



# Digital Marketing & Social Media

## All about Customer Engagement

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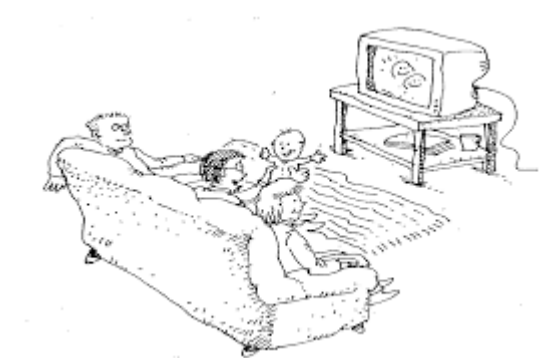
## What should you expect in the next hour

- Mass Marketing vs. Digital Marketing
- Customer vs. Customer Networks
- The Bad, the Good and the Great of Customer Networks
- Customer Networking Dynamics
- Planning your Digital Ad Mix
- Learn the What & the Why of Digital Marketing

## Pre-Digital Marketing Age



Content was Scarce  
and Metered



Attention Surplus

## Digital Marketing Age



Content Surplus



Attention Scarcity

## Old Marketing Tactics



## Marketing Today

Every business must also think like a  
media business now

... Producer

... Sponsor

... Curator

## What is the Role of a Marketer?

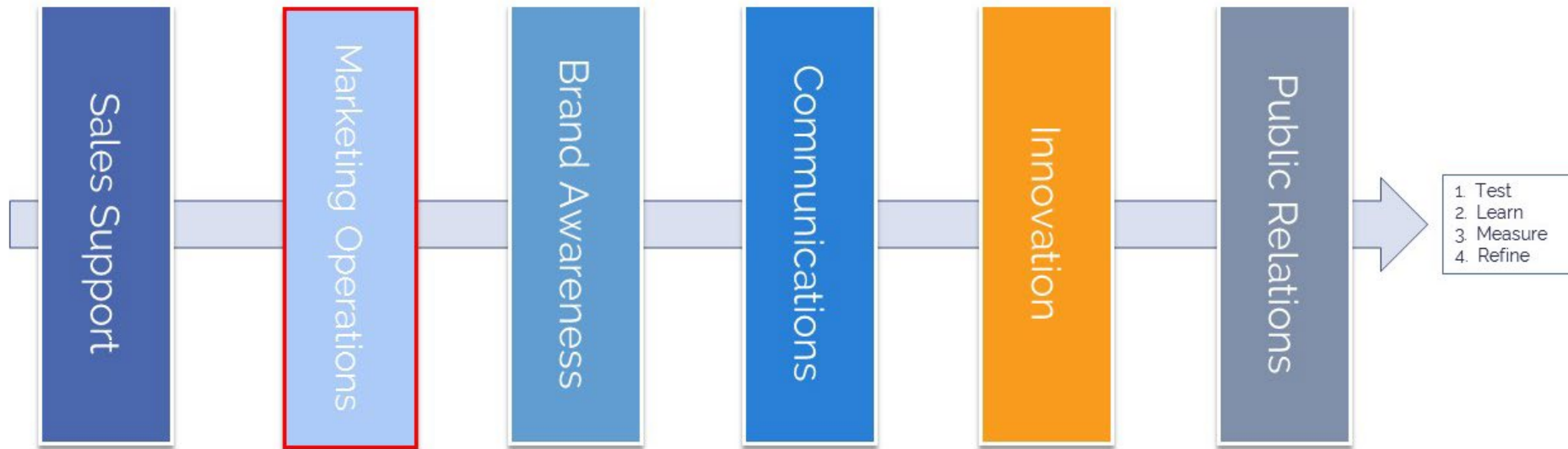
“The fundamental role of a marketer is to keep the organization focused on the customer”

Jonathan Becker

Chief Marketing Officer, SAP

## What is the Role of a Marketer?

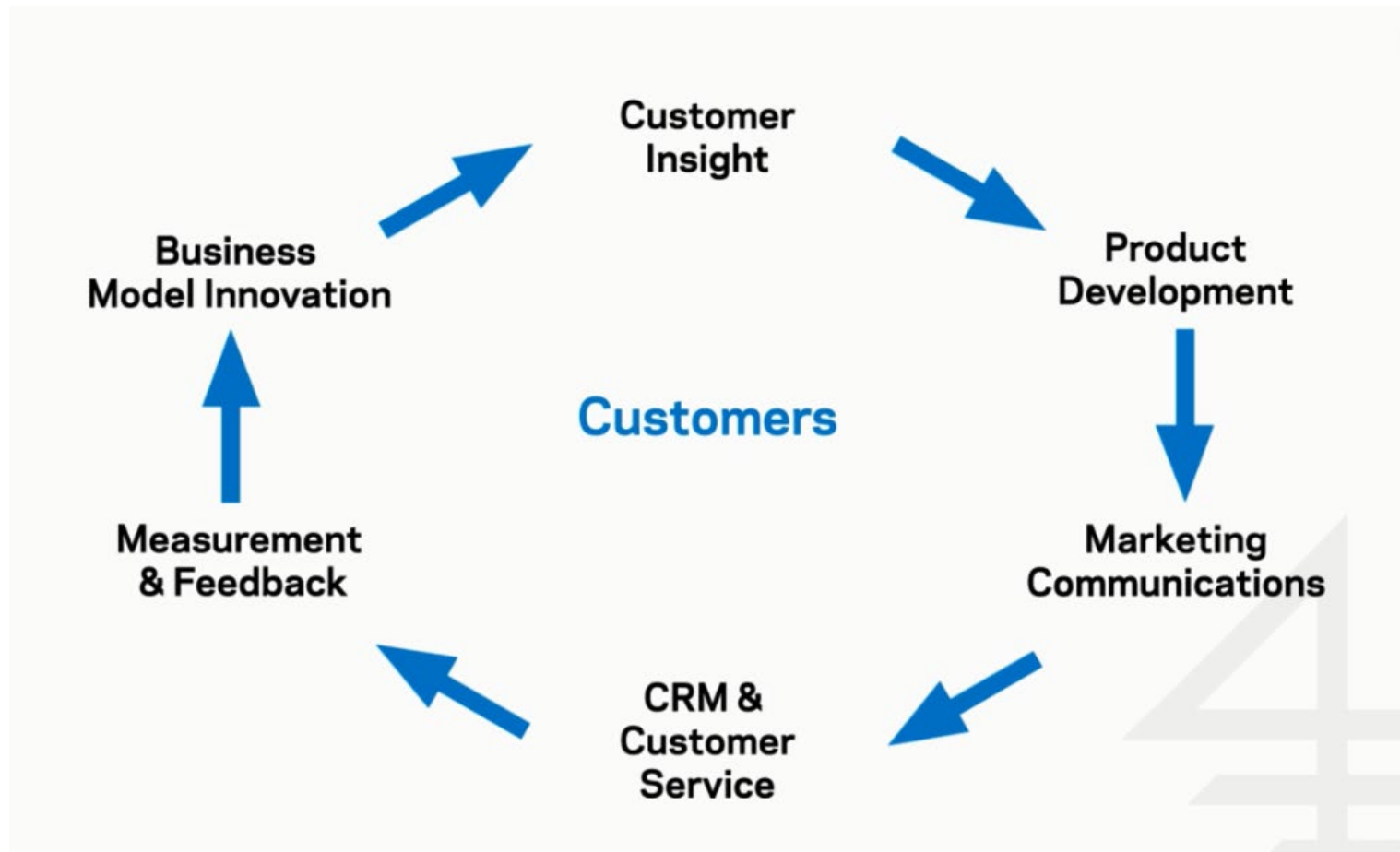
Marketing's Role Today  
US, Canada, EMEA, APAC, LATAM



