure that users find the ads relevant, otherwise they'll be less likely to click on them, and no click means no revenue for the search engine.

Studies repeatedly show that 46% of clicks go to the top three paid ads in search results (Webfx, 2021). Competition for these top spots can be fierce and the cost per click can be very high.

Ads at the top of a page, generally have the following qualities:

*   They are very relevant to a user's search query
*   They have relevant and meaningful ad extensions
*   They have a good quality score. The ad and landing page are high quality and focus on relevance and usefulness.
*   The ad placed meets the Ad Rank Thresholds, the minimum requirements.
*   The ads are aligned to the user's needs (e.g. preferred device, time of day)
*   They consistently perform well, with high CTRs over time
*   The CPC bid is competitive and outbids other ads of the same quality (Google Ads, n.d.).
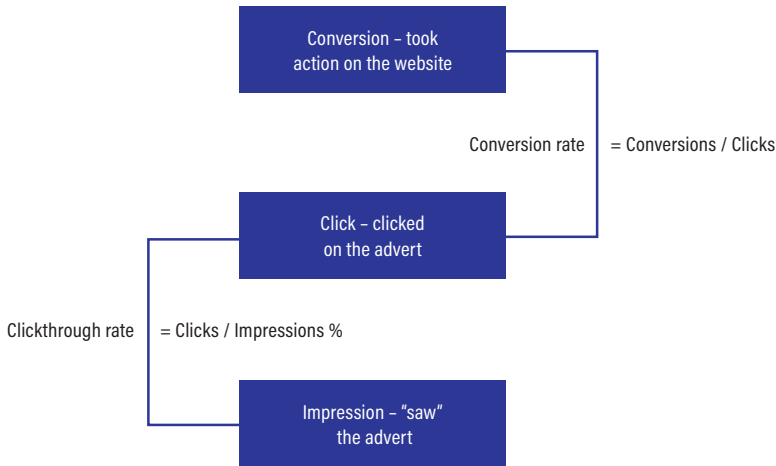
Figure 18.19 An image illustrating clickthrough and conversion rates

18.6.2 The bidding process

Advertisers need to determine the maximum they are willing to pay for a click on their ad, and they need to decide this for each keyword they enter for an ad. This bid is the maximum cost per click (max CPC).

However, this will not necessarily be the CPC that the advertiser must pay for a click. Every time a search query is entered, the search engine runs an auction to determine the placement of the ads where advertisers have bid on that search term. This auction is known as a generalised second price (GSP) auction, which is a variation on the Vickrey auction. The highest bidder gets the first slot, the second highest the second slot, and so on. Higher positions are more valuable, in the sense that they generate more clicks, and the GSP allocates these positions in order of bid size. Each advertiser's payment is determined by the next highest bid.

In the GSP auction, each advertiser will pay the bid of the advertiser below him, plus a standard increment (typically US $0.01), for a click on their ad.

Google AdSense has transitioned to the first-prize auction from the end of 2021. According to Google this will help advertisers simplify how they buy online ads.

18.6.3 Ads Quality Score

When it comes to ranking, it's not quite as simple as that. It rarely is!

The search engine doesn't only take the bid an advertiser places on a keyword into account; there are a number of other factors that come into play. In the case of Google Ads, this is known as Quality Score. Quality Score is a diagnostic tool meant to give you a sense of how well your ad quality compares to other advertisers. Quality Score is applied on keyword, ad group, and account level. It is important that your entire account has a good Quality Score, as it affects ranking and the cost per click.

Figure 18.20 The Google Adwords quality score

The Quality Score is ranked on a scale from 1–10 and available at the keyword level. The score is calculated based on the combined performance of these three components:

1. **Expected CTR:** The likelihood that your ad will be clicked when shown
2. **Ad relevance:** How closely your ad matches the intent behind a user's search
3. **Landing page experience:** How relevant and useful your landing page is to people who click your ad.

Another way to think of the Quality Score is as a discount that is applied to your campaign. For instance, an ad with a great Quality Score can achieve a top position at a lower bid than a competing ad with a poor Quality Score. For example, an advertiser with a Quality Score of 5 will have to pay twice as much for a certain position as an advertiser with a Quality Score of 10.

18.7 TRACKING

In order to report on campaigns, from start to conversion, you need to use appropriate conversion tracking. Conversion tracking is usually accomplished with a small tracking pixel that is placed on the conversion confirmation page of the website.

Google Ads offers conversion tracking tags, which will allow you to report on ads campaigns from impression through to conversion. The ads interface provides a wide range of useful reports.

In order to track many other networks, however, third-party tracking needs to be used. Most ad-serving technology will also enable pay-per-click tracking, usually at a nominal additional cost per click. Running display campaigns through these networks has an added benefit; you can access reports about how campaigns might influence each other.

If you are sending traffic to a website that uses Google Analytics, you can use campaign tracking to track and report on campaigns that are driving traffic to the site. It is best practice to link your ads and analytics accounts to share information across these platforms. For example, link the cost PPC in Google Analytics and some basic analytics information in ads.

18.8 IMPLEMENTING A SEARCH ADVERTISING CAMPAIGN

To have a successful search advertising campaign, you need to do more than just running an advert anytime. You need a plan that speaks to your business' marketing strategy.

18.8.1. Do your homework

For a successful campaign, you need a full online and offline analysis of the business, customer demographics, industry, and competitors. While it is relatively quick to set up a campaign, pre-planning will show dividends later. You need a brand, an identity, and a clear, unique selling point. You get only three lines to advertise, so you need to make sure you know what must be included and how to make the most impact.

18.8.2 Define your goals

You need to know what you want to achieve with your search advertising campaign. Branding campaigns, for example, are very different from campaigns to increase sales. What do you want users to do once they click on your ad?

18.8.3 Budget, Cost Per Action (CPA), and targets

Determine how much you are willing to spend to achieve your goal, your target CPA. Decide how much budget you are going to allocate to your search advertising campaign. If your goal is to increase revenue, your budget may be unlimited as long as revenue is increasing and you are within your target CPA.

18.8.4 Keyword research

You need to determine which keywords potential customers are likely to use when searching for the service that you offer. Along with that, you need to know:

• Which common misspellings or typos a customer might use
• Which words would show that they are not likely to purchase from you, such as 'free' and 'cheap'

- How to bid. Look at expected volumes for your keywords. There are also tools that will show you similar or related keywords, so you can expand your keyword list even further.

See **section 18.11 Tools of the trade** for some suggestions.

18.8.5 Write the ads

Using your keyword research, write compelling ad copy to promote your products. Ads can be unique to one keyword, or you can group them and have a number of keywords for one ad.

Make sure you use an appropriate display URL and that you target the landing page for each ad.

18.8.6 Place your bids

Based on your goals and keyword research, set the maximum bids for your keywords. Don't set these too high at this stage as you'll tweak the bids as you test your campaign. Don't make them too low either; you won't get much traffic, which could negatively affect your Quality Score. Test your ad to find the right balance in line with your goals. Ads also provides tools that can help to guide your decisions.

18.8.7 Tracking

Get your tracking tags in place, especially any conversion tracking tags. Make sure that you are consistent in your tags. Also, try to be as descriptive as possible while still being logical.

18.8.8 Measure, analyse, test, optimise!

With tracking in place, you can analyse your ROI down to a keyword level, and then focus your campaign and budget on the keywords that are converting best.

Consider how changing the text, image, or video of your ad could increase the CTR or your conversion rate. Test different landing pages to see what converts better.

Test the networks too. Your Bing campaign may perform better than Google, or your Facebook account may drive cheaper traffic. Always keep your goals in mind and work, work, work to achieve them.

18.9 ADVANTAGES AND CHALLENGES

There are many reasons why search advertising can be an excellent addition to any digital marketing strategy. For example:

- **No to low cost barrier:** You pay only for traffic, there are usually no setup fees involved, and all the tools you need to start out with can be accessed for free.
- **Tracking every cent:** Search advertising allows you to track your advertising spend down to a keyword level, so you can learn what works and what doesn't on a micro scale.

- **Targeted advert placement:** You can make your advertising relevant by using filters, targeting your ads to specific users, or even in the way you use keywords and match types.
- **You're giving your customers what they want:** You can put your advert in front of users who are searching for your product, allowing you to provide a solution, as opposed to creating an interruption.

Search advertising campaigns are quick to set up, can provide high volumes of traffic, and are highly trackable. But there are some pitfalls that you should be aware of.

Click fraud

Click fraud occurs when your advert is clicked on by users who are not legitimate potential customers. Because an advertiser has to pay for every click, sometimes unscrupulous competitors can click on the ad to force the payment. There are even automated bots that can click on ads, costing advertisers millions.

Thankfully, search engines have taken measures to combat click fraud. Therefore, it is no longer widely prevalent. Advertisers can report suspected click fraud, and the search engines will refund invalid or fraudulent clicks after investigation.

> **NOTE**
> Fraud protection software does exist to help reduce click fraud. There are many options to choose from.

How to detect this? Keep an eye on your campaign. Any sudden leap in CTR should be investigated, and you should pay particular attention to drops in the conversion rate, which would indicate potential fraud. Pause the campaign if you suspect fraud, and alert the search engine.

Bidding wars and climbing CPCs

High-traffic keywords are expensive, and the battle to stay on top means that the CPC of these keywords is escalating. Convincing yourself that it's number one or nothing can result in burning through your campaign budget quickly with little to show for it.

Keep focused on your campaign goals and ROI, and keep investigating to find less expensive niche keywords that work for you.

Keeping an eye on things

Search advertising campaigns require a lot of monitoring and the bigger your campaign gets, the more time this takes. Search advertising can provide a fantastic ROI, but you need to check in and tweak regularly to make sure that it continues to perform for you.

18.10 MEASURING SUCCESS

How do you know if a campaign is performing well? You may think that more clicks are better, but is this necessarily the case? Being in the top position means that you may pay more per

click. When your advertising budget is limited, it is often more cost effective not to bid too much for your keywords and to occupy the lower ad positions. Because you'll pay less per click, you can achieve more clicks and potential customers for your limited search advertising budget.

Advertisers need to consider what users do after clicking through to the advertiser's website from the search engine. When planning a search advertising campaign, it is crucial to set the goals of the campaign upfront, and to ensure that these are attainable. With a goal set up, the advertiser can track how many of the users that clickthrough to the website follow through to that goal. This is called a conversion.

Goals could be:

- Buying a product
- Filling in a form or quote
- Downloading a white paper
- Sending an enquiry
- Booking a flight.

We know that the CTR of an ad is the number of clicks out of the total impressions. The conversion rate of an ad is conversions divided by clicks. The cost per action, or the cost per each conversion, is the total cost of the campaign divided by the number of conversions. The average cost per click is the total cost of the campaign divided by the number of clicks.

As the advertiser, you also need to know the value of each conversion. If the value of a conversion is less than the cost of achieving it, you effectively lose money with every conversion. Knowing the value of a conversion to your business, will enable you to run search adg campaigns profitably.

	Impressions	Clicks	CPC	Total Cost	CTR	Conversions	Conversion Rate	CPA
A	1134	55	$ 0.89	$ 48.95	5%	5	9%	$ 9.79
B	1134	123	$ 1.36	$ 167.28	11%	11	9%	$ 15.21
C	2256	225	$ 0.89	$ 200.25	10%	11	5%	$ 18.20

Figure 18.21 Adjusting bidding strategies based on business principles

You also want to look at your share of voice, which is your brand's share of the total advertising exposures for that sector or product type. This helps you measure how visible you are during your campaign.

18.11 TOOLS OF THE TRADE

The foundation of search marketing is keyword research, and there are a number of tools that will help you grow your keyword list and determine keyword volumes. Some are free and some require payment. All these tools should be used as guidelines only. They usually provide

trends and estimates, rather than specific values. Test the data with your own campaigns to determine what works best for you.

Ad management tools

- Google Ads Editor: google.com/intl/en/adwordseditor.

Keyword volume tools

- wordtracker.com
- tools.seobook.com/general/keyword.

Keyword suggestion tools

- adwords.google.com/keywordplanner (free account required)
- keyworddiscovery.com/search.html
- tools.seobook.com/keyword-tools/seobook.

Google Ads has an Ad Preview Tool, which allows you to see whether your ad is appearing on the page without using the search engine and thereby skewing quality score data. This can be accessed at google.com/AdPreview.

Some paid services that aid with keyword research are:

- moz.com/explorer
- advancedwebranking.com
- Also consider other ways to research your industry and brand (e.g. Google Trends) (google.com/trends) can show keyword search volume over time.

Spreadsheets, such as Microsoft's Excel, are useful to aid you in building your keyword lists. Getting to grips with functions, such as Concatenate and Vlookup, will be useful.

18.12 CASE STUDY: FROOITION

Frooition provides creative services and apps for more than a quarter of a million customers around the world.

One-line summary

Frooition, a web design firm, increased conversions and cut costs by optimising its PPC and SEO campaigns.

The problem

Frooition wanted to overhaul their SEO and PPC efforts so that they could maintain their current levels of sales conversions while simultaneously reducing their marketing budget.

The solution

The company partnered with Vertical Leap to change their SEO and PPC campaigns. The company solution operated on several levels:

- They found that eBay was limiting exposure of Frooition ads and requested removal of the restriction placed on the ads.
- They restructured the entire account using historical data so that they could better focus budget. Keywords that didn't work well were removed, and keyword match types were refined to better targeted search terms.
- They wrote new ad copy to match the new structure of the account and improve the keyword quality score.
- They adjusted the ad schedule so that high-performing hours of the day were targeted.
- They created new ad extensions to highlight USPs and improve clickthrough rates.

The results

Because they removed poorly performing keywords and refined targeting, they decreased the number of impressions by 33% and reduced overall spend by 65%.

The quality score improved dramatically, and cost per click was reduced by 52%.

The changes to ad copy and ad extensions, along with the targeting, increased the clickthrough-rate and conversions also rose.

In summary:

- Cost per conversion dropped by 70%
- Total conversions increased by 21%
- Conversion rate went up by 65%
- Overall costs dropped by 65%
- Clickthrough rate increased by 69% (Digital Training Academy, 2016).

By using data and actionable insights carefully, Frooition and Vertical Leap radically improved the PPC campaign.

18.13 CASE STUDY QUESTIONS

1. Explain why Frooition's ad campaign was trying to reduce the number of impressions?
2. Discuss which aspects of best practice worked together here to achieve the desired effect.
3. Explain how the use of data helped Frooition develop solutions in these areas:
   3.1 Exposure
   3.2 Budget
   3.3 Schedule

18.14 THE BIGGER PICTURE

Search advertising and search engine optimisation (SEO) should go hand in hand to create an effective search engine marketing strategy.

> **NOTE**
> Learn more about this topic in
> **Chapter 5: Search engine optimisation.**

Search advertising is an excellent source of keywords and conversions. This insight can be used to improve a site's SEO, as you will already know the relevance of these keywords to your intended audience. In turn, improved SEO rankings and social media interactions can help to reduce the CPC of your search advertising campaign, improve your Quality Score, and raise your CTRs throughout.

Search advertising can help to give your brand immediate search engine presence for your offline campaigns, when these might not yet be highly ranked in the natural search results. Search advertising can also be used together with online crisis management. If a company is unable to combat negative search results through the natural rankings, they are always able to bid for search ads that can present their view.

Having a firm grasp of search advertising on search engines will provide a good foundation for running digital advertising campaigns across other networks and ad types.

18.15 SUMMARY

Search advertising is advertising on the results pages of search engines; it is where an advertiser typically pays for each click on an ad. These ads consist of text, links, and ad extensions. They are listed above and alongside the organic search results and are marked as ads so that users are aware that these are paid-for listings.

Search advertising is targeted according to keywords, demographics, behaviour, or interest. On search engines, the CPC is determined by an auction.

The success of an ad may be determined by its CTR, but the success of a campaign will be determined by its conversion rate and its ability to achieve a target CPA. After all, it's not enough for users just to click on your ad; you want them to take specific actions on your site once they get there.

18.16 CHAPTER QUESTIONS

1. Why would competitors commit click fraud?
2. When should you use certain search types for ads, and why would this matter? How does it affect the number of conversions?
3. Why should one use relevant landing pages when running a search advertising campaign, and how does this affect the number of conversions?

18.17 FURTHER READING

ppchero.com – This website contains practical step-by-step guides to improving your search campaigns and provides regular posts on all things search marketing.

searchengineland.com – This blog covers not only search advertising, but the entire spectrum of search engine marketing, providing useful insights for all your search activities.

support.google.com/googleplay/android-developer/answer/9857753?hl=en – This is where you can find information related to Google Ads and other search advertising concepts.

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18.19 FIGURE ACKNOWLEDGEMENTS

Figure 18.1: Screenshot, Google, 2022

Figure 18.2: Screenshot, Google, 2022

Figure 18.3: Screenshot, WordStream, 2022

Figure 18.5: Screenshot, Google, 2022

Figure 18.6: Screenshot, SocialSafe, 2022

Figure 18.7 – Figure 18.17: Screenshot, Google, 2022

Figure 18.20: kparser.com/adwords-quality-score/

Frooition logo: frooition.com

19

ONLINE AND DISPLAY ADVERTISING

In this chapter, you will learn:

- About the various business objectives you can meet with online advertising
- About all the various ad formats, payment models, and ad types available
- How and where to publish your ads
- How to run an online ad campaign step by step.

19.1 INTRODUCTION

Digital advertising, simply put, is advertising on the internet. It can be found anywhere you access the web; the majority of this form of advertising is now found on mobile. Digital

advertising, also known as online advertising, is an integrated approach to advertising, focusing on desktop, tablet, and mobile devices. This includes display ads found on websites, ads on search engine results pages, ads placed in emails and on social networks, video and content advertising, and other ways in which advertisers use the internet.

The terms 'digital advertising' and 'online advertising' are used interchangeably in this chapter.

The main objectives of online advertising are to increase sales, improve brand awareness, engage customers, and raise share of voice in the marketplace. It is based on the simple economics of demand and supply. Advertisers aim to stimulate a consumer need (demand) and then satisfy that need (supply).

Online advertising follows web user behaviour. Advertisers want to place their ads where potential customers will see them. Digital advertising is not limited to one specific medium or location; it can be placed almost anywhere on the web and can consist of images, text, videos, interactive elements, and even games.

Although the internet provides new scope for creative approaches to advertising, we see its advantages when we realise how trackable, and therefore measurable, internet advertising is. It is possible to track all interactions with the ad itself: the number of impressions served, how many clicks it received, post-click AdView

data, and how many unique users were reached. This leads to valuable data that can be used to make sensible, effective business decisions.

19.2 KEY TERMS AND CONCEPTS

Table 19.1

Term	Description
Ad server	The technology that places ads on websites.
Animated GIF	A GIF (type of image file) that supports animations and allows a separate palette of 256 colours for each frame.

Banner	An online ad in the form of a graphic image that appears on web pages and mobile sites
Clickthrough rate (CTR)	Clicks / impressions, shown as a % conversion. A visitor completing a target action.
Cost per acquisition (CPA)	Sometimes called cost per lead. The cost of acquiring a new customer.
Cost per click (CPC)	When an advertiser pays only after their ad is clicked on, giving them a visitor to their site typically from a search engine in pay-per-click search marketing or programmatic CPC buying engines.
Cost per mille/ thousand (CPM)	Paid advertising option where companies pay a price for every 1000 impressions an ad receives.
Display network	A collection of content websites that serve pay-per-click ads from the same provider, such as Google Ads. Other bid options on the Display Network include impressions, viewable impressions, and conversions.
Google Ads	Google's PPC program, which allows advertisers to display their ads on relevant search results and across Google's content network.
HyperText Markup Language (HTML)	A language read by web browsers. Certain HTML 'tags' are used to structure the information and features within a web page.
Internet Protocol (IP) address	An exclusive number which is used to represent every single computer in a network.
Internet service provider (ISP)	The company that provides you with access to the internet (e.g. MWEB, Verizon, AT&T).
Key performance indicator (KPI)	A metric that shows whether an objective is being achieved.
Paid search advertising	Usually refers to advertising on search engines, sometimes called PPC advertising. The advertiser pays only for each click of the ad.
Tracking	Measuring the effectiveness of a campaign by collecting and evaluating statistics.
Tracking code	A piece of code that tracks a user's interaction and movement through a website.
Traditional media	Media that is not digitally based or bought through digital metrics; these include TV, print, radio, magazine, activation, and out of home (billboards).

Unique selling point (USP)	What makes your offering different to your competitors'.
Web analytics	A software tool that tracks, analyses and reports data to measure web activity.
Web browser	What allows you to browse the web (e.g. Chrome, Firefox, Microsoft Edge, and OperaMini).

19.3 OBJECTIVES

Advertising online has a number of objectives; let's explore them.

19.3.1 Building brand awareness

Making users aware of a brand or product is an important long-term goal for any marketer. Once customers know about it, they are more likely to trust the brand. The more frequently a brand message is seen, the higher the recall on the brand, ad, or tag line. The better known a brand is, the more business it can do. Brand awareness drives recall at the point of purchase or when considering a brand to use. Its ultimate goal is to sell more of the product or service.

> It is worth noting that despite low clickthrough rates, online advertising does drive awareness because the ad is seen even if it isn't clicked. This is highly relevant when using programmatic engines to drive affiliate-based marketing tactics. This moves away from the 'old school' CPM buy. Refer to the section on advertising exchanges and programmatic buying for more context.

Digital advertising is largely visual, making it an ideal channel for promoting brand imagery. Brand imagery is the result of all the visuals that represent your brand's identity. The images are more than just visuals; they convey an emotion in the viewer, also know as 'brand feelings.' Your brand image, however, refers to how your brand is perceived on the outside and the reputation it has in the world (Reid, 2019).

NOTE
Brand awareness is essential for launching a new brand or product or approaching a new audience. Read more about brand awareness in this article: blog.hubspot.com/marketing/brand-awareness.

> Apple, for example, hosts an entire event dedicated to announcing its new releases. Other brands, such as Coca-Cola or Kleenex, have become so well-known that they replaced the generic terms, such as cola or tissue. These terms as known as propriety eponyms. Another popular enonym is band-aid. While BAND-AID is the name brand that makes adhesive bandages, most people use the term to refer to any adhesive bandage, regardless of who makes it.

Figure 19.1 Banner ads that raise awareness, such as this 2020 award winning banner from Swedish company ATG

19.3.2 Creating demand

Creating customer demand is a three-step process: inform, persuade, and remind. Consumers can't want what they don't know about. Advertising needs to convince them that they want something and let them know why they should want it. Online advertising provides a great way to communicate the unique selling points (USPs) of a product, helping to stimulate demand and reminding consumers about the product and why they want it.

Figure 19.2 A banner ad that creates demand for a new product

19.3.3 Satisfying demand

Once consumers want a product, they need to find out how to satisfy that desire. At this point, it is important for the marketer to show the consumer how a particular brand or product will best meet that need. Search ads are usually most useful for this (see **Chapter 18: Search advertising** for more information).

Figure 19.3 A search ad that meets the customer's need to save money

19.3.4 Driving direct response and sales

All forms of digital marketing need to drive traffic and sales in the long term. However, the immediacy of online advertising also drives traffic and sales in the short and medium terms. Unlike traditional media advertising, online advertising can turn the potential customer into an actual customer right there and then. Better still, it is possible to measure accurately how effective the online advertising campaign has been in this regard.

19.4 THE KEY DIFFERENTIATOR

Online advertising is able to drive instant sales and conversions. Unlike other advertising mediums, the consumer can go from ad to merchant in one easy click. Because of the connected nature of the internet, online activities are highly trackable and measurable, which makes it possible to target ads and to track and gauge the efficacy of the advertising accurately. Each ad can be tracked for success.

The long tail of successful tracking also ensures that the user is tracked from the start of their journey to their final purchase, which might not be in the traditional 'awareness to sale' funnel. Google has called this principle 'attribution modelling', and it is based on the premise that a certain digital channel might be better at assisting in purchase than another, at a certain time, in a certain chain of interactions with the brand.

For example, a user might see a display ad for the VW Golf at the beginning of the month, but not click on it. Later in the month, they receive a raise and decide to purchase a new car, the VW Golf comes to mind. They search for it and click on a Google search ad to view the vehicle on the website and evaluate costs. Then, they visit a number of other vehicle websites. A week later, they see an ad on Facebook for the VW Golf on a 2% below prime sale, so they click on it and fill out the lead form for the dealer to call them. This demonstrates how different media might play a part in bringing the sale or last click attribution.

19.5 TYPES OF DISPLAY ADS

There are many different ways to display ads in digital. Some common options include Responsive Display Ads (RDAs), banner ads, interstitial banner, op-ups and pop-unders, floating ads, wallpaper ads, map ads, video ads, native content, and sponsored content.

19.5.1 Responsive Display Ads

Responsive Display Ads (RDAs) enable an advertiser to create ad assets that Google can optimise for different user interface options and for varied placement options. These assets are combined and displayed on the Google Display Network (GDN).

> **NOTE**
> For a detailed guide on how to create a RDA, click here: support.google.com/google-ads/answer/7005917?hl=en.

The assets include:

- **Images:** A minimum of 2 and a maximum of 15 high-quality images. Image specifications are prescriptive:
  - Files formats must be PNG, JPEG, or GIF and cannot be larger than 5120 KB.
  - 80% of the image must be clear of text and other elements.
  - An ad must have at least two images, where one must be landscape and the other square. (Google recommends using at least 5 images and they provide a list of recommended image sizes that prove popular on the GDN).
  - Images must be larger than 600 × 314 (landscape) and larger than 300 × 300 (square). The ratio for a landscape image must be 1:91:1.
  - To make images animated, HTML code must be used (or AmpHtml for mobile).
- **Short headlines**: The first line of your ad. You can create up to 5 headlines that are under 30 characters.
- **Long headlines:** Here you have up to 90 characters to draw the user's attention.
- **Business name:** The full business name with the correct spelling and punctuation.
- **Logo:** Specifications are prescriptive. The rules are:
  - More than one logo can be uploaded
  - There is a preference for logos that are 1 200 × 1 200, but the minimum requirement is 128 × 128
  - As with images, the file size for a logo may not exceed 5120KB.
- **Video:** Link to a YouTube video that is 30 seconds or less.
- **Final URL**: Leads the user to the final destination (e.g. a website landing page)
- **Descriptions:** Up to 5 descriptions that act as the hook for the ad.
- **Optional extras**: Add a CTA, an additional URL, and/or promotional text.

> **NOTE**
> For a deeper dive into this topic, visit the Hootsuite website here: help.hootsuite.com/hc/en-us/articles/1260804248710-Create-a-Google-responsive-display-ad-campaign.
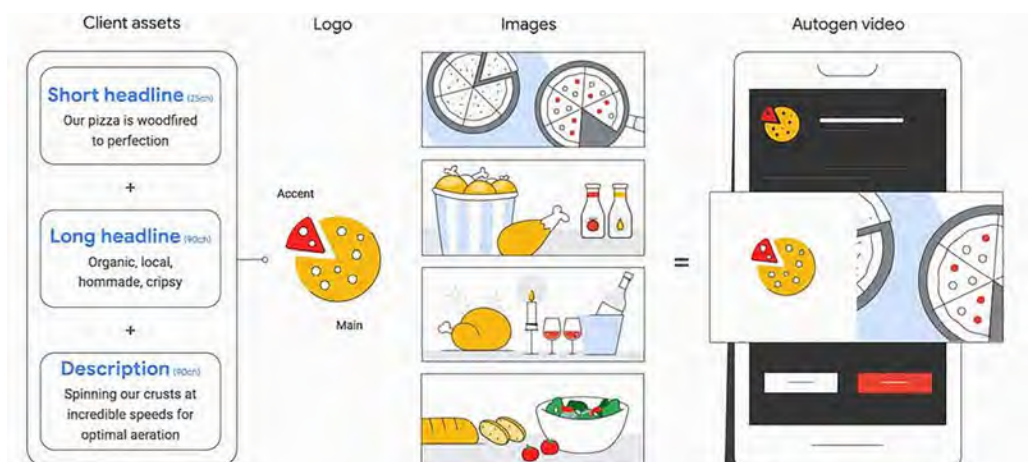
Figure 19.4 An image of a responsive display ad from Google Support

Not only do RDAs adapt and respond to the user's interface, they can also be used to target the user's specific interests, and preferences. Find out more about Google Dynamic Remarketing campaign here: support.google.com/google-ads/answer/3124536?hl=en.

19.5.2 Banner ads

A banner ad is a graphic image or animation displayed on a website for advertising purposes. Static banners are in GIF or JPEG formats, but banners can also employ rich media such as video, JavaScript, HTML5, and other interactive technologies. These allow the viewer to interact and transact with the banner. Banners are not limited to the space that they occupy; some expand on mouse-over or when clicked, some capture data within the banner.

Comparatively, Rich Media Ads offer a far more robust build. Explore the features and affordances of Rich Media Creative Ads here: support.google.com/richmedia/answer/2417545?hl=en#zippy=%2Cbanner%2Cdynamic-creatives%2Cexpanding.

> **NOTE**
> Rich Media ads come in many formats available on Google Display and Video 360. To see examples of these powerful interactive ads, visit the Rich Media Gallery here: www.richmediagallery.com/formats.

Standard banner sizes

There are standard sizes (measured in pixels) for static, animated, and rich media banner ads. Creating banners in these sizes means the ads can be placed on many websites; advertisers sell space in these sizes as well. Though these

> **NOTE**
> For more on Banner specifications, click here: support.google.com/google-ads/answer/1722096?hl=en#zippy=.

are still an option, most advertisers currently make use of Responsive Display Ads for their display campaigns.

Banners may be animated, static, or HTML5 (or AMP HTML for mobile users), but must be under 150 KB in file size. The standard formats are:

- Banner (468 × 60)
- Small square (200 × 200)
- Square (250 × 250)
- Large leaderboard (970 × 90)
- Half-page ad (300 × 600)
- Skyscraper (120 × 600)
- Wide skyscraper (160 × 600)
- Large rectangle (336 × 280)
- Inline rectangle (300 × 250)
- Leaderboard (728 × 90).

All ads need to be supplied with a destination URL. Some rich media ads allow for multiple destination URLs.

19.5.3 Interstitial banners

Interstitial banners are banners shown between pages on a website or, more often, between screens on an app. As you click from one page to another, you are shown this ad before the next page is displayed. The user is given the option to close the ad. Google has strict rules for this format. They penalise, for instance, when interstitial ads do not appear during a natural transition, but while the user is browsing or in the middle of as task at hand (e.g. when playing a game or buying a product). Read more about it here: support.google.com/admob/answer/6201362?hl=en.

Figure 19.5 A disallowed interstitial ad between screens
on a mobile app, from Google Support

Pop-ups and interstitial ads rank lower on Google's SERP, since users tend to dislike those ads. If deemed intrusive to the user's experience, Google will devalue the website. These formats must be implemented with the user's experience in mind.

19.5.4 Pop-ups and pop-unders

As the name suggests, these are ads that pop up, or under, the web page being viewed. They open in a new, smaller window. You will see a pop-up straight away, but will probably become aware of a pop-under only after you close your browser window.

These were very prominent in the early days of online advertising, but audience annoyance means that there are now 'pop-up blockers' built into most good web browsers. This can be problematic as sometimes a website will legitimately use a pop-up to display information to the user. Pop-ups still occur now and then on mobile phones or when visiting somewhat unethical sites.

19.5.5 Floating ads

Floating ads appear in a layer over the content, but are not in a separate window. Usually, the user can close this ad. In fact, best practice dictates that a prominent close button should be included on the ad, usually in the top right-hand corner. Floating ads are created with HTML or Rich Media, and float in a layer above a site's content for a few seconds. Often, the animation ends by disappearing into a banner ad on the page. These days many sites are using pop-ups to encourage newsletter sign-ups or social media likes rather than to advertise products.
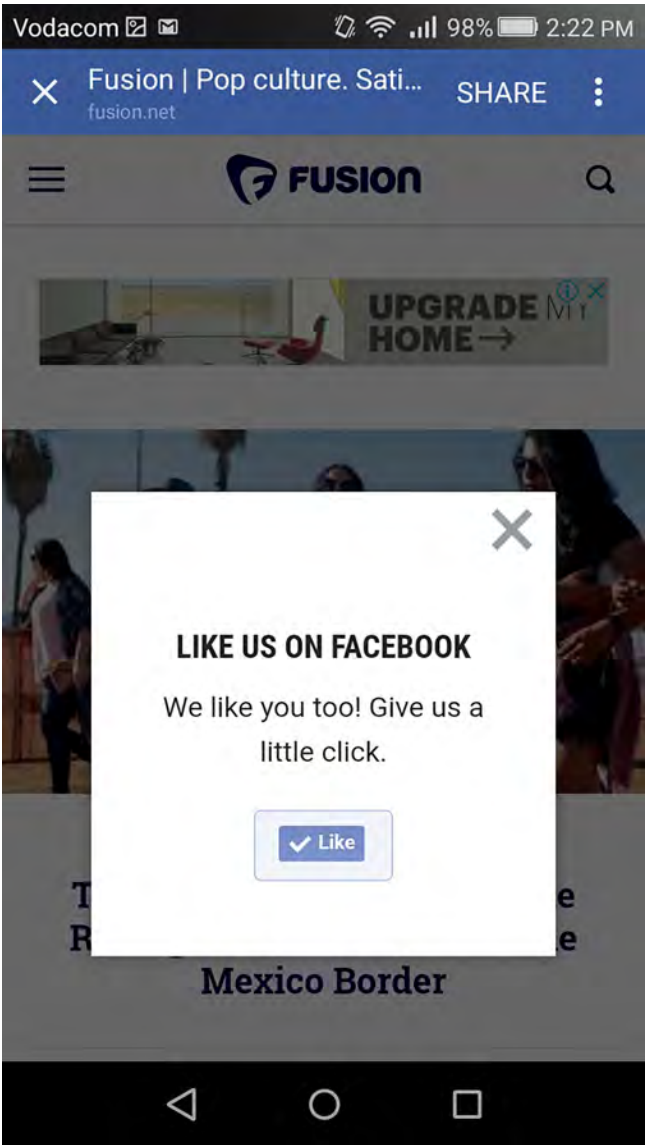
Figure 19.6 A floating ad on Fusion.net mobile

19.5.6 Wallpaper ads

This ad changes the background of the web page being viewed. It is sometimes possible to click on an ad of this type, but not always. Wallpaper ads are purely impression-based strategies and used exclusively for brand or product awareness objectives.

19.5.7 Map ads

This is advertising placed on an online map, such as Google Maps or Waze. This type of ad is ideal for local businesses and is usually based on keyword searches for the brand's offering.

19.5.8 Video ads

Video campaigns are excellent for driving traffic to your site and for increasing awareness. As explored in **Part 3: Creating**, video is a powerful marketing format. Video placements are available on the Google Display Network. Google Ads target devices such as Smart TV and DSTV. Common display formats for this are video and banner ads. Also, TrueView In-Stream ads run on YouTube and on some Google Display Networks. To find out more about this option, click here: support.google.com/google-ads/answer/2404190?hl=en.
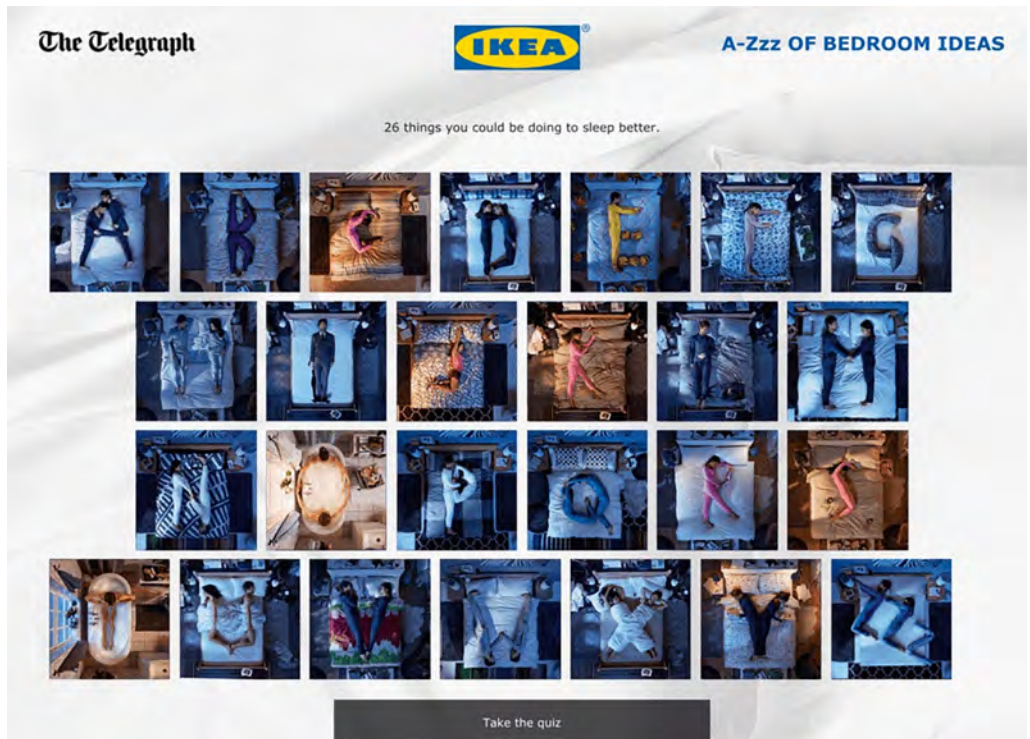
Figure 19.7 Native content from IKEA®

19.5.9 Native content

Native content advertising is the online version of advertorials. This is where the advertiser produces content that is in line with the editorial style of the site, but is sponsored, or in some way product endorsed, by the brand. Video is an increasingly popular method of native advertising. Great examples of this exist on Buzzfeed.com.