Jennifer Deutsch, Park Place Technologies

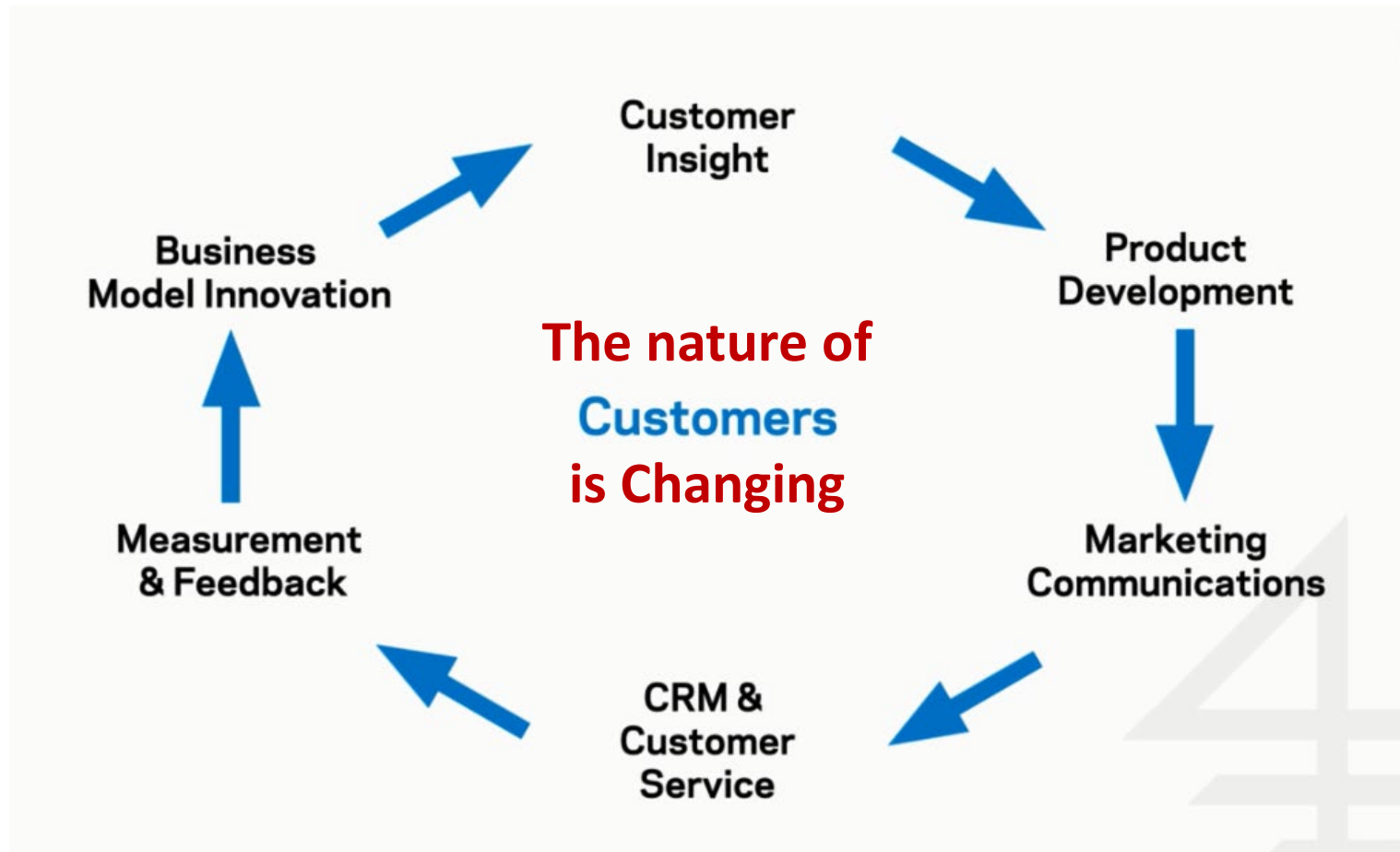


## Customer is at the center of all marketing



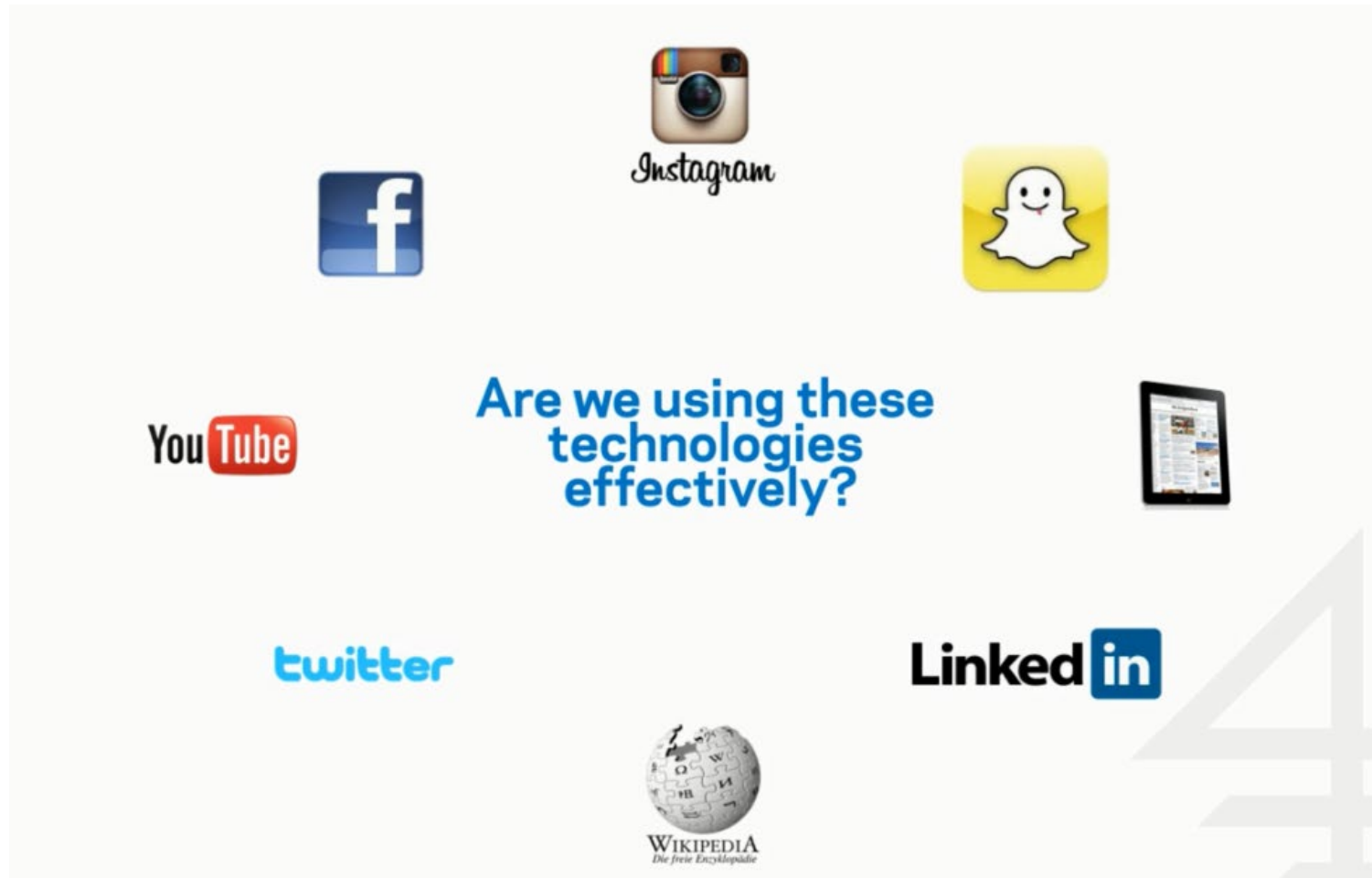
David Rogers, Columbia Business School

## Customer is at the center of all marketing



David Rogers, Columbia Business School

## It is Not about the use of technology



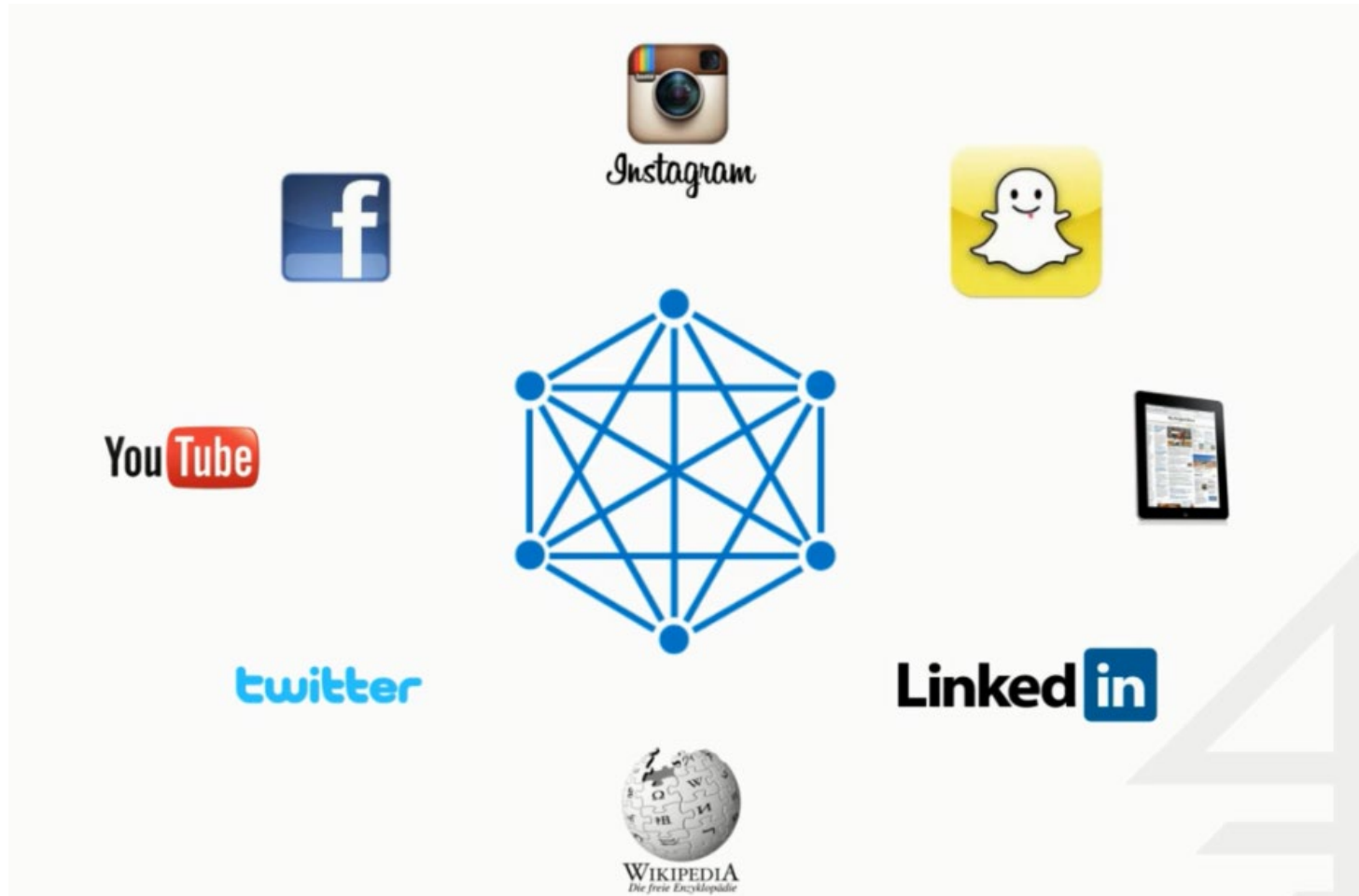
David Rogers, Columbia Business School

## It IS about the way customers connect to you



David Rogers, Columbia Business School

## No longer about a customer but a Network of Customers



David Rogers, Columbia Business School

## What is a Customer Network?

The set of all current and potential customers of an organization, linked to the organization and to each other, through a web of digital tools and interactions

## What does it mean to think of Customers as a Network?

New risks and rewards emerge for organizations as customers become more connected and have a voice

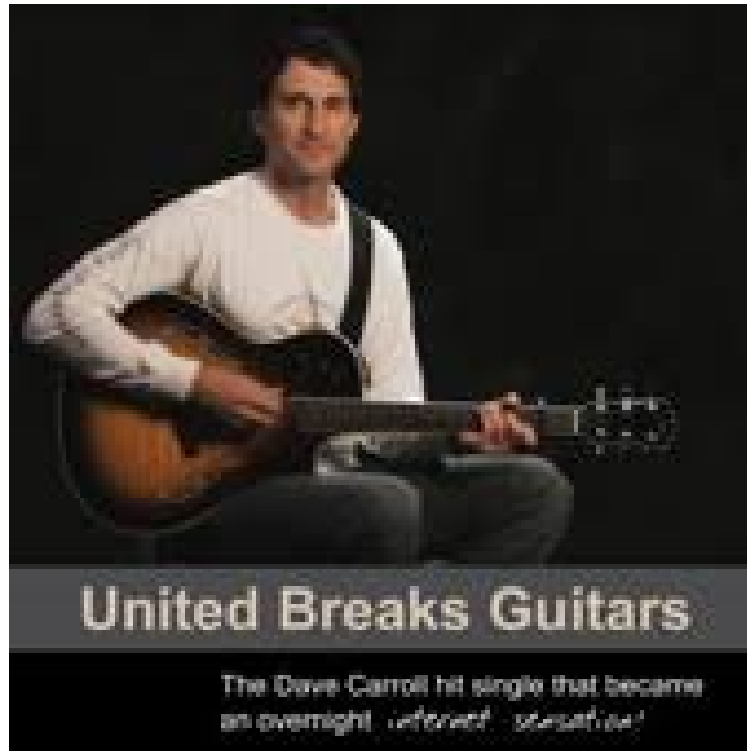
## Customer Networks: Bashing Your Brand

.....a story of United Airlines and the broken guitar