19.5.10 Sponsored content

Sponsored content advertising exists at the bottom of articles you read online. This is where the 'suggested articles' posts appear. In most cases, this is paid-for promotion. Advertisers pay to have their content promoted under certain categories of sites or articles.

19.6 PAYMENT MODELS FOR DISPLAY ADVERTISING

As well as a variety of mediums and formats, there are also a number of different payment models for display advertising.

19.6.1 CPM

CPM stands for cost per thousand impressions (M is the Roman numeral for a thousand). This means the advertiser pays for every thousand times the ad loads on the publisher's page. This is how a campaign is normally priced when brand awareness or exposure is the primary goal.

CPM rates for rich media ads are often based on file size, so rates are usually higher than for standard media ads.

19.6.2 vCPM

If budget is a concern, advertisers can select the vCPM option so that they only pay for the impressions that can be measured as viewable (viewable cost per thousand impressions). Find out more about this strategy here: support.google.com/google-ads/answer/3499086?hl=en.

19.6.3 CPC

CPC stands for cost per click. This means that the advertiser pays only when their ad is clicked on, regardless of how many times it has been viewed. CPC advertising is normally associated

> **NOTE**
> Read more about this in **Chapter 18: Search advertising.**

with search advertising, although it has become very popular in display advertising too, especially when using ad networks. Banners can be priced this way when the aim is to drive traffic and conversions. It is also a payment method sometimes used in affiliate marketing, when the aim is to drive traffic to a new website.

19.6.4 CPA

CPA refers to cost per acquisition. Using this model means that the advertiser pays only when an ad delivers an acquisition after the user clicks on the ad.

Definitions of acquisitions vary, depending on the site and campaign. It may be a user filling in a form, downloading a file, or buying a product.

CPA is often the best option for advertisers because they pay only when the advertising has met its goal. For this reason, it is also the worst type for the publisher, as they are rewarded only if the advertising is successful. The publisher has to rely on the conversion rate of the advertiser's website, something that the publisher cannot control. The CPA model is not commonly used for banner advertising and is generally associated with affiliate marketing.

19.6.5 Flat rate or sponsorships

Large sites with high website traffic, such as Media24 Network, sell priority space that is still available after direct sales efforts. These placements can be purchased on a CPM or on a fixed-term agreement. If this is the case, Google will pay the owner of the website via Google AdSense.

Additionally, owners of lower-traffic sites can sometimes sell banner space at a flat rate, in other words, at a fixed cost per month, regardless of the amount of traffic or impressions. This would appeal to a media buyer who may be testing an online campaign that targets niche markets. A popular way that this is employed is via a homepage or section takeover, in which a brand can buy a homepage takeover on a news portal on the day of an important news event, such as a big sports day or an election.

There are several variations to what a sponsorship on a website entails. Examples include exclusive ads on all the pages and slots on a specific page, newsletter or section, and sponsoring content. Sponsorship means that no other advertiser will appear in that section. Sponsorships are often difficult to measure and are mostly used to raise brand awareness. These can be very effective when launching a new brand.

19.6.6 CPE

With the cost per engagement (CPE) model, advertisers pay for interactions with ads, normally placed in videos or application (e.g. Facebook apps). An interaction, referred to as an engagement, usually starts with a rollover or mouse-over that expands the ad. An engagement can also be a like, comment, share, or other platform-relevant social action.

Once expanded, an ad may contain a video, game, form, or other interactive content. The ad doesn't take the user away from the web page, and marketers pay only when a user completes an action.

19.6.7 What payment model can you expect?

The advertiser rarely has a say over the payment model used. This comes down to the website owner or publisher, advertising type, and other factors, such as the popularity of the site.

CPM favours the publisher, while CPA favours the advertiser. Sometimes, a hybrid of the two payment models is pursued.

High-traffic, broad-audience websites, often referred to as 'premium' or booked media, will typically offer CPM advertising. Examples include web portals such as yahoo.com or news sites such as cnn.com.

Niche websites with a targeted audience are more likely to offer CPC or CPA advertising to advertisers with an appropriate product. These can also fall under the umbrella of affiliate marketing.

As programmatic ad exchanges (a way to purchase digital advertising inventory) take over more of the digital inventory, the CPM and sponsorship buying models are starting to wane in popularity for both advertiser and publisher. The accuracy and cost efficiency with which programmatic uses remnant advertising inventory from sites that sell majority CPM inventory, make it a popular way to target and buy going forward. This style of buying also allows much better targeting of the advertising over time, a big plus for advertisers. This will soon overtake the traditional CPM buy in 100% of cases.

Types of advertising can be seen on a scale from more intrusive (and thus potentially annoying to the consumer) to less intrusive. In the same way, payment models can be scaled from those that favour the publisher to those that favour the advertiser.

When planning a campaign, it is important to know how the advertising will be paid for and what kinds of advertising are offered by publishers. A lot of this can be solved by using a company that specialises in ad serving, media planning, and media buying.

> Which is the best payment model for you? This will depend on the purpose of your ads and the return you expect on your investment. Each payment model can be effective and lucrative if used appropriately.

19.7 GETTING YOUR ADS ONLINE

To get your ads to appear online, you need to find and pay for the space where they will appear. There are several options for doing this:

- Premium booked media
- Advertising networks
- Advertising exchanges and programmatic buying

- Social media advertising placement (see more in **Chapter 17: Social media advertising**)
- Native advertising
- Mobile advertising
- Ad servers.

19.7.1 Premium booked media

Premium booked media works very much in the traditional way of booking advertising. The advertiser contacts the premium media provider (usually a single group that oversees a key, high-profile online space) and discusses options for placing an ad. Usually a costly, high-profile option, this will involve negotiating on targeting and pricing for the space desired.

19.7.2 Advertising networks

An advertising network is a group of websites on which ads can be purchased through a single sales entity. It could be a collection of sites owned by the same publisher. For example, New Line Cinema, Time Inc., and HBO are all owned by Time Warner Inc. Or it could be an affiliation of sites that share a representative.

The Google Display Network is one of the largest advertising networks in the world. The advertising network acts as an intermediary between advertisers and publishers and provides a technology solution to both. As well as offering a centralised ad server that can deliver ads to a number of websites, the networks offer tracking and reporting, as well as targeting.

Advertising networks can categorise the sites by factors such as demographics, topic, or area of interest. Audience targeting is a particularly useful option, in which an ad can be targeted according to remarketing lists, custom lists, or interest categories. Advertisers pay to advertise in specific channels and not in individual sites.

In general, audience targeting is preferred to placement targeting. Usually, the campaign will then be optimised based on the best converting sites or on the objectives of the campaign. Rates are often negotiated with the network, and placements are booked over a period of time.

> **NOTE**
> For those just starting out and learning the ropes, Google recommends using conversion as your objective.

19.7.3 Advertising exchanges and programmatic buying

Advertising exchanges are where unsold advertising space, called inventory, is placed by publishers for bidding. The inventory is sold to the highest bidding advertiser. This type of advertising gives advertisers far more control and mimics the PPC model of search advertising (GSP auction). However, bids are for audience profiles and space rather than for keywords. It allows publishers to fill unsold inventory at the highest available price, and can give smaller advertisers access to this inventory.

Programmatic buying is the automated purchasing of digital advertising space using software. This is much more efficient than the old process of human ad buyers and salespeople, and therefore it is also cheaper. Programmatic buying can happen in advance from specific publisher sites or in real time bidding.

Real time bidding is one kind of programmatic ad buying in which ads are bought on a per-impression basis through real time instantaneous auctions.

Programmatic buying is exciting because it makes targeting much easier. It uses small predictive analysis to present your ads to the most likely optimal target market, and then evolves from there, based on what is working best. This frees marketers up to focus on KPIs, creative strategy, and other aspects.

19.7.4 Social media advertising

Many social media platforms offer an advertising option, as this is their primary source of revenue. Social media can be an excellent place to reach prospects because you can usually target very accurately based on user-provided demographic information.

> **NOTE**
>
> Read more about this in **Chapter 17: Social media advertising.**

19.7.5 Native advertising

Native advertising is presenting advertising in a way that matches the platform on which it is presented and that meets audience expectations for that platform. It is an indirect promotion of the brand or product, focused primarily on providing value to a specific readership, but it differs from content marketing in that it is paid. Essentially, it is paid advertising that works very hard not to disrupt the user experience. In its ideal form, this means the user is presented with useful, engaging content, that in turn is much more compelling than a banner ad.

It can look like paid search ads on a search engine, sponsored content like on LinkedIn or Facebook, or promoted listings, like on Twitter. However, it more closely resembles content than advertising.

19.7.6 Mobile advertising

Mobile advertising is no longer something that should be considered in isolation. While there are still mobile-online networks, online advertising is moving toward real time buying and networks, and so device is becoming just another targeting option. All of the ad options already discussed are also available on mobile. For some interesting stats on mobile ads, visit this website: digitalthirdcoast.com/blog/google-ads-statistics.

Blind networks

These networks target a large number of independent mobile publishers, and generally allow you to target by country or type of content, but not by specific websites. Payment tends to

be on a CPC basis, which can vary. An example of this kind of network is BuzzCity (buzzcity.com). Very few low-cost blind networks exist these days, as they have all been bought up by programmatic engines.

Premium blind networks

Advertising on premium blind networks tends to be more expensive but allows the advertiser to target better-known brands and high-traffic sites. Broadcasters or operator portals fall under this category. Payment here is often on a CPM basis. Millennial Media, now owned by AOL, is an example of a premium blind network. While targeting options are available, different networks can work in different ways, with varying levels of support.

Premium networks

These networks often offer sales as a direct extension of the big brands that they present. More detailed targeting and sales support is available, but they also charge higher rates. They also offer different ad bidding options, such as CPC and CPView for video ads. An example of this kind of network is Widespace.
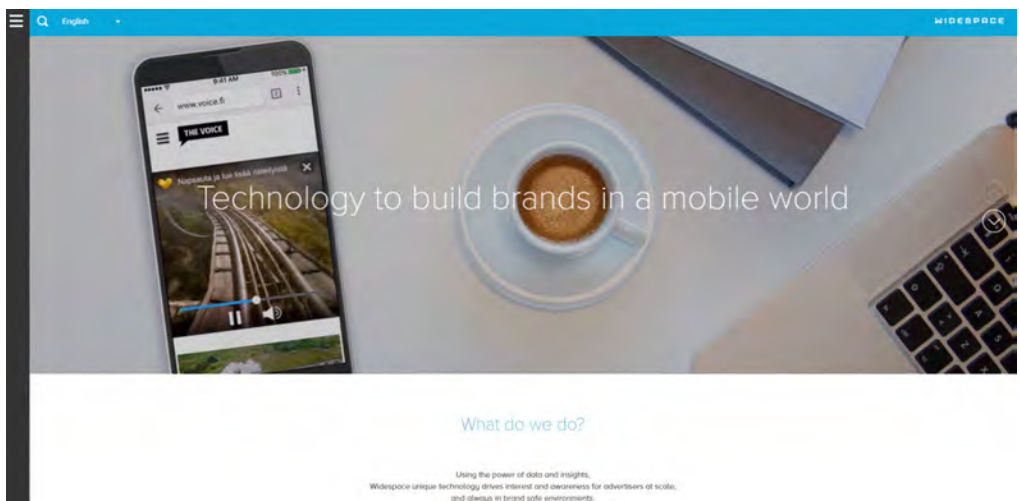
Figure 19.8 Widespace is an example of a premium mobile ad network

Gaming console advertising

A phone isn't the only kind of mobile device. Internet-connected game consoles are also classified as Digital TV, and they allow for advertising. Consoles like Xbox One can replace a cable box, DVD player, stereo, and older gaming consoles, so users of all ages and demographics could find them appealing.

NOTE

For more on in-game advertising read this article www.emarketer.com/content/in-game-advertising-ramping-up-consumers-worried as well as this one: www.fastcompany.com/90743977/sony-advertising-platform-video-games.

19.7.7 Ad servers

Ad servers are servers that store ads and deliver them to web pages. Ad servers can be local, run by a publisher to serve ads to websites on the publisher's domain, or they can be third-party ad servers, which serve ads to web pages on any domain. Ad servers facilitate ad trafficking and provide reports on ad performance. They have two functions: to help publishers manage their ad inventory and to help advertisers monitor and optimise their campaigns.

The benefits of ad servers

Rather than distribute copies of each piece of creative advertising to each publisher or media buyer, you can send out a line of code that calls up an ad directly from the ad server each time an ad is scheduled to run. The agency loads the ad the server once and can modify rotations or add new units on the fly without needing to re-contact the vendors. This is referred to as third-party ad serving.

The ad servers provide a wealth of data, including impressions served, ads clicked, CTR, and CPC. While publishers have their own ad servers, most of the third-party ad servers also have the ability to provide performance against post-click activities such as sales, leads, downloads, or any other site-based action the advertiser may want to measure.

Ad servers provide a consistent counting methodology across the entire campaign, enabling the advertiser to gain an 'apples to apples' comparison of performance across the entire media schedule, which includes multiple websites. This ensures that the advertiser gets what they are paying for and avoids fraudulent activities, such as click fraud, as a good third-party ad server should be audited.

The ad server also allows sophisticated targeting of display advertising. Examples of third-party ad servers include Google DoubleClick and Sizmek. It is generally accepted practice to run one of these ad servers, but they all cost a percentage of the CPM rates.

19.8 TARGETING AND OPTIMISING

Ad servers serve ads across a number of websites and can track a user's clicks, impressions, and actions. This means that ad servers can offer advertisers the following:

- **Frequency capping:** This limits the number of times a specific user sees the same ad in a set time period.
- **Sequencing:** Using the sequential creative rotation feature, an advertiser can control the order of the ads and therefore, the order that the user will see them.
- **Exclusivity:** This ensures that ads from direct competitors are not shown on the same page.
- **Roadblocks**: This allows an advertiser to own 100% of the advertising inventory on a page.

The ad server can also target ads based on the business rules of the advertiser or the profiles of the users.

- **Geotargeting:** Online advertising has the ability to target markets by country, province, or city, and can even drill them down to something as specific as their IP address. This is also known as IP targeting.

  In this case markets, can further be targeted via networks or browser types (e.g. Chrome, Internet Explorer, Mozilla Firefox, and Safari).

- **Technology type:** Users can be segmented and targeted according to their bandwidth or internet connection type. They can also be segmented according to their search browser, platform, and carrier.

- **Day and time:** Advertisers can choose the time of day or day of the week when their ads are shown. Advertisers can specify when their campaign should flight, down to the minute. This usually depends on the client's objective for the campaign or the product itself.

- **Language:** Using the browser language setting, users can be targeted by language.

- **Audience targeting:** The ad server uses the profile of a user, built up over websites visited previously, to determine which ads to show during a given visit. These lists of users – or expressions – can be used to target specific groups of users. Lists can be combined and excluded. There is no limit to the size of the expressions, and they can be shared with other advertisers who can then add these insights to their lists.

Remarketing is another form of audience targeting. This allows the ad server to display ads to users after they have interacted with a website in a certain way, for example, by adding an item to their cart on an ecommerce page but not checking out. The user may then see an ad for the product they have in their cart, encouraging them to go back and make a purchase. This can be done through various engines, the most popular of which is DoubleClick Digital Marketing (DDM) from Google.

Another approach to audience targeting is to set up parameters to determine when a certain ad needs to be shown. For example, if the user has clicked on a banner advertising a test drive, and the user has actually booked the test drive, the next time they see an ad from the advertiser, a different ad will be shown because the user has already responded to the first one.

- **Contextual advertising:** The ad server deduces the optimum ads to serve, based on the content of the page. To do this, an advertiser will use keywords and topics in their ad group. For example, on an article about mountain bike holidays in Europe, the ad server would show ads for new mountain bikes, or ads from travel companies offering flights to Europe, or perhaps ads for adventure travel insurance.

19.9 TRACKING

Online advertising can be tracked – a feature that makes it so superior to conventional advertising. Not only can an advertiser tell how many times an ad has been seen (impressions), but

also how many times the ad has been successful in sending visitors to the advertised website (clicks). As discussed in the **Chapter 21: Conversion optimisation**, the tracking needs to continue on the website to determine how successful the ad has been in creating more revenue for the website (conversions).

In addition to tracking ads, advertising networks can provide information about the users who saw the ad, as well as those who acted on it, including:

*   Connection type
*   Browser
*   Operating system
*   Time of day
*   Language
*   Internet service provider.

Many third-party ad servers will set a cookie on impression of an ad, not only on clickthrough, so it is possible to track conversions that happen indirectly (called view-through conversions). Simply put, third-party ad servers can track not only the post click data, but also the post view data – when a user sees an ad, does not click on it, but goes to the website after viewing the ad either by typing in the URL or by searching for the site.

Using this information, the ad server can target the ads displayed, helping advertisers to optimise campaigns and get the most from their budgets.

19.10 IMPLEMENTING ONLINE ADVERTISING

Knowing the various types of display options and payment models available is all very well, but you may be wondering how to put this all together as you plan your campaign. Here is a step-by-step guide that you can follow to ensure that you run effective ad:

Step 1: Determine your campaign goal

Are you embarking on a branding campaign, or is your primary focus direct response? Keep your overall channel and brand objectives in mind when planning your digital campaign.

Step 2: Identify your key performance indicators (KPIs)

Which figures will let you know if you are succeeding? This should tie in closely to your goal.

Don't forget to keep an eye on any non-digital advertising that the brand is doing. This could have a significant effect on your results, and you want to ensure that you are communicating the same message.

Step 3: Investigate your target audience

What websites are they likely to be visiting? The type of creative you use and the payment model you follow will largely be determined by the websites on which you advertise.

Online advertising is an acquisition and awareness channel. It does not require users to seek an interaction actively, as search advertising and email marketing do. It is therefore crucial that the ads are placed in front of the audience that is most likely to convert. Sites such as Narratiive can help give this type of insight (narratiive.com).

Step 4: Research potential publishers to host your ads

Niche websites with a smaller, more targeted audience will most likely charge a flat rate for display advertising or a CPA rate. They could be flexible in display options that they offer, but you will need to take into account their bandwidth costs if they serve the ads.

High-traffic websites with a broad audience will usually charge on a CPM basis. They will broker their advertising inventory through an ad network or a number of ad networks.

Step 5: Set a budget

Most advertising platforms will let you set and dynamically manage your budget. Decide how much you are willing to pay per click, impression, action, or engagement, and set your total budget in line with this.

Step 6: Create your ads

Now, you will need to brief your creative team to ensure that you have the optimum banners for your campaign.

Your online ads will need to:

- Attract attention
- Convey a message
- Entice action.

Animation attracts attention, but be wary of being one of several animated banners on a website. Banners should not be considered in isolation, but in the context of the website on which they will appear.

Web users respond well to being told what to do, and the content of an online ad should be concise and directional. Examples of these CTAs include:

- 'Click for a quote.'

- 'Click here for the full video and win.'
- 'Donate now.'

Step 7: Choose or create a landing page

All advertising needs an appropriate landing page or destination URL. Whether this involves creating a microsite or merely leading users to an existing page on the website, ensure that clickthroughs are not being wasted. Generally, sending advertising traffic to your homepage is not a good idea as it leaves the user confused about where to go next.

Step 8: Run your ads

Now that you're all set up, you can let your ads go live! Keep a close eye on your spending to ensure that you're getting a decent return for your money, and that nothing unusual is occurring.

> **NOTE**
> If a problem comes up, you can simply stop your campaign, change the creative elements or modify your approach. The beauty of online advertising is that it can be revised almost instantly.

Step 9: Track, measure, optimise

As with all online marketing tactics, you need to track what your ads are doing and the results they are generating, measure your returns and successes, and then optimise your online ad campaigns to get even better returns in the future.

19.11 THE FUTURE OF ONLINE ADVERTISING

On the web, the convergence of digital devices and channels is leading to new avenues for online advertising. Digital advertising can reach customers anywhere where they can access the web. Digital marketing has become more important than ever with the accelerated adoption rate of users as a result of the COVID-19 pandemic. But it is not without its challenges, such as increasing CPC prices and changes to tracking cookies due to privacy concerns.

> **NOTE**
> Read about this in the McKinsey study on quantum leap of digital adoption: www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-covid-19-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever.

While we have become used to the internet as a free medium where we can read and interact with any content we want, it is the fact that it is an advertisers' medium that keeps it free. And that means that as technologies evolve and the way we interact with content changes, so advertising follows.

Previously, the level of interaction a web user had with a website could be measured by the number of pages of that website the user viewed. Now, technology (e.g. AJAX) and rich media (e.g. video) mean that the time spent on a web page can be more meaningful than the number

of pages viewed. The key word here is 'engagement', and technology and data analysis are working towards being able to determine how websites can quantify the level of engagement with a viewer. The ultimate way to get your customers excited is by providing them with a product experience that beats all others.

Display ads have a history of being annoying and frustrating for online users. This is no longer the case. Due to responsive and dynamic banners with personalised and targeted messages that are displayed directly to the user, display advertising CTRs are on the rise. Additionally, formats such as native advertising, for example, have a fairly good engagement rate. The question remains: With the digital's marketing focus on tracking and measuring response and engagement, should a company spend money on less measurable activities such as 'brand building', where they are paying on a CPM basis?

Using third-party ad servers and post-impression tracking, the effects of different advertising and marketing channels on each other can be observed. Banner advertising can see an increase in search volume, for example.

> **NOTE**
> View-through conversions are important to look at as well, especially if your campaign is focused on raising awareness.

What does this tell us? Measurement should take place across all channels, and no channel should be utilised in isolation. The best results will be gained through an integrated and holistic approach to digital marketing.

19.12 ADVANTAGES AND CHALLENGES

Online and display advertising have many advantages, but also many challenges. As evocative and interactive as they can be, many consumers are feeling exhausted by ads and concerned about their privacy.

19.12.1 Advantages of online advertising

Banner advertising goes a long way towards bridging the advertising divide. They can look very similar to print ads, and they occupy a particular bit of real estate in a publication with a particular number of views. It's easy to understand, and it does the things with which buyers are familiar.

Online advertising can take advantage of the emotive qualities of images, videos, and animations. Some campaigns are better suited to images than plain text.

Since banners can contain rich media, they offer levels of interactivity that other forms of advertising cannot achieve. This allows your target market not only to see your banner, but also to play with it. Interaction builds a bond and improves the chances of the consumer remembering your brand tomorrow. Cognitive learning is a powerful outcome of interactive display advertising.

Modern online advertising is able to bring together a number of other online marketing tactics, such as animations, games, video, and Flash.

Banner ads, like all digital marketing tactics, are measurable. Track clickthrough rates and you get an idea of exactly how many users are responding to your call to action. Some publishers even have the ability to do post-click tracking, which means that you can track the user all the way to a sale if that is the purpose of the ad.

19.12.2 Challenges of online advertising

A lot of display advertising is intrusive, so popup blockers can often prevent ads from being served as they were intended by the advertisers. There are also extensions available for web browsers, such as AdBlock Plus, that will block advertising on web pages. Technologically savvy consumers are increasingly using

> **NOTE**
>
> Advertising is not a problem that's unique to the web. For example, TV viewers are increasingly skipping ads or watching episodes through online streaming services.

these methods to limit the advertising that they see, which for the most part is okay. Ideally, you want to target interested users to click and convert, so make sure that online users are streamlining what they see based on their interests and not the design and execution of your ads.

Bandwidth can also be an issue, although this is a shrinking problem. However, campaigns should be planned according to demographics in determining the richness (and investment) of interaction.

Consumers are suffering from advertising fatigue, so while new technologies can provide great results, as soon as the market moves mainstream it can get saturated. Consumers are increasingly ignoring ads.

19.13 MEASURING SUCCESS

How you measure the success of an online ad campaign will depend greatly on the objectives you set for that campaign. For this reason, it is important to set those objectives before the campaign begins. The objective you have in mind will inform the goals you monitor (where 'goal' is a specific user action), and that will inform the KPIs you track. You will also want to measure events or steps in the conversion process.

As an example, if your objective is awareness, you may want to look into the following KPIs, among others:

- Number of visits to your website
- Amount of user engagement (measured by time on site, comments on or shares of a social ad)
- Number of product views
- Number of brochure downloads.

Remember, KPIs are going to differ based on your objectives. Always keep that in mind!

As we explored in **Chapter 3: Market Research**, it is essential to design with the user in mind. Another way to measure the success of your campaign is to run a Brand Lift Study. This is a valuable and meaningful strategy of getting user feedback on the look and feel of your brand. Find out more about Brand Lift Studies here: support.google.com/google-ads/answer/9049825?hl=en.

19.14 CASE STUDY: POST-IT AND PROXIMITY RUSSIA

Proximity is a creative agency focused on digital and CRM. Post-it has helped people be more productive, communicate better and express themselves in a number of creative ways. Post-it is one of the most popular office products in the world.

One-line summary

Post-it and Proximity Russia came up with a banner ad campaign that people actually liked!

The problem

The major problem with banner ads was that users did not like them. They found display ads annoying and rarely actually engage with them. Retargeting banners were seen as even more invasive. Post-it wanted to create a retargeting banner that users actually wanted to see.

The solution

Post-it created a banner that users could use as Post-it notes. They would click on the banner, type a note to themselves, and then retargeting technology would show them their own Post-it notes instead of retargeting banners.

This involved using the same technology other websites use for retargeting, as well as choosing placements for their ads on the most commonly used websites so that users would see their Post-it stickers wherever they visited.

Clicking on a note brought users to a Post-it page where they could manage their stickers, create new ones, or delete all of them.

The results

Users engaged with this campaign happily. It received:

• 47.6% active engagement
• 152.40 seconds average interaction time
• Considerable earned media reach, including users asking for the same campaign to be brought to other countries.
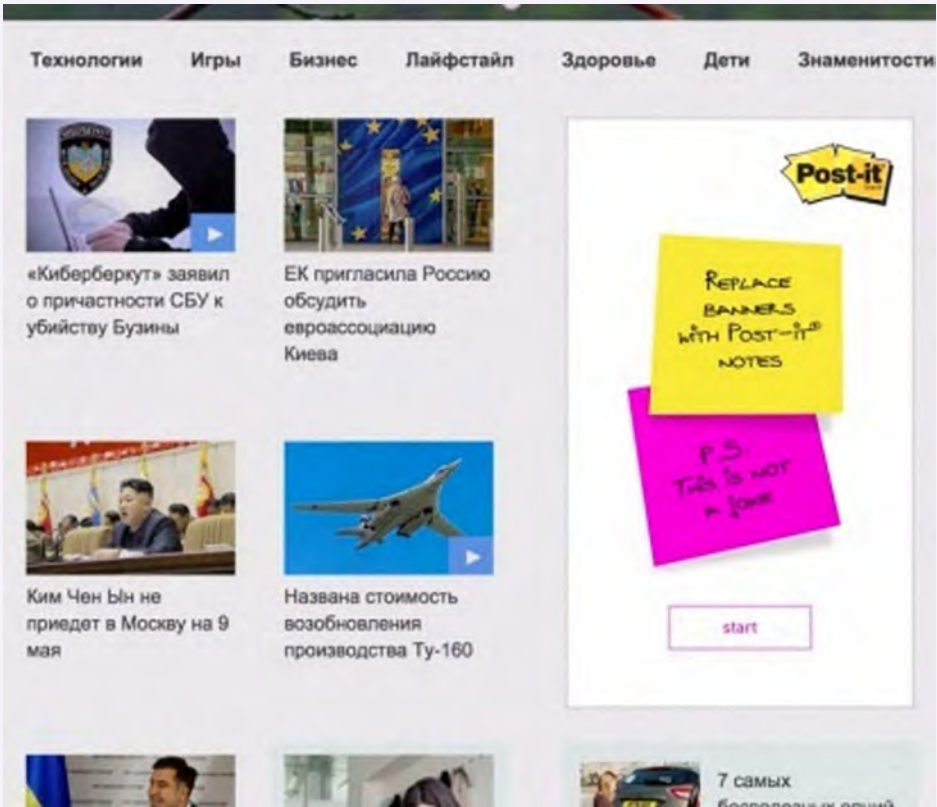
Figure 19.9 A banner ad made of Post-it notes

19.15 CASE STUDY QUESTIONS

1. Why did users find this banner ad campaign so engaging?
2. Which elements of best practice did Proximity Russia follow?
3. How did understanding the audience play a role in this campaign?

19.16 THE BIGGER PICTURE

Offline advertising and marketing campaigns can be adapted for an online audience in order to ensure maximum brand exposure. It is very effective in enhancing offline marketing and advertising activity and in ensuring a wider reach.

As mentioned, online advertising can be used as an acquisition channel, reaching out to a new audience. It can be used to initiate a buying cycle and customer relationship, which then play out across other online channels. Addressing advertising and other channels to complement each other will result in a consistent message and optimum results. Online advertising can be

used to reach a large audience, and then other digital marketing tactics can be used to refine and engage this audience further. Social media advertising in particular is crucial for building communities and keeping the brand top of mind.

Online advertising and affiliate marketing go hand in hand. Affiliate networks also act as advertising networks, allowing for advertising to be purchased on a performance basis.

When seeding new products and viral campaigns, which are shared by many users on social media, display advertising can be used to reach a wide audience at a low cost. It can expose a campaign to many new users, and increase the chance that those who are most likely to pass on a message receive it in the first place. Display advertising also supports other advertising and marketing channels, such as search advertising and marketing.

19.17 SUMMARY

Online advertising has two main objectives:

*   Branding
*   Direct response, engagement, and sales.

The internet allows for highly targeted and highly trackable advertising across a variety of online media. Some ways that advertisers can use the internet are:

*   Banner ads
*   Interstitial banners
*   Pop-ups and pop-unders
*   Floating ads
*   Wallpaper ads
*   Map ads.

Ad servers provide trafficking, tracking, and reporting solutions to both advertisers and publishers. They allow advertisers to target display ads based on parameters, including:

*   User profile (location, operating system, browser, connection type)
*   Behaviour
*   Fequency and sequencing
*   Exclusivity
*   Context of content.

Technology allows for increased levels of interaction within an ad, and for advertising tailored to engagement media, such as online videos and social network applications.

19.18 CHAPTER QUESTIONS

1. Online banner advertising and outdoor display advertising both use images to try to increase sales. In planning, both need to consider placement so as to be seen by their most likely audience. What are the key differences?
2. Is display advertising an effective acquisition channel? Why or why not?
3. Go to thetimes.co.uk and forbes.com. What advertising can you find on the front page of these two websites? What products are being advertised, and how are they being advertised? What can you deduce about the target market for these products?

19.19 FURTHER READING

adrants.com – Commentary on online advertising campaigns. US focused.

bannerblog.com.au – Have a look at BannerBlog for rich media examples.

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19.20 FIGURE ACKNOWLEDGEMENTS

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Figure 19.2: www.behance.net/gallery/110562239/Disney-Plus-The-Mandalorian-Banner-Ads?tracking_
    source=search_projects_published_date%7Cbrad

Figure 19.3: Screenshot, Google, 2022

Figure 19.4: Screenshot, Google, 2022

Figure 19.5: Screenshot, Google, 2022

Figure 19.6: Screenshot mobile pop-up, Fusion.net, 2017

Figure 19.7: Screenshot, Ikea, 2022 www.business2community.com/native-advertising/5-native-advertising-
    examples-that-raised-the-bar-02072168

Figure 19.8: Screenshot, Widespace

Figure 19.9: Adweek, 2015

Post-it logo: creativebloq.com/news/new-post-it-logo
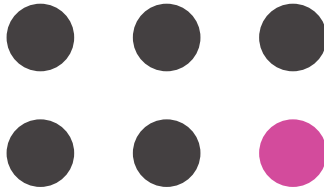
ANALYSING

INTRODUCTION TO ANALYSING

Analysing the outcomes of your marketing strategy and plan is as essential as initiating it. Not only does it provide you with an understanding of how your marketing efforts are performing, but it also presents you the opportunity to explore solutions based on the results that emerge from the analysis.

The insights that you gain from your data and analyses take the guesswork out of the equation and provide an in-depth understanding of the results to help you make informed decisions that will take your business and marketing plans to the next level.

In **Chapter 20: Tracking and analysis** we go into more detail on the best practice in tracking, analysing, and optimising your data for the best possible results. There is a considerable variety of digital media monitoring and measurement tools available online that offer free and paid-for services to help you measure how your content and platforms are performing. The chapter's focus is on how to capture web analytics data, how to present this data clearly, and most importantly, recommend methods to filter data and extract the information that will be most useful to you.

Since every action that takes place online is recorded in one way or another, the combination of these recordings showcases behavioural patterns and trends that inform what is influencing the market. As business, brand, and marketing leaders, now more than ever, keeping an eye on the analytics will be crucial because of the rate that technology is evolving.

Chapter 21: Conversion optimisation speaks to keeping your online marketing space fresh and up to date. Digital marketing tactics, tests fit for goal and purpose are presented, as well as user-centric approaches to entice your customers to convert.

The technological evolution is persistent and is giving rise to major industry movements as well as how people interact with digital content, on platforms, and through connected devices.

Chapter 22: Future of advertising gives you a comprehensive understanding of the role of technology and the significance of human behaviour amidst the shifting landscape. The future will be affected by the trends and behavioural changes we witness daily, which is what makes tracking and data analysis especially important today.

Maintaining integrity and authenticity while connecting with your audience will become even more important in a privacy-first era. Be prepared to shed your skin often, and rise to the challenge of adapting quickly.

20

TRACKING AND ANALYSIS

In this chapter, you will learn:

- How to capture web analytics data
- About what data you can find
- About techniques and guidelines for analysing data to understand your web visitors better
- How to present data clearly and how to use data visualisation to help users understand it.

20.1 INTRODUCTION

Picture the scene: You've opened up a new fashion retail outlet in the trendiest shopping centre in town. You've spent a small fortune on advertising and branding. You've gone to great lengths to ensure that you're stocking all of the prestigious brands. Come opening day, your store is inundated with visitors and potential customers.

And yet, you are hardly making any sales. Could it be because you have one cashier for every hundred customers? Or because the smell of your freshly painted walls chases customers away before they complete a purchase? While it can be difficult to isolate and track the factors affecting your revenue in this fictional store, move it online and you have a wealth of resources available to assist you with **tracking**, **analysing**, and **optimising** your performance.

To a marketer, the internet offers more than just new avenues of creativity. By its very nature, it allows you to track each click to your site and through your site. It takes the guesswork out of pinpointing the successful elements of a campaign; it can show you very quickly what's

> **NOTE**
>
> Remember, analytics data can be found in many places, not just your website. Consider data from email, social media, and mobile devices.

not working. It all comes down to knowing where to look, what to look for, and what to do with the information you find.

At the beginning of this book, you learned how important it is for a business to direct its actions through carefully designed strategy and planning. There are two factors that not only inform key business decisions for strategy, but also provides the needed evidence and support to substantiate them. These are data-driven insights and customer/client focus.

Throughout the chapters, you have also learned about a few of the forms and sources of data, each highlighting the elements that you should track to measure the success of a particular area of digital marketing. Now you're going to learn more specifics about data analytics and how to analyse the data you've gathered.

20.2 KEY TERMS AND CONCEPTS

Table 20.1

Term	Description
A/B test	Also known as a split test; involves testing two versions of the same page or site to see which performs better.
Business intelligence/ insights	Data that can help businesses understand the factors influencing their success and how these can be used to benefit them.

Click path	The journey a user takes through a website.
Connected customer	Consumers who use internet-enabled devices. These offer opportunities for data collection.
Conversion	Completing an action that the website wants the user to take, usually results in revenue for the brand in some way. Conversions include signing up to a newsletter or purchasing a product.
Conversion funnel	A defined path that visitors should take to reach the final objective.
Cookie	A small text file that is used to transfer information between browsers and web servers. They help web servers to identify users across the web and to provide the right content when it is requested.
Count	Raw figures captured for data analysis.
Customer intelligence	The process of gathering and analysing information about customers to improve customer relationships and allow for more strategic business decisions.
Data intelligence	The process of gathering and analysing information about customers to improve customer relationships and make more strategic business decisions.
Dynamic data	Data that is constantly updated and evaluated to provide a dynamic changing view of the customer.
Event	A step a visitor takes in the conversion process.
Goal	The defined action or series of events that visitors should perform on a website, or the purpose of the website.
Heatmap	A data visualisation tool that shows levels of activity on a web page in different colours.
JavaScript	A popular scripting language that is also used in web analytics for page tagging.
Key performance indicator (KPI)	A metric that shows whether an objective is being achieved.
Log file	A text file created on the server each time a click takes place, capturing all activity on the website.
Metric	A defined unit of measurement.

Multivariate test	Testing combinations of versions of the website to see which combination performs better.
Objective	A desired outcome of a digital marketing campaign.
Page tag	A piece of JavaScript code embedded on a web page and executed by the browser.
Ratio	An interpretation of data captured, usually one metric divided by another.
Referrer	The URL that originally generated the request for the current page.
Segmentation	Filtering visitors into distinct groups, based on characteristics to analyse visits.
Target	A specific numeric benchmark.
Visitor	An individual visiting a website that is not a search engine spider or a script.

20.3 WORKING WITH DATA

In the days of traditional media, actionable data was a highly desired but scarce commodity. While it was possible to broadly understand consumer responses to marketing messages, it was often hard to pinpoint exactly what was happening, and why.