- Singer Dave Carroll was traveling from Halifax to Nebraska through Chicago.....
- United broke his guitar in luggage transfer in Chicago.....
- He complained to customer service to no avail.....
- Five months later, still no action.....
- Six months later time ran out.....
- Dave to United “If I were a lawyer I’d sue you. I’m not a lawyer, I’m a songwriter so I’ll write a song about you and put it on YouTube”



## Bashing Your Brand



[“United Breaks Guitars” by Dave Carroll](#)

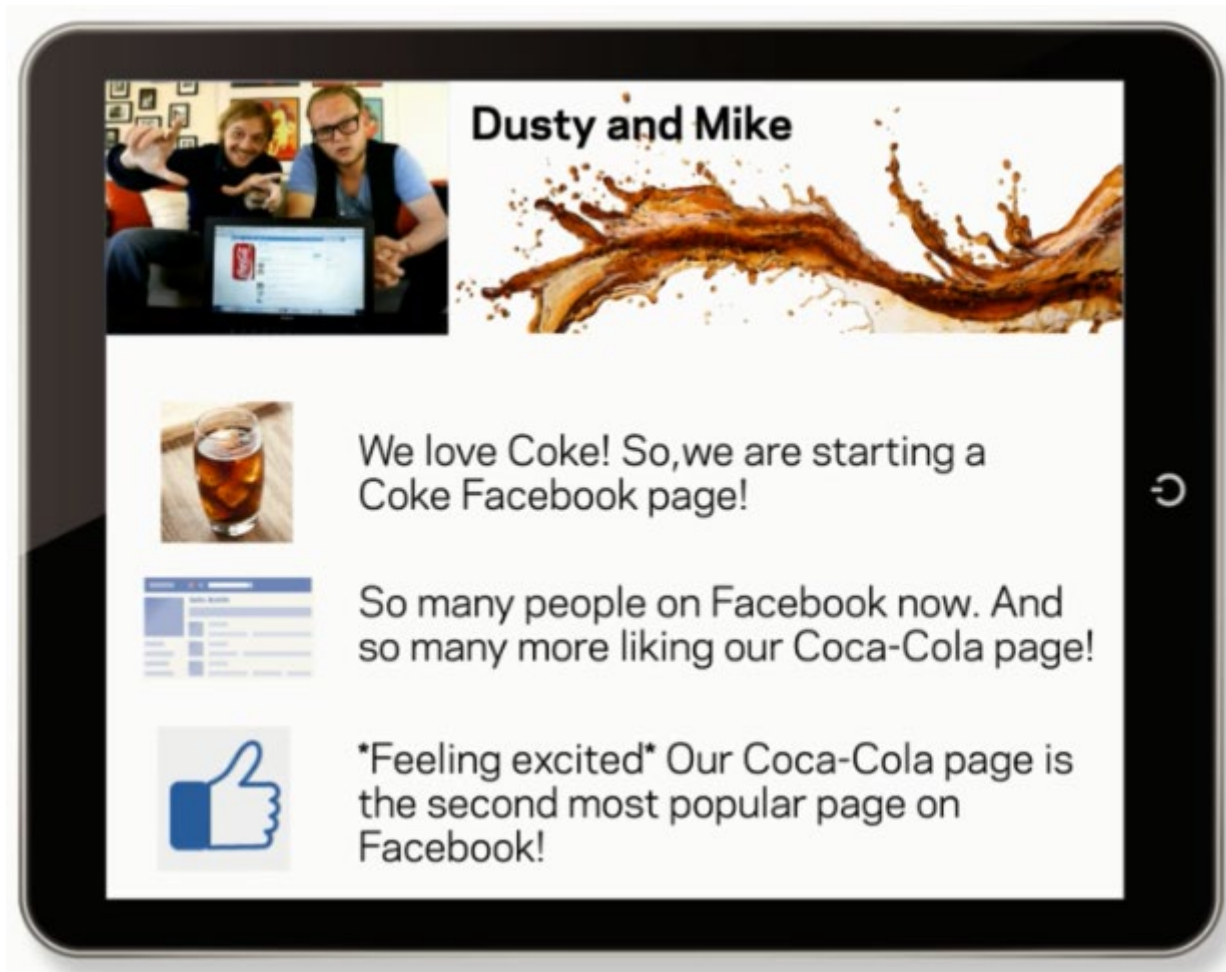
- Dave Carroll wrote 3 songs about United
- Each song generated over 1,000,000 views

# Customer Networks: Loving Your Brand



David Rogers, Columbia Business School

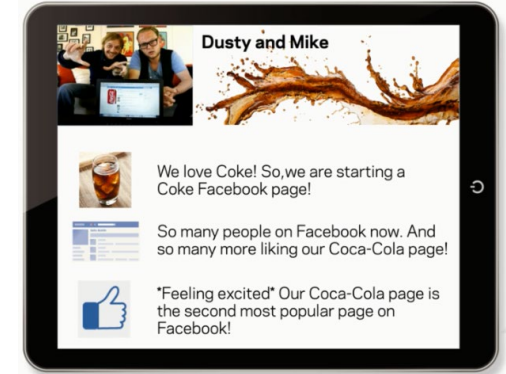
## Customer Networks: Loving Your Brand



David Rogers, Columbia Business School

## Customer Networks: Loving Your Brand

- Facebook contacts Coca Cola with an alert
- Coca Cola contacts Dusty and Mike with an offer
- Mike and Dusty visit with Coca Cola marketing team
- Coca Cola gives page administrative privileges to Dusty and Mike
- Result: Millions of fans continue to enjoy posts curated by the odd couple
- End Result: Coke managed to keep alive the voice of the customer..... a great way to nurture brand loyalty



## Customer Networks: Driving the core of your business



### Innovation Through Customer Networks

Cisco faced a business challenge to sustain a level of organic growth

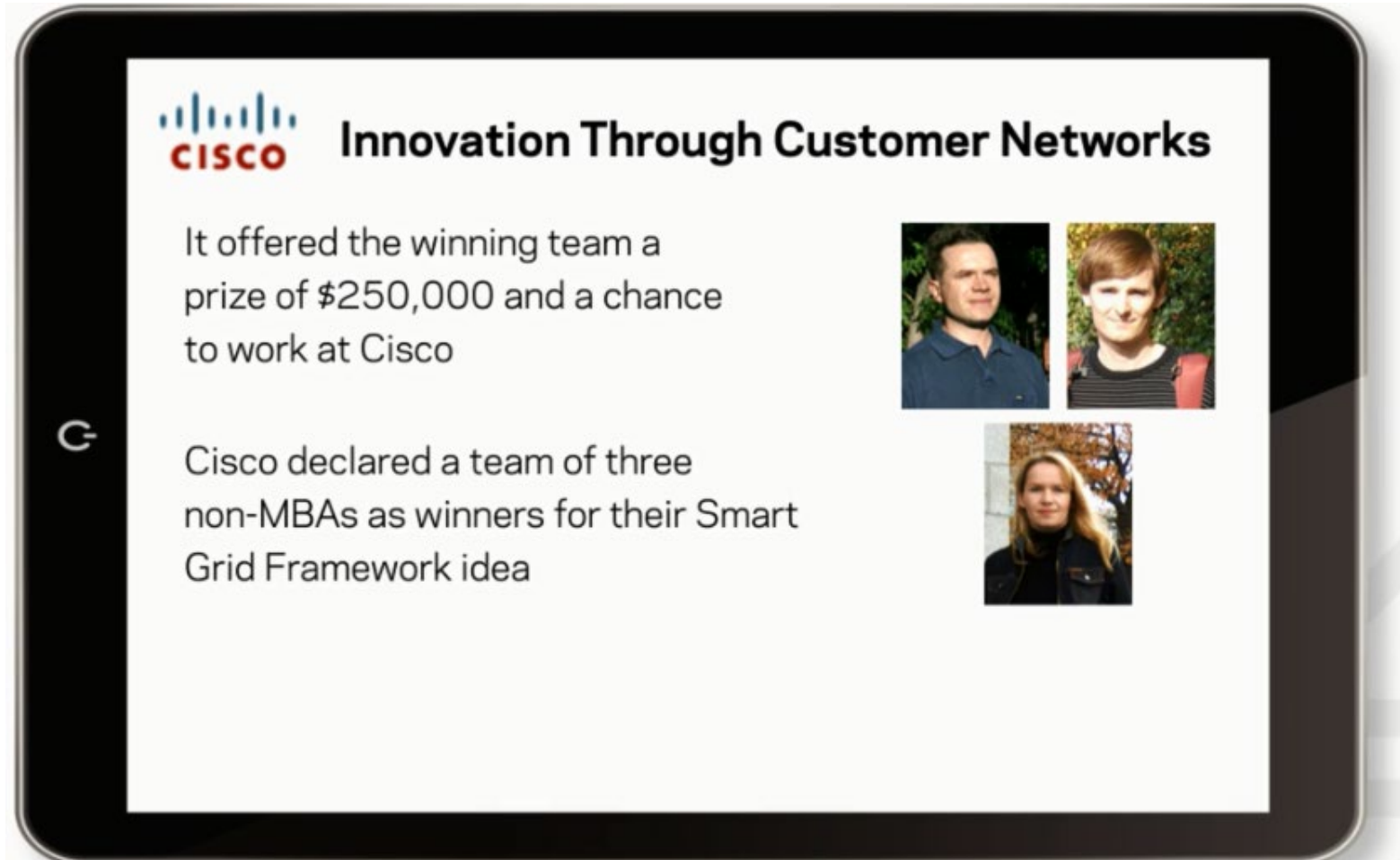
To develop this kind of growth, it involved everyone in the organization