In the digital age, information is absolutely everywhere. Every single action taken online is recorded, which means there is an incredible wealth of data available to marketers to help them understand when, where, how, and even why users react to their marketing campaigns.

This also means there is a responsibility on marketers to make data-driven decisions that inform tactics and plans. Assumptions and gut feel are not enough; you need to back these up with solid facts and clear results.

Don't worry if you're not a 'numbers' person because working with data is very little about number crunching (the technology usually takes care of this for you) and a lot about analysing, experimenting, testing, and questioning. All you need is a curious mind and an understanding of the key principles and tools. Data concepts that you should be aware of include performance monitoring trends, big data, and data mining. Let's look at each of these:

20.3.1 Performance monitoring and trends

Data analytics are all about monitoring user behaviour and marketing campaign performance over time. The last part is crucial. There is little value in looking at a single point of data. You need to look at trends and changes over a set period to encourage a dynamic view of data.

For example, it is not that helpful to say that 10% of this month's web traffic converted. Is that good or bad, high or low? But saying that 10% more users converted this month than last month shows a positive change or trend. While it can be tempting to focus on single 'hero' numbers and exciting-looking figures, such as 'Look, we have 5000 Facebook fans!', these really don't give a full picture if they are not presented in context. In fact, we call these 'vanity metrics' because they look good, but they don't really tell you much.

Monitoring performance and trends will help you determine the next steps to improve your impact in the market, customer engagement, and increased sales by generating new leads.

> **NOTE**
> Pay close attention to any changes in the expected data, good or bad, and investigate any anomalies.

20.3.2 Big data

'Big data' is the term used to describe truly vast data sets, the ones that are so big and unwieldy that they require specialised software and massive computers to process. Companies like Google, Facebook, and YouTube generate and collect so much data every day that they have entire warehouses full of hard drives to store it all.

Understanding how it works and how to think about data on this scale provides some valuable lessons for all analysts. Here are three:

1. **Measure trends, not absolute figures:** The more data you have, the more meaningful it is to look at how things change over time.
2. **Focus on patterns:** With enough data, patterns over time should become apparent so consider looking at weekly, monthly, or even seasonal flows.
3. **Investigate anomalies:** If your expected pattern suddenly changes, try to find out why and use this information to inform your actions going forward.

20.3.3 Data mining

Data mining is the process of finding patterns hidden in large numbers and databases. Rather than having a human analyst process the information, an automated computer programme pulls apart the data and matches it to known patterns to deliver insights. This can often reveal surprising and unexpected results, and tends to break assumptions.

Data mining in action

Krux (2016) offers the example of examining an enormous dataset for an automotive brand that wanted to improve brochure downloads and increase requests for test drives. The data they analysed related to consumers, consumer attributes, and marketing touchpoints.

To determine a pattern, they had to explore 47 000 000 000 000 000 000 000 (fortyseven sextillion) combinations of factors; too many to evaluate without using machines.

These combinations came from 35 touchpoints, including the website, campaigns, and other marketing channels, and 37 analytics points, including auto buyers and smartphone users.

The brand was able to spot relevant patterns, (e.g. consumers who bought a certain brand of car were more likely to download brochures, but not more likely to request test drives). This allowed them to segment the consumers who bought cars into those who started the purchase process by downloading a brochure and those who started with a test drive.

The first group was detail-oriented, so ads featuring specific models with links to the specifications page helped to drive conversions.

The second group wanted to know how driving the car *felt*; they were targeted with ads that appealed to their senses, and included a call to action about scheduling a test drive. This helped to drive media efficiency and campaign performance.

20.4 TRACKING AND COLLECTING DATA

Data tracking is the process of selecting specific metrics and events to track, then collecting, organising, and analysing the resulting data. Once you've analysed the data, you can apply your insights to improve business performance and customer experience (Baker, 2021).

A key problem with tracking users on websites used to be that it was impossible to track individual users – only individual browsers, or devices – since this was done through cookies. If, for example, Levi visits the website from Chrome on his home computer and Safari on his work laptop, the website will think he's two different users. If Nosipho visits the site from the home computer, also using Chrome, the website will think she's the same user as Levi, because the cookie set when Levi visited the site will still be there.

Email opens aren't tracked with cookies. Instead, when the images in the email load, a tiny 1×1 pixel also loads and tracks open rate. This means that if the user is blocking images, their activity will not be tracked.

To track if those who did open your email then visited your page, or eventually converted, links within the email also include UTM tags. UTM tags are codes in the URL that enable your analytics software to track where a user has come from.

In this link: https://www.redandyellow.co.za/5-ways-design-can-used-empower-women/?utm_source=newsletter&utm_medium=email&utm_campaign=AugNewsletter.

The campaign tracking tag appended on the end of the URL is: ?utm_source=newsletter&utm_medium=email&utm_campaign=AugNewsletter.

With growing consumer privacy concerns, evidenced in laws like the EU Privacy Directive (1995) and the Protection of Personal Information Act (PoPIA, 2021) which requires websites to disclose their cookie usage, cookies started to fall out of favour, making tracking more difficult.

Google's Universal Analytics changed all of that when it was introduced in 2012. Now, about a decade later, Google will be replacing Universal Analytics with Google Analytics 4 by mid 2023. Because of its dominance in the search engine market, we will focus on how Google will affect tracking and measurement using these models.

20.4.1 Universal Analytics and Google Analytics 4

When it was introduced, Universal Analytics set the standard for how user data was collected and organised. It was designed to offer new tracking codes for websites and features to measure user behaviour more accurately. This however, will be phased out by 1 July 2023, and Google Analytics 4 will replace the measurement model.

The difference between Universal Analytics and Google Analytics 4

According to Boon (2021), the key differences between Universal Analytics and Google Analytics 4 (GA4) are as follows:

Different measuring models

Universal Analytics uses a measurement model based on sessions and pageviews. A session is a group of user interactions (hits) with a website that takes place over a given timeframe. A session can contain multiple pageviews, events, and ecommerce transactions.

GA4 uses a measurement model based on events and parameters. The principle here is that any interaction can be captured as an event. As a result, all Universal Analytics hit types translate to events in GA4.

Removal of monthly hit limits

Another significant difference between Universal Analytics and GA4 is the removal of monthly hit limits. The free version of Universal Analytics had a monthly limit of 10 million hits, which no longer exists. Instead, GA4 has a limit on the number of different events that can be captured (500). There is, at the time of writing, no limit as to the volume of hits that can be collected. This has resulted in a number of clients already opting for a GA4-first approach to their analytics.

Free connection to BigQuery

The final difference is GA4's free connection to BigQuery. Previously this feature was only available to GA360 customers, one of the big differentiators between the free and paid versions of GA. BigQuery enables very large and complex data sets to be queried very quickly and takes the data out of GA that gives you the ability to interrogate it without the issue of sampling.

How does Google Analytics 4 work?

Google Analytics 4 is a set of Google Analytics reports and data for your website and/or app. Google calls this a 'property'. GA4 has the following capabilities:

- Collects both website and app data to better understand the customer journey
- Uses events instead of session-based data
- Includes privacy controls, such as cookieless measurement and conversion modeling
- Offers guidance without complex models through predictive capabilities
- Integrates directly to media platforms to drive actions (Google Analytics 4, n.d.).

How to set up Google Analytics 4

First, you need a primary Google account, used for services such as Gmail or YouTube. You can use this to set up your Analytics account. This should be configured using a Google account that will always be available for your business.

> **NOTE**
> What kind of privacy concerns might a user have about the data you're collecting about them?

Now you need to set up an Analytics account. You can do this from the Admin page of your Google account, in the Account column. Once you have clicked Create Account, give your account a name and configure the data-sharing settings. This controls which data you share with Google. Click next to add the first property to your account. Go to support.google.com/analytics/answer/9304153 and follow the steps to:

> **NOTE**
> You will need to make adjustments to your Analytics account so that you can get the most out of tracking your users. You can learn more about that here: moz.com/blog/absolute-beginners-guide-to-google-analytics.

- Create a Google Analytics 4 account
- Add a data stream
- Set up data collection.

Google Analytics is not the only analytics package available. Other packages exist for detailed tracking of social media accounts, emails, and website data. Website analysis

> **NOTE**
> Read more about this in **Chapter 5: Search engine optimisation.**

should always account for any campaigns being run. Generating high traffic volumes by employing various digital marketing tactics, such as SEO, PPC, and email marketing, can be a pointless and costly exercise if visitors are leaving your site without achieving one or more of your website's goals. Conversion optimisation aims to convert as many of a website's visitors as possible into active customers.

Google Analytics 4 tags

Tags allow you to quickly and easily update measurement codes and related code fragments – collectively known as tags – on your website or mobile app. Google Analytics 4 makes use of two tag types, instead of the one used by Universal Analytics. This is how Google explains it:

"The **GA4 Configuration tag** initialises Google Analytics for your Google Analytics 4 property on a particular page. It handles behaviour such as setting of Google Analytics cookies, sending automatic and enhanced measurement events, and declaring common settings. The Configuration tag should be fired on every page where you want to collect data for a Google Analytics 4 property, and should be triggered to fire as soon as possible, before any other Google Analytics 4 event tags. You can configure Fields to Set in the GA4 Configuration tag to set parameters that need to remain consistent across all events on a page. GA4 Event tags inherit the parameters of the GA4 Configuration tag. Parameters set by the GA4 Configuration tag remain static for all events occurring on a page. The parameters are refreshed only when the Configuration tag fires again, typically the next time the page is loaded.

The **Google Analytics 4 Event tag** lets you send custom events to Analytics, in addition to the events that are sent automatically or through enhanced measurement. If you schedule the configuration tag with an Initialization trigger, event tags can fire with any other triggers and the sequencing will be automatically guaranteed."

> **NOTE**
>
> You can find out more about tags by visiting: support.google.com/tagmanager/answer/9442095?hl=en#:~:text=Google%20Analytics%204%20properties%20bridge,Google%20Analytics%3A%20GA4%20Event.

20.4.2. Gathering data

Google Analytics can measure almost anything about the customers who visit your website. To gather the kind of data that can help you optimise your site, you'll need to know where to look.

Navigation panel

When you log into your analytics account, you will see a navigation panel on the left.

Figure 20.1 The navigation panel

Reports

The first button on the navigation panel is Reports. By default, you will see the Reports snapshot report, the Realtime report and report collections and topics.
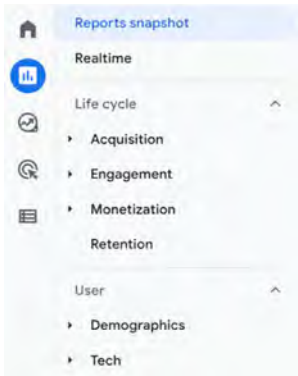
Figure 20.2 The reports menu

Reports snapshot

This overview report is displayed when clicking Reports in the navigation. Any overview report can be set as the Reports snapshot.
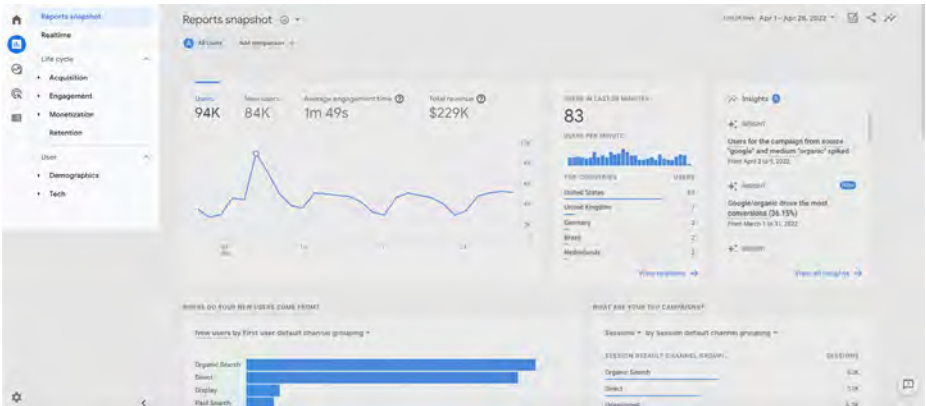
Figure 20.3 An example of a Reports snapshot

Realtime report

This report lets you monitor activity on your website or app as it happens. It allows you to see how users enter the conversion funnel and what happens once they are in the funnel. You can use Realtime to monitor changes to your traffic. It can help you answer these questions:

1. Is the one-day promotion driving traffic?
2. Have there been immediate effects as a result of a social network post?
3. Is my new content affecting traffic?
4. Is my tracking code working properly?

Figure 20.4 An example of a Realtime report

Life cycle collections

A collection is a set of reports. Life cycle and User appear in the navigation by default. Under the Life cycle collection, you will find the following reports that help you understand user activity from acquisition to conversion:

Acquisition: This refers to information about new and returning users and the method of

> **NOTE**
>
> When your industry is set to Games or at least 50% of your app streams are associated with apps that are categorised as Games, Analytics replaces the Life cycle collection with the Games reporting collection.

acquisition. It shows you which sources drive the most traffic to your site. By default, it contains:

- Acquisition overview which summarises your data to help you understand where your traffic comes from.
- User acquisition which provides data on where new users come from. In this report, the prefix 'First user' means the data is about new users.
- Traffic acquisition shows you where new sessions come from. In this report, the suffix 'Session' tells you that the data is about new sessions.
- Google Ads campaigns gives you information about which campaigns drove traffic to your app or website. Your Google Ads account must be linked for this to work.

To populate these reports with the necessary data, integrate with an ads platform, and use the available auto-tagging.

Figure 20.5 An example of an Acquistions overview

Engagement: This refers to user activity by event count, the time users engage with your site or app, as well as the number of times users return to your site or app. It contains the:

*   Engagement overview which summarises data across all the reports in this topic.
*   User stickiness ratios which compare engagement by active users over a shorter time frame with their engagement over a longer time frame.
*   User engagement metric which shows the time that your screen was in focus.
*   Events reports which includes the name of each event linked to Google Analytics. This includes the initial automatically collected events, the enhanced measurement events enabled, any chosen recommended events, and your own custom events.
*   Conversion reports which display the events marked as conversions.
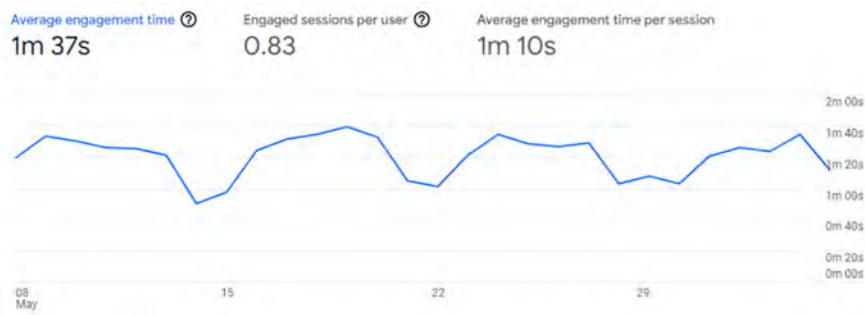
Figure 20.6 An example of an Engagement overview

Monetisation: This refers to the revenue you generate through the website or app. It includes reports about:

*   eCommerce purchases which allow you to measure the revenue from the items for sale and interactions with those items.
*   In-app purchases which let you measure revenue grouped by product ID. Product ID is a unique code for each product that can be purchased.
*   Publisher ads which enable you to measure how much revenue you are generating through ads on your app, grouped by ad unit. An ad unit is a unique code for each ad on your ads account.

Figure 20.7 An example of a Monetisation overview

Retention: How effectively you are able to turn new users into returning users and the number of users who keep returning. It contains these reports and charts:

• New users which refer to new users who have been identified as users who don't have both a Google Analytics cookie, Client ID, or App Instance ID.
• Returning users which refer to any user that already has a Google Analytics cookie, Client ID or App Instance ID.
• Cohorts which refer to groups of users that share a common characteristic set out by an Analytics dimension.
• User retention by cohort chart shows the percentage of new users who return on the second and eighth day.
• User engagement by cohort chart shows the average engagement time of returning users.
• User retention chart shows the percentage of users returning every day for their first 42 days. It starts at 100% and decreases as users drop off.
• User engagement chart shows the average engagement time of users returning in the first 42 days.
• Lifetime value chart illustrating the average revenue from new users over their first 120 days.

Figure 20.8 An example of a Retention overview

User collections

Under the User collection, you will find the following reports that help you understand the people who use your site or app:

• **Demographics:** This topic allows you to classify your users by age, location, language, gender, and the interests they express through their online activity. Google Analytics may apply a data threshold that will cause reports or exploration to have missing data. These thresholds are system defined and exist to prevent anyone from

inferring the identify of individual users, based on the data in the demographic topic. For mobile apps, data is found from the Android Advertising ID and the iOS Identifier for Advertisers. If these are not present, Analytics cannot source the data. That means the data available may represent only a subset of your users and not the whole composition.

• **Tech:** This topic gives insight into the technologies people use. It provides information on device categories, namely, mobile, desktop and tablet devices. It also gives information on the type of platform used to access your app or website, like web browsers, Android apps and iOS apps.

Figure 20.9 An example of the Demographics overview
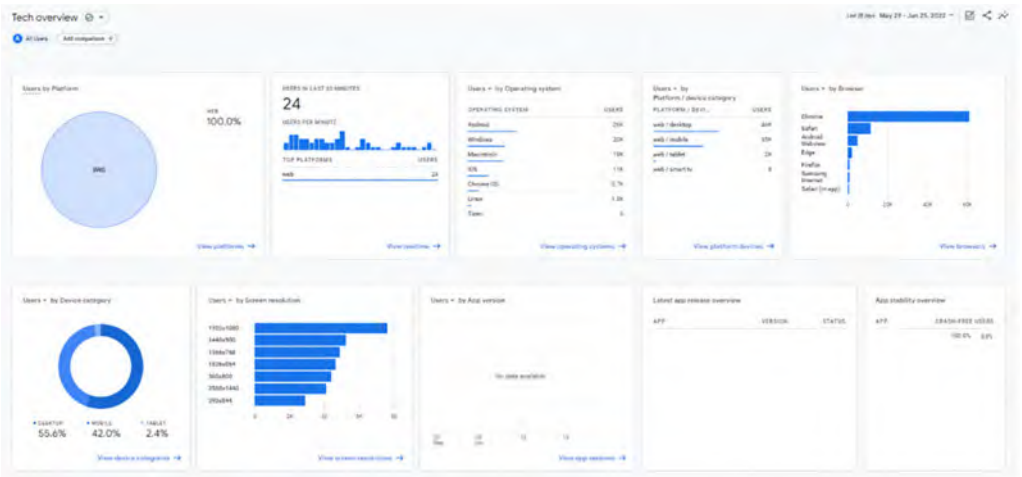
Figure 20.10 An example of the Tech overview

Explorations

The second button on the navigation panel is Explorations. This is a set of advanced techniques that go further than standard reports to help you find out more about your customers' behaviour. Under Explorations, you can access data and analytical techniques that you can't find in reports.

An exploration consists of three sections. The large area on the right that shows your data using the selected technique, is called the canvas. It can have multiple tabs, which allows you to use multiple techniques in a single exploration. The default technique for a blank exploration is the free-form table. Let's look at the techniques on offer:

- Free-form exploration sets out your data in a crosstab layout. You can use different visualisations, such as bar charts, pie charts, line charts, scatter plots, and geo maps.
- Cohort exploration gathers data about the behaviour of users that share common attributes.
- Funnel exploration visualises the user's steps necessary to complete a task on your site or app so that you can see how to optimise user experience.
- Segment overlap exploration shows how different user segments relate to each other. It can be used to identify new segments with complex criteria.
- User exploration looks at the users that make up segments. Using this, you can find extra information on individual user behaviour and activities.
- User lifetime exploration compiles user behaviour over their lifetime as a customer.
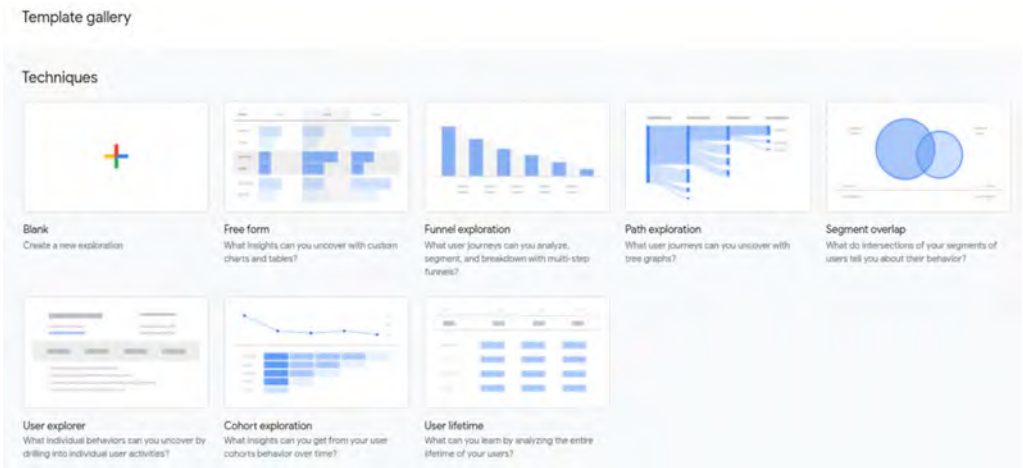
Figure 20.11 An example of the Exploration technique template gallery

On the left is the Variables panel and the Tab settings panel. In the Variables panel, you can access the dimensions, metrics, and segments you can use. You can also adjust the timeframe here. The Tab settings panel lets you configure the currently selected tab. First, select the

> **NOTE**
> Dimensions are the things you want to analyse. Metrics give you the numbers for your exploration. Segments are subsets of users.

technique, then add items from the Variables panel, and finally configure the Tab settings.
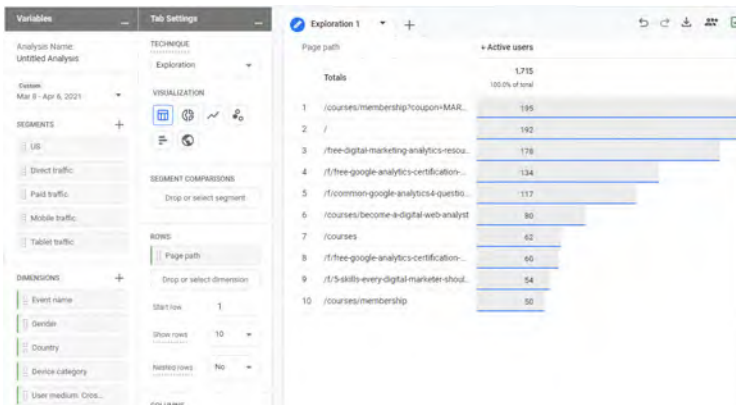
Figure 20.12 An example of an Exploration

Differences between Reports and Explorations

Reports and Explorations may seem similar, since they both provide insights that can lead to action. Usually, the data will be the same in both Reports and Explorations, but sometimes they are different. Typically when they differ, Explorations tend to be more accurate. That happens for the following reasons:

> **NOTE** You can learn more about creating explorations here: support.google.com/analytics/answer/7579450#zippy=%2Cin-this-article.

1. **Support different fields:** These two parts of GA4 give you different views, at different levels of granularity. The same dimensions and metrics may not be supported in both.
2. **Segments and comparisons differences:** Comparisons from Reports are converted to segments in Explorations and any of those that are not supported, will be dropped.
3. **Date differences:** If you create a report with a date range outside your settings, all other data outside of that will be eliminated.
4. **Amount of data:** If a property is collecting a lot of data, Analytics can use different methodologies between the two which can cause inconsistencies.
5. **Processing time differences:** Since data comes from multiple different systems, you may notice differences over 48 hours.

Advertising

The third button on the navigation panel is Advertising. These reports look slightly different to the others. Currently, there are three types of reports you can access:

1. Advertising snapshot which summarises the business metrics.
2. Model comparison which compares how different attribution models impact the value of marketing channels.
3. Conversion paths which show the paths customers take to conversion, as well as how different attribution models can credit those paths.

These reports can help you answer important questions, such as specifying which ads had a role in conversion. In addition, it can help you identify the paths customers take to conversion, showing you how much time passed between a customer's first interest and conversion.

> "Attribution is the act of assigning credit for conversions to different ads, clicks, and factors along a user's path to completing a conversion. An attribution model can be a rule, a set of rules, or a data-driven algorithm that determines how credit for conversions is assigned to touchpoints on conversion paths." Read more here: support.google.com/analytics/answer/10607798?hl=en&ref_topic=10604827#zippy=%2Cin-this-article.

Configuration

The last button on the navigation panel is Configuration. From this panel, you can access:

- **Events to create or modify website and app events:** All data in GA4 reports come from events triggered by users when they interact with your site or app.
- **Conversions events to measure the most important events:** Set up the most important events for your business as conversion events.
- **Audiences to create, edit, and archive audiences:** This allows you to segment your users based on parameters that are important to your business.

20.4.3. The type of information captured

By now, you know the difference between objectives, goals, KPIs, and targets. You will be focussing on KPIs when you measure data that has been captured.

KPIs are the metrics that help you understand how well you are meeting your objectives. A metric is a defined unit of measurement. Definitions can vary between various analytics vendors, depending on their approach to gathering data.

Analytics metrics are divided into:

- **Counts:** These are the raw figures that will be used for analysis.
- **Ratios:** These are interpretations of the data that is counted.

Metrics can be applied to three different groupings:

1. **Aggregate:** All traffic to the website for a defined period.
2. **Segmented:** A subset of all traffic according to a specific filter, such as by campaign (PPC) or visitor type (new user vs. returning user).
3. **Individual:** The activity of a single visitor for a defined period.

> **NOTE**
> One can easily be overwhelmed by data. Read this overview of the metrics that can help you to understand your users, and help you to elevate your business: measureschool.com/ga4-metrics/.

Basic metrics

To establish whether your campaigns are working, you need to look at some basic metrics, such as:

- **Overall web traffic:** The number of users that visit a website.
- **Sessions and average session duration:** The visitor count in 30-minute increments and how much time each visitor spends on your website.
- **New vs. returning users:** Users visiting your website for the first time show natural traffic is taking place, and users coming back to your website show the content is useful to them.
- **Page views and most visited pages:** The number of times a page was successfully requested, and which pages were visited the most.
- **Exit rates and bounce rates:** The last page of a visit and the single page view visits, divided by the entry pages.
- **Conversion rates:** Metrics that provide insight into whether you are achieving your analytics goals (and through those, your overall website objectives).
- **Impressions:** The number of people who viewed your advertisement or content. Each view counts as a new impression.
- **Social reach:** The number of people who viewed your advertisement or content. Reach is only counted once.
- **Social engagement:** The number of people that interacted with the content through clicks, likes, shares, comments, etc.
- **Click-through rates:** The number of times a link was clicked, divided by the number of times it was seen (impressions).

For mobile data, you can add these metrics:

- **Device category:** Whether the visit came from a desktop, mobile, or tablet.
- **Mobile device info:** The specific brand and make of the mobile device.
- **Mobile input selector:** The main input method for the device (such as touchscreen, click wheel, or stylus)
- **Operating system:** The OS that the device runs (some popular ones include iOS and Android).

20.5 ANALYSING DATA

To test the success of your website, you need to remember the TAO of conversion optimisation:

Track – **A**nalyse – **O**ptimise

A number is just a number until you can interpret it. Typically, you will not be looking at the raw figures, but what they tell you about how your users are interacting with your website. Because your web analytics package will never be able to provide you with 100% accurate results, you need to analyse trends and changes over time to truly understand your brand's performance.

Kaushik (2007) recommends a three-pronged approach to analytics:

- Analysing **behaviour** data infers the intent of a user. Why are users visiting?
- Analysing **outcome** metrics shows how many users performed the goal actions. Are visitors completing the goals we want them to?

- A wide range of data tells us about the **user experience**. What are the patterns of user behaviour? How can we influence them so that we achieve our objectives?

20.5.1 Behaviour

Behaviour can indicate a lot about a user's intent. By studying data you can infer which problems visitors are expecting your website or app to solve:

Some methods to gauge the intent of your visitors include:

- **Click density analysis:** Looking at a heatmap to see where users are clicking on the site and if there are any noteworthy 'clumps' of clicks. For instance, many users clicking on a page element that is not actually a button or link.
- **Segmentation:** Selecting a smaller group of visitors to analyse, based on a shared characteristic. This lets you see if particular types of visitors behave differently.
- **Behaviour and content metrics:** Analysing data around user behaviours (e.g., time spent on site or the number of pages viewed), can give a lot of insight into how engaging and valuable your website is. Looking at content metrics will show you which pages are the most popular as well as which ones users leave most often, providing excellent insight for your content marketing strategy, as well as indicating what your audience is really interested in.

20.5.2 Outcomes

Ultimately, you want users who visit your website to perform an action that increases your revenue. Analysing goals and KPIs indicates where there is room for improvement. Look at user intent to establish if your website meets users' goals, and if these match with the website goals. Look at user experience to determine how outcomes can be influenced.
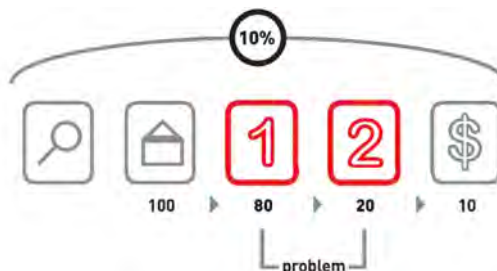
Figure 20.13 A conversion path

20.5.3 User experience

To determine the factors that influence user experience, you must test and determine the patterns of user behaviour. Understanding why users behave in a certain way will show you how that behaviour can be influenced to improve your outcomes. This is covered in **Chapter 21: Conversion optimisation**.

20.5.4 Problems in the conversion process

Funnel analysis is crucial to understanding where problems in a conversion process lie. In this way, it helps you to track whether your website or app is achieving its ultimate goal. The process of achieving that goal can be broken down into several steps. These are called events or micro-conversions. Analysing each event is called a funnel analysis or path analysis.

For example, on a hotel booking website, the ultimate goal is that visitors to the site make a booking on the website with a credit card.

Each step in the process is an event that can be analysed as a conversion point:

Event 1: Perform a search for available dates for hotels in the desired area.

Event 2: Check prices and amenities for available hotels.

Event 3: Select a hotel and go to checkout.

Event 4: Enter personal and payment details and confirm booking (conversion).

One naturally expects fewer users at each step. Increasing the number of visitors who progress from one step to the next will go a long way towards improving the overall conversion rate of the site.
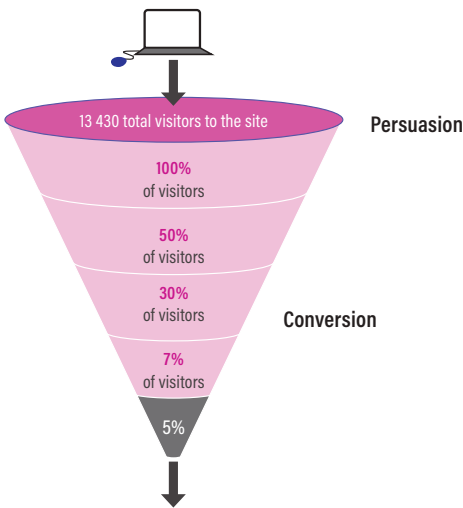
Figure 20.14 A conversion funnel

If your objective is to increase revenue, you could look at ways of increasing your conversion rate – in other words, the number of visitors who purchase something on your site. One way of increasing your conversion rate could be to offer a discount. This means that you would have more sales, but probably a lower average order value. Or, you could look at ways of increasing the average order value so that the conversion rate would stay the same. In turn, you would increase the revenue from each conversion.

Here are some examples of possible objectives, goals and KPIs for different websites:

Hospitality ecommerce sites, such as expedia.com:

Objective: Increase bookings
Objective: Decrease marketing expenses
Goal: Make a reservation online
KPIs: Conversion rate, cost per visitor, average order value.

News and content sites, such as news24.com:

Objective: Increase readership and level of interest
Objective: Increase time visitors spend on website
Goal: A minimum time on site
KPIs: Length of visit, average time spent on website, percentage of returning visitors.

KPIs help you to look at the factors you can influence in the conversion process. If your objective is to increase revenue, you could look at ways of increasing your conversion rate – in other words, the number of visitors who purchase something on your site. One way of increasing your conversion rate could be to offer a discount. This means that you would have more sales, but probably a lower average order value.

Once you have established your objectives, goals, and KPIs, you need to track the data that will help you to analyse how you are performing. This information will indicate how you can optimise your website or campaign.

20.5.5 Segmentation

Every visitor to a website is different, but there are some ways in which we can characterise groups of users and analyse metrics for each group. This is called segmentation.

Some segments include:

Referral source

Users who arrive at your site via search engines are all likely to behave differently (e.g., those who type in the URL directly, those who come from a link in an online news article). In addition to conversion rates, click path and exit pages are important metrics for you to consider. Review the page where visitors enter your website – can anything be done to improve their experience?
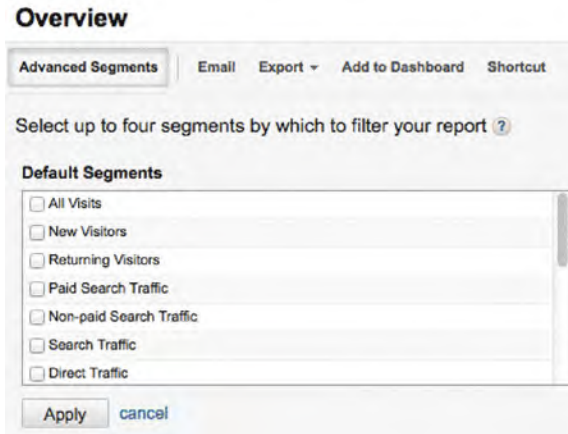
Figure 20.15 Default segments in Google Analytics

Landing pages

Users who enter your website from different pages can behave differently. What can you do to affect the page on which they are landing? Or, what elements of the landing page can you change to positively influence outcomes?

Connection speed, operating system, browser

Consider the effects of technology on the behaviour of your users. A high bounce rate for low-bandwidth users, for example, could indicate that your site is taking too long to load. Visitors who use open-source technology may expect different things from your website compared to other visitors. Different browsers may show your website differently. How does this affect these visitors?

Geographical location

Do users from different countries, provinces, or towns behave differently on your website? How can you optimise the experience for these different groups?

First-time visitors

How is the click path of a first-time visitor different from that of a person who returns? What parts of the website are most important to first-time visitors? Is it worth it to have new visitors go through the trouble of loading a new page to help them learn about how to use your main site? Remember that information about regular visitors can be very helpful in designing your site for newcomers (Landefeld, n.d.).

20.5.6 In-page heat maps

Software, such as crazyegg.com can show you exactly where users click on a web page, regardless of whether they are clicking on links or not.

Figure 20.16 Heat map options offered by crazyegg

It produces information that helps you to discover which areas of a website are clickable, which attract fewer or no clicks, and which areas are not clickable but have users attempting to click there. This can show you what visual clues on your web page influence where your visitors click, which in turn can be used to optimise your visitors' click path.

There are many factors that may be preventing your visitors from achieving specific end goals. This could range from the tone of the web copy to the colour of the page; anything on your website may affect conversions. Possible factors are often so glaringly obvious that one tends to miss them, or so small that they are dismissed as trivial. Changing one thing on your website may result in unforeseen consequences. For this reason, it's important that you avoid jumping to the wrong conclusions.

Hotjar, another popular analytics tool, demonstrates how heatmaps can help you improve your web page. You can find more information here: hotjar.com/heatmaps.

20.6 DATA VISUALISATION

Reporting on data and making sure that the information gets to the right users, in the right way is important. Not everyone is adept at understanding a detailed financial breakdown, and analytics reports often intimidate people, which is why it is important to present information in a way that's accessible to everyone.

Data visualisation involves placing data in a visual context to help users understand it. It can demonstrate patterns and trends that might be easily missed in a purely text-based data report. It can also refer to something as simple as an infographic, or as complex as a multi-point interactive programme that lets users decide what to compare.

NOTE

Many online data visualisations are also interactive. Visit this link to see an interactive data visualisation about fossil fuel emitters: www.ttdatavis. onthinktanks.org/news/announc- ing-the-winners-for-round-2-best-inter- active-data-visualisation.

In the age of Big Data, data visualisation is crucial in making sense of the information generated every day. Good visualisation 'tells a story' by removing the 'noise' and 'highlighting the useful information' (Tableau n.d.). Effective data visualisation is a delicate balancing act between form and function. The better you can convey your point visually, the better you can leverage that information.

May 20, 2021

Day Increase	Total Cases	Total Tests	Total Deaths
266	403,684	2,623,583	2,279

Current Hospitalized	Vaccines Administered	Estimated Recovered	Estimated Active
139	2,464,088	394,416	6,989

Pct. of Positive Tests (7-Day Avg.)

Cases With Estimated Recovery

■ Estimated Recovered ■ Estimated Active

School Outbreaks

Total Cases in 2020-21 School Year		
38,658		

Teachers	Students	Other
3,632	32,026	3,000

School Cases (Past 2 Weeks)		
482		

Teachers	Students	Other
18	437	27

Mortality Statistics

Male %	Female %
60.0%	39.7%

Mortality %	% High Risk
0.6%	89.7%

Avg. Age	% 65+ Years
74.4	77.5%

High Risk: at least 65 years of age and/or having at least one pre-existing condition.