It broadened the scope to involve customers too, and launched **Cisco I-Prize**

Cisco asked for ideas that tapped into its business adjacencies




## Customer Networks: Driving the core of your business




 **Innovation Through Customer Networks**

It offered the winning team a prize of \$250,000 and a chance to work at Cisco



Cisco declared a team of three non-MBAs as winners for their Smart Grid Framework idea



David Rogers, Columbia Business School

## Customer Networks: Driving the core of your business

### What is Smart Grid Framework?

- Think of a large building and all the computers and other electronics that are turned off at night but are still plugged into their outlets. They continue to draw small amounts of energy
- A Smart Grid manages and reduces the passive consumption which in a large facility can be of significant cost.
- Cisco evaluated the idea and concluded that this can be a \$1B business in 5 years
- **Outcome:** Cisco identified this business by going outside the company, directly to its customer network

## Customer Networks: A Fundamental Shift between Customers and Organizations

Your customer can be

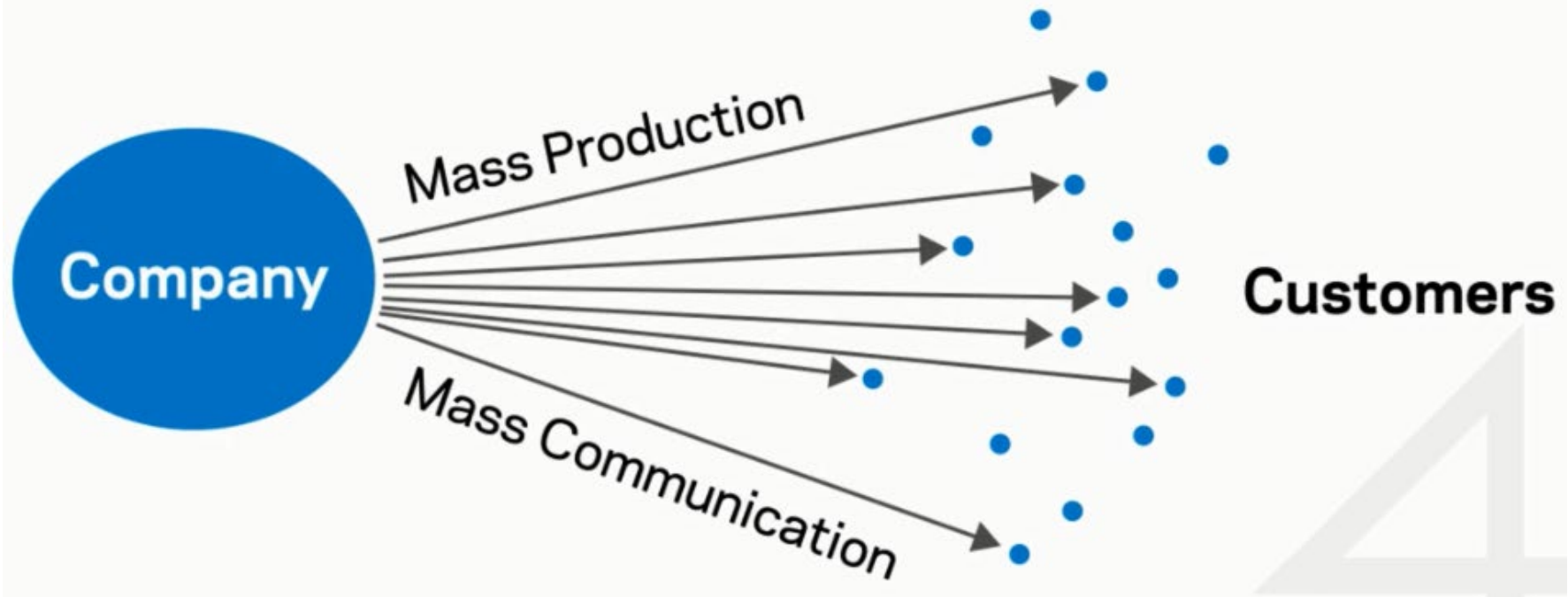
- Your biggest challenger or threat to your brand (*United*)
- Your biggest advertiser or business driver (*Coca Cola*)
- Your biggest enabler or evangelist who will help you create new value for your business (*Cisco*)