Figure 20.17 Data visualisation during the COVID-19 pandemic

Figure 20.18 Traditional graphs and charts to represent data

Figure 20.19 Representing data in different ways
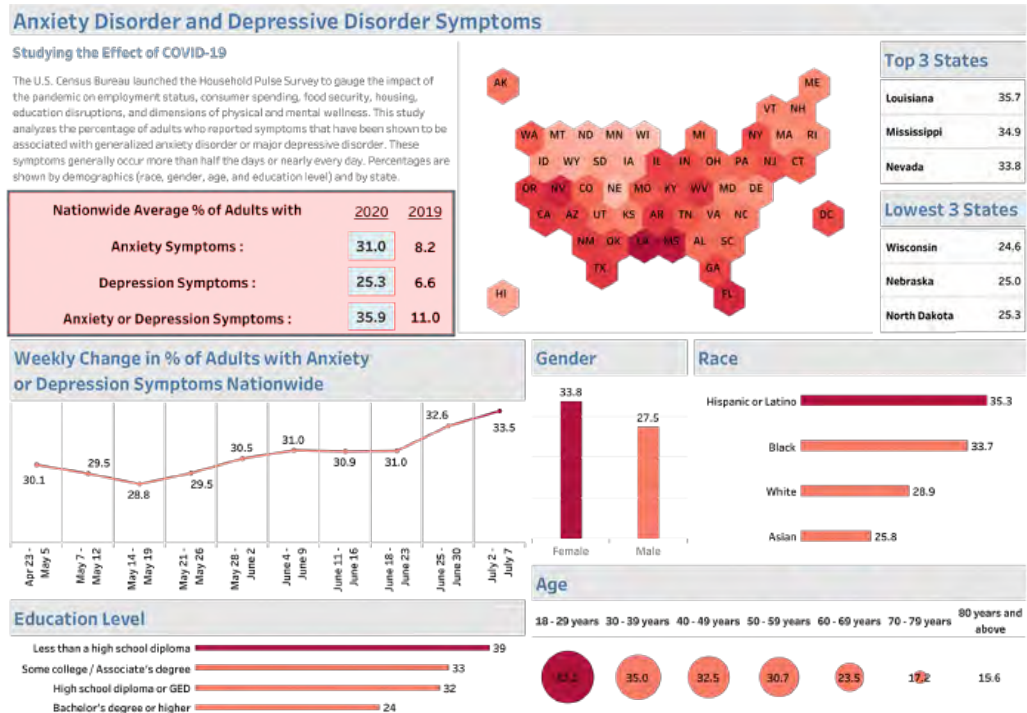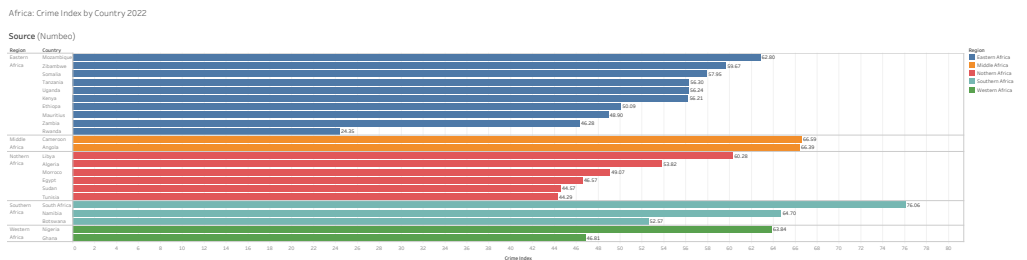
Figure 20.20 Clever visualisation of what would have been statistics

For a good lesson in data visualisation, including how to start using it, have a look at this article from SAS: *Data Visualization: What it is and why it matters*: sas.com/en_za/insights/big-data/data-visualization.html.

NOTE

For some tips on how to begin with data visualisation, have a quick look at some tools and more resources on the topic. *The Guardian* has a remarkably useful article: www.theguardian.com/global-development-professionals-net-work/2014/aug/28/interactive-info-graphics-development-data.

It can be challenging to decide on what data you want to visualise and the information you want to communicate, but as long as you know how your audience is likely to process visual information and what they need to know, you should be able to choose something that conveys the necessary information simply.

Figure 20.21 Word clouds, where the size of the word represents its importance, are becoming popular ways to visualise data

20.7 TOOLS OF THE TRADE

The first thing you need is a web analytics tool to gather data. Some are free and some need to be paid for. You will need to determine which package best suits your needs. Bear in mind that if you switch vendors, you may lose historical data.

Below are some of the leading providers:

*   Google Analytics: support.google.com/analytics/answer/10089681?hl=en
*   AWStats: awstats.sourceforge.io
*   Hotjar: hotjar.com
*   GoSquared: gosquared.com
*   Neil Patel Inc: neilpatel.com
*   Clicky: clicky.com.

When it comes to running split tests, if you don't have the technical capacity to run these in-house, there are third-party services that can host them for you. Google Optimize is one platform for running tests and assessing your website's performance.

To test the significance of basic split tests, view a split-test calculator on drpete.co/split-test-calculator.

When you use cookie-based tracking, you need to add code tags to your web pages that need to be maintained, updated, and occasionally changed. Google Tag Manager (marketingplatform.google.com/about/tag-manager/) makes it easy to add and work with tags without the need for any coding knowledge. Other professional tag management tools include Ensighten (ensighten.com) and Tealium (tealium.com).

20.8 ADVANTAGES AND CHALLENGES

Tracking, analysing, and optimising is vital to the success of all marketing efforts. Digital marketing enables easy, fast tracking and the ability to optimise frequently. When you use real data to make decisions, you're likely to make the best choices for your business and digital channels (e.g. websites).

However, it can be easy to become fixated on figures and metrics, instead of looking at broader trends and using them to optimise campaigns. Generally, macro or global metrics must be considered before analysing the micro elements of a website.

Testing variables is vital to success. Results always need to be statistically analysed, and marketers should let these numbers support the decisions. Avoid assumptions about the outcome. Instead, wait for the numbers to inform you. The next chapter covers this in much more detail.

20.9 CASE STUDY: EFINANCIAL CAREERS

Netflix is a US subscription streaming service and production company.

One-line summary

NETFLIX

Netflix leveraged its user data in a variety of ways and took a digital-first approach to customer loyalty by improving its content recommendation engine, developing original content, and increasing customer retention rate.
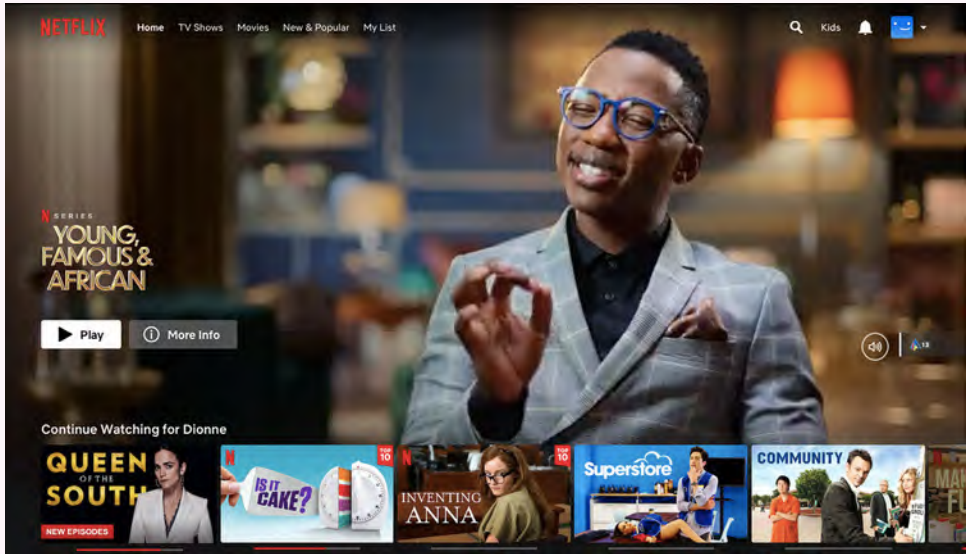
Figure 20.22 The Netflix website shows user specific content on login

The problem

With so much data to leverage, Netflix had wide-ranging goals for the company's marketing analytics. However, all of the organisation's goals contributed to the company's larger business objectives to focus on customer retention.

Netflix aimed to go beyond basic user demographics to understand what customers want from a streaming platform, and what was likely to convince them to stay. With this knowledge, Netflix believed it could create better products, and services for happier customers.

The company acknowledged that access issues, service outages, and platform flaws could all lead to unhappy customers and negative sentiment, which could cause customers to seek out an alternative solution.

By identifying problems early through marketing analytics, Netflix worked towards improving and continued to innovate.

The solution

To work towards its customer retention objective, Netflix collected data from virtually every interaction with its 150+ million subscribers. The company then used marketing analytics tools to process this native data and evaluate everything from how customers navigate the platform to what they watch.

By creating such detailed customer profiles, Netflix was able to make much more per-sonalised recommendations for each user. The more data the company collected, the more it could tailor its algorithm to suggest the ideal content to each individual viewer.

To better understand the platform's users, Netflix collected such data as:

- The devices viewers used to stream content
- Day of week and time of day when users viewed content
- Number of serial episodes viewers watched in a row
- Whether viewers paused and resumed content
- Number and type of searches users performed.

Netflix also welcomed user feedback on content. The company incorporated these content ratings into their analysis to better understand viewer preferences.

The results

According to the streaming platform, the Netflix algorithm was responsible for about 80% of viewer activity. The company successfully collected relevant data and used marketing analytics to generate recommendations that encourage viewers to continue watching and subscribing.

The revenue metrics suggested that Netflix's focus on marketing analytics was hugely beneficial to the company. The company estimated that its algorithm generated $1 billion in value every year, largely due to customer retention.

In recent years, Netflix's customer retention rate far surpassed competitors like Hulu and Amazon Prime. Netflix had an impressive 90% retention rate, meaning the vast majority of viewers continued to subscribe to the service month after month. In contrast, Amazon Prime's retention rate was 75%, and Hulu's was 64%.

For Netflix, customer retention meant more than happy viewers. It also meant more data, a continually improving algorithm, and substantial business growth.

Netflix emerged as the world's most highly valued company, with a total valuation of over $160 billion. Netflix could continue to increase this valuation by leveraging its data and producing original media and by recommending the ideal content to viewers every time they access the streaming platform.

(Source: Sonnenberg, 2022)

20.10 CASE STUDY QUESTIONS

1. What was Netflix's primary objective in this study?
2. Describe what analytics data was gathered and why they choose to focus on this data.
3. How did Netflix achieve its retention and subscription rates using data analytics?

20.11 THE BIGGER PICTURE

Tracking, analysing, and optimising are fundamental to any digital marketing activity, and it is possible to track almost every detail of any online campaign.

Most analytics packages can be used across all digital marketing activities, allowing for an integrated approach to determining the success of campaigns. While it is important to analyse each campaign on its own merits, the internet allows for a holistic approach to these activities. The savvy marketer will be able to see how campaigns affect and enhance each other.

The data gathered and analysed can provide insights into the following fields, among others:

- **SEO:** What keywords are users using to search for your site, and how do they behave once they find it?
- **Email:** When is the best time to send an email newsletter? Are users clicking on the links in the newsletter and converting on your website?
- **Paid media:** How successful are your paid advertising campaigns? How does paid traffic compare to organic search traffic?
- **Social media:** Is social media driving traffic to the website? How do fans of the brand behave compared to those who do not engage socially?

- **Mobile:** How much of your traffic comes from mobile devices? Is it worth optimising your site for these? (It usually is.)

20.12 SUMMARY

The ability to track user behaviour on the internet allows you to analyse almost every level of a digital campaign, which should lead to improved results over time. The foundation of successful web analytics is to determine campaign and business objectives upfront and to use these to choose goals and KPIs grounded in solid targets.

Data can be analysed to discover how users behave, whether outcomes have been achieved, and how appealing the user experience is. Testing to optimise user experience can demonstrate ways in which to influence user behaviour so that more successful outcomes can be achieved. Segmenting the audience allows specific groups of users to be analysed.

20.13 CHAPTER QUESTIONS

1. Why is it so important to use data to inform business decisions?
2. What would you learn from a single-page heat map?
3. What is the difference between a goal and a KPI?

20.14 FURTHER READING

contentmarketinginstitute.com/?s=analytics – The Content Marketing Institute has some great analytics tips.

Gynn, A., (2021). How to Use Google Analytics to Find Your Unicorns (and Avoid Content Donkeys. [Online]
Available at: contentmarketinginstitute.com/2021/07/google-analytics-find-best-content/
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kaushik.net/avinash – Avinash Kaushik is an analytics evangelist, and his regular insight on his blog, Occam's Razor, is essential reading for any digital marketer.

Kaushik, A., (2010). *Web Analytics 2.0: The Art of Online Accountability and Science of Customer Centricity.* Indianapolis, Indiana: Wiley Publishing, Inc.

support.google.com/analytics#topic=3544906 – Google Analytics Help Center is an excellent starting point for anyone who wants to get to grips with this free, excellent web analytics service.

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20.16 FIGURE ACKNOWLEDGEMENTS

Figure 20.1 – Figure 20.12: Screenshots, Google Analytics 4

Figure 20.13: Stokes, 2013

Figure 20.14: Adapted from Stokes, 2010

Figure 20.15: Screenshot, Google Analytics, 2017

Figure 20.16: www.crazyegg.com

Figure 20.17: public.tableau.com/app/profile/josh.furlong/viz/UtahCOVID-19Numbers/DailyNumbers

Figure 20.18: public.tableau.com/app/profile/marcel4354/viz/FinalGlobalWarming/Story2, 2022

Figure 20.19: public.tableau.com/app/profile/george.kuibita/viz/AfriceCrimeIndexbyCountry2022/Sheet1 public.tableau.com/app/profile/sharon.kwak/viz/anxiety_depression/Dashboard1, 2022

Figure 20.20: Data visualisation by Yesenny Fernandez, data exported from NYPD on Domestic Violence

Figure 20.21: public.tableau.com/app/profile/jesse.barajas/viz/NPSCommentsWordCloudscore6orless/Sheet1, 2022

Figure 20.22: Screenshot, Netflix, 2022

Netflix logo: netflix.com

21

CONVERSION OPTIMISATION

In this chapter, you will learn:

- Which digital marketing tactics you can test and improve
- How to pick the right test for your goals and purpose
- How to perform conversion optimisation step-by-step to improve the effectiveness of your online marketing efforts.

21.1 INTRODUCTION

Let's look at a real-world example to help explain what conversion optimisation is. Think of a shoe store. When laying out the store, a lot of care is taken to determine where to place displays, mirrors, chairs, and the checkout counters. However, there is no way of easily determining if the current layout is the best option.

For example, the checkout counter may be at the front of the store. It may, however, be worth testing to see if moving it to the middle of the store affects sales. This would require tracking sales over a period of time with the checkout counters in the front of the store, then shutting down for a few days while the store is reorganised, and tracking sales with the new layout. But this is all a little impractical.

In contrast, if you have an online store, you can just show slightly or very different versions of web pages to visitors and track how different versions affect sales. You would not need to shut down your website to create new versions, and you can watch results emerge in real time as hundreds of customers pass through the store. The cycle of tweaking and testing websites in this way is called conversion optimisation. This chapter will take you through the steps in a conversion optimisation process, helping you understand how to make things work better.

21.2 KEY TERMS AND CONCEPTS

Table 21.1

Term	Description
A/B test	Also known as a split test. Involves testing two versions of the same page or site to see which performs better.
Ad Server	The technology that places ads on websites.
Call to action	A phrase written to motivate the reader to take action, such as sign up for our newsletter or book car hire today.
Click path	The journey a user takes through a website.
Conversion	Completing an action that the website wants the user to take. A conversion usually results in revenue for the brand in some way. Conversions include signing for a newsletter or purchasing a product.
Conversion rate	The number of conversions divided by the number of visitors expressed as a percentage.
Funnel	In web analytics or conversion optimisation, an established set of steps a user should take in reaching a goal, such as making a purchase.

Heatmap	A data visualisation tool that shows levels of activity on a web page in different colours.
Hypothesis	A statement that is being tested.
Landing page	The first page a visitor sees on a site. It is usually specific to a campaign being run.
Micro-conversion	A small conversion in the path to a full conversion, such as going from step one to step two in a checkout process of four steps.
Multivariate test	Testing combinations of versions of the website to see which performs best.
Null hypothesis	The default or general position, usually where no difference is the hypothesis.
Single-page checkout	An approach to ecommerce website design in which the entire checkout process is completed using a single form on a page.
Split test	Also known as an A/B test. For improving website metrics.

21.3 WHAT CAN YOU TEST?

The short answer: everything! However, there are some good tactics to start testing.

21.3.1 Email marketing

The most obvious place to start testing your email marketing is with subject lines. A simple split test will help you to determine which version of a subject line improves open rate. Within an email, you can test your call to action copy to see how you can improve clickthrough rates. Email is also a good medium to test different kinds of offers to see how they influence sales. These can be combined with testing different types of content: long copy versus short copy, or image versus video.

You can also test delivery days and times for your email, either with a split test or by testing your whole group at different times of the year.

21.3.2 Display and search advertising

There are many different conversion points you may want to test with advertising. You can test to see how different adverts may improve clickthrough rates, or you can test to see how different adverts affect the conversion rate of the traffic coming to your website.

Different calls to action in the adverts can be tested, as well as different headlines. When it comes to display advertising, completely different versions of banner adverts can be tested.

Most Ad Servers, including Sizmek Ad Suite and Google's AdWords, have built-in testing. This means that no additional code is required in order to run tests. In most cases, the Ad Server will also serve adverts based on the results of the test, so that the better-performing advert is given preference over time.
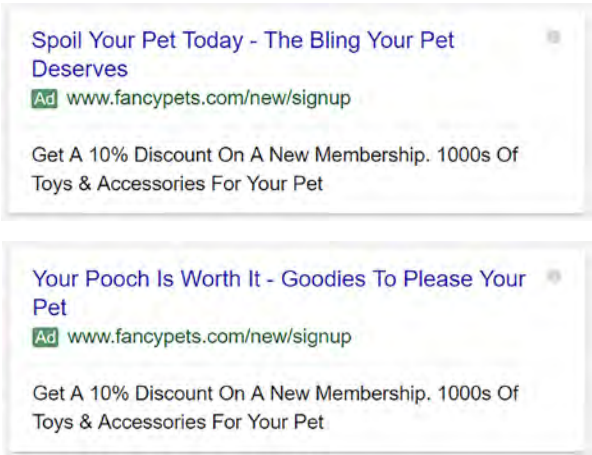
Figure 21.1 Two search ads with different headlines

21.3.3 Social media

If you are broadcasting or distributing messages via social media, you should test your messages to see which perform better. Usually, you will be testing to see how you can increase engagement, whether that's replying

> **NOTE** Read about social media analytical tools for marketers here: sproutsocial.com/insights/social-media-analytics-tools/.

to messages, liking Facebook posts, retweeting posts shared on Twitter, or clicking through on links shared.

Types of messages can be tested to see which messages increase interactions. Some options to try are direct questions, shared links, overt requests to take an action, or other messages to generate engagement. Types of media (e.g. images vs. videos) can also be tested alongside other metrics (e.g. time of day, day of the week) to see how these affect interactions.
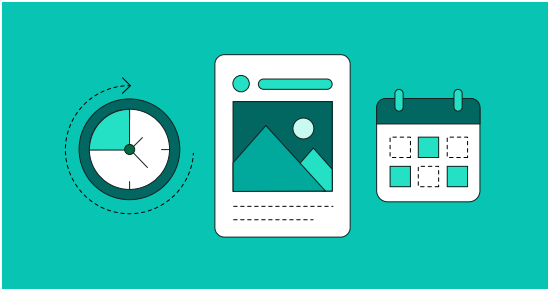
Figure 21.2 Best time to post on Facebook
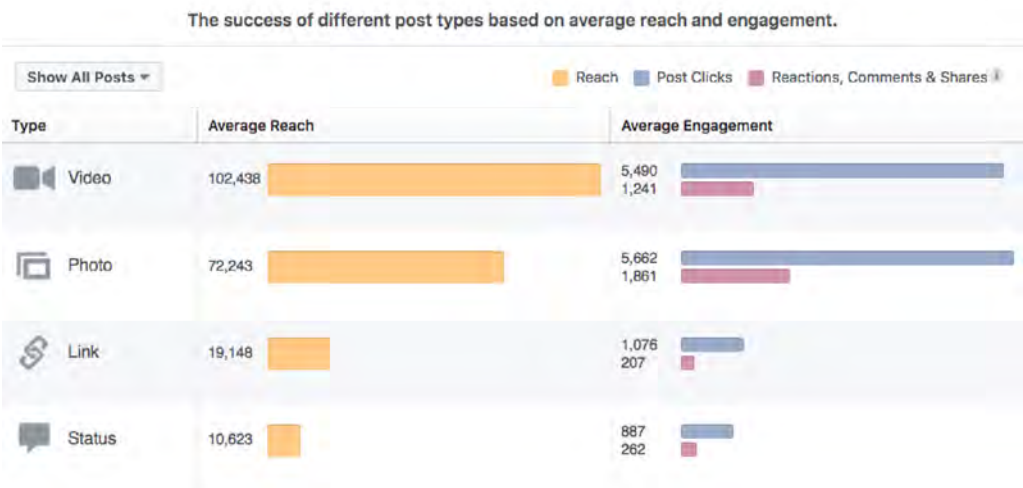
Figure 21.3 Facebook Insights showing what kinds of social media posts make the biggest impact on your followers

It can be trickier to test social media messages scientifically, as the environment is difficult, if not impossible to control due to constantly evolving algorithms.

21.3.4 Landing pages

The landing page is the first page a visitor sees on a website. In some web analytics packages, it is referred to as an entrance page. Any page of your website could be a landing page, especially if users are coming to your website via search engines.

However, when you are running online campaigns that utilise tactics like email marketing or online advertising, you often send visitors to a specific landing page. Because you choose the page that visitors see first, you have an opportunity to craft a page that converts. There are many things you can test on landing pages, for example:

- **Heading:** Different headings can make your visitors behave differently.
- **Copy:** Style, tone, layout, and length of copy can all be tested, as well as things like font size.
- **Call to action:** Various calls to action could increase actions.
- **Colour:** Test the colours of buttons, green and red are two common choices to try.
- **Images:** Different images can have an impact on conversions.
- **Offer:** You can test different types of offers on a landing page or word the same offer differently.

21.3.5 eCommerce

There are many things you can test on ecommerce websites, but the most obvious are to test your product pages and your checkout process. With ecommerce, you are usually testing to increase your conversion rate (when more consumers buy from you) or your basket size

(when consumers buy more from you). As your testing becomes more sophisticated, you will hopefully be achieving both.

On product pages, you should be testing to see how you might encourage users to start the purchasing process. Here are a few things to test:

- **Images:** Images of different sizes, or entirely different image content, could make a big difference.
- **Call to action:** Seeing the words 'Add to cart' or 'Buy now' may affect shopper behaviour.
- **Shipping information:** Test to see whether displaying shipping costs before actual checkout affects the volume of customers starting the checkout process, as well as its effect on completing the purchase.
- **Credibility information:** Do 'Secure shopping' badges affect conversion rate?

Product pages are also a good place to test how you might increase basket size. You can test displaying complementary or similar products. If you spend time on Amazon, you'll see that they display items that other customers bought together, suggesting you should do the same.

The checkout process is incredibly important to test. Often, an online purchase takes place over several screens or steps. Instead of looking at the overall conversion rate, you should be looking at the conversion rate between steps. This is referred to as funnel analysis.

If possible, you should test a single-page checkout versus the multi-page approach. Also test credibility and reassurance statements and how these affect the checkout process. Even font size can have an effect on conversions.

The above should give you an idea of where you can start with your conversion optimisation, but it is by no means an exhaustive list.

21.4 DESIGNING TESTS

To design tests successfully, you need to know what you can test, how you can test, and what sort of time periods you are looking at for testing. If it's your first time doing conversion optimisation, you should start with simple and quick tests to get a feel for the process before embarking on more complicated tests.

21.4.1 Types of tests

When we talk about conversion rate optimis-ation, we are usually referring to running split tests. A split test is one where we show different versions of a web page to groups of users and determine which one has performed better.

> **NOTE**
> The Facebook split test feature allows you to test different audiences against each other to discover which ones deliver the best results based on the campaign goal.

A/B tests

An A/B test is one in which each version being tested is different from all the others. A/B tests always involve just two versions of what is being tested: the original and an alternative.
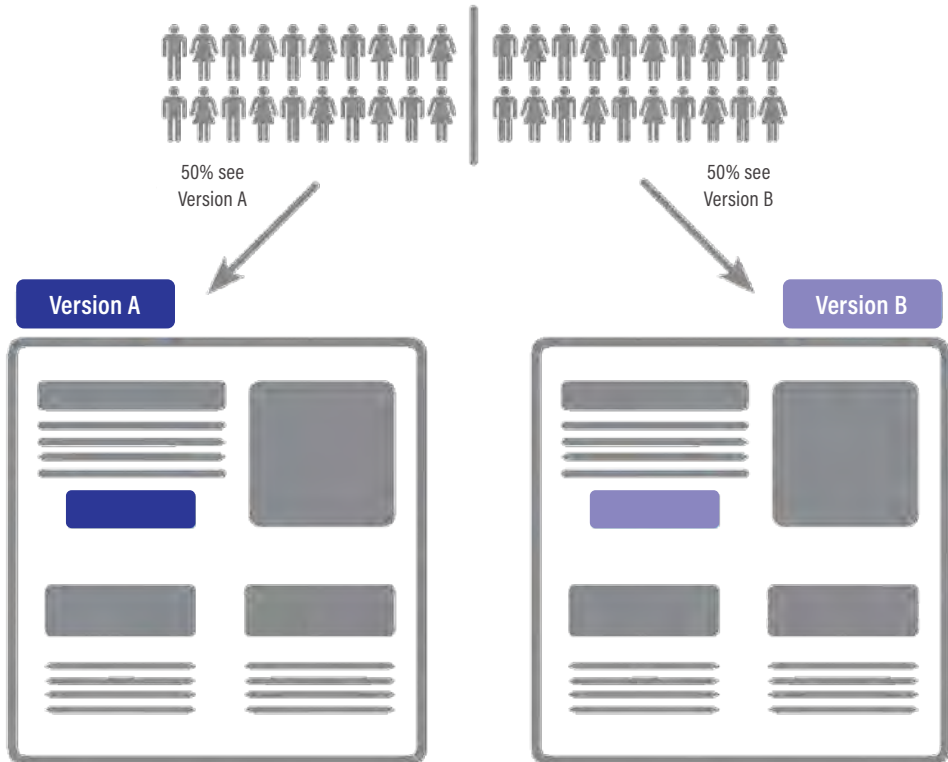
Figure 21.4 A/B testing explained visually

A/B tests are ideal for an initial foray into conversion optimisation, as they can be easy to set up. If you are running just one alternate and the original, it can also mean that you get a quicker result. When conducting A/B testing, you should only change one element at a time so that you can easily isolate what impact each factor has on your conversion rate.

We can also run multivariate tests, sometimes referred to as MVTs. Here, a number of elements on a page are tested to determine which combination gives the best results. For example, we may test alternative headlines, alternative copy, and alternative call to action buttons. Two versions of three elements mean that we are testing eight combinations! Here is a simple formula to calculate the total number of versions in a multivariate test: [No. of variations of element A] × [No. of variations of element B] × [No. of variations of element C] … = [Total no. of variations]

Multivariate testing helps avoid the need to conduct several sequential A/B tests and easily determines the contribution of each page element to the measured gains.
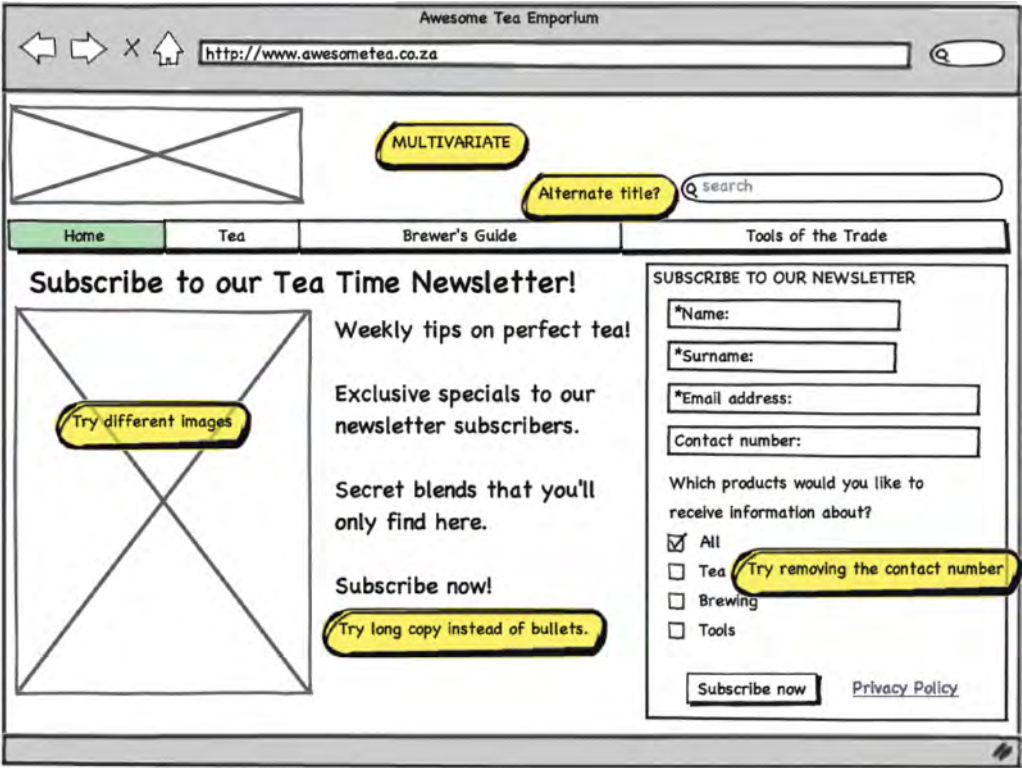
Figure 21.5 Multivariate testing combines a variety of elements

Multivariate tests can be more complicated to set up, but allow you to test more elements at once. Multivariate tests are ideal when you have large traffic volumes. If traffic volumes are not very high, it can take a very long time to reach a statistically significant result, especially if there are many combinations being tested.

21.4.2 Length of tests and sample size

Several factors determine which tests you can run. Relatively simple calculations help you to determine how long a test is likely to take, which is based on the number of participants, as well as the improvement in conversion rate. We've included some sample size calculators in **Section 21.6: Tools of the trade** in this chapter.

Number of participants

The number of participants in the test is determined by how many users actually see the page being tested, as well as what percentage of your potential customers you want to include in your test.

The number of users who see the page being tested may not be the same as the number of visitors to your website. You'll need to use your data analytics to determine the number of users

viewing that specific page. Of course, if you are running advertising campaigns to direct traffic to the page being tested, you can always spend a bit more money to increase the number of users coming to that page.

You also want to determine what percentage of users will be involved in the test. In a simple A/B test, if you include 100% of your visitors in the test, 50% will see version A and 50% will see version B. If you include only 50% of your visitors in the test, this means that 25% of your overall visitors will see version A, and 25% will see version B. Including 100% of your visitors will give you results more quickly. However, you may be concerned that your alternative version could perform worse, and you don't want to compromise your performance too much.

Change in conversion rate

While this is not something you will know upfront, the percentage change in conversion rate also affects the length of a test. The greater the change, the more quickly a statistically significant decision can be made.

Number of variations

The more variations you have, the longer it will take to determine which combination performs the best.

These factors can then be used to calculate the suggested length of time for a test to run. There are several online calculators that do this for you. A good one to try is this one, offered by Visual Website Optimizer: vwo.com/tools/ab-test-duration-calculator/.

Estimate test duration	Scenario 1	Scenario 2	Scenario 3	Scenario 4
# Test combination	2	2	2	2
# Page views per day	200	200	300	300
% Visitors in experiment	100	100	50	50
% Current conversion rate	30	30	30	30
% Expected improvement	20	40	20	30
Days duration	4.01	1.04	5.35	4.22

Figure 21.6 Small changes can affect your online testing

It is usually preferable to test bigger changes or variations rather than very small ones, unless you have a very large audience.

21.4.3 Designing for analysis

The purpose of running tests is to improve performance. To do this, you analyse your results against what you expected to find and then choose the option that performed better. This sounds simple, but how do you know what counts as better enough to warrant a change? Is it one more click than the other option, three more clicks, or should one perform 25% better than the other? You also need to think about chance: how certain are you that the differences in your results were not just coincidental? These can be tricky questions to answer.

To determine which option in your split test did better, set parameters and assess the statistical significance of your results. In statistics, we create a null hypothesis. For split tests, the null hypothesis is that there is no difference between the performance of the two options and any difference recorded is due to chance. You then use statistics to calculate the p value,

> **NOTE**
> The p-value is defined as the probability of getting results at least as extreme as the ones you observed, given that the null hypothesis is correct, where the null hypothesis in A/B testing is that the variant and the control are the same.

which shows whether the difference was likely due to chance (or not). If the difference is significant, it is probably not due to chance. Generally, to be significant, the p value should be less than or equal to 0.05, indicating a less than 5% probability that the difference in performance between the two options was due to chance.

However, don't worry: you do not have to be able to perform complex statistical calculations. Handy tools like VWO's split test significance calculator will do this for you. All you have to do is enter the number of users that visited your control version and the number of conversions, as well as the number of users that visited the variation and the number that converted. The calculator then provides your p value and states whether your test is significant enough to change to the variation. You can find the calculator here: vwo.com/ab-split-test-significance-calculator/.

When designing your tests, it is important to consider the null hypothesis and set the parameters for significance. By keeping these aspects in mind, you will develop tests that allow for clearer and easier analysis, which will make the whole testing process that much more effective.

21.5 STEP-BY-STEP GUIDE TO CONVERSION OPTIMISATION

Proper planning is important to achieving success with your conversion optimisation. Whatever the outcome of your test, if you've planned and documented carefully, you'll always learn something. Think about what is bringing visitors to your site, what persuaded them to act, and most importantly, what caused them to abandon your site.

> **NOTE**
> You already know that conversion optimisation is the practice of increasing the percentage of users who perform a desired action on a website. Read this blog on www.hotjar.com/conversion-rate-optimization where a user-centric definition of conversion optimisation is discussed.

Are your results significant?

	Control	Variation
Number of Visitors	250	250
Number of Conversions	25	42

CALCULATE SIGNIFICANCE

P-Value (Range from 0-1)	Significance
0.012	Yes!
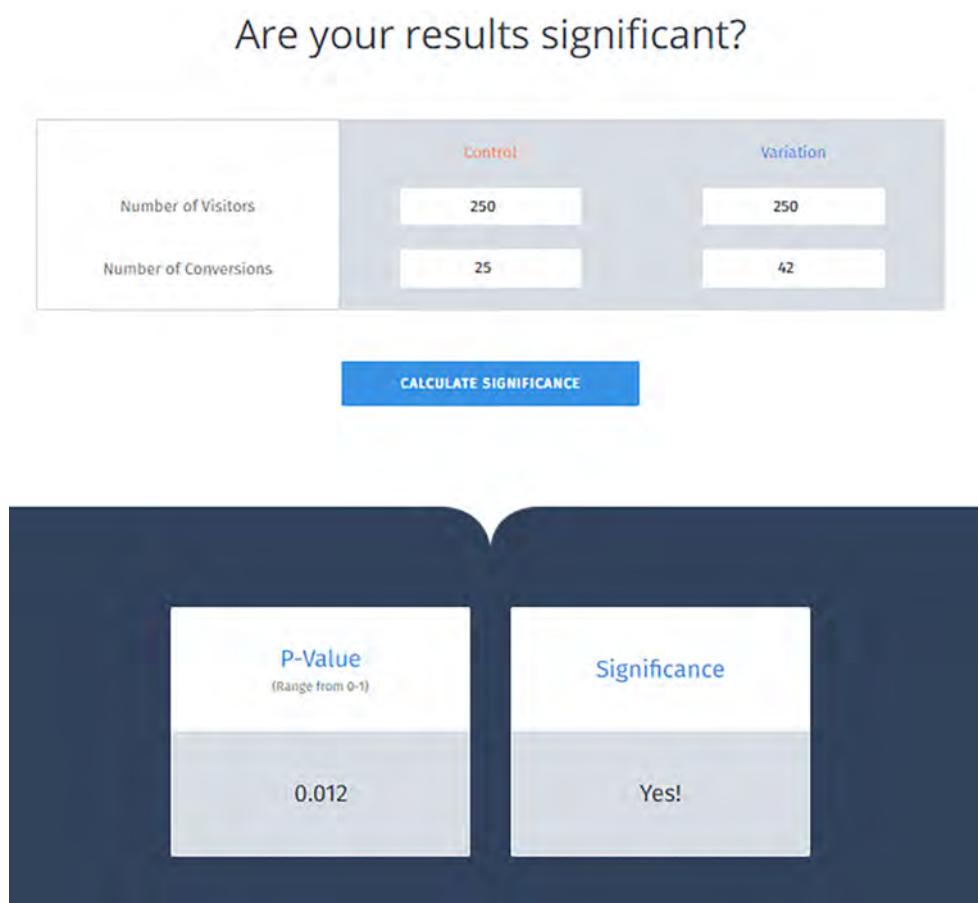
Figure 21.7 The results from VWO's significance calculator

The basic approach to conversion optimisation is:

Step 1	Gather data
Step 2	Analyse data
Step 3	Fix anything broken
Step 4	Design tests
Step 5	Run tests
Step 6	Report and repeat
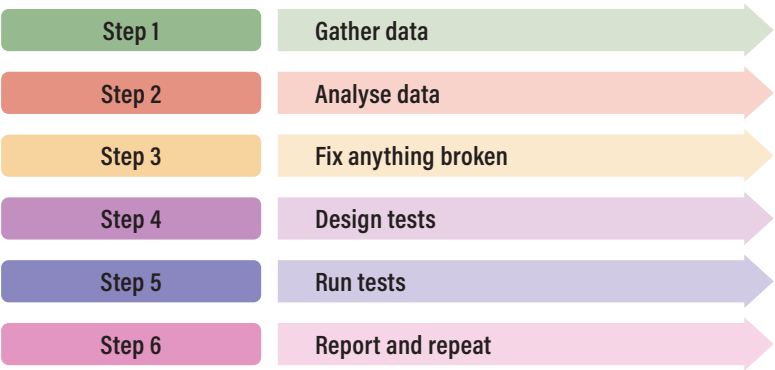
Figure 21.8 The conversion optimisation process

21.5.1 Gather data

The very first step is to gather data about the site you are testing so that you can make smart decisions about what to test and how. There are many sources you can use, depending on the nature of the site that you are testing. Of course, you also need to know the business for which you are testing; in other words, what do you want website visitors to do?

- **Analytics data:** Existing web analytics data can be used to determine which pages in your site should be tested. You can also gather data about specific pages on your site using tools such as crazyegg.com or contentsquare.com.
- **User data:** User labs or simple site surveys, such as kissmetrics.io are a useful tool and can also be used to add qualitative data to the quantitative data gathered using web analytics tools.
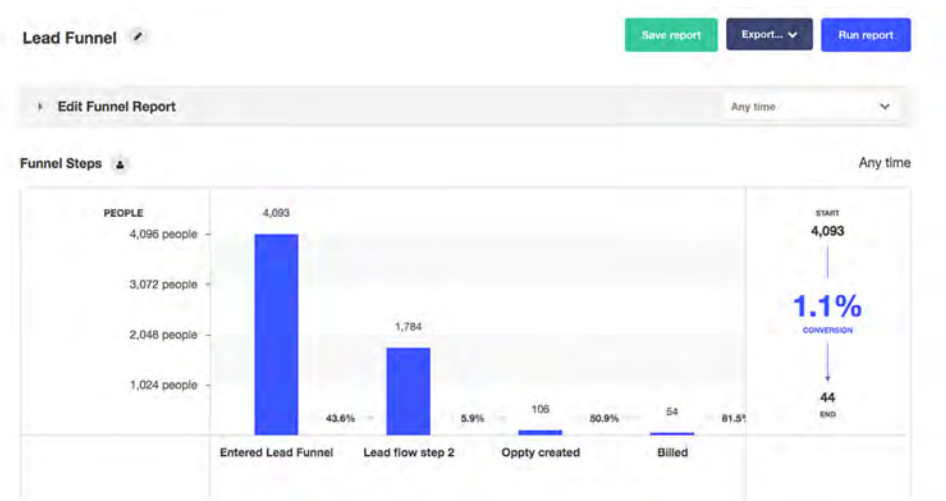
Figure 21.9 A kissmetrics lead funnel report that shows conversion rate

- **Customer service data:** If you are running tests for a site where users also speak to customer service, you can gather data about the site from customer service representatives. They should have information on common reasons why visitors make a phone call. Your CRM system may also hold some valuable data.

> **NOTE**
> Read more about **Customer relationship management (CRM)** in **Chapter 15.**

21.5.2 Analyse

Having gathered data, you need to analyse it intelligently so that you can start designing tests. There are some key questions that you need to answer at this stage.

What should users be doing on the site?

This is where you look at the actual conversion. Usually, this is an action taken by a user that increases revenue for a business. There are obvious conversions to look at, such as placing

an order or completing a lead generation form. However, it can also be useful to understand less obvious conversions, or micro-conversions.

You could run a test to see what would reduce the bounce rate of a page. The aim of an online bookstore is to sell books, but they could also test to increase newsletter signups, and focus on selling books later. Micro-conversions can also refer to the path to conversion. Often, there are established steps a visitor should take in the conversion process. Conversion optimisation can look at each step. The Visitor Flow Report in Google Analytics can be a great help in providing this insight. Knowing what actions or conversions you are testing is about knowing the business and its website well.

Who is coming to the site? Why?

To understand who is coming to the website, and why, you need to look at data that tells you about your visitors and how they got to your website. Visitor information includes their location and richer demographic information (e.g. age and income), if available. Another key point to look at is the type of device they use (e.g. desktop, tablet, mobile).

To understand why these visitors come to your website, you need to be able to analyse your sources of traffic. The search keywords sending you traffic should tell you something about the intent of your visitors, for example.

What are they doing on your site?

Of course, now you need to understand what your visitors are doing, and why they're not doing what you want them to do. Here you need to look at metrics, such as bounce rate and exit rate for important pages. As well as examining your overall conversion rate, look at the steps in the process and see where those drop-offs occur.

Look at which page is the most visited landing page, especially as this may not be the homepage. Look to see which ones are exit pages and determine if those should be the last pages a user sees on your site. You can use internal site search information to see if visitors are looking for particular information on your website.

21.5.3 Fix anything that is broken

As part of your analysis, you may have identified problems that can be fixed without testing. Before you continue, fix these. You should also try to understand if there is traffic coming to your site that is not relevant. Segment that traffic from your calculations.

For example, if you have a beautifully designed website that sells custom couches, but is featured in a website design gallery, you may get a lot of traffic that is coming only to look at your site and not necessarily to buy couches.

21.5.4 Design tests

By now you should know what areas of your site need testing, so it's time to design tests.

Wishpond (2016) provides a three-step formula for creating an A/B Testing Hypothesis:

Step 1
Conversion problem
Why aren't the people converting?

Step 2
Proposed solution
What tests can be run to fix the conversion problem?

Step 3
Impact statement
How do you anticipate your proposed solution will affect the conversion problem?
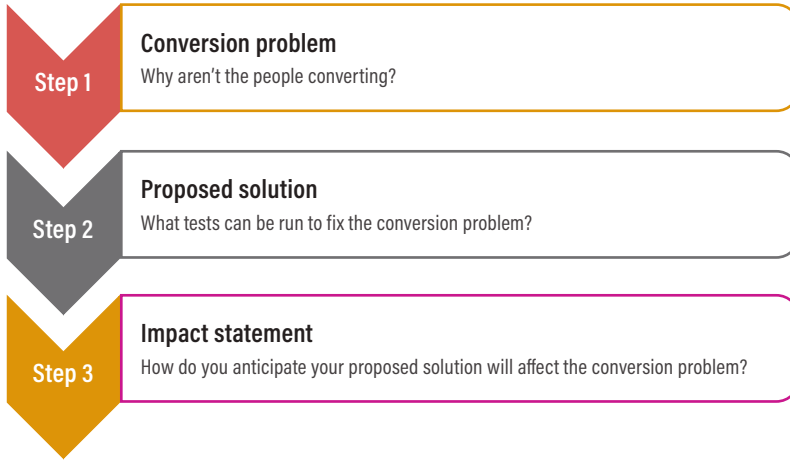
Figure 21.10 Three-step formula for creating an A/B testing hypothesis

You now have a sound A/B testing hypothesis.

21.5.5 Run tests

Implement the tracking code needed to run your tests. Most testing software uses cookies to ensure that return visitors see the same version of the test they saw initially. You will also need to put tracking code on your conversion page. Before taking your test live, make sure that the tracking code does not conflict with any other code on your website.

If everything checks out, take your test live and wait for the data to be collected. Check in regularly to see how the test is proceeding and wait for a statistically significant outcome.

21.5.6 Report and repeat

When you have a result, it's time to report on it. Refer back to your null hypothesis to determine if the outcome was as expected and if it was statistically significant. In your report, you should include why things went as expected, or why not.

Implement the better-performing solution and plan your next test. There is always something you can improve.

21.6 TOOLS OF THE TRADE

Online conversion optimisation relies on being able to record which version of a test a web visitor sees and whether or not that visitor converted. To avoid confusion, a returning visitor should also see the same version they saw the first time to avoid confusion. There are many software solutions that can help you:

- **Google Optimize:** A new dedicated tool from Google for website and AB testing, as well as personalisation solutions. It integrates seamlessly with Google Analytics and provides for split testing, multivariate testing, and redirect testing. A built-in visual editor helps you to create variations to test, without needing to recode each page. Google Optimize makes managing your experiments much simpler with an activity log, experiment previews, and by user permissions tracking. By facilitating testing, Google Optimize also enables you to create pleasant and engaging user experiences for your customers when they visit your website.

There are many split test calculators online that help you to determine the significance of split tests if you are running them yourself.

> **NOTE**
> Try drpete.co/split-test-calculator or vwo.com/tools/ab-test-significance-calculator/.

- **Kissmetrics:** A popular analytics package that also includes testing and optimisation features. It refers to itself as a customer engagement automation system. It is a system designed for deep data tracking, providing real insights into performance and user experience. Its ability to store information from every customer who interacts with your brand, not only assists with CRM, but sales leads as well. Find it here: kissmetrics.io/. Kissmetrics is owned by Neil Patel, a well-known web marketer.
- **Contentsquare:** A web analytics tool that helps you to visualise how particular pages are performing by showing heat maps of mouse movements and clicks on a page. It also offers form analysis, showing how particular form fields may be affecting completion rate: contentsquare.com.
- **HubSpot:** Offers a free tool, HubSpot Marketing Free, which helps you improve your conversion optimisation. You can add a popup CTA to your site, and HubSpot will give you in-depth insights on prospects and current contacts. Find it here: hubspot.com/products/marketing/free.

21.7 CASE STUDY: HUBSTAFF

Hubstaff offers workforce management software (e.g., time-tracking, project management) that is particularly useful for remote teams.

One-line summary

Hubstaff tested a new homepage design, which led to a 49% increase in visitor-to-trial conversions.

The problem

Hubstaff measured its success based on traffic, trials, and revenue. It was essential for visitors to the site to be drawn in and encouraged to sign up for the trial, which, in turn, would lead to conversion to paid subscription to the service based on their experience.

The homepage had to highlight all of the right features in order for potential customers to sign up. The web design and marketing team knew that this approach would result in more conversions (visitor-to-trial and trial-to-paid).

However, changing the homepage was a risk. The homepage draws the most visits, and launching the test could result in lost conversions and a decline in traffic. The conversion rate also had to be worth the effort. In other words, a nominal increase in conversions would not necessarily justify the work the team put into the new design.
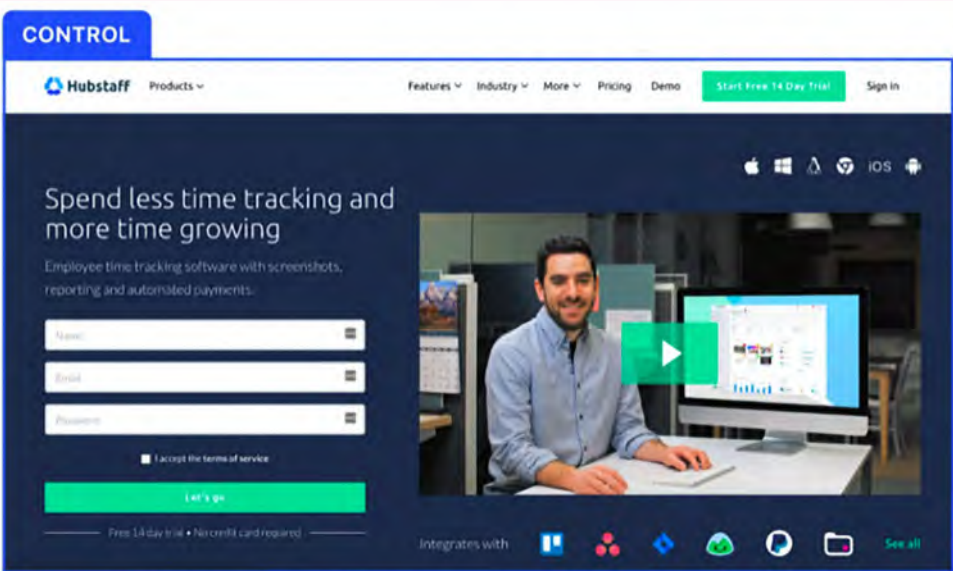
Figure 21.11 The original homepage for Hubstaff

The solution

Hubstaff settled on doing a split test. This meant that 50% of traffic was directed to their original homepage (Figure 21.11), and the other 50% to the new homepage.

They used VWO software to track the following metrics:

- Visitor-to-trial conversion
- Hero form submission: This tracked the number of visitors who used the hero form seen in Figure 21.9, as opposed to clicking a 'Free 14-day trial' call to action button.
- On-page engagement: This tracked visitor engagement with the homepage by tracking clicks.
- Pricing page views.

Further, the full visitor journey was tracked to understand whether the conversion from trial to paid was due to the new homepage design or the experience using the app.

The results

The test was conducted over a three-month period, with over 250 000 visitors across both pages. The results were as follows (Nevogt and Gratale, n.d.):

- Visitor-to-trial conversion: 49% increase
- Hero form submission: 34% increase in visitors entering their emails on the homepage
- On-page engagement: 6% decrease, attributed to the improved performance of sign-ups, which reduced the number of clicks necessary
- Pricing page views: 3% decrease in pricing page views.
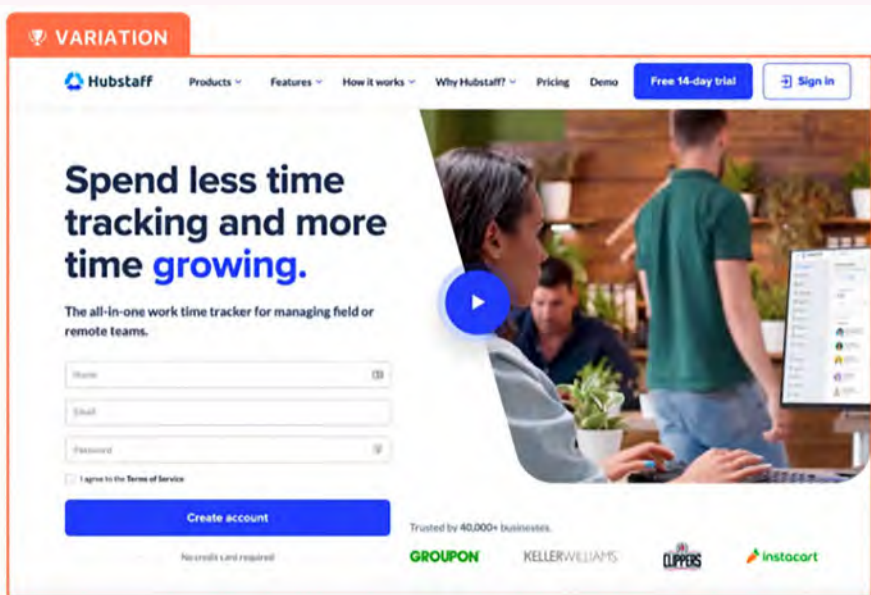
Figure 21.12 The redesigned homepage

21.8 CASE STUDY QUESTIONS

1. Why did Hubstaff decide to do an A/B test?
2. Discuss the results: was the new homepage less or more successful?
3. Briefly outline the metrics that were tested, and how they related to improving conversions.

21.9 THE BIGGER PICTURE

As you saw at the start of this chapter, conversion optimisation applies to just about every part of your digital marketing strategy. Almost any tactic can be tweaked, tested, and improved. In fact, this is best practice and highly recommended.

Conversion optimisation also speaks to a bigger consideration about keeping your channels up to date in the ever-changing online marketing space. Keeping things fresh and constantly improving are the way to go. Not only does this strategy entice your customer, it also reflects on your bottom line. Making valuable, incremental improvements increases your earnings in the short term and decreases the need for radical changes over time.

21.10 CHAPTER SUMMARY

Conversion optimisation is the process of testing to increase the conversions from a website or digital campaign. A conversion can refer to any action that a web visitor takes. Tests are either A/B, or multivariate tests. It's important to understand the business and customers, so you can create appropriate, useful tests.

The basic approach to conversion optimisation is:

1. Gather data
2. Analyse data
3. Fix anything that's broken
4. Design tests
5. Run tests
6. Report and repeat.

21.11 CHAPTER QUESTIONS

1. Describe a situation where an A/B test would be more suited as a data-gathering method than a multivariate test.
2. What is a conversion rate, and why is it so important to marketers?
3. What can you test on an eCommerce product page? List three examples.

21.12 FURTHER READING

blog.hubspot.com/marketing/conversion-rate-optimization-guide – Learn about the power of CRO, conversion rate optimisation, and how to get started

Eisenberg, B., Quarto-von Tivadar, J. & Davis, L.T., 2008. *Always Be Testing: The Complete Guide to Google Website Optimizer*. Cybex.

neilpatel.com/what-is-conversion-optimization/ – A step-by-step guide from the website of Neil Patel

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[Accessed 16 May 2022]

21.14 FIGURE ACKNOWLEDGEMENTS

Figure 21.1: Screenshot, Google, 2017

Figure 21.2: Screenshot, sproutsocial. sproutsocial.com/insights/best-times-to-post-on-social-media/

Figure 21.3: buffer.com/library/what-to-post-on-each-social-media-platform/, 2022

Figure 21.4: explwebsolns.blogspot.com/search/label/google%20adword. 2022

Figure 21.6: Stokes, 2013

Figure 21.7: VWO.com, 2017

Figure 21.9: G2Crowd, 2017

Figure 21.11: vwo.com/success-stories/hubstaff/, 2022

Figure 21.12: vwo.com/success-stories/hubstaff/, 2022

Hubstaff logo: vwo.com/success-stories/hubstaff/

22

THE FUTURE OF ADVERTISING

In this chapter, you will learn:

- About the trends that are driving the future of advertising
- About technology's role in staying relevant in today's market
- How the digital landscape is shifting and what you can do to stay informed
- How to understand the importance of personalisation.

22.1 INTRODUCTION

Technology continues to shape the future of advertising. Accelerated by the global lockdowns due to COVID-19 since the start of 2020, we've witnessed how technology has enabled human connection with extraordinary changes that have fast-tracked lives globally. Our behaviours, expectations, and ultimately, our needs, have transformed as a result of technology making our lives easier, faster, and more engaging. The future of how we interact with the world is about to get even more interesting.

There are two basic things that you will need to adopt if you as a business owner, consultant, or marketer want to keep abreast of new developments: becoming customer and data driven. Businesses must know who they are selling to and what their customers want.

In the words of Dion Chang, trend analyst and founder of Flux Trends, 'Every business needs to relook what they do, what their business models are, and what their purpose is. Looking at 2020, your customers are no longer where you thought they were, and they might not be needing what you thought you were selling to them' (Courie, 2021).

This chapter takes a holistic view of how businesses need to adapt with the customer and data at the centre of it all. The various divisions that make a business work can no longer operate in silos. Business' true value and content comes from the whole, rather than parts of it.

The new normal compels us to create and innovate as we move from the VUCA-world (volatility, uncertainty, complexity, and ambiguity) into a BANI (brittle, anxious, non-linear, and incomprehensible) framework to get through the current times.

> While BANI is not going to help us solve the challenges of our time any more than VUCA did, it does offer a fresh and potentially more nuanced way of framing situations and conditions that could help to inform strategic leadership (Shelley, 2021).

22.2 KEY TERMS AND CONCEPTS

Table 22.1

Term	Description
Ad blocker	A piece of software designed to prevent advertisements from appearing on a web page.
AdTech	A set of technologies used for managing advertisements across channels, including search, display, video, mobile, and social with functions for targeting, design, bid management, analytics, optimisation, and automation of digital advertising.

Artificial Intelligence (AI)	The theory and development of computer systems able to perform tasks normally requiring human intelligence, such as visual perception, speech recognition, decision making, and translation between languages.
APIs	A set of functions and procedures allowing the creation of applications that access the features or data of an operating system, application, or other service.
Augmented Reality (AR)	A technology that superimposes a computer-generated image on a user's view of the real world to provide a composite view.
Automation	A range of technologies that reduce human intervention in processes. Human intervention is reduced by predetermining decision criteria, subprocess relationships and related actions, and embodying those predeterminations in machines.
Bots	An autonomous programme on the internet or another network that can interact with systems or users.
Customer experience (CX)	The customers' holistic perception of their experience with a business or brand. CX is the result of every interaction a customer has with a business, from navigating the website to talking to customer service and receiving the product/service they purchase.
Geofencing	The use of GPS or RFID technology to create a virtual geographic boundary, enabling software to trigger a response when a mobile device enters or leaves a particular area.
Internet of Things (IoT)	The interconnection of everyday objects to the internet via embedded computing devices, giving them the ability to send and receive data.
Programmatic	The use of automated technology or software to buy and sell digital advertising space as opposed to traditional methods of digital advertising.
Universal ID	A single identifier that recognises the user in the digital marketing ecosystem and allows the information associated with the user to be passed onto approved partners in the supply chain.
Virtual Assistant (VA)	An application that understands voice commands and completes tasks for a user. VAs can be deployed as virtual personal assistants, virtual customer assistants, and virtual employee assistants. Popular virtual assistants currently include Amazon Alexa, Apple's Siri, Google Assistant, and Microsoft's Cortana.

Virtual Reality (VR)	A technology that allows a user to carry out actions in a digital environment, yet feel as if they are immersed in a physical environment, enabling a person to experience and manipulate the environment as if it were the real world.

22.3 DATA AND TECHNOLOGY

Technology is integral to our daily lives. It's hard to imagine life without technology because without it, humankind would not have progressed the way it has, especially over the last two decades. We've become dependent on it for some of our basic needs like learning, shopping, and connecting with friends and family. What we may not have realised until more recently however, is that every exchange we make using technology leaves a data trail of our online behaviour, which has become invaluable to businesses globally.

In an article about the future of advertising, data has evolved into the new advertising gold, and is a game changer for processes and targeting, alongside ad tech. As we've learned, data provides the insights and intelligence that businesses need to strategise for success (Deloitte, 2022).

> **NOTE**
> Read more about the article here: www2.deloitte.com/de/de/pages/technology-media-and-telecommunications/articles/future-of-advertising.html.

In the interest of privacy first, Google announced that mid-2023 will mark the end of the use of third-party cookies. Companies now have to review how this would affect their measuring and targeting performance. Alternative methods of tracking that preserve the privacy interests of internet users do exist and include the following:

- Zero-party data
- Universal IDs
- Fingerprinting
- Contextual advertising
- AI-powered analytics.

We will discuss these further in **22.4.2 Privacy and data protection.**

22.3.1 AdTech landscape

Advertising technology, or AdTech, is the overarching term that describes the tools and software advertisers use to reach audiences to deliver and measure digital advertising campaigns. AdTech has been around for some time already. The wide range of tools and technologies we use today to achieve efficiency, targeted reach, real-time analysis, and optimisation, started with a simple display banner published on *Wired Magazine* in 1993 and the invention of cookies in

1994 (Sweeney, 2018). AdTech has evolved significantly over time, striving to deliver the right content to the right potential customer at the right time.

As buying and selling ads became increasingly complex, AdTech offered a more streamlined process, enabling advertisers and agencies to manage their campaigns effectively. Brands are able to use their budgets optimally and maximise their return on investment (ROI) in digital advertising when using AdTech.

AdTech uses technology for media buying and because of the sophisticated audience insights it derives from the data, it can reach targeted consumers through paid channels automatically. It includes tools and technologies like demand-side platforms, supply-side platforms, agency trading desks, ad servers, and ad networks to serve relevant advertisements to relevant audiences. Let's have a closer look at these technologies:
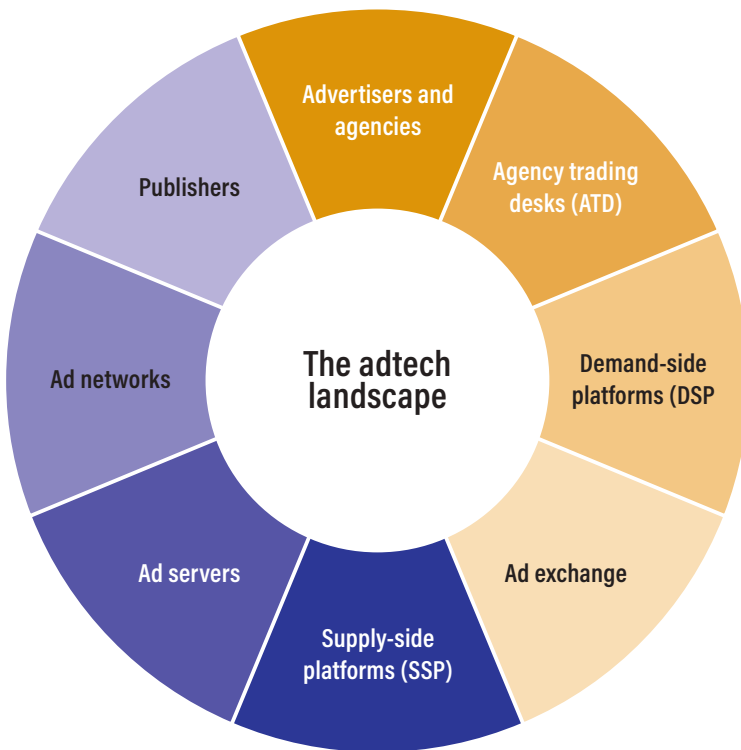
Figure 22.1 The AdTech landscape with the relevant touchpoints of the AdTech process

Demand-side platform (DSP): Software that advertisers use to buy video, display, and mobile ads. A DSP is an organised marketplace where advertisers access publisher inventory through direct integrations, supply-side platforms (SSPs), and ad exchanges.

Supply-side platform (SSP): A tool for publishers that automates selling digital ad impressions including video, display, and mobile ads. It is driven by the supply side of the advertising equation – the publishers who want to sell their inventory.

Agency trading desk (ATD): A tool or set of services related to media planning and buying that media agencies provide. Typically layered over a demand-side platform, the ATD is the service piece of the AdTech landscape that enables agencies to manage an advertiser's programmatic, bid-based media purchases as they happen across channels, while offering analytics on ad buys to clients throughout a campaign.

Ad server: Serves ads to a website or app and reports performance metrics for those ads. Advertisers, agencies, ad networks, and publishers can use ad servers to deliver ads to a website. Ad servers house creative assets and optimise the process of selecting which ad to place, and where, using automated technology.

With AdTech becoming more sophisticated and technology continuing to advance at its current rate, here are three of the key benefits for the future of advertising:

1. **Better utilised ad spend:** Advertisers are able to deliver the right content, at the right time because ads are reaching engaged audiences with interests in the product or service. The delivery and placement of the ad are within control and completely measurable, resulting in better use of the budget.
2. **Operational efficiencies for campaigns:** Tools like ad servers give advertisers or agencies a view of where their ads are placed and how they are performing. This results in more efficient and more effective planning, optimising productivity.
3. **Marketing funnel insights:** A brand can share unique stories with their customers, depending on where they are in the marketing funnel. The technology provides insights that allow you to refine how to reach your audiences at different stages of their journey, and to reengage audiences that have shown an interest in your product or service.

At this point in the digital timeline, the top priority for any business or brand is to offer their audiences a personalised end-to-end customer experience in real-time. AdTech enables a data-driven, customer-centric approach that will not only connect with your audience but also help brands achieve their business and sales goals.

22.3.2 Programmatic advertising

An integral part of AdTech, programmatic advertising is the use of technology to buy and sell digital ads. It uses an automated process to purchase digital ad inventory from across the web, mobile, apps, video, and social media. It uses workflow automation and machine learning algorithms to deliver effective ads to audiences based on a variety of signals, such as demographics and shopping patterns.

It has become a formidable task to find, source, and place adverts on the billions of digital platforms on the internet to reach and engage the right customer. With the help of program-matic platforms and the increase in inventory and databases, AdTech allows for any setup and channel to be accessed programmatically, including mobile, desktop, tablet, audio, digital outdoor, and connected TV.

Targeting tactics are applied to segment audiences with the use of data so that advertisers only pay for ads supplied to the right people at the right time, relying less on the 'spray-and-pray' method of digital advertising. Computers and algorithms make ad buying, placement, and optimisation more effective by removing tedious activities and cutting down on time to take the ad to market.
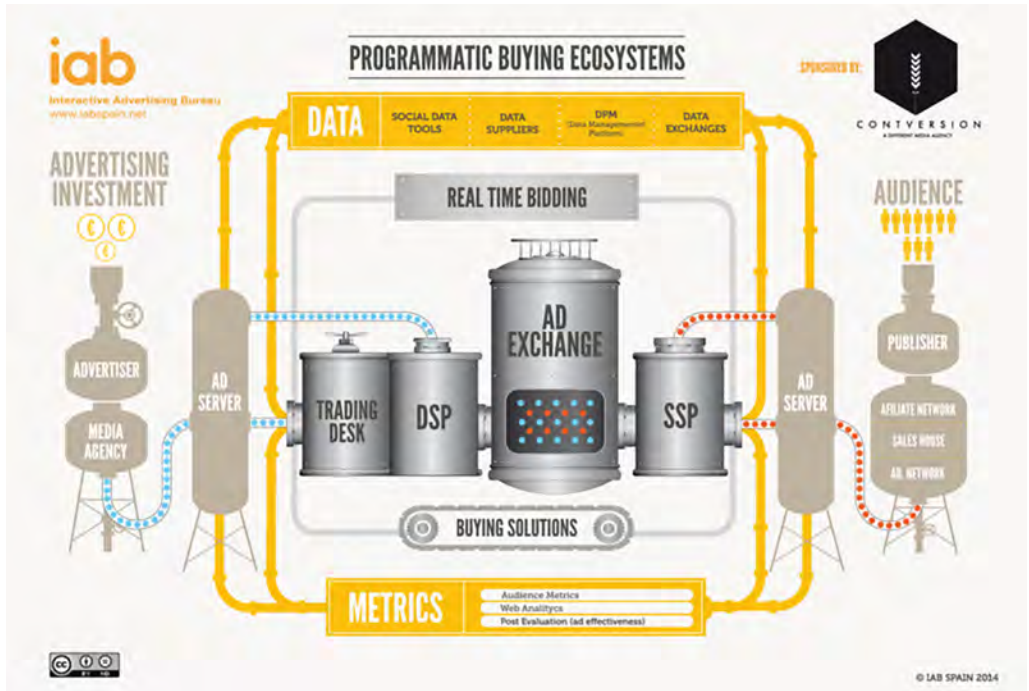
Figure 22.2 Programmatic buying ecosystems

Red & Yellow offers a course that provides a more holistic introduction to programmatic advertising and all of the components to help you better understand programmatic display. Read more about this here: docs.google.com/document/d/1n4ME6hTPkjkzHL0oP9CyaijAK0WyEBTR2QhppB_XRaI/edit#heading=h.mnqnllik38w4.

Artificial intelligence (AI) positioning

Advertisers use AI to identify and segment audiences, build ads, test ads, improve ad performance, and optimise spend. These are all done automatically, in real-time, at scale. AI gives digital advertising a competitive disadvantage because of the extent of its segmentation capability that helps a brand discover audiences it didn't know it had.

Unlike traditional technology, AI can detect patterns in data and learn to make predictions based on these patterns. Using machine learning, it gains knowledge from the outcomes to make better predictions over time.

Once trained and guided by humans, AI can learn and improve on its own. The more data you enter into an AI system, the better it's able to learn and improve. It's more than one technology. AI is an umbrella term that comprises a range of smart technologies that can learn and improve on their own.

Some of the AI technologies that you may hear about include machine learning, computer vision, natural language generation (NLG), natural language processing (NLP), deep learning, neural networks, and speech recognition.

Because of its ability to learn and improve predictions and outcomes, AI is the component of AdTech that is involved in buying and placing programmatic and digital ads, optimising advertising budget and performance, and creating and managing ads.

Virtual reality ads

Virtual Reality (VR) is recognised for its immersive experiences. The simulation of a virtual environment initiates a deeper interaction and connection with customers. VR allows consumers to interact directly with their favourite products and brands. The use of VR headsets and controllers, can simulate interactions in the real world that offers an experience using the power of the internet.

Interactive VR adverts that allow customers to engage directly with different products or destinations can create a higher conversion rate. Think about being served an advert for a hotel stay in the Maldives: a static image will show you the scene, and a video may give you a broader sense of what the venue offers. A VR advert can take it much further, enabling you to experience the actual space without physically being there.

VR creates more enhanced experiences and can reduce the barriers that businesses face trying to persuade prospective customers to use their products or services. VR can serve as a substitute for previous in-person interactions, especially with the social restrictions and lockdowns imposed by the Covid-19 pandemic. Another benefit is that it cuts down on costs (shipping, travel, and otherwise), while positively shaping customers' perceptions of the organisation as a forward-thinking, green-conscious, and tech-savvy brand.

According to Forbes, the opportunities that VR present will have a massive impact on the advertising industry, given the range of tools developers and designers will have to work with to implement creative strategies around the ads. New KPI metrics will be established as advertisers may focus on tracking immersion and in-experience engagement.

Read all about this here: forbes.com/sites/forbesagencycouncil/2020/05/29/13-ways-vr-may-power-future-marketing/?sh=3364394c7e4e.

Augmented reality

Augmented Reality (AR) is an enhanced version of the physical world that makes use of overlaying digital visual elements, sound, or other sensory stimuli to improve the user's experience. Brands make use of augmented reality to promote their products or services, launch marketing campaigns, and collect unique user data. While VR creates its own environment, AR adds to the existing world.

Similar to VR, AR-based adverts can also be used to deliver interactive advertising experiences. With the use of the internet and digital platforms, like apps, marketers can connect with potential customers using technology that allows customers to try out products from wherever they are.

L'Oréal, for example, has partnered with YouCam Makeup by Perfect Corp to augment a make-up try-on tool using their app. The makeover tool allows the user to 'try on' hair colour, foundation, lipstick, mascara, and blush for a realistic view of what it will look like before making the purchase. This convenience gives their customers the freedom to try on a variety of options without commitment. The engagement gives the brand the opportunity to get to know how the functions are used, allowing them to get to know the user and their behaviour.

AR is used widely thanks to its availability, from filters on Instagram and Snapchat to TikTok add-ons. Brands have been making use of AR functions to create awareness and run promotions to help customers decide before making their purchase.
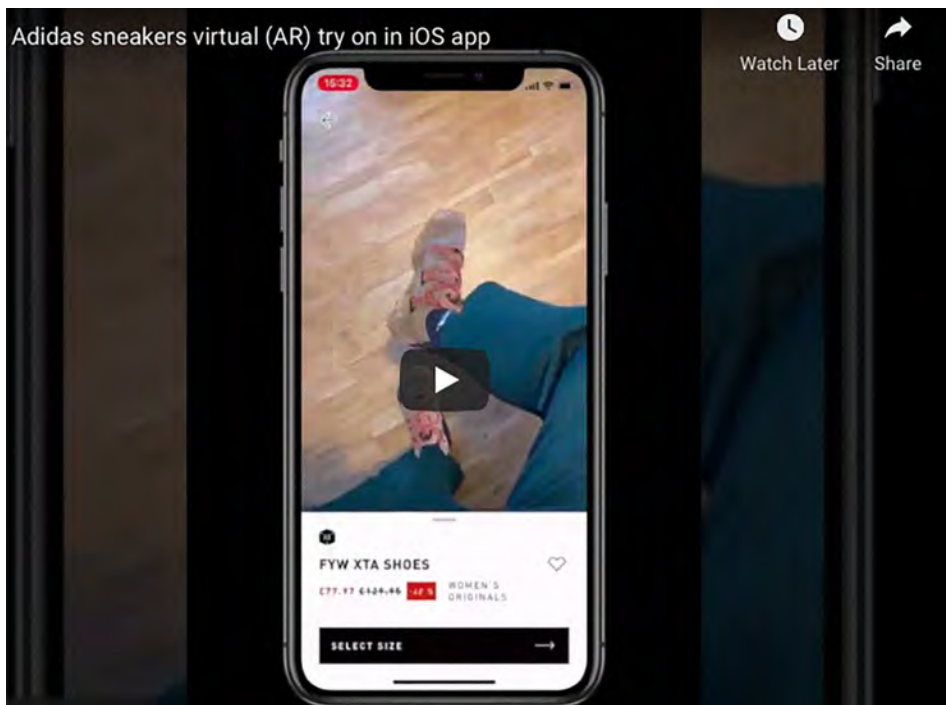
Figure 22.3 Adidas virtual sneakers try-on tool helped shoppers decide on a purchase without ever entering a store

Internet of things (IoT)

The Internet of Things (IoT), like a Bluetooth device, connects a variety of physical devices through the internet and stores or exchanges data all around the world. One example of this technology is a product like Alexa, which can connect to home monitoring systems and lights, promoting the concept of a 'smart home' that you can control using your smartphone.

These technologies enable the world to connect people and objects with a network of seamless communication between them that helps us monitor the environment. It provides context for advertisers to leverage advertising opportunities and promotions in real-time.

According to Vailshery (2021), over 13.8 billion IoT-connected devices are already in use today and around 75 billion are expected by 2025. Moreover, by 2025, the number of active IoT-connected devices is expected to hit 21.5 billion.

These statistics and the ability to link such an extensive number of devices, opens up a plethora of advertising possibilities, including (but not limited to):

Location advertising: IoT devices are GPS-enabled that allows brands to view the location of people and objects, enabling tracking and monitoring.