# Customer Network Model vs. Mass Market Model

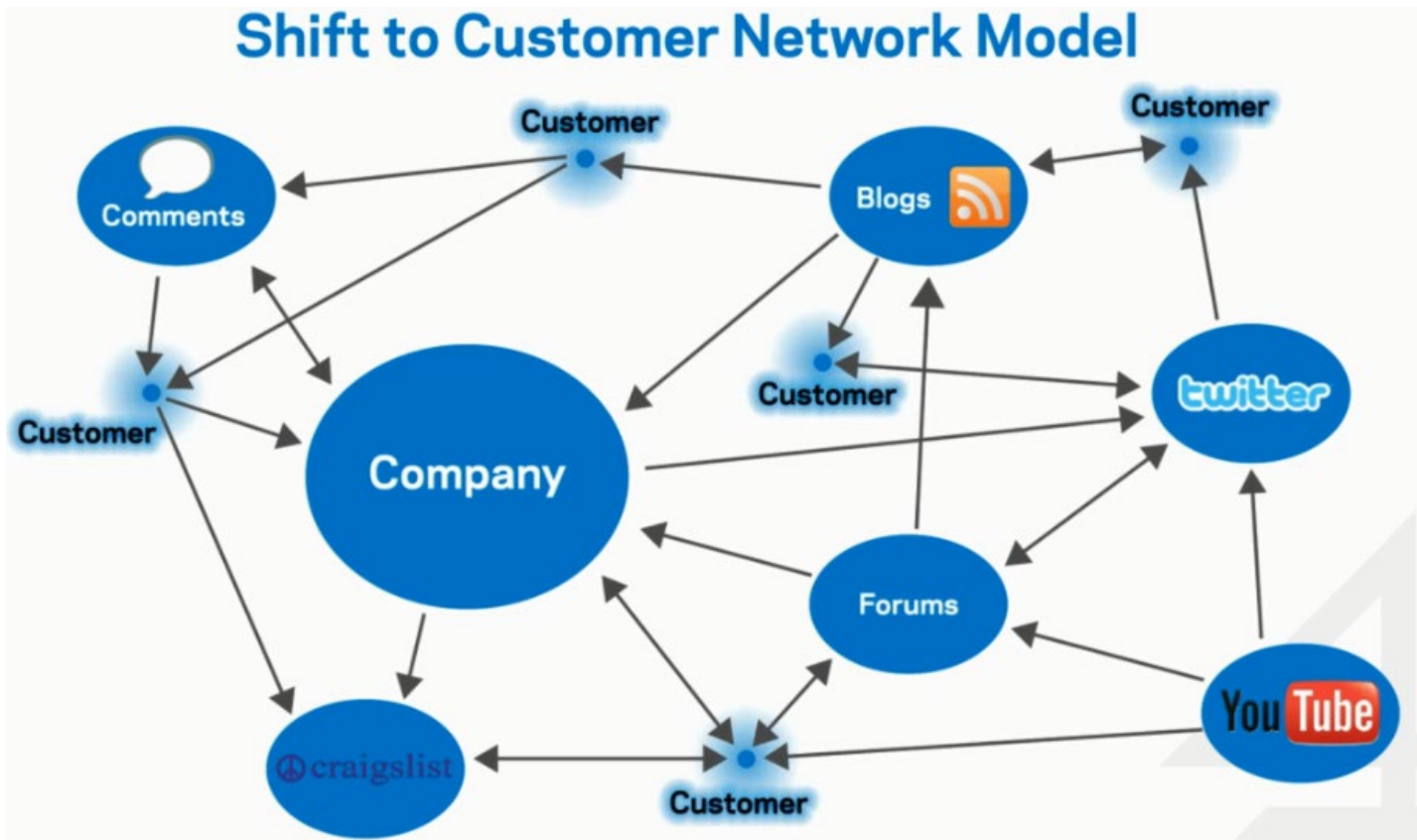
Pre-digital marketing

## Mass Market Model



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## Customer Network Model vs. Mass Market Model



Now customers have access to the same platforms as companies do.