Personalised advertising: IoT enables personalisation and an experience unlike any other. In retail, IoT can be used with sensors installed on product packaging. Using their smartphones, customers can interact directly with the campaign to claim rewards or discounts in specific locations.

Billboard advertising: Advertisements on billboards offer hard-to-ignore and engaging ways of advertising to the public. It brings together real-world advertising that attracts a large number of viewers in busy places, creating brand awareness.

Proximity advertising: This type of advertising aims to make interactions realistic with IoT-enabled objects, like beacons that react and adjust in response to position. It uses proximity technology to detect the presence of humans nearby and initiate pre-programmed actions to provide informational, contextual, and personalised experiences.

The world of IoT offers a host of opportunities. Because of its interconnectivity to physical and online touchpoints, advertising opportunities have increased drastically across platforms. Every IoT connection and interaction gives brands a touchpoint that can be used to advertise their items to customers by approaching them at the 'perfect' time with just the right product, using the data and information available to personalise the experience for customers.

Using IoT in advertising strategy

IoT gives you access to a load of data and information about your customers and the market. Although you may not yet know what kind of ad best suits your customer, your priority is to stay relevant in the market. For this, you need to investigate the current trends and customer needs. Apply these three actions to develop and enhance your approach:

1. **Research:** IoT helps you conduct thorough research to understand your market and customers. In this way, you are able to create ads your customers like and can relate to, which ultimately increases brand visibility.
2. **Geofencing:** IoT helps brands conduct location-based advertising. Adding your location to your ads allows your customer to understand where you're located and search for you. If they are close by, you have the ability to send them targeted ads. If your advert is enticing enough, they may just want to find out more about your brand.
3. **Remarketing ads:** This is a targeted way of advertising that brands use to re-target their customers. This is done using IoT devices that will instantly send ads to customers who have visited a brand's website or clicked on a social media. Remarketing advertising and IoT devices are a great combination for brands to connect with their customers.

22.4 CONSUMERS

Today's consumers have an increasingly sophisticated relationship with brands and digital content. As you've learnt in **Chapter 2: Importance of the customer**, there are a range of motivating factors that drive consumer behaviour. As a result of the influence of technology, today's market has evolved so significantly that it has impacted every generation.

Consumers no longer blindly accept what companies say at face value. They perceive brands' behaviour across multiple channels, (e.g., they may follow a brand on social media, physically visit the store, read their reviews, and want more personalised offers) but may detest sharing their information unless they have complete control.

Brands, marketers, and advertisers now have more informed consumers to deal with; customers who are capable of making sensible decisions by finding out more about a product before making a purchase. At the same time, there is room for negative consumer perceptions in digital advertising. This is a battle that brands must continue to fight by finding ways in which they can recover trust with their customers to improve their online reputation.

> We discussed customer experience extensively in **Chapter 2: Importance of the customer**. Feel free to revisit some of the concepts to see how they apply to the future of advertising.

Human-centred design

Based on a problem-solving approach that prioritises a human perspective during each of the processes, human-centred design is often used in design, management, and engineering. It is a practical means of determining the most suitable design for consumers because it makes use of participation and feedback in the planning process. These contributions provide a thorough understanding of any issues in the design process because the researcher and participant have transparency between them that provides context.

Figure 22.4 Wikipedia human-centred design visualisation

Placing humans at the centre of any marketing or advertising strategy offers an in-depth understanding of human needs, interest, ambitions, behaviours, and personalities. This is invaluable to any business for the connected world that we live in. We've mentioned before that customer centricity and technology are the key drivers of digital marketing and advertising success.

According to Abramovich (n.d.) "the future of advertising will be personalised, automated, immersive, experiential, and measurable. It won't feel like advertising."

People-centric marketing combines AdTech and marketing technology to reach potential customers by incorporating their preferences and behaviour into advertisements. This strategy aims to optimise sales, and increase the chances of receiving positive responses from customers. Also, this approach aims to foster brand loyalty with existing customers while attracting new ones. However, people-centric marketing can only be achieved if the marketing and advertising strategies are focused on using data to reach their customers instead of using the more traditional approaches.

22.4.1. Personalisation

Previously, organisations used personalisation to customise a service or product for specific individuals, market segments, or customer personas for a brand. Personalisation has since evolved as a marketing tactic and has become a critical element in social media, email marketing, customer service, and just about every customer touchpoint in the user journey.

Personalisation offers a variety of benefits, including:

- Improved customer satisfaction
- Increased digital sales conversion
- Better branding
- Improved website metrics and advertising.

For customers

If you're a Netflix subscriber, you would have received a message from them that says: "We just added a movie you might like". With this level of personalisation, Netflix is invested in getting to know their customers and their viewing habits better.

Customers have come to expect and, to a certain degree, demand personalisation from the brands they interact with. Customers know that they don't have to accept experiences that do not meet their expectations.

According to Accenture, 91% of consumers said they are more likely to shop with brands that provide offers and recommendations that are relevant to them.

Personalised experience makes a customer feel understood, such as:

- When a streaming service, like Amazon or Netflix, offers recommendations based on previous viewing activity or sends reminders that the viewer left in the middle of a movie
- When a customer receives a reminder that they haven't completed a purchase on an ecommerce site.

These brands make use of recommender systems to enhance the customer's sense of personalisation. The systems suggest content based on a set of algorithms and use a customer's past viewing or shopping habits to package and present recommendations that may lead to the next action, such as watching the next movie. In this case, the viewer feels as though the company understands their wants and needs, resulting in a personalised customer experience.

For organisations

Customer experience has become a key differentiating factor for companies. Personalisation allows organisations to have more meaningful interactions with their audience and makes the customer's decision to purchase easier.

Consumers receive masses of marketing messages every day. To stand out against the competition, brands need to increase engagement and businesses need to break through the noise that distracts their customers from their messages. Generic messages are simply not effective and, the less relevant a marketing campaign is to a customer, the lower the response rates will be.

AI and personalisation

AI affects personalisation in a variety of ways in customer experience and marketing. Brands that are not incorporating tactics or approaches to address personalisation risk losing their positioning in the market against their competition.

Consider these five ways that AI affects personalisation when preparing for the future of advertising:

1. **Create intelligent personas:** Businesses can collect data by directly asking customers what they need, tracking user data, and adding existing data into the mix. This additional data will increase the understanding of the customer personas — who they are and what they need.

2. **Drive content creation:** Content creation is based on AI algorithms to capture a large set of data points that describe a customer's behaviour, such as emails that the customer opened, links that they previously used, past purchases, and similar customer types before selecting the best content for each individual.

3. **Optimise mobile:** AI-powered personalisation can help companies create content that is suitable for mobile devices, bringing data together across multiple sources into a single view of the customer. Chatbots can also improve communication with customers and help them to purchase products while enabling them to use self-service for their online needs.

4. **Make use of deep data:** If your business has large amounts of customer data, you can use it to break down customer preferences and buying styles to create marketing profiles, personas, or buyer segments. This data can be further organised to determine who your key customers are, along with their buying processes. Deep data can also enable brands to incorporate behavioural-based, data-like habits and preferences for additional customer insight using algorithms. It will help determine real-time decisions. For example, a company can learn about when it should schedule relevant content or offers, and how these items will solve or address a need.

5. **Incorporate algorithms into your planning and process:** The use of algorithms has taken personalisation to the next level of getting closer to customers. Beyond segmentation, the use of algorithms through recommender systems can provide customers with more personalised experiences. AI can assist in improving purchase recommendations. Based on customer preferences, the algorithms can be designed to use customer preferences and behaviours to recommend products, cross-sell items, and increase conversion.

22.4.2 Privacy and data protection

The future of the web is focused on a privacy-first approach for consumers worldwide. The world's technology giants are constantly in the spotlight for privacy controls and data protection in digital advertising. Although data protection laws have been around for many years, new legislation came into effect from about 2018 that made extensive provision for the protection of personal data, including the General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA), the General Data Protection Law in Brazil, Protection of Personal Information Act (PoPIA) in South Africa, and the Personal Information Protection and Electronic Documents Act (PIPEDA) in Canada, to mention a few.

Today, there are more than 120 countries already engaged in some form of international privacy laws for data protection to ensure that citizens and their data are offered more rigorous protections and controls (Thales Group, 2021).

While trying to find a balance between personalised advertising and data privacy, the demand for user consent is becoming the standard. Every business must be aware of these laws to ensure that they comply and process user data and personal information correctly.

The end of third-party cookies

Google, the biggest browser and leading data collector, announced that third-party cookies will officially be phased out in 2023. Although Apple's Safari and Mozilla Firefox started blocking third-party cookies by default in 2013, Google only gave users the option to block cookies. Because of the rise of user demands for greater privacy and transparency, coupled with international data protection laws, this type of tracking will officially come to an end.

For decades, marketers have relied on third-party cookies to track and store user data online to learn about consumer behaviour and track their activities and interests, which gave them the insights they needed to target the right audiences. With the end of third-party cookies, users will have more confidence searching the internet knowing that their privacy remains intact. Some key challenges marketers have outlined as concerns with this phase-out include:

- 41% of marketers believe their biggest challenge will be their inability to track the right data
- 44% of marketers predict a need to increase their spending by 5% to 25% in order to reach the same goals as 2021
- 23% of marketing experts plan on investing in email marketing software due to Google's new policy (Bump, 2021).

First-party cookies

First-party cookies are codes that are created and stored on a website for when a user visits the site. It has been essential to the web-browsing experience for a while; they are used to remember passwords, basic information, and preferences. They're paramount to ecommerce websites. If a user saves an item in a cart on Takealot, for instance, they will expect to find the item there when they log back on. Without it, the cart would be empty each time.

First-party cookies will continue to serve as a means of collecting user information, which will allow marketers to continue accessing and storing user information to use in their ads.

Contextual ad targeting

Marketers need to look for alternatives to stay on track with audience targeting. Another useful advertising method is contextual advertising, where brands serve relevant ads to audiences with content that the user is already interested in.

A form of targeted advertising, contextual advertising is where site content and keywords are analysed in real time to determine suitability for a brand's message. Without the use of search, browsing history or cookies, contextual advertising is an automated process where a promotional message is matched to relevant digital content. The algorithms select the advert based on keywords and other metadata included in the content. The result is that the advert

is relevant and targeted, which encourages users to click through the ad. This click-through activity creates revenue for the publisher of the content, as well as more traffic for the advertiser.

When a user, for instance, researches a product or service, they will likely read a few reviews first. Contextual ads on review sites are displayed based on the content rather than on the user's browsing history. This is achieved with an automated system that displays relevant ads based on the content of the web page.

Although not a new concept to advertising, contextual advertising and targeting does not rely on cookies, but instead, focuses on the channel or publication, current affairs, and contents of the article to reach audiences based on context.

Adblockers

The adblocker is another privacy and data protector. It prevents the display and/or download of adverts, giving the website visitor control over whether or not to view the advert and simultaneously encouraging an advertising-free environment. Considered one of the most challenging phenomena that content publishers, brands, agencies, and advertising technology have encountered, adblockers have increased consumer awareness of the tracking technologies used in the digital advertising industry.

The average consumer is becoming more aware of personal identifying information and far more wary of giving away personal data online. They want more control over their online experience, fewer ads that are intrusive, and more ad relevance. Adblocking has continued to rise in recent years, which is why advertisers need to become more creative in how they target consumers.

The way forward for marketing

Although the end of third-party cookies may seem like the end of user tracking, there are other technologies that may be used to track online behaviour and create targeted advertising. For brands that previously relied on third-party data, it is time to consider alternatives, such as:

- **Zero-party data:** This is information that customers share voluntarily and deliberately with you. You can secure this through quizzes, website activity, customer profiles, and subscription information.
- **Universal IDs:** This is a single identifier that recognises users across multiple platforms and removes the need for third-party data. The Universal ID enables brands to track and target users more accurately by allowing the information related to the user to be passed onto approved partners in the supply chain.
- **AI-powered analytics:** There are a host of benefits that AI can accelerate for data privacy initiatives. One technique is to classify sensitive data in the ecosystem to ensure compliance to data protection laws. AI can process large datasets and manage sensitive data to ensure the highest levels of customer privacy through automation.

22.5 CONTENT

Content is the backbone of advertising. It is the basis on which the user decides whether they will scroll through or click on the call to action. Developed to promote and sell products or services, content for advertising initiates and builds relationships with audiences.

According to the Content Marketing Institute, there are three disruptions that you should know about for the future of content and advertising (Rose, 2021):

1. Consumers have choice and variety in content

The vast amount of content available online keeps increasing quickly. Because of the sheer amount of content that is available, consumers have less patience to be interrupted by anything – calls, text messages, pop-up ads, push notifications, amongst others. The way in which users consume and spend time with content has changed. Trends put a renewed pressure on digital content experiences. Digital content platforms now act as a physical presence proxy. All our digital content (events, thought leadership, etc.) has to be more differentiated because our audiences expect more, and the noise will only get exponentially louder.

2. Scarcity of physical presence

Physical presence has become far more pronounced since the global lockdowns of 2020. People value it more than ever before. Interestingly, new preferences have come about as a result of social distancing – many things are perceived to be experienced better in a non-physical environment, and people are placing more value on their physical space in the world.

3. Decline of trust and truth

Trust in mainstream institutions is at the lowest it has ever been. Whether it's government, mainstream media, businesses, or even non-profits, the misinformation and widespread mistrust of these institutions and their leaders has increased dramatically. With the bar this low, marketers are responsible for creating trust and truth as values. They need to monetise marketing differently – through time, attention, referral, personal data, brand loyalty and even trust. All of this can be converted into wealth for the business.

As digital advertising continues to battle with negative consumer perceptions, the onus is on marketers to find ways in which they can recover trust. They need to serve engaging ads that fit seamlessly into publisher pages to enhance the user experience.

22.5.1 Content intelligence

Content intelligence is the process of using software that combines machine learning and AI to conduct market research about the effectiveness of specific types of content. This, in turn, helps marketers to create a high-quality content strategy that they know will work (Needle, 2021). Essentially, it provides the framework for a high-quality strategy that drives leads, conversions,

and revenue. The data shows you what performs well for your audience, which gives you the insights necessary to measure the actual impact of content created on a mass scale.

Content intelligence platforms can also provide real-time reporting on the performance of content with actionable insights to create effective content that gets results.

Benefits of content intelligence software

- **Metrics and reporting:** Content intelligence software uses big data analysis to analyse all of the content that's being created, often in real-time, and can provide marketers with useful data, such as what best content is, the reach of the content, and the impact.
- **Content analysis:** Content intelligence platforms can also analyse individual pieces of content via natural language processing and identify characteristics, such as style and tone-of-voice, as well as make recommendations for content creators on SEO and other improvements that can be made on the content. Because these recommendations are based on data, it helps to take some of the guesswork out of the content creation process.
- **Automation:** Some content intelligence platforms help marketers automate aspects of the content creation and promotion process, using artificial intelligence and algorithms to analyse a piece of content and execute decisions automatically.
- **Content management:** Because content intelligence requires a large amount of data to work, it demands deep integration with the CMS. Some systems can work just by plugging into analytics tools such as Google Analytics, but others require a deeper integration with the content management system in which the content lives. Many content intelligence systems also provide CMS functionality.

22.5.2 Smart content

'Smart' content is another name for dynamic content. It's a marketing technique that adapts the information for the user according to their profile and needs. It can change and pivot dynamically, depending on who is reading it. This way, you can target the content to the reader and create a more individual experience to potentially boost conversions.

Advantages of using smart content

- **Personalisation:** Smart content allows you to create content that is personalised and relevant to your audience, which may result in a better experience for the user and a better chance of conversion for you.
- **Targeting:** Using the data that you are collecting in your customer relationship management and marketing systems, together with the automation and intelligence of smart content, software can assist you in creating content that is highly targeted toward very specific groups of users.
- **Automation:** You can save on time and resourcing if you are using machine learning algorithms to optimise your content automatically. With each user visit, the system learns from the actions of each previous visitor for optimisation.

- **Improved and measurable ROI:** You can achieve a significantly higher ROI with smart content for all of the reasons above. Essentially, the data allows you to calculate ROI accurately and is easy to collect and measure.
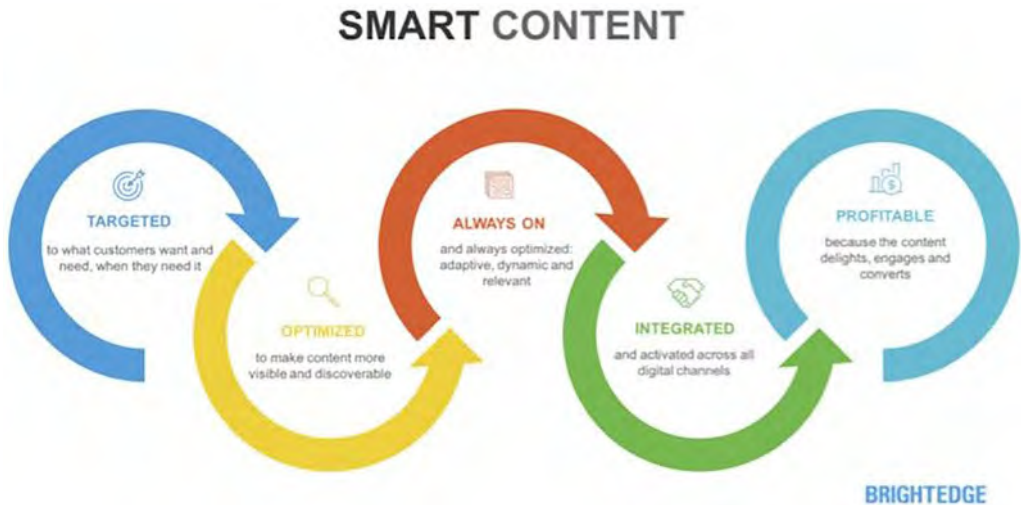
Figure 22.5 Marketing Insider's illustrated visual of what smart content is

To get started with smart content, collect as much data about your audience as possible. Get to know them exceptionally well because the more accurately you can segment your audience, the more effective your smart content will be.

22.6 CHANNELS

The future of advertising needs an omnichannel approach to reach and connect with audiences while building consistency for a seamless brand experience at every touchpoint, across platforms. It all starts with an omnichannel marketing strategy and should contain consistent messaging, visuals, and positioning statements across all channels, platforms, and devices.

Using an omnichannel marketing approach can have a positive impact on your sales and

> **NOTE**
> To refresh your memory, read this article on omnichannel shopping: www.shopify.co.za/enterprise/omni-channel-retail-strategy.
> Disney is one of the best examples of an omnichannel experience. It allows you to explore customised content long before you show up at the gate. Read their story here: inviqa.com/blog/magic-disneys-omnichannel-experience.

customer service as well. By showing your customers that you're on all of the channels and platforms that they're on, they can expect a similar experience with your brand for their shopping and customer service experiences. It will be important for you to be actively present on all of the channels that you have set up and ensure that you build your brand presence effectively.

22.6.1 Creating seamless and integrated experiences

For any business and brand, adopting an omnichannel approach has numerous benefits. Being technology driven and customer focused is vital for business success, which is why it is so important that the brand offers an integrated and seamless experience for the customer.

> An omnichannel is a lead nurturing and user engagement approach in which a company gives access to their products, offers, and support services to customers or prospects on all channels, platforms, and devices (Fontanella, 2022).

With omnichannel, it is possible to market, sell, and serve customers on all channels for an integrated experience regardless how or where a customer reaches out. Fundamentally, the experience you offer must be the same for customers on any of the chosen platforms or methods they use. Whether they are shopping online from a desktop or mobile device, by telephone, or in physical store, the brand experience should be equally seamless.

It's important to distinguish between an omnichannel experience and a multi-channel experience. Essentially, omnichannel involves all channels and revolves around your customer, while multi-channel involves many channels and revolves around your product.

These are a few of the benefits a brand can enjoy with an omnichannel approach:

- **Greater reach:** Using an omnichannel strategy, you'll reach your customers where they are. They no longer have to search to find you because no matter where they are, your team or products are only a click, email, direct message, or phone call away.
- **Increased profits:** Offering your customers multiple platforms and channels to purchase your product when they are ready to buy will make it easier for them to decide and act. A multi-channel retail experience also makes it easier for repeat customers to purchase again or renew their subscription, securing recurring revenue.
- **Boosted customer satisfaction:** Customers will be happier when they feel they have options to reach your customer service and sales teams, especially if they can purchase easily on any device or their preferred platform. Customer satisfaction is the key to keeping them returning.

Building omnichannel communication experiences

Creating an omnichannel experience can take time. It isn't necessary to be everywhere at the same time. It's important to prioritise the channels in order to create and build it correctly, in line with your customer experience and brand objectives. Keep these five steps in mind:

1. Start with the basics: Your website and social media channels

Your website and social media are usually the first places your customers will come looking for you. Start here and ensure that you are consistent in how you respond to your customers.

Ensure that you're posting consistently, managing your social communities, and engaging with the users who reach out to you via these channels. Make sure that you are responding to emails and direct messages within your time frame. Avoid responding more efficiently on one platform over another.

2. Create an app (if necessary)

Depending on your industry and product, it may not be necessary to create an app. It would be best to review your customer needs and business requirements to make your final decision. Be sure to have a legitimate reason for creating the app.

3. Seek to solve for the customer at every step

When considering adding a channel to your omnichannel strategy, ensure that it solves for the customer. Remember, the purpose of an omnichannel approach is centred on the customer and their needs. Your brand will benefit in the long term. Try to ensure an easy, issue-free experience.

4. Keep your messaging across channels the same

For a consistent experience, use the same messaging across channels but be aware of duplication issues around boilerplate content. If, for instance, you're running an ad on social media, the wording will differ to what appears on your website or in-store. Your messaging must be suitable for the channel and application. Avoid copying and pasting content. Use the same phrases to create a consistent brand voice that allows you to mix it up without looking inconsistent.

5. Give customers a suitable CTA

Each time you interact with customers on your channels, whether it's on an ad, an organic post, a private message, a phone call, or an email, your engagement should have a call to action. That CTA should be appropriate for your channel; always test it to make sure it doesn't throw your customer off. It should always extend a seamless experience.

22.6.2 What the future of advertising looks like

The future of advertising points to customer centricity and technology that will drive person-alisation, automation and immersive experiences, while delivering measurability. It will likely feel less like advertising and more experiential.

Future of digital advertising

The digital habits consumers adopted during the years since COVID-19 are not likely to change drastically. Marketers will have to ensure, however, that each interaction with the customer is effective and valuable. Consider the following:

- 91% of respondents agree ads are more intrusive today compared to two to three years ago, and 87% agree there are more ads in general

- 42% of consumers feel that ads across digital media are irrelevant to their needs, an increase of 10% since last quarter
- 73% of consumers dislike companies with repetitive messaging, representing a 15% increase in negative sentiment quarter over quarter
- 62% of companies have, or plan to have, an omnichannel marketing strategy (AdWeek)
- Conversion rates actually increase the more users see an ad within remarketing campaigns
- Nearly all ad buyers expect digital advertising to comprise more than 50% of their total marketing budget in two years
- Today, buyers and sellers on average use programmatic advertising for only 17% of their inventory. Within two years, that will more than double
- Digital advertisers believe automation will have an impact on achieving their goals.

Consumers are more likely to engage with brands that advertise beside legitimate content. They are less likely to engage with brands that advertise next to false, objectionable, or inflammatory content, and would stop using a brand or product. Consumers believe that advertisers bear responsibility for ensuring their digital ads run beside trustworthy content (The Harris Poll, 2020).

What does this mean for the future of digital advertising? Essentially, it means that ads continue to need to be personalised. Once you have the consent of your consumers to use their data, you need to use that data effectively so you can create the right ads. Additionally, you shouldn't just focus on one area of advertising; you should have an omnichannel, multi-device approach.

When you're going back to the drawing board for your digital advertising strategies, remember:

1. Remarketing continues to be a good strategy to reach uses.
2. Programmatic advertising is on the rise.

Now that we've looked at digital advertising as a whole, let's dive into more specifics. What will mobile advertising look like in the future?

Future of mobile advertising

Mobile advertising has been rapidly growing in the past couple of years, but it is expected to slow down to about 10.4% by the end of 2022. Despite this decline, there are some facts that you need to take into account when planning your mobile advertising:

- 85% of advertisers and 72% of publishers are currently utilising programmatic advertising
- 80% of programmatic ad spend will go to mobile, rather than desktop ads (eMarketer)
- When asked to specify which mobile ad types were annoying, 73% said ads that pop over the entire screen were the worst
- Mobile users value search ads compared to others, likely because they're relevant to their information needs
- Twitter ads are 11% more effective than TV ads during live events
- In 2019, mobile advertising spending worldwide amounted to 189 billion USD and it is expected to surpass 240 billion dollars by 2022

- Programmatic mobile ad spend is increasing, as in-app ads dominate. Automation in mobile advertising will continue to rise as well
- Additionally, when it comes to mobile advertising, you might want to consider search ads instead of banner ads, since they create a better user experience.

Future of video advertising

Consumers don't find value in watching video ads if they don't have to. Take these trends into account when planning your video advertising:

- 100% of respondents reported they will always skip ads when given the opportunity
- The pandemic has overwhelmingly increased the amount of online video people watch
- Marketers feel more positive about the ROI offered by video than ever, as it continues to strongly influence traffic, leads, sales, and audience understanding
- 87% of video marketers reported that video gives them a positive ROI, compared to the lowly 33% who felt that way in 2015
- In 2019, video was the #1 form of media used in content strategy, overtaking blogs and infographics
- Video is still one of the most powerful advertising tools, and it's continuing to rise, even in the face of the pandemic.

Future of TV advertising

Even though TV advertising might seem like it would decline, it's actually projected to increase. However, it's important to note that the future of TV advertising is going to look programmatic. Take these into account when planning your TV adverts:

> **NOTE**
> You can find more statistics and trends on Hubspot, RevJet, Statista, and Wyzowl. PwC also provides insight into the future of advertising.

- Programmatic TV will represent a third of global TB ad revenue
- It is expected that TV advertising revenue in the United States will grow from 71 billion USD in 2018 to 72 billion in 2023
- Global TV ad revenue is projected to increase from 173 billion USD to 192 billion between 2018 and 2022.

Without a doubt, the future of advertising is going to look interesting, because as technology continues to evolve, so will our marketing strategies.

22.7 GREATER COLLABORATION: RESOURCING

Every strategy and plan need the right resources to deliver and achieve the desired goals. In preparation for the future of advertising, it's important to ensure you have the right skills, knowledge, and expertise on board. With the rate of technology advancing and people adapting to the changes of the environment, the certain uncertainty is that change is inevitable.

The contents of this chapter and textbook as a whole will remain words on a page until you practice what you have learned and put these teachings into action. In this section, we unpack what it is going to take from a resource perspective to get ready for the future of advertising.

Creativity alone is no longer the only requirement for brands and agencies. The influence of technology on the advertising industry and the transformation of the digital marketing world requires more than the manual job bags and methods that were standard practice two decades ago. Everyone who has an interest in brand, marketing, and advertising must upgrade their processes. With the abundance of tools, automation, and bots becoming part of marketing departments, agencies and people who don't transform towards the future risk being left behind, wasting time on tasks that slow down decision making.

Advertising: an end-to-end view

Advertising is not only about making an advert anymore. It entails the entire process, from advert creation to measuring and analytics, particularly in digital advertising. Real-time reporting of a published advert can (and should) link back to the creative execution, although not everyone is doing it. The intelligence that a brand can gain from these insights will be beneficial in the long term.

In essence, agencies should start looking into the end-to-end process of advertising in order to charge for value. Using automation can reduce back-office costs, which will also reveal a few valuable factors:

- Retainers will increase because the value created by advertising will become more apparent with better reporting and sales results
- Agency structures may likely change, requiring fewer client service staff and more strategy and creative staff
- Agency margins will improve because less wastage means improved efficiency while transparency will make it easier for agencies and clients to work together, identify mistakes, and rectify them.

The role of the CMO

Post-COVID, the role of the Chief Marketing Officer (CMO) should evolve beyond creating leads. Instead, the focus should shift to actively finding and making deals and revenue happen. The role will entail more than driving audience engagement and should include driving the sales process as a whole.

Marketing leaders are unique to the organisation because, beyond marketing operations, they are responsible for the go-to-market of the business. The role of marketing in increasing and securing market share has become more direct, immediate, and urgent than ever.

CMO as focuser

Anticipating how audiences, customers, and prospects will change has always been a task for CMOs and marketing leaders. The shifting business landscape, however, pushes market and revenue growth more directly into the CMO's strategic tasks, which is why the role will also need to become more focused on predicting and pre-empting how sales and market opportunity will evolve.

Consumers are inundated with information, marketing messages, and adverts. CMOs must use their skills intelligently to drive more nuanced, relevant, and useful materials, as well as advice, to customers. And they need to do so quickly. Using data-driven insights, CMOs need to be able to create a strategy of engagement that is more compelling and actionable for customers. This may require radically evolved formats of the content they create.

CMO driving employment and community

The CMOs of today and the future are actively working to create certainty for their people.

Since COVID-19, digital business has expanded the goals of marketing beyond its previous confines. The CMO is now also helping the entire business go to market. To succeed, they will have to reinvent themselves and their teams to deliver more to the business and drive it forward. At the baseline, CMOs must consider the business, customer, workforce, and community perspective when seeking answers and finding solutions to the uncertainties that the business faces.

Digital ecosystems

The explosion of digital demands a whole range of new skills for marketing teams and agencies. There is a need for multi-channel creativity that spans platforms and functions, such as SEO and content marketing, UX design, social media marketing, data analytics, augmented reality, production, and ecommerce capabilities.

To ensure that businesses have all of these covered, some big companies may consider the in-housing agencies because of the demand for brands to deliver quickly, consistently, and with the right quality. Others may consider upskilling existing teams, employing skilled people, or contracting the skills required.

Effective collaboration is a vital function in a digital ecosystem. To create and deliver meaningful, impactful campaigns, different departments – advertising and marketing, customer service, research and analysis, information technology and operations, finance and governance – will all need to be able to communicate and share ideas and data. In a business environment, every function has a role to play in the digital ecosystem.

Customer relations can no longer be removed from content, especially in a customer-centric, digitally-connected world. All parts should be integrated into a working whole to achieve the best results.

Advertising is facing the dawn of a new era: Online ads proliferate and attract more and more of the advertising budget. Data has evolved into the new advertising gold. Alongside AdTech it is a game changer for processes and targeting. New advertising heavyweights have sprung up, while long-established stakeholders are losing in importance. This transition is structural and looks set to continue.

What will advertising look like by 2030? Read the case where Deloitte developed four plausible future scenarios for the global advertising market and how today's market players can adapt to meet the many changes.

> **NOTE**
>
> You can learn more about the future of advertising here: www.deloitte.com/de/future-of-advertising.

22.8 CASE STUDY: THE FUTURE OF ADVERTISING: PATHWAYS TO SURVIVAL IN FOUR SCENARIOS

Deloitte is a multinational professional services network with offices in over 150 countries. They are considered to be the global leader in professional services providing audit and assurance, consulting, financial advisory, risk advisory, tax, and related services.

Deloitte.

One-line summary

Deloitte used their proven scenario approach to illustrate plausible futures in the global advertising market and show how today's players might adapt to meet the many changes and uncertainties along the way.

The problem

Deloitte applied their scenario planning approach to design a simple overview of a complex ecosystem, demonstrating the future of advertising and how to navigate the uncertainties using five archetypal stakeholders that they identify as shaping the future advertising landscape.

The solution

Deloitte based their scenarios on a comprehensive set of underlying drivers that may shape the future of the advertising industry. They generated these by interviewing experts and using their unique external environment analysis based on Natural Language Processing algorithms. They proceeded to cluster the resulting drivers into social, technological, economic, environmental, and political factors. To determine the four scenarios for the future of advertising, the company rated them in terms of their relative uncertainty and impact on the advertising industry.

As a result of their analysis, Deloitte developed the following four scenarios for the future of advertising:

- Scenario 1: The transactional you
- Scenario 2: The creative you
- Scenario 3: The entertained masses
- Scenario 4: The fragmented masses

This was designed to assist newcomers and existing market players with a form of guardrail to navigate the uncertain future of advertising in a digital landscape.

The results

The case study revealed the trends that are changing the advertising industry. The four scenarios reflect on their critical uncertainties in the matrix, which may differ in effect from scenario to scenario. Deloitte identified seven factors for which development could be predicted with a high degree of certainty and which are relevant for all scenarios. They determined that these trends will shape the future of the advertising industry:

Marketing clouds will prevail: Marketing clouds will be indispensable elements in advertising processes, as they control the creation and management of marketing relationships and manage campaigns with customers. It will become standard to integrate solutions for customer journey management, email, mobile, social, web personalisation, advertising, content handling, and analytics.

Artificial intelligence will be imperative: AI is ubiquitous in the advertising space. AI supports decision making and analyses consumer behaviour. Enriched with data about how consumers interact with advertising, it substantially optimises campaigns to perform better. Implemented consistently and to its full extent, AI understands consumers better than they do themselves.

Programmatic will become universal: Programmatic will be the standard for digital advertising. Processes will be fully automated in the context of purchasing and selling ad space and dynamically placing digital ads, and transactions will take place in real time. Programmatic will be an essential enabler for targeted advertising. Traditional processes involving RFPs, human negotiations, and manual insertion orders will vanish from the digital advertising space.

'Context is king': Digital advertising will be predominantly contextual. Ads will be selected and placed by automated systems, based on ever more detailed user profiles and the content displayed. The increase in mobile and location-based advertising will strengthen this trend.

War for ad talent will continue: The continuing digitalisation of advertising with new market players, changing job profiles, and a shift of power within the industry will cause an enormous war for talent. Employers will compete for experts with scarce, specialised skill sets. Demand for data scientists, analytics experts, and creative minds is huge.

AdTech will consolidate: The once fragmented and heterogeneous supplier landscape within the AdTech segment will consolidate. Large AdTech players will acquire almost all their smaller but highly specialised competitors. The desire for improved services, additional scale, and more data will be the main driver behind vigorous M&A activity.

TV will lose its dominance: After print, traditional linear TV will lose in importance. Large digital platform companies will generate similar reach through video on demand, social, or messaging functionalities.

(Source: Deloitte, 2019)

22.9 CASE STUDY QUESTIONS

1. What was the purpose of the case study that Deloitte conducted using scenario planning?
2. How did they determine the scenarios for the future of advertising?
3. Do you believe their findings are valid? Please provide an explanation for your answer.

22.10 THE BIGGER PICTURE

How you adapt to the changing environment now will determine your place in context of the future of advertising. While online security remains a major concern because of the sheer volume of data that is generated by the technologies that businesses are adopting, it's imperative that you take the necessary steps to protect your customers' data – this is essentially the basis of their trust in you.

Preparing for the future of advertising will require skills, knowledge, tools, and systems to set you up for success. As the world continues to change, one of the best attributes you can have, is the agility to adapt and rise to the occasion.

There will be shifts in how technology and people react to social and environmental changes. Our learnings since 2020 have been to be prepared for anything because the only thing that is certain is change. The contents of this chapter provide a host of valuable information to help you navigate the current times in preparation for the future.

22.11 SUMMARY

The future of advertising will be personalised, automated, immersive, experiential, and measurable, primarily because technology and consumers are at the centre of it all. Knowing

how to reach and connect with your audiences using technology will be important for every marketer, especially as the internet moves into a privacy-first era.

For businesses and brands, maintaining integrity and authenticity while building trust among audiences is going to be essential in all your digital advertising practices. Advertising is taking on a new skin because people have become more wary and conscientious of online data and security risks.

As technology continues to evolve, ensuring that you and your team have the right skills to navigate the digital landscape will become more valuable over time. Knowing the trends that will shape the future of how we interact with each other online and offline will become invaluable in how you connect with your audiences.

22.12 CHAPTER QUESTIONS

1. What are the two primary focus areas and/or drivers for advertising in the future?
2. Acknowledging the imminent end of third-party cookies, what can you/marketers do to understand your customer?
3. Why is digital advertising battling negative perceptions among users?

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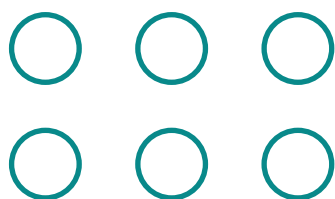
ANTICIPATING

ENTER THE METAVERSE

In this section, you will learn:

- What the metaverse is and how it influences marketing today
- About the opportunities that the metaverse presents for brands
- How marketers will need to adjust their strategies for the metaverse
- About common pitfalls to avoid when using the metaverse for marketing.

INTRODUCTION

The World Wide Web keeps evolving – from the early days when we primarily used the internet as an information highway to today where it enables our connections with family, friends, our communities, and anyone online who shares our interests anywhere in the world. It would seem almost natural for the next stage of evolution to be an actual immersion of the web. This is how we identify the metaverse – a place where a persistent virtual world meets virtual augmented reality, and Web3.0.

Before we get into the vast technology aspects of the metaverse and the digital economy, it is vital to highlight some of the key motivating factors behind human needs because ultimately, this is what will determine the purpose of the technology as an enabler.

Human behaviour and interaction have always been based on four key factors, namely social experiences, knowledge sharing and learning, transacting, and entertaining or being entertained. These interactions seldomly occur in isolation. In fact, we usually experience two or three of them simultaneously and, it is these key factors that will determine how technology will enable our connections.

As we enter the next evolution of digital technology, there is no doubt that the metaverse will be influenced by how we interact, behave, and choose to represent ourselves in the world. Augmented and virtual realities are the essential technologies that will shape access to the metaverse while integrating real and simulated experiences to fulfil the key factors that motivate human connection. Opportunities for marketing in the metaverse also open innovation and experimentation for brands and users alike.

In this chapter, we will explore the opportunities that the metaverse presents and its impact on marketing and business today. As a direct result of how technologies have responded to our intrinsic human needs, we will also explore how marketers will have to adjust their strategies alongside common pitfalls to avoid when using the metaverse for marketing.

KEY TERMS AND CONCEPTS

Table 1

Term	Description
Augmented reality	An enhanced version of the real physical world that is achieved through the use of digital visual elements, sound, or other sensory stimuli (also called digital overlays) delivered through technology.
Blockchain	A system of recording information (like a digital ledger) in a way that makes it difficult or impossible to change, hack, or cheat the system.
Cryptocurrency	Any form of currency that exists digitally or virtually and uses cryptography to secure transactions, such as Bitcoin. Intended to eliminate the need for government-issued currency.

Digital twin	A virtual object in the metaverse that represents a real-life object, being, or structure.
Ethereum	Like Bitcoin, an open-source software programme, based on blockchain technology. Used to create automated contracts or circulate its own native cryptocurrency, Ether, or ETH.
Metamask wallet	A software cryptocurrency wallet used to interact with the Ethereum blockchain, allowing users to access their Ethereum wallet through a browser extension or mobile app, which can then be used to interact with decentralised applications.
Metaverse	A hypothetical iteration of the internet as a single, universal, and immersive virtual world that is facilitated by the use of virtual reality and augmented reality headsets to connect people in the real and digital world.
Metaverse experience	An experience in the metaverse that is based on what users engage with, including immersive social experiences, games, workshops, parties, or concerts, allowing users to move through it, rather than scrolling over it on a screen.
Mixed reality	Merges the real world and digital elements by interacting and manipulating both physical and virtual elements and environments, using next-generation sensing and imaging technologies.
Multiverse	A hypothetical collection of potentially diverse observable universes, each of which would comprise everything that is experimentally accessible by a connected community of observers.
Non-fungible tokens (NFTs)	A digital asset that represents real-world objects like art, music, in-game items and videos, that are bought and sold online, frequently with cryptocurrency.
NFT Minting	Process of converting digital data into crypto collections of digital assets recorded on the blockchain. The crypto collections are sold on a NFT platform, such as OpenSea, Rarible, or Mintable.
Polygon	A technology platform that enables blockchain networks to connect and scale.
Solana	A blockchain platform designed to host decentralised, scalable applications, processing many transactions per second at lower transaction fees. The fastest growing ecosystem in crypto.
Virtual reality	The use of computer technology to create simulated environments where people interact using, for example, VR goggles, resulting in a fully immersive experience that obscures the natural world. Developed primarily for gaming and other entertainment purposes.
Web3.0	The third generation of the evolution of the web, based on blockchain technology incorporating decentralisation and token-based economies, with no central authority governing operations on the platform.

THE METAVERSE VS. THE MULTIVERSE

The ongoing transformation of technologies is enabling us to connect and interact with each other and our environments in ways that we could only ever have imagined. Technology has caught up with fiction and it is now time to familiarise ourselves with the concepts of the alternate worlds in which we are venturing. Understanding some of the key differences between these 'verses' can shed some much-needed light on how we navigate and make the most of them for the benefit of our customers and brand purpose.

The concepts of the metaverse and virtual multiverse are currently in their infancy stages. Because we cannot predict the future or how these will be adopted, we are wary of defining them too narrowly. In the current context the metaverse is a concept for a connected virtual world, whereas the multiverse provides the potential for multiple digital ecosystems. While we are exploring the metaverse and multiverse in their current context, we are also cognisant of the progress and influence it will have in future on how the digital world evolves.

The metaverse explained

Considering the metaverse is meant to be the next evolution of the internet, there are several differing ideas and views of what it is going to be. It is meant to serve everyone, which is why it will be different for different people and their needs.

According to the most cited definition of the metaverse by one of the industry's top metaverse influencers, Matthew Ball (2018, updated 2021 and 2022), the metaverse … 'is a massively scaled and interoperable network of real-time rendered 3D virtual worlds which can be experienced synchronously and persistently by an effectively unlimited number of users with an individual sense of presence, and with continuity of data, such as identity, history, entitlements, objects, communications, and payments.'

Even Ball, who ventured out to give his best shot at a definition, acknowledges that to provide a single all-encompassing definition of the metaverse is impossible, since this large-scale disruption is still in its infancy. It should, however, not be seen as virtual reality; rather as a shared digital environment where all digital actions can occur. Anyone can be part of the metaverse and participate in a specific event/place/activity. The metaverse is designed to be a social environment that requires users to create a virtual identity in the form of an avatar.

The metaverse will become a fully functioning economy where individuals and businesses will be able to create, own, invest, sell, and be rewarded for a range of so-called work. This body of work, for which the creators will have ownership, produces value which is recognised by others (Ball, 2020).

The opportunities that this opens up for marketing and brands, is best illustrated in the adidas merch window where their new collection was a mix of digital and physical items, sold as NFTs. Customers were able to buy virtual wearables to be used in, among others, The Sandbox, but also the physical clothing, such as hoodies, and tracksuits to match (adidas.com/into_the_metaverse).

In another example, Gucci, who wanted to raise awareness of their brand among young customers, partnered with the platform Roblox. In 2021 Gucci created the Gucci Garden, a virtual pop-up art installation where visitors could view, try on, and buy digital Gucci products to glam up their own blank avatars before exploring the garden.

NOTE

You can read how certain brands have become trailblazers for this new technology here: www.thedrum.com/news/2022/01/17/5-brands-already-boldly-embracing-the-metaverse.

Some aspects of the metaverse are also already evident in virtual video game worlds. A socialisation tool like Gather.town brings together multiple elements of our lives into online worlds. These apps are not the metaverse, but are similar.

The multiverse explained

Multiverse literally means multiple universes. Based on the theory of a 'many worlds' interpretation (MWI), the multiverse is a concept of a pre-time era, before the Big Bang, where multiple universes existed and ours was only one of many independent others. This science of quantum mechanics claims that time is like the branches of a tree, where all possibilities play out to every eventuality in an infinite number of parallel universes, rather than only one straight or linear timeline that we understand in our universe. This theory, however, cannot be verified by scientific testing.

If we, however, think of it as a virtual multiverse, it already exists in various online ecosystems. In online gaming, Fortnite, Roblox, and Minecraft are examples of virtual multiverses, while in business, Microsoft Mesh – a collaboration and communications platform developed by Microsoft – may be an example of another. Universes in the multiverse operate independently of each other, and do not offer a unified experience from one to the other.

The primary difference between multiverse and the metaverse is that each universe in the multiverse is separate, whereas the metaverse is believed to encompass all universes in one ecosystem – seamlessly unifying the experience from one universe to the next. The metaverse is not a piece of sci-fi tech, but ' an intricate web of slowly developing pieces.' Read about it here: www.techspot.com/article/2431-the-metaverse/.

Figure 1 Differences between the metaverse and the multiverse

Why the hype around the metaverse?

The metaverse presents massive opportunities for us to share value in a new way. Web3.0 shares this code and serves as the foundation for the metaverse, consisting of blockchain-enabled applications that are decentralised, aiming to support an economy of user-owned assets and data.

As a result of the loss of trust in large organisations, governments, and big brands alike, responsible contributors and creators are aiming to decentralise the economic benefit from these institutions and shift it back to the people who are creating the artefact or digital items to reward their effort. At our very core, humans want to be valued and recognised for who we are and what we do. We want our time respected, and we want to share our value with people who create that value. The metaverse is enabling this by flipping the business model

to allow communities to share the economic benefits from the virtual worlds they help create (Leonard, 2022).

The digital economy

The disruption of the Fourth Industrial Revolution combined with the COVID-19 pandemic has increased our need for agility, adaptability, and positive transformation. As the global economy digitalises, it is estimated that about 70% of new value created over the next ten years will be based on digitally enabled platform business models (Charlton, 2022, World Economic Forum).

The economic activity will result from billions of everyday online connections between people, businesses, systems, devices, and data. To sustain this hyperconnectivity, the digital economy will need a solid backbone for the growing interconnection of people, organisations, and machines on the internet. This is already taking shape and challenging conventional ideas of how businesses should be structured and operate, from accepting payment methods to goods and services delivery, and product experiences.

Cryptocurrency is changing how we transact and powering a new social economy to restore control to content creators and consumers. Based on blockchain technology, cryptocurrency is a decentralised digital ledger that records all exchanges and transactions in real time, permanently, and publicly.

One of the most well-known blockchain-based currencies is Bitcoin. When a user buys Bitcoin, the transaction is recorded on the Bitcoin blockchain, and the record is distributed to thousands of individual computers across the globe. Ethereum is another public blockchain, and like Bitcoin, is also transparent and programmable through a smart contract that essentially runs software routines automatically when conditions are met. All transactions are available for anyone to view, unlike traditional banking books.

Blockchain is also the foundation of digital currency and non-fungible tokens (NFTs). Specific items like artwork and music on a blockchain are non-fungible tokens (NFTs), meaning they are unique and non-transferable. Fungible items are currency, like a dollar that is worth the same as another dollar, and can be swapped with other dollars.

Using a smart contract, one user can purchase a digital artwork from a seller for a set amount of currency. Once the buyer accepts the fee, the exchange is completed using the blockchain. If there is any dispute, the amount paid can be verified on the public record.

More than the smart transactions, the blockchain has everything to do with the metaverse; it enables people to own digital assets and NFTs which ultimately interconnects the real world and the virtual world through one experience. The blockchain is enabling seamless access from one world into the other using cryptocurrency for access by authenticating proof of ownership.

One example of where digital meets real, is on Disrupp. They describe themselves as 'A creative ecosystem combining art, collectibles & NFTs to merge realities across digital fashion and gaming.' This NFT marketplace collaborates with artists to create collections of collectibles that anyone can own and then use in the metaverse.

Each Dissrup Drop, or piece of art, must comprise of 3 essentials, namely artworks, digital collectibles, and phygital collectables. Artwork is defined as single edition NFTs in line with the concept of each Dissrup release, whereas digital collectables are digital items, but in limited quantities. Phygital collectables are collectables that include a digital as well as a physical component.

The digital collectables on Dissrup are affordable items that the owner can use to personalise their spaces or avatars on a gaming platform. As with some real art, they are done in limited runs. Phygital items are exactly what their name implies: a physical and a digital component, in this case collectables that include both a physical and a digital component. You can spruce up your metalounge with a digital state-of-the-art chair, but you can also chill on it in the physical world – craftspeople will bring these digital creations into your physical lounge. Read about Dissrup and how they are already combining our lived reality with the early iteration of the metaverse here: dissrup.com You will find the latest Drop by Dissrup here: dissrup.com/drops.

In addition to establishing a creator economy for ordinary people on a global scale, the metaverse will offer innovations in communication for workplaces and educational institutions – a phenomenon that was already seen since 2020 when the world was gripped in a raging pandemic.

There are, however, also some cons to this next best thing: the requirement of advanced digital technologies which is not a given in developing countries where the digital divide is still persisting. In addition, privacy concerns and security implications are notable metaverse pitfalls. To quote *The conversation* (2021): 'Marginalised people often suffer the most harm from unintended consequences of new technologies. ... Avatars, the graphical personas people can create or buy to represent themselves in virtual environments, are being priced differently based on the perceived race of the avatar, and racist and sexist harassment is cropping up in today's pre-metaverse immersive environments.' Regulating tech will be part and parcel of the metaverse and all stakeholders will have to find the right balance between freedom of speech and freedom of expression, and something that is harmful.

All involved will have to be cognisant of the pitfalls so that the vast opportunities that the metaverse presents, do not exclude ordinary, marginalised people on a global scale.

UNDERSTANDING THE METAVERSE ENVIRONMENT

We understand the metaverse to be a shared collective environment where physical reality and a persistent virtual space exists on the internet, and anyone can step into it with the right technologies. You can either use virtual reality (VR) goggles that plunges you into the new world, or it could be augmented reality (AR) which involves overlaying auditory, visual and sensory information onto the offline world – and thereby blurring the lines of reality.

NOTE

AR technology, in particular, can lead to unprecedented customer engagement, illustrated by L'Oréal's partnership with Perfect Corp. The company understood that their biggest market lies with millennials, who, driven by Instagram, are big consumers of cosmetics. Read this article: us.fashionnetwork.com/news/l-oreal-announces-global-partnership-with-perfect-corp,848852.html.

Since the metaverse is still in its initial stages, we cannot comprehend the full extent of its capabilities yet. The seven layers that we unpack here provide an understanding of what makes up the metaverse, each representing an important part of the metaverse that cannot function entirely without the others.

The seven layers to the metaverse include experience, discovery, the creator economy, spatial computing, decentralisation, human interface, and infrastructure.

Experience

Discovery

Creator Economy

Spatial Computing

Decentralization

Human Interface

Infrastructure
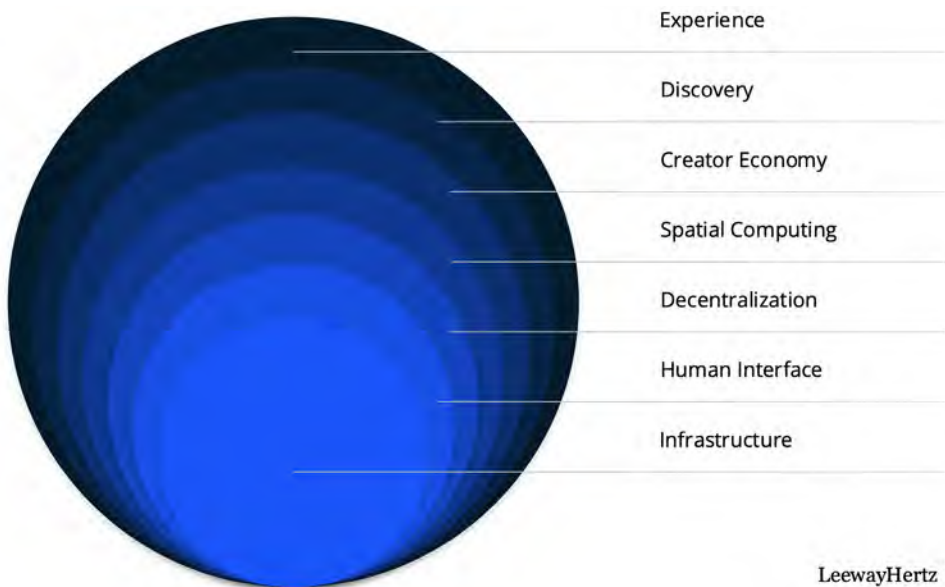
LeewayHertz

Figure 2 Seven layers of the metaverse

Experience

According to Takyar, CEO of LeewayHertz (n.d.), the metaverse will not be limited to a 3D version of the real world for only viewing. Rather, it will be a true interpretation of the dimensions and distances of photorealistic graphic elements, with the potential to provide experiences that the real world cannot offer.

For instance, well-known brands are putting their money into massive interactive live events hosted on platforms like Roblox and Decentraland, offering a glimpse of how events and activities in the metaverse can manifest interactivity. How this will differ from real life is that front-row ticket experiences will be open to anyone.

The metaverse is all about experiences. From games and social interactions to shopping, theatre, and e-sports; the potential future metaverse can transform human experiences with its immersive and real-time space.

Discovery

This second layer is about experiential discoveries that result in a search and find approach to familiarise users with new experiences. On the one hand, users proactively look for information and experiences, and on the other, they receive information on what experiences await them in the metaverse.

The discovery layer is the most beneficial for businesses. It is cost effective and relies on community-driven content (word of mouth, reviews, shared experiences, and testimonials) to get people to discover metaverse experiences.

Creator economy

Ultimately, the metaverse will create an immersive 3D world with interconnected virtual spaces that mirror reality. Powered by AR, VR, and similar technologies, the spaces will be designed to attract visitors who will be able to do virtually anything once in that space.

Content creators will play an essential role in creating this new world and experts believe the metaverse will make the creator economy a multibillion-dollar industry. The creator economy will be made up of independent creative people who produce digital content, such as images and videos, e-books, webinars, art, and blog posts. They will use the metaverse to generate revenue by selling goods, displaying, and selling collections, collaborating with brands, and promoting them, influencing buying behaviour by posing in avatar fashion apparel and accessories, and so on.

Whilst accepting that the metaverse can and will open a promising new market for the creator economy, it is still being heavily debated whether the metaverse is a good thing or if it will have negative effects on our future. Apart from the immersive experiences,

the disappearance of geographical barriers, better online social interactions, upgraded social media, new business opportunities, improvements to online learning and education, positive impact on cryptocurrencies and NFTs, as well as new opportunities for financial gain, there are disadvantages. According to Bernard Marr, a world-renowned futurist there are some challenges that the metaverse will bring, such as privacy issues, health concerns, access inequality, desentisisation, and identity hacking (Marr, 2022). In addition, quick web availability is an obligatory necessity for taking part in the universe, whereas many individuals cannot afford the cost of a top-of-the-line VR headset for entering the metaverse.

Spatial computing

The launch of virtual assistants and ride hailing service apps in the spatial computing layer of the metaverse has already made our lives easier. We've become accustomed to moving from one location to another using an app that captures our real-life journey through a GPS tracker and enjoyed the fun of trying on clothing virtually from the comfort of our own personal spaces. Spatial computing combines AR, VR, and MR to bring the idea of the 'metaverse' to life.

The vision of a parallel, three-dimensional, virtual universe that interacts with the real world becomes possible with spatial computing. It allows us to interact with both the virtual and the real world at the same time in real time.

Decentralisation

The metaverse is forecast to become a multi-trillion dollar part of the world economy. And, like the internet in its current form, will not be under any one entity's control. First adopters and large tech companies will however play an important role in the further development and evolution of the metaverse.

Decentralising control and influence on how data and connections will be used by larger entities will be a priority to ensure the security, privacy, and safety of users in the metaverse. Blockchain technology will address privacy and data protection issues that might plague a centralised metaverse and simultaneously, will also ensure authenticity and legitimacy of interactions between users and businesses in the real and virtual worlds.

To realise the full potential of the metaverse, it will be necessary to maintain a transparent and traceable way to perform transactions and interactions. Blockchain and crypto assets are solutions for this issue, while NFTs are seem to ensure there are no asset ownership disputes within the metaverse. Legal disputes have however, surfaced in the courts. One notable example is Nike, which filed a trademark infringement lawsuit against StockX, an online marketplace, in February 2022. Nike claimed that the reseller was offering up NFTs that display Nike's trademarks without authorisation (Asso & Azaria, 2022, TFL). It is already clear that every

brand and company will need a metaverse strategy and defined metaverse ethical policies to create experiences that transcend the world as we see it today.

> Bias, for instance, is emerging in AI as a result of prejudice data being fed into AI systems, bringing scientists to conclude that traditional algorithms were biased. The ethical roadmap for the metaverse is still being carved out. It will be interesting to see how moderation will be done on the metaverse, what the avatar's legal personality entails, or if ownership of virtual property and assets can be used as collateral in the real world.

Human interface

The layer that deals with the human interface refers to the hardware or devices that will allow users to experience the full extent of the metaverse. Over time, technology has been drawing us closer to our devices, which have been getting smaller, smarter, and portable. Inventions like smart phones, smart watches, and smart glasses are enabling us to connect and engage a lot more quickly and seamlessly from any location in the world.

The fact that humans and machines are growing closer is necessary for an immersive, lifelike experience of the metaverse. With the advancement of spatial computing, we will likely be able to experience the metaverse as we do the physical world soon.

Infrastructure

This layer is made up of the technological infrastructure that will be required to create a fully functional and interoperable metaverse. According to Takyar (n.d. LeewayHertz), there are five groups of technology that drive the metaverse:

- **Computing power and network** that includes spatial positioning algorithms, edge computing, GPU servers, real-time network transmission, and virtual scene fitting
- **Artificial intelligence**
- **Video gaming technologies** that include 3D game engines to create the resources, such as animations, sounds, and images
- **Display technologies** that include AR, VR, and MR that are not only purposed for an immersive audio-visual experience, but also for the experience of users' evolving tastes and preferences over time
- **Blockchain technology** that is supported by the decentralised value transfer mechanisms, settlement platforms, and smart contracts to assure value ownership and circulation. Through decentralisation an economic system that features transparency, efficiency, and stability will be realised.
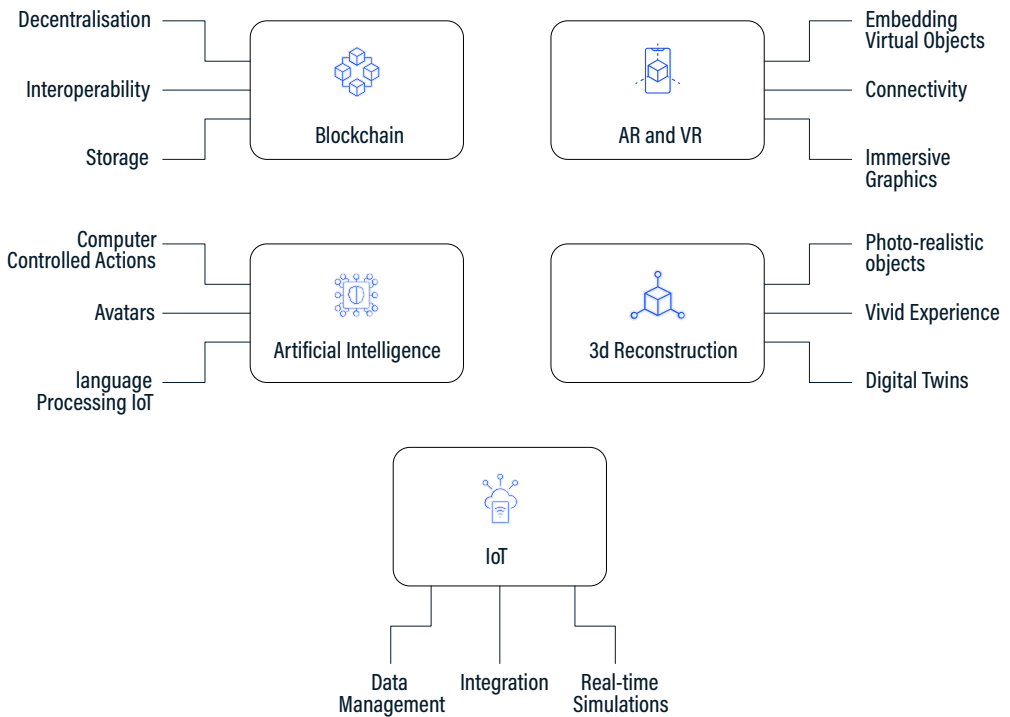
Figure 3 The technologies for the metaverse

Implications of the metaverse on business

The metaverse will have a massive impact on every sector and industry in the next few years. The greatest opportunity that it will present is creating meaningful interactions with consumers, stakeholders, and industry peers. The idea of a three-dimensional internet may be overwhelming for some, but there are existing strategies that brands can use to secure their position in an evolving market.

Since the metaverse is an immersive and inter-active experience, the question about how to make rules, reach goals, and gain feedback to make the experience meaningful can be learned from gaming. Games define characteristics that are voluntary for the user. Although social gaming predates the metaverse, the strategy

NOTE

Fortnite, a video game developed by Epic Games, sells over $3 billion of digital cosmetic items to players each year, making it a larger apparel company by sales then several global fashion houses (Li, 2022, previously in CGTN Opinion). Gucci, for instance, took the 'try digitally, buy digitally' a step further: They sold a $12 virtual sneaker online where the customer got to try on the sneaker virtually before buying, and can continue to do the same after owning it (MIRRAR, 2021). Check out the article: The Age of Digital Fashion (And How Brands Should Prepare) here: www.mirrar.com/blogs/age-of-digital-fashion.

used to create and build its audiences, engagement, and experiences are lessons that can contribute to effective brand building and marketing in the metaverse with voluntary participation.

Game design and approach

Successful gaming developers have been creating captivating game designs for decades. The greatest purpose of these designs is to fulfil the user's need to see how their actions progress to achieve results. There are four elements that interact with each other for a successful game design that's made up of story, aesthetics, mechanics, and technology (Schell, n.d.). As far as this concept goes for creating value for audiences, each of these will need to be solved for the game strategy approach that brand and marketing professionals will use for the metaverse.

The story

This requires an empathetic understanding of who the audience is, and how the brand is going to help them on their hero's journey. It is imperative that brands understand the user persona as well as the psychological journey that it wants to take them on for a better life experience. Creating an authentic story about the brand, and how the audience will experience it, is essential.

Adopting the human-centred design or design thinking approach will assist in developing an authentic story. For this purpose, brands and marketers should answer the following questions:

* What is your story?
* Why are you telling this story?
* How do you do that in a way that is authentic?
* Who is the hero?

The aesthetics

People generally spend money to make themselves look good, which is why aesthetics is important for virtual experiences. It evokes desirable responses from the user when they interact with the interface. Because the metaverse environment is persistent and although not yet entirely VR, once technology allows for it, brands and marketers should prepare themselves to create visual experiences in line with what they want their audiences to experience.

Many worlds are going to exist in the metaverse. Brands should consider what their digital twin will look like as an extension of the real world and develop a strategy for it. For this, a good understanding of both the real and virtual worlds, the users' avatars, and how they will interact with the brand, as well as how products and or services will be packaged and delivered, will need to be defined and designed.

The mechanics

The mechanics include the type of game and the actual physical system of how the game works, including rules of engagement that guide the user on how to achieve their goals, as well as the game's response to their actions. Every game has an economy of value in something.

It determines how players will be rewarded for reaching and exceeding levels, as well as where they fail and need to try again. It is a straightforward relationship that gives users the freedom to choose to participate, or not in certain activities, increasing the levels of voluntary participation and engagement.

The technology

Technology is the least visible to users. For this, it is necessary to explore the practicalities of virtual reality as an example, although there are major accessibility issues and constraints around VR due to the limitations of devices. AR, however, is mature and ready to go, which gives humans a visual contextual information layered over the real world. GPS is a good example of this because it is digital information layered on top of the real world. It is a form of AR that has billions of smartphones connected and AR-enabled. Brands should look at ways of incorporating this into their strategies.

Each of these elements require a strategy. Each step forward in developing the brand experience as it relates to game design will bring the brand closer to understanding what the future will look for them in the metaverse. A serious gaming strategy, rather than a metaverse strategy, will help brands become better prepared for the metaverse, especially in the initial stage of its development. Take into consideration that 65% of Gen Z have spent money specifically on virtual gadgets that are used in a game only. This illustrates the level of engagement the metaverse has (Barrett, 2022).

Creating shared value

Brands need to think carefully about how they will share value that they uncover through data insights with users in the metaverse because it's only then that they will get an exchange. The aim is to keep people wanting to come back for more by offering them something of value – get them engaged enough for them to choose to return.

Creating shared value can no longer be a distant vision, mission, or value. Instead, brands need to adopt it as a belief and commitment, which is derived from a purpose-led business. It's been proven that purpose-led businesses outperform those that are driven by short-term profits, which is why it is more important now that brands adopt the shared value approach and maintain voluntary participation.

Opportunities for brands in the metaverse

The consensus is that the metaverse will be positive for businesses. According to multinational investment bank, J.P. Morgan, the market opportunity of the metaverse will be worth more than $1 trillion in annual revenues (World Economic Forum, 2022).

We are already seeing early adoption from industry giants like Disney, Gucci, and Warner Bros, who will likely be the ones who design the metaverse in line with their consumer needs and business aspirations. As mentioned earlier in this chapter, our behaviour and social needs

determine what technology will do to support it. This is why businesses and brands should decide sooner rather than later if they will join the initial phase or wait to see how it plays out – and risk missing the opportunity to influence the design of the metaverse during the early stages.

The immersive virtual environment of the metaverse offers brands the opportunity to connect and engage with their existing consumers in fresh, new, and authentic ways while attracting new consumers to their brand. Inventing a world designed specifically for your audience is one way to show your commitment to creating shared value.

NOTE

Read how the skateboarding retailer Vans launched their virtual skatepark in partnership with Roblox. In the full skate shop fans can customise their perfect board and shoes to create a unique style. Go practice your kickflips and ollies in this virtual skatepark: www.roblox.com/vans.

To reach customers in the metaverse, there are a few approaches that are not far off what we already know – the only difference is how we will interact with the information and data.

Here are some of the ways brands are using the metaverse:

• **Engagement and awareness:** Brand experiences through gaming are becoming popular. For instance, Nike has partnered with Roblox to create a game called Nikeland where users participate in games. Other brands have created their own games, where players can go on a quest or adventure to gather collectibles that may be exchanged for real life value. It's about creating engagement for the brand recognition and experience.
• **Special events:** Using existing platforms like Fortnite and Roblox to virtually launch events, such as product or movie launches and concerts, has become a viable option for brands, especially since the pandemic and global lockdowns.
• **Marketing opportunities:** Brands are looking at ways to use their memorabilia, logos, and virtual assets in the metaverse. For instance, Coca Cola auctioned off memorabilia for NFTs while Nike is looking at ways to trademark to produce and sell virtual branded apparel for avatars and the like.

The metaverse will be a goldmine for growth marketers because of its data-driven capabilities through the virtual world on which it is built. The devices that it will be using, such as VR glasses, will generate masses data that may be used to promote value to the audience, both in the metaverse and in the real world. This means that the detailed behavioural patterns that will be tracked on VR devices may be used to connect with similar personas on real-life marketing channels.

Note: 'The metaverse will have a huge impact on growth marketing. Even if you don't plan to use the metaverse as a marketing platform, you can still use data from the metaverse to fuel your growth marketing strategy' (Barrett, 2022).

In essence, brands and marketers are using existing models to explore new, creative, and more immersive ways to connect with their customers virtually and in real-life. This requires a new way of thinking that revolves around the customer experience with careful consideration of their needs and your brand authenticity.

WHEN THE METAVERSE IS EXPECTED TO BECOME MAINSTREAM

Currently, we are at the emerging phase of the metaverse. This stage includes commercially available products and services like social networks, online games, ecommerce, cryptocurrencies, and NFTs. Depending on the application, these technologies may fulfil one or more characteristics of the metaverse, but is still incomplete. It is going to take time for the concepts to be adopted, given the challenges that currently exist related to access and adaptability.

Figure 4 An evolution spectrum for the metaverse into the future

How brands can prepare for the metaverse

Although the metaverse and Web3.0 present accelerated digital innovation, there are fundamental challenges in today's digital experiences that must be solved. These include digital trust, equity, and capacity. According to the World Economic Forum, we have a long way to go to address the challenges around trust online and how to identify real users from fake ones to eliminate harassment, racism, manipulation, bullying, and cybercrime. Additionally, access to quality internet globally is a challenge.

This highlights the disparities between people and groups in the digital world and whether technology can meaningfully address inclusion in digital experiences. The gap between the technology haves and have nots will likely widen substantially if we don't find solutions in this phase of the metaverse and Web3.0.

FUTURE OF MARKETING IN THE METAVERSE

Creating and curating long-term value for businesses and brands is the responsibility of the board or directorship of a company. Leadership should be taking interest in the metaverse because of the extent to which it is being adopted at various levels across industries, including major technology giants like Meta, Google, and Microsoft. Executive teams need to debate and plan for the implications of the metaverse on their businesses.

Some of the key considerations that executive teams and CMOs should review, reflect, and decide on for the benefit of their businesses and stakeholders, include the following:

• How will the company or brand participate in the metaverse? What will its position or standpoint be (e.g., contributor, investor, or creator)?
• Gaming in virtual worlds has been around for several years and forms part of the metaverse. How users engage with the virtual world in a game presents an opportunity for business to adopt and explore similar strategies to connect with their audiences virtually and in real-life.
• Shared value, brand purpose, and voluntary engagement will be priorities for marketing and stakeholder engagement going into the metaverse future. The gaming strategy approach will likely provide the most relevant insights for businesses to incorporate into their long-term visions and goals for future clients, deals, and transactions.
• Businesses can learn from the value systems that underpin a variety of games that may inspire a strategy to engage audiences in the metaverse.
• VR, AR, and MR are all elements of the metaverse that enable user engagement with the virtual world. Businesses or brands should consider each of these in the context of how they will contribute to its broader strategic goals, as well as how they will enable its use in the metaverse.
• Businesses and brands need to be aware that gaming strategies require specialisation. Designing custom solutions for businesses in line with key trends and best practices will take time and requires specialist expertise.

How to make the most of the metaverse

We have now realised that, like the internet and other major technological advancements, the metaverse is reshaping the world as we know it. The greatest advantage is that it offers an immersive experience of the real and virtual worlds simultaneously, which will likely allow individuals and businesses to explore greater opportunities in a more cost-effective way. Brands will partner with gaming companies that have already paved most of its way to the metaverse. For instance, Balenciaga partnered with Fortnite and has accessories, such as

designer pickaxes, backpacks, and digital outfits available in its virtual boutique in Fortnite. Nike partnered with Roblox to create Nikeland.

Because of the game-like nature of the interactive and immersive experiences, Gen Z are firmly aligning themselves with many, and can be seen as the early adopters in the metaverse. This opens a variety of possibilities to unlock greater human connections and brand engagement. To make the most of the metaverse, based on what we currently know, we recommend prioritising these key themes:

Leverage the metaverse for good: The possibilities that the metaverse present is an opportunity for us to set the tone and leverage it for good. There are no geographical restrictions which makes global connections possible in a more realistic way. Considering the numerous global challenges that we face, the metaverse makes it possible for us to garner support for movements to address climate change, upskill and use training simulations for learning, and collaborate more closely with teams in the real and virtual worlds.

Data driven insights: With lessons from Web2.0 where we learned how data was exploited for the benefit of technology giants, the metaverse presents an opportunity to do better. The sheer scale of data transfer in a three-dimensional world may raise potential risks and privacy concerns, which is why it is important that industry leaders focus on leveraging the metaverse for good, rather than short-term profit goals.

Human insights: Because the world will be more focused on authenticity and more meaningful connection, human insights will serve as the prime reference point to shape the next frontier of human experiences. Putting human interests and needs at the centre of the metaverse ideation will serve as the moral compass to build trust into the ecosystem of virtual worlds, i.e. human safety before brand safety, ensuring digital civility.

Brand purpose and value creation: Building trust is critical for creating long-term value. Brands should distinguish between the hype and reality to stay focused on designing a purpose-led business with shared value for the brand and customer. It will take all the key

> **NOTE**
> Read more on how to prepare for the exiting new era of Web3.0 here: www.jeffbullas.com/digital-marketing-skills-for-metaverse/.

themes outlined here, together with the brand's commitment to generate authentic experiences for its stakeholders and services to make sense of the virtual ecosystem.

The unique skills needed for the metaverse

The metaverse requires a set of unique skills that we will need to practice and enhance to navigate and create this virtual environment. These skills are not new to humans but are unique to we conduct business, as well as how we create and exchange value going forward.

Table 2 Essential skills for the metaverse

Unique skills	Why this skill is important
Empathy	At the core of everything, the ability to understand and share others' feelings is a skill that has the potential to unlock other valuable skills, such as critical thinking, effective collaboration, and problem solving that will be useful in the metaverse, whether as a leader or contributor.
Strategic thinking	The ability to plan, think ahead, and solve complex problems simultaneously is an essential skill for the metaverse as businesses embark on this journey into a three-dimensional, connective world designed through technology and related elements.
Communication	Broadly, communication enables efficiency between groups of people with similar interests and serves to share information, solve conflict, and improve work processes. For the metaverse, this will likely evolve which is why efficient and proficient communication skills are necessary.
Motivational skills	Dealing with an infinite amount of complexity will require a great deal of positivity and motivation for everyone involved. Combined with the other essential and unique skills for the metaverse, motivational skills help drive desired results.
Critical thinking	Improving the quality of decisions making requires problem-solving and critical-thinking abilities that will be hugely beneficial for the metaverse, especially in the initial phase where key questions are being asked, and decisions are being made.
Collaboration	The willingness to learn and share knowledge will increase efficiency in the metaverse, as well as create and share value for future growth and development.

Useful tactics for the metaverse

While the metaverse is still experiential in nature, the opportunity to explore, create, and innovate is vast and diverse. To get started in the metaverse, brand and business leaders should look at what is available and practical now. There are platforms that are already enabling virtual environments, lending itself to what the vision of the metaverse will be like in the next few years.

Some of the key characteristics of the metaverse is that it is always active (persistent), it exists in real time, users have individual activity, it is self-contained and fully functional in this state, consists of a mix of different virtual worlds, and enables user-generated content.

Useful tactics that brands and businesses should consider for the metaverse include, but are not limited to:

*   Identifying what your audience wants and if they are in the metaverse, discovering what they expect from it
*   Deciding where your brand fits in with the large metaverse landscape, and consulting with metaverse veterans who are fully immersed in the virtual worlds to share their insights
*   Experimenting with the metaverse by using private business or personal accounts to explore and experience what it offers
*   Developing the expertise in-house or hiring people who are familiar with the environment to create it for your brand or business
*   Focusing on the experience and what will work for your brand or business in the metaverse – ensuring that you protect and preserve your reputation both inside and out of the virtual world.

Common pitfalls in marketing to avoid in the metaverse

Like any new technological movement, there will be risks to mitigate and manage, as well as mistakes to avoid. Since the dawn of social media, the marketing approach has shifted from broadcasting messages far and wide, to reaching intended audiences through targeted messaging. The customer-centric way is the only path to successful marketing now and into the future, whether in the physical realm or the metaverse. This is likely to accelerate even more significantly in the next few years, which is why it will be important for brands and businesses to be aware of the common pitfalls.

NOTE

Richard Robinson, MD of Xeim Engage says: 'Real world rules don't operate in a place where the ASA and the Metropolitan Police have no jurisdiction; and for risk-averse brand managers the metaverse is your worst nightmare.' Read this article to see if you agree: Are brands ready to face the dangers lurking in the depths of the metaverse? www.thedrum.com/news/2022/01/20/are-brands-ready-face-the-dangers-lurking-the-depths-the-metaverse.

Table 3 How not to alienate your customers

Common pitfall	How to avoid it
Not putting your customer first	Be true to your customer and your brand, even in this new realm. Tell your stories authentically, and do not breach your customers' privacy.
Keep doing what you're doing in the hope that it will eventually work or keep working	Keep an eye on the trends of this new technological movement, and how your customers are responding to the changing environment – meet them there.

Using data insights to manipulate purchasing decisions	Use the insights that you discover to return value to your customer. Customers have already lost faith in the social web; be careful of causing even more disrupt using the metaverse. Be aware of what data can be harvested and whether it should be. Rather than using the information against your customer for short-term gain, use it to build longer term relationships with them.
Shouting softly for attention	Changing your logo or pay-off line often may not be relevant to your customer or as important as solving their challenges. It is tempting as this new tecnology emerges, to try to use it to gain attention, rather than finding ways to connect with your audience. Connection will be fundamental to success in the metaverse, not short-lived attention gains.

ETHICS AND MARKETING IN THE METAVERSE

New technologies that have endless possibilities must be carefully considered in terms of conduct and ethics. Currently, questions on ethics are almost as infinite as the metaverse itself, even though cyber laws, policies, regulations, and technology codes of ethics already exist. The metaverse presents a whole new level of engagement that will eventually connect the real world so closely to the virtual that one contemplates questions whether avatars would be accepted to represent oneself in virtual form, and whether all appearances are acceptable.

While the legal fraternity study, examine, and determine the global and regional laws concerning the metaverse, marketers will need to examine how ethics and marketing will affect value creation for consumers who remain at the centre of it all.

The time to take a refreshed look at a business' commitment to brand authenticity as well as social responsibility and environmental causes is now. Ethics and moral discipline for marketing in the metaverse will be essential to brands and their customers. Marketers will need to dedicate themselves to the greater good, rather than only the bottom lines, to deliver long-term value and sustain brand relevance into the future.

Based on the set of standards for ethical norms and values set by the American Marketing Association, it is essential that we are reminded of the core values that govern marketing, namely:

1. Marketers should do no harm. In that, embodying high ethical standards and adhering to all laws and regulations in the decisions we make is fundamental to this practice.
2. Trust should be fostered in the marketing system. Avoid deception in product design, pricing, communication, and delivery of distribution.
3. Hold on to ethical values. Build relationships while also enhancing consumer trust in the integrity of marketing by acknowledging these core values: honesty, responsibility, fairness, respect, transparency, and citizenship (AMA, 2021)).

CASE STUDY: TABLE MOUNTAIN CABLEWAY TAKES DIGITAL TRIP

One-line summary

Due to lockdown regulations since 2020 and operational disruptions because of the weather, the Table Mountain Aerial Cableway Company (TMACC) launched an innovative addition to their offering that would allow anyone to have a virtual experience of the tour to the top of Table Mountain.

The problem

In summer, TMACC lost about 20% of the cableway capacity to the South Easterly wind. To solve this challenge, the company decided that a digital twin of the experience would meet the peak summer demand and serve additional purposes of attracting international audiences to this tourism destination.

The solution

A virtual experience of the cableway cart was created to give the customer the same butterfly effect of going up inside the cableway cart. This immersive experience looks and feels like the real experience. In this way the company not only offered the experience to anyone who could not be there, but also aligned itself with new technology.

The results

In addition to the commercial benefits to tourists and visitors, many children living in Cape Town and the Cape Flats who have never experienced the mountain before, now have access to the experience. For TMACC, being able to do outreach and inspire young people around them is invaluable. The virtual cableway cart experience is the best digital twin Cape Town has created with lasting benefits, not only for customers, but also its surrounding communities.

CASE STUDY QUESTIONS

1. Describe the benefits of the virtual cableway cart experience for:
   1.1 The consumer
   1.2 The company
2. Why do you believe the virtual tour of the mountain works as a solution for the challenge they experienced?
3. In this case study, how does this example of a metaverse contribute to the real-life experience?

CHAPTER QUESTIONS

1. What opportunities does the metaverse present for businesses and brands?

2. Describe and discuss some of the common pitfalls that marketing must avoid in order to succeed in the metaverse.
3. What are some of the main changes that marketers need to make to compete in the metaverse?

THE BIGGER PICTURE

Decentralisation, infinite connections, and opportunities to create, explore, and experience a limitless reality are all enticing concepts for human curiosity and evolution. With the metaverse, it becomes possible in ways that we have not yet imagined. As the movement progresses and industry leaders gain ground in this dynamic space, we can expect to see erratic growth and innovation by new entrants and inventive creatives.

The metaverse is expected to unlock an abundance of opportunities. As a result of lessons learned from Web2.0 as far as privacy and protection of personal information is concerned, there is a solid base that serves as reference for us not to repeat those mistakes. However, we are embarking on an unknown journey at this stage – a new frontier – that will require unique skills, a thorough understanding of human behaviour and interactions, customer experiences, and brand purpose. To navigate successfully, we need to keep our heads in the game and our hearts on our purpose.

SUMMARY

One of the pertinent things that we advocate for as far as brand building and customer engagement is concerned, is brand storytelling. Brands are about experiences, and creating a sense of belonging, and connectedness. It helps define our social statuses, which is why we do not pursue technology for its own sake, but rather use it to allow us to do things that we could not do before. The fundamentals of human interaction and what we value does not change; however, how we engage, evolves with the right enablement.

Although there are plans and visions to create a virtual version of the real world in the metaverse, it is important that brand, marketing, and business leaders are not distracted by the technology, but rather remain focused on their customers and their purpose. It is important to plan and prepare for the metaverse and adapt to the changing environment.

The metaverse has the potential to change the world, where people will be able to go to places they would never be able to go, explore things they would never be able to see, and feel things they would never be able to feel. We have come a long way since 1992 when Neal Stephenson coined the term metaverse in his novel *Snow Crash*. But we still have a long way to go, and while it is important to investigate these new opportunities and cool technology, we also have to stay grounded and understand the nature of other realities (The Crypto Pie, 2022).

FURTHER READING

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www.jpmorgan.com/content/dam/jpm/treasury-services/documents/opportunities-in-the-metaverse.pdf – Opportunities in the metaverse: How businesses can explore the metaverse and navigate the hype vs. reality. *Onyx* by J.P. Morgan, 2022.

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FIGURE ACKNOLWEDGEMENTS

Figure 1: 101 Blockchains, 2021. 101blockchains.com/metaverse-vs-multiverse/

Figure 2: Seven Layers of the metaverse. www.leewayhertz.com/seven-layers-of-metaverse/

Figure 3: Key technologies for the metaverse. www.leewayhertz.com/technologies-for-metaverse/

Figure 4: Tech Republic, 2022. www.techrepublic.com/article/heres-how-the-metaverse-will-evolve/

INDEX

GLOSSARY

A/B test Also known as a split test; involves testing two versions of the same page or site to see which performs better.

Above the fold The content that appears on a screen without a user having to scroll.

Accessibility The degree to which a website is available to users with physical challenges or technical limitations.

Active verb A word that conveys action or behaviour, and, in a call to action, tells a reader what to do.

Adaptive web design Websites that respond to a user's screen size by loading predefined layouts.

Ad blocker A piece of software designed to prevent advertisements from appearing on a web page.

Ad Server The technology that places ads on websites.

Ads manager An online dashboard provided by Facebook where one can view, edit, and access performance reports for campaigns, ad sets, and individual ads. You can view all your campaigns, track your payment history, make changes to your bids and budgets, export ad performance reports, and pause or restart your ads on Facebook, Instagram, or Messenger.

AdTech A set of technologies used for managing advertisements across channels, including search, display, video, mobile, and social with functions for targeting, design, bid management, analytics, optimisation, and automation of digital advertising.

Ad types The kind of ads you can create on social media, such as Twitter Cards, Facebook sponsored posts, or Lenses or Geofilters on Snapchat.

Advertising The payment to place promotional images in a variety of online and offline media.

Algorithm Mathematical, computational, or statistical method pre-determined to take a number of variables into account and output a single, quantifiable result that is a function of all the variables.

Alt text Also called 'alt tag'. The 'alt' attribute for the IMG HTML tag. Used in HTML to attribute a text field to an image on a web page, normally with a descriptive function, telling a search engine or user what an image is about and displaying the text in instances where the image is unable to load.

Analytics Information resulting from the systematic analysis of data or statistics.

Anchor text A text link, or backlink, that refers visitors to your site from another with SEO benefits, passing relevance and authority from the referring site.

Animated GIF A GIF (type of image file) that supports animations and allows a separate palette of 256 colours for each frame.

Annotation A comment or instruction, usually added as text, on a YouTube video. A YouTube annotation may contain links directing users to other pages within YouTube or, if a brand is willing to pay, to outside websites. These have been phased out as of 2017 and replaced with video cards.

APIs A set of functions and procedures allowing the creation of applications that access the features or data of an operating system, application, or other service.

App store optimisation (ASO) The process of optimising mobile and web applications to improve the organic visibility of these 'apps' in specific web stores' search results in which they are distributed, as well as their visibility in general search engines like google.co.za.

Artificial Intelligence (AI) The theory and development of computer systems able to perform tasks normally requiring human intelligence, such as visual perception, speech recognition, decision making, and translation between languages.

Attention economy The idea that human attention is a scarce commodity, i.e., seeing attention as a limited resource.

Audience The group of people at which a marketing communication is targeted.

Augmented Reality (AR) A technology that superimposes a computer-generated image on a user's view of the real world to provide a composite view.

Automation A range of technologies that reduce human intervention in processes. Human intervention is reduced by predetermining decision criteria, subprocess relationships and related actions, and embodying those predeterminations in machines.

Avatar A manifested online identity on social media and other online communities based on anything the user chooses. The personal image the user wants to project to other users.

Backlink All the links from pages on external domains pointing to pages on your own domain. Each link from an external domain to a specific page is known as an inbound/backlink. The number of backlinks influences your ranking, so the more backlinks the better.

Banner An online ad in the form of a graphic image that appears on web pages and mobile sites

Benefit The positive outcome for a user that a feature provides.

Bitmoji A brand name for a digital cartoon image (like an avatar), intended to look like and represent individual people, used in electronic communication.

Blog Short for weblog. A type of website that allows users (bloggers) to post entries and self-published musings on different topics and often allows readers to comment on these posts.

Bots An autonomous programme on the internet or another network that can interact with systems or users.

Bounce When users leave a site before navigating from their landing page to another.

Bounce rate The percentage of people navigating away form a website.

Branding (or visual identity or corporate identity) Terms that refer to the look and feel of your business. In this context, it is used when discussing how your logo, colours, and styling elements are translated from traditional print-based assets to digital.

Breadcrumbs Links, usually on the top of the page, that indicate where a page is in the hierarchy of the website.

Business-to-business (B2B) When businesses sell products or services to other businesses and not to consumers.

Business-to-consumers (B2C) When businesses sell products or services to consumers.

Business intelligence/insights Data that can help businesses understand the factors influencing their success and how these can be used to benefit them.

Business Objectives The results of what the business aims to achieve.

C2B Consumer to business, where consumers sell products to business, such as freelance services.

C2C Consumer to consumer, where consumers sell products directly to other consumers.

Cache Files stored locally on a user's browser to limit the amount of data called from the server on a return visit.

Call to action (CTA) A phrase written to motivate the reader to take action (sign up for our newsletter, book car hire today, etc.). CTAs are usually styled differently from other copy on a page so that they stand out and draw attention.

Campaign A series of actions that are organised and implemented to achieve a goal.

Canonical Refers to a definitive URL in SEO. The canonical version is the definitive version.

Captions Text that appears over a video that labels a scene, identifies a location or person, or narrates dialogue on screen. Captions can be either open or closed.

Carousel ads An ad form that allows a brand to show multiple images and/or videos with a link to action in a single ad on a social media platform.

Cascading style sheets (CSS) A programming language that defines the styles, such as fonts and colours, used to display text and content. Web pages are one of the places that this language is used.

Churn rate The annual percentage rate at which a business loses customers.

Cinemagraph Online photographs, with elements that move, that use looped video published as an animated GIF (or other video format) and give the impression that the viewer is watching an animation.

Click path The journey a user takes through a website.

Clickthrough A click on a text ad link that leads to a website.

Clickthrough rate (CTR) A metric to measure performance of an online advertisement. Calculated using the total clicks on a link divided by the number of people who saw the advertisement, expressed as a percentage.

Client-side Scripts that run in a user's browser, rather than on a web server.

Common page elements Items that appear on every page of a website.

Community guidelines The rules and principles that community members must adhere to when communicating on a social media platform.

Community management The building, managing, and monitoring of online communities generated from your brand's blogs, forums, social network pages, etc.

Connected customer Consumers who use internet-enabled devices. These offer opportunities for data collection.

Content Any item posted online. Includes status updates, images, posts, videos, and any copy.

Content audit An assessment and evaluation of the existing content that a brand publishes.

Content brief An instructional document that provides the writer with information that guides what is expected from the piece of content to be written.

Content management system (CMS) A software system that allows an administrator to update the content of a website, so that a developer is not required.

Content marketing Happens when sharing valuable, entertaining content that is not directly aimed at generating sales.

Content optimisation The process of writing content in a way that it may reach the largest possible target audience on the web.

Content strategy The discipline that is responsible for guiding the planning, creation, development, and management of content in line with business goals.

Convention A common rule or tried-and-tested way in which something is done.

Conversion Completing an action or actions that the website wants the user to take. Usually results in revenue for the brand in some way. Include signing up to a newsletter or purchasing a product.

Conversion funnel A defined path that visitors should take to reach the final objective.

Conversion objectives A measurement of a completed action that you want users to take on your website or platform.

Conversion rate The number of conversions divided by the number of visitors, expressed as a percentage.

Cookie A small text file that is used to transfer information between browsers and web servers. They help web servers to identify users across the web and to provide the right content when it is requested.

Cost per acquisition (CPA) Sometimes called cost per lead. The cost of acquiring a new customer.

Cost per action (CPA) The amount paid when a certain action is performed by a user.

Cost per click (CPC) When an advertiser pays only after their ad is clicked on, giving them a visitor to their site typically from a search engine in pay-per-click search marketing or programmatic CPC buying engines.

Cost per mille/thousand (CPM) Paid advertising option where companies pay a price for every 1000 impressions an ad receives.

Count Raw figures captured for data analysis.

Cover image The main image on a social media page. It needs to catch the attention of the user, be consistent with your brand, and encourage the user to read more on the page to engage further with your brand.

Credibility In this context, how trustworthy, safe, and legitimate a website looks.

Cross channel commerce Strategic maximisation of customer relationships beyond the initial engagement channel.

Crowdsourcing Taking a job traditionally performed by a professional and distributing it to an undefined, generally large group of people in the form of an open call.

Customer-centric Placing the customer at the centre of an organisation's business planning and execution.

Customer A person who buys or uses goods or services, with whom a company should develop a relationship.

Customer experience (CX) The customers' holistic perception of their experience with a business or brand. The result of every interaction a customer has with a business, from navigating the website to talking to customer service and receiving the product/service they purchase.

Customer experience map A visual representation from the beginning to the end of the purchase experience from the customers' perspective, including their needs, wants, expectations, and overall experience.

Customer intelligence The process of gathering and analysing information about customers to improve customer relationships and allow for more strategic business decisions.

Customer lifetime value (CLV) The profitability of a customer over their entire relationship with the business. CLV assists with segmentation.

Customer persona A detailed description of a fictional person to help a brand visualise a segment of its target market.

Customer relationship management (CRM) A strategy for managing a company's interactions with clients and potential clients. It often makes use of technology to automate the sales, marketing, customer service, and technical processes of an organisation.

Database In email marketing, the list of prospects to which emails are sent. Contains additional information pertinent to prospects.

Data intelligence The process of gathering and analysing information about customers to improve customer relationships and make more strategic business decisions.

Data mining The process of analysing data to discover unknown patterns or connections.

Data protection regulations Developed to control how personal and private customer information is used or processed by organisations or government bodies.

Data sentiment analysis The systematic analysis of subjective materials, such as survey responses or social media posts, in order to determine the attitude and intended emotional communication of the customer.

Demographics Statistical information about a particular population, such as age, gender, language, or location.

Digital transformation The process of becoming a digital enterprise, using technology to evolve all aspects of its business (what it offers, how it interacts with customers, and how it operates)

Display advertising A form of advertising that uses a banner with images, text, logos, and/or video to showcase brand messaging.

Display network A collection of content websites that serve pay-per-click ads from the same provider, such as Google Ads. Other bid options include impressions, viewable impressions, and conversions.

Distribution The process of ensuring products and services are available where and when they are needed.

Domain name system (DNS) DNS converts a domain name into an IP address. DomainKeys, an email authentication system designed to verify the DNS domain of an email sender and the message integrity.

Domain name The easy-to-read name used to identify an IP address of a server that distinguishes it from other systems online.

Double opt-in The act of getting subscribers to confirm their initial subscription via a follow-up email asking them to validate their address and hence opt-in again.

dpi Dots per inch (in an image). On the web, the screen resolution is 72dpi.

Dynamic data Data that is constantly updated and evaluated to provide a dynamic changing view of the customer.

Dynamic keyword insertion In paid search advertising, allows keywords used in searches to be inserted automatically into advert copy.

eCommerce The buying and selling of products and services, including funds and data, electronically.

Editor A person who determines the ultimate content of copy, traditionally in the newspaper, magazine, or publishing industry context.

Editorial calendar A schedule that serves as a central calendar for content producers that shows the content topics, formats, platforms, production timelines, workflows, and deadlines for all involved in the editorial process.

Email service provider (ESP) A service that helps you design and send emails.

Embedding Taking video from an online video provider and posting it elsewhere on the web.

Event A step a visitor takes in the conversion process.

Events The hosting or sponsoring of events that enhance the brand's reputation, raise awareness, and reflect its values.

Facebook business manager A service from Facebook that assists with managing access to multiple pages and ad accounts. Ideal for businesses that need different permissions for different people in the organisation.

Fake news Describes news that cannot be verified. Normally pushed through social media to drive a certain viewpoint.

Feature A prominent aspect of a product that is beneficial to users.

Feed The section of a social media platform where user updates and advertisements are displayed. Feeds are where social media users spend the majority of their time.

Fidelity An interface design. A low-fidelity prototype will be basic, incomplete, and used to test broad concepts. A high-fidelity prototype will be quite close to the final product, with detail and functionality, and can be used to test effectiveness and usability.

Focus group A form of qualitative research where people are asked questions in an interactive group setting. From a marketing perspective, an important tool for acquiring feedback on new products and various topics.

Forum A website where users can engage in discussions by commenting on threads or previous posts made.

Funnel In web analytics or conversion optimisation, an established set of steps a user should take in reaching a goal, such as making a purchase.

Geofencing The use of GPS or RFID technology to create a virtual geographic boundary, enabling software to trigger a response when a mobile device enters or leaves a particular area.

Geofilter A social media image overlay that can only be accessed within a specific area. Can be found on social media platforms like Snapchat, Instagram, and Facebook.

Geotagging Pieces of information that show the physical location of where something has been posted. Can be attached to a photo, status, or tweet on a social networking site.

GIF Graphics Interchange Format is a computer file in the form of a bitmap image that enables short loops of video to be transferred online easily in small file sizes.

Global citizen A person who identifies as part of a world community and works toward building the values and practices of that community.

Goal The defined action or series of events that visitors should perform on a website, or the purpose of the website.

Google Ads Google's PPC program, which allows advertisers to display their ads on relevant search results and across Google's content network.

Google AdWords Google's search advertising program, which allows advertisers to display their ads on relevant search results and across Google's content network.

Graceful degradation The use of both modern and antiquated web techniques and code to provide a safety net, or fallback, for users with older browsers and technologies.

Handle A public username used to identify individual users online, usually on social media, for example @RedAndYellowEd is the Twitter handle for Red & Yellow.

Hard bounce The failed delivery of email communication due to an undeviating reason like a non-existent address.

Hashjacking The use of a hashtag that diverts attention away from the conversation with which it was originally associated, subverting someone else's chat (a common practice with brand chats). To promote another product, or interest.

Hashtag (#) A type of metadata tag used on social media to label what content is about. Help users find posts related to their interests more easily.

Heading tags Standard elements used to define headings and subheadings on a web page. The number indicates the importance. H1 tags are viewed by spiders as being more important than H3 tags. Using target keywords in your H tags is essential for effective SEO.

Heatmap A data visualisation tool that shows levels of activity on a web page in different colours.

Homepage The first page of any website. Gives users a glimpse into what your site is about, similar to the index in a book or contents page in a magazine.

HTML5 The most current iteration of the HTML (HyperText Markup Language) standard. Broad range of technologies that allow for rich media content and interaction on websites that do not require additional third-party plugins, allowing rich multimedia content to be displayed and easily viewed by users, computers and devices.

Hyperlink A link in an electronic document that allows you, once you click on it, to follow the link to the relevant web page.

HyperText Markup Language (HTML) A language read by web browsers. Certain HTML 'tags' are used to structure the information and features within a web page.

Hypothesis A supposition that is tested in relation to known facts; a proposition based on reason but not necessarily assumed to be true.

Impression Each time an advert is shown.

Influencer marketing A form of marketing where PR agencies and brands reach out to influencers to market their products for a price. This type of social media marketing uses endorsements and product mentions from influencers.

Influencer Usually a blogger or someone on social media with a large following, normally paid by brands to push content for them.

Information architecture The way data and content are organised, structured, and labelled to support usability.

Internal link A hyperlink on a website that points from one page to another on the same website/domain.

Internet of Things (IoT) The interconnection of computing devices embedded in everyday objects, enabling them to send and receive data via the internet.

Internet Protocol (IP) Address A unique number that is used to represent every single computer in a network.

Internet service provider (ISP) The company providing you access to the internet (e.g. MWEB, Verizon, AT&T).

JavaScript A high-level, dynamic programming language commonly used to create interactive effects within web browsers. Predominately a client-side language, only node.js is server-side.

Key performance indicator (KPI) A metric that shows whether an objective is being achieved.

Key phrase Two or more words that are combined to form a search query, often referred to as keywords.

Keyword/s Anything searched on a search engine, whether a single word or a phrase. Used in copy or posts to increase findability, discovery, and engagement.

Keyword frequency The number of times a keyword or key phrase appears on a website.

Keyword rankings Where keywords or phrases targeted by SEO rank in search engine results.

Keyword search A search that looks for documents that match the word or combination of words in a search engine.

Keyword stuffing The process of intentionally putting too many keywords into the metadata of the website or using many irrelevant keywords.

KPIs Key Performance Indicators.

Landing page The page a user reaches when clicking on a paid or organic search engine listing.

Lapsed Someone who is no longer a customer.

Lead A person who has shown interest in a brand, product, or service and could be converted into a customer.

Link A URL embedded on a web page. If you click on the link, you will be taken to that page.

Link bait A technique for creating content that is specifically designed to attract links from other web pages.

Listening lab A testing environment where the researcher observes how a customer uses a website or product.

Log file A text file created on the server each time a click takes place, capturing all activity on the website.

m-Commerce Mobile commerce, the use of wireless devices to conduct commercial transactions online.

Market share In strategic management and marketing, the percentage or proportion of the total available market or market segment being serviced by a company.

Mass customisation Tailoring content for many individuals. Metadata information that can be entered about a web page and the elements on it in order to provide context and relevant information to search engines.

Metadata Information about a web page and the elements on it that can be entered to provide context and relevant information to search engines.

Meta tags Tell search engine spiders exactly what a web page is about. Made up of meta titles, descriptions, and keywords.

Metric A defined unit of measurement.

Micro-conversion A small conversion in the path to a full conversion, such as going from step one to step two in a checkout process of four steps.

Micro-influencer An active social media user with a larger following than an average person's but smaller than a celebrity's following; predicted to have the biggest impact influencing opinions/decisions.

Mobile payments Payment services operated under financial regulation and performed from or via a mobile device, such as Venmo, Facebook Messenger, and WeChat Pay. Allow users to instantaneously send money to anyone they choose.

Model A strategic visual representation of a process that a company adheres to.

Multi-channel commerce An online purchase experience that involves multiple channels, such as social media, company websites, user reviews, in-store, traditional media, and apps.

Multivariate test Testing combinations of versions of the website to see which combination performs better.

Native mobile application A mobile application designed to run as a program on a specific device or mobile operating system.

Navigation How a web user interacts with the user interface to navigate through a website; the elements that assist in maximising usability and visual signposting so users never feel lost.

Near Field Communication Set of short-range wireless technologies, typically requiring a 4 cm distance or less to initiate a connection that allows users to transfer information between devices quickly, easily, and wirelessly; whether to pay for something, exchange business cards, download information, or share a research paper.

Newsletter A daily, or weekly or monthly newsletter that is sent out by bloggers or companies to promote their products or provide information.

Non-Fungible Tokens Unit of data stored on a digital ledger, called a blockchain, that certifies a digital asset to be unique and therefore not interchangeable. NFTs can be used to represent photos, videos, audio, and other types of digital files.

Null hypothesis The default or general position, usually where no difference is the hypothesis.

Objective A desired outcome of a digital marketing campaign.

Observation/online ethnography When researchers immerse themselves in a particular environment in order to gather insights.

Omnichannel Retailing strategy that delivers a seamless customer experience through all available shopping channels.

Online reputation management (ORM) Understanding and influencing the perception of an entity online.

Open rate The percentage of emails determined as opened out of the total number of emails sent.

Open source Software that makes the source code available so that other developers can improve on or build applications for the software.

Opt-in Giving permission for emails to be sent to you.

Opt-out Also known as unsubscribe. The act of removing oneself from a list or lists so that specified information is no longer received via email.

Organic results Also known as natural results. Search results served by the search engine's algorithm.

Packaging The process of reflecting the product's qualities and benefits in an appropriate and effective way through physical packaging.

Page tag A piece of JavaScript code embedded on a web page and executed by the browser.

Paid, earned, and owned media Paid media – content that requires payment in exchange for publishing; earned media – content that others publish about a business's brand at no cost; owned media – content that the brand publishes on platforms that it manages and controls.

Paid media Any marketing effort that involves a paid placement to broadcast your message to others. includes pay per click (PPC) ads, branded content, display ads, and promoted/boosted posts.

Paid search advertising Usually refers to advertising on search engines, sometimes called pay-per-click or PPC advertising.

Payment gateway eCommerce service that processes online payment for purchases through online stores.

Payment models The various ways available to pay for ads online, such as CPC, CPE, and CPM.

Pay per click (PPC) Advertising where the advertiser pays only for each click on their advert, not for the opportunity for it to be seen or displayed.

Persona Character created to define a group of users in order to speak to them as though they were a unique user.

Platform A single social media network, such as Facebook, Instagram, or WeChat.

Plug-in Often referred to as a module or extension, a piece of third-party code that extends the functionality of a website.

Podcasts A digital audio file made available on the internet for downloading to a computer or mobile device, typically available as a series.

Power editor A bulk ads creation and management tool, typically used by larger Facebook advertisers or advertisers who want advanced features. A plugin that works with Google Chrome to provide precise control over campaigns.

Primary research The collection of data to present a new set of findings from original research.

Product An item sold by a brand.

Programmatic The use of automated technology or software to buy and sell digital advertising space as opposed to traditional methods of digital advertising.

Progressive enhancement The development of web technologies in a layered fashion, prioritising basic content and functionality for all web browsers, while allowing users with higher bandwidth or browsers access to an enhanced version of the page.

Promoted content Posts that extends its reach via paid-for advertising/promotion.

Promoted posts Paid for post, photo, video and/or offer that will appear higher in news feeds so that more users will see the post. The cost depends on the number of users you want to reach.

Proprietary software Any software that one or more intellectual property holders own and licence to others in exchange for compensation, subject to certain restrictions. Licensees may not be able to change, share, sell, or reverse-engineer the software.

Prospect A potential customer.

Prototype Interactive wireframes, usually of a higher fidelity, that have been linked together like a website, so that they can be navigated through by clicking and scrolling.

Public relations (PR) The process of creating a positive impression of the brand and its activities among the general public.

QR code A machine-readable code, similar to a bar code, that stores URLs or other information for reading by the camera on a smartphone. Generally used for mobile payments, digital coupons, or links to websites or social media sites.

Qualitative data Data that can be observed but not measured. Deals with descriptions.

Quality score (QS) A measure used by Google Ads to indicate how relevant a keyword is to an ad text and to a user's search query.

Quantitative data Data that can be measured or defined. Deals with numbers.

Ratio An interpretation of data captured, usually one metric divided by another.

Referrer The site a user has left after clicking on a link to another site. Most browsers log the referrer's URL in referrer strings. This information is vital in determining which queries are being used to find specific sites.

Remarketing The practice where customers who are interested in certain products and services are targeted again, across the web.

Research community A community set up with the intention of being a source for research.

Research methodology Methods employed in research to reach results.

Responsive design A design approach that enables a website display to change depending on the size of the viewport or screen, regardless of the device on which it is displayed.

Responsive web design Responsiveness uses CSS media queries to change styles based on the target device, such as display type, width, height, etc. Only one of these is necessary for the site to adapt to different screens.

Return on investment (ROI) The ratio of cost to profit.

Robots.txt A file written and stored in the root directory of a website that restricts the search engine spiders from indexing certain pages of the website.

Sales When a company enters into a direct commercial transaction with customers.

Sample size The number of respondents in a sample of the population.

Search engine optimisation (SEO) The process of improving website rankings on search engine results pages.

Search engine results page (SERP) The actual results returned to the user based on a search query.

Search engine spiders Programs that travel the web, following links and building up the indexes of search engines.

Search term The keywords a user enters when searching on a search engine.

Secondary research The collection of existing research data.

Segmentation Filtering visitors into distinct groups, based on characteristics to analyse visits.

Sender alias The name that is chosen to appear in the sender or 'from' field of an email.

Sender ID A method used by major ISPs to confirm that an email does originate from the domain that it claims to have been sent from.

Sentiment The emotion attached to a particular mention, which is positive, negative, or neutral.

Server-side Scripts that run on a server, as opposed to a user's browser.

Short Message Service (SMS) Electronic messages sent on a cellular network.

Single-page checkout An approach to ecommerce website design in which the entire checkout process is completed using a single form on a page.

Sitemap On a website, a page that links to every other page in the website and displays these links organised according to the information hierarchy. In UX terminology, the visualised structural plan for how the website's pages will be laid out and organised.

SMART objectives Specific – clear and detailed, rather than vague and general; Measurable – measurable to gauge whether the desired outcomes are attained; Attainable – something that is possible for the brand to achieve, based on available resources; Realistic – sensible and based on data and trends; Time-bound – linked to a specific timeframe.

Social bookmarking Saving or tagging a website page with a browser-based tool so that you can easily visit it again later. Rather than saving social media posts to your browser bookmarks, you can use different platform features to bookmark posts.

Social commerce Subset of ecommerce that involves social media, and online media that supports social interaction, where user contributions assist in online trade of products.

Social media dashboard A service that allows you to centralise management of your social media properties.

Social media ROI The return on investment on social media.

Social network A network of social interactions and personal relationships on a dedicated website or platform that enables users to communicate with each other by posting information, comments, messages, images, etc. around a shared interest or goal.

Soft bounce The failed delivery of an email due to a deviating reason like an overloaded email inbox or a server failure.

Spam Email sent to someone who has not requested or given authorisation to receive it.

Split test Also known as an A/B test, for improving website metrics.

Stakeholder A person or organisation with an interest in how a resource is managed.

Statistically significant A sample that is big enough to represent valid conclusions.

Story A narrative that incorporates the feelings and facts created by your brand, intended to inspire an emotional reaction.

Storytelling Writing and sharing a story that represents a relatable experience that will interest, connect, and/or engage the target audience.

Strategy A set of ideas that outline how a product or brand will be positioned and achieve its objectives. Guides decisions on how to create, distribute, promote, and price the product or service.

Tactic A specific action or method that contributes to achieving a goal.

Tagging Linking a social media user, whether an individual, business, or any entity, to a social profile by mentioning them in a post or comment. Also, a keyword or phrase that groups a piece of content together under a specific theme.

Target A specific numeric benchmark.

Targeting options The options available to make sure that ads reach the right users at the right time.

Targets The goals, focus areas, or intentions of something that is set to be achieved.

The blue tick (or badge) Represents a verified social media account usually marked by a blue checkmark symbol which has become a symbol of online clout and credibility. Seen next to a verified user on social media channels and is typically reserved for big celebrities, influencers, journalists, and big companies. On WhatsApp, the blue tick lets the sender know if the receiver has read the message or not.

Thumbnail The small, still image that is shown at the start of the video. This can be selected and can make a video more enticing.

Tone of voice The register, formality, and personality that comes through in the text.

Tracking code A piece of code that tracks a user's interaction and movement through a website.

Tracking Measuring the effectiveness of a campaign by collecting and evaluating statistics.

Tracking pixel A 1×1 pixel graphic used to track user behaviour, site conversions, web traffic, and other metrics similar to a cookie. Usually hidden and embedded in everything from banner ads to emails. In line with privacy regulations and laws, consent is required to use tracking pixels.

Traditional media Media that is not digitally based or bought through digital metrics; include TV, print, radio, magazine, activation, and out of home (billboards).

Trend A subject or topic that experiences a surge in popularity on one or more social media platforms for a limited duration of time.

Tribe A social group linked by a shared belief or interest.

Types of media Different forms of general communication channels used for broad reach, which involves the use of content and a device through which content is delivered.

Unique forwarders Refers to the number of individuals who forwarded a specific email on.

Unique selling point (USP) The aspect that makes your offering different from that of your competitors.

Universal ID A single identifier that recognises the user in the digital marketing ecosystem and allows the information associated with the user to be passed onto approved partners in the supply chain.

Universal resource locator (URL) A web address that is unique to every page on the internet.

Urchin Tracking Module (UTM) A simple code that can be attached to a custom URL to track a source, medium, and campaign name that tells you where searchers came from and which campaign directed them to you. If copywriters are required to add links to SEO articles or social media posts, they will need to UTM the links before shortening them.

URL Shortener A web tool that creates a shorter version of a full URL.

Usability A measure of how easy a system is to use.

User-centred design (UCD) The design philosophy where designers identify how a product is likely to be used, taking user behaviour into consideration and prioritising user wants and needs. Places the user at the centre of the entire experience.

User experience design (UXD) The process of applying proven principles, techniques, and features to create and optimise how a system behaves, mapping out all the touchpoints a user experiences to create consistency in the interaction with the brand.

User interface (UI) The user-facing part of the tool or platform, i.e. the actual website, application, hardware, or tool with which the user interacts.

Video cards Calls to action that pop up during a video and entice certain actions from viewers. Replaced annotations in 2017.

Video or virtual conferencing An online meeting where two or more people connect on a live audio-visual call. With a strong internet connection, the participants can see, hear, and talk to each other in real time, no matter where in the world they are.

Video search engine optimisation (VSEO) Optimising videos for search engines, similar to the way in which one would optimise a website to rank higher on the SERPs.

Video syndication The process of distributing and getting search coverage for videos.

Views The number of times a video has been seen. Multiple views can come from one user.

Viral video A video that becomes immensely popular, leading to its spread through word of mouth on the internet via email, sharing on social networks, and other hosting websites.

Viral When a piece of content becomes incredibly popular in just a matter of hours or days after being published. Circulates rapidly and widely amongst internet users.

Virtual Assistant (VA) An application that understands voice commands and completes tasks for a user. Can be deployed as virtual personal assistants, virtual customer assistants, and virtual employee assistants. Popular virtual assistants currently include Amazon Alexa, Apple's Siri, Google Assistant, and Microsoft's Cortana.

Virtual Reality (VR) A technology that allows a user to carry out actions in a digital environment, yet feel as if they are immersed in a physical environment, allowing a person to experience and manipulate the environment as if it were the real world.

Visitor An individual visiting a website that is not a search engine spider or a script.

VLOG Video blog post that uses video to stream content on sites such as YouTube, YouTube Shorts, SnapChat and Twitch, among others.

Vlogger Video blogger. A person who produces regular web videos about a chosen topic on a video-enabled blog.

W3C standards A common approach to development that focuses on accessibility and standardisation, overseen by the World Wide Web Consortium (W3C).

Web analytics A software tool that tracks, analyses and reports data to measure web activity.

Web application framework Software used to help create dynamic web properties more quickly. This is done through access to libraries of code for specific language/s and other automated or simplified processes that don't need to be coded from scratch.

Web browser What allows you to browse the web (e.g. Chrome, Firefox, Microsoft Edge, and OperaMini).

Web server A computer or program that delivers web content to be viewed on the internet.

White list A list of accepted email addresses that an ISP, a subscriber, or other email service provider allows to deliver messages, regardless of spam filter settings.

Wireframe The skeletal outline of the layout of a web page. This can be rough and general, or very detailed.

XML sitemap A guide that search engines use to help them index a website, which indicates how many pages there are, how often they are updated, and how important they are.