## Customer Networking Dynamics Influence the Marketing Funnel



## Customer Networking Dynamics Influence the Marketing Funnel

### OLD Marketing Tactics: Broadcast

TV, Radio, Boards

Direct Mail, Flyers

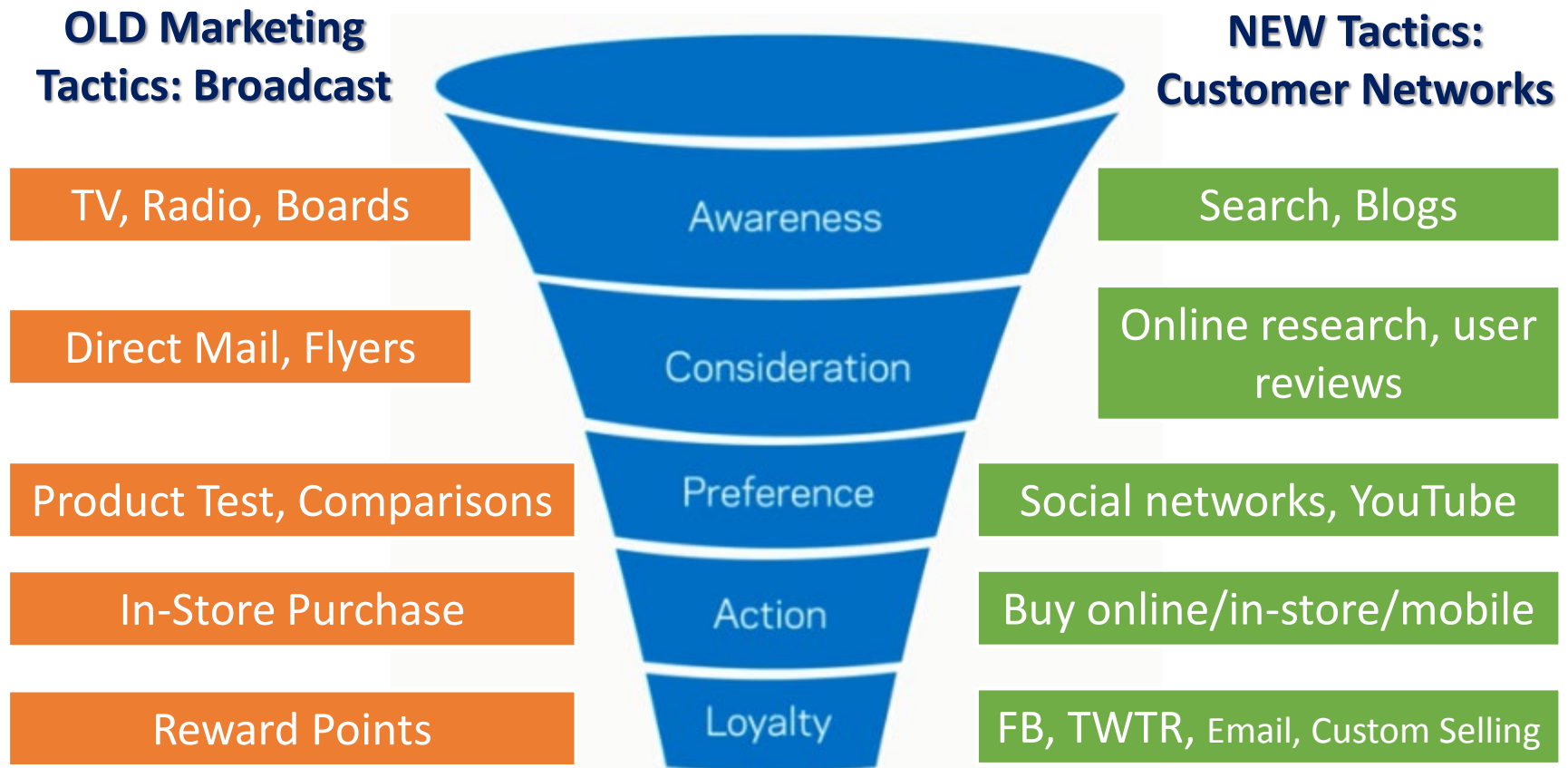
Product Test, Comparisons

In-Store Purchase

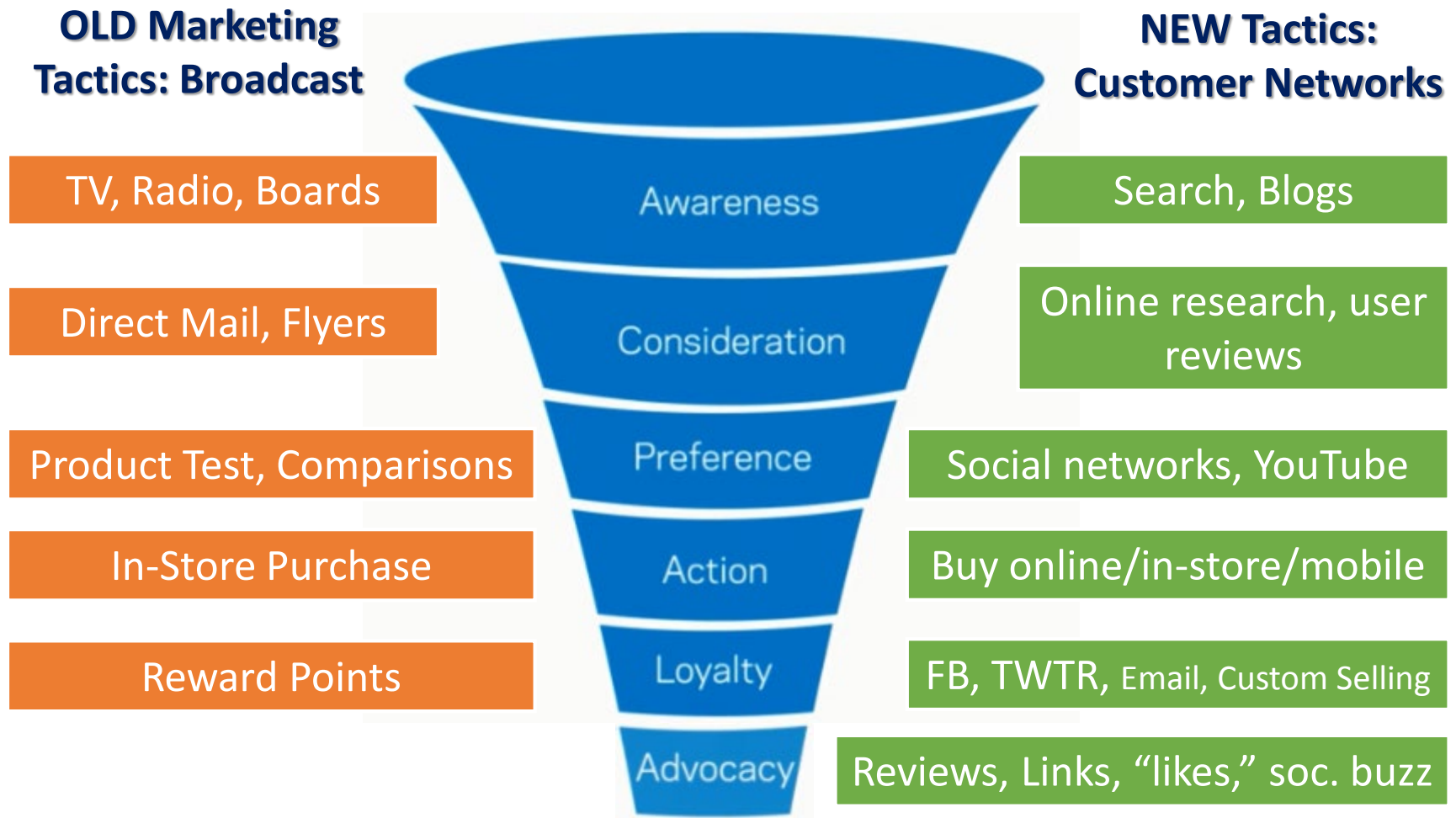
Reward Points



## Customer Networking Dynamics Influence the Marketing Funnel

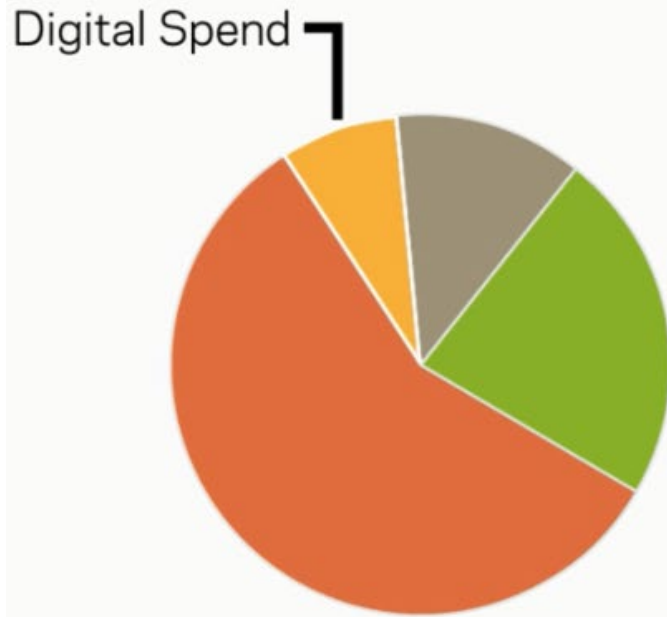


## Customer Networking Dynamics Influence the Marketing Funnel



# Digital Share of Ad Spending is Growing

## US Media



**US Total Media Ad Spending Share, by Media, 2014-2020**  
% of Total

	2014	2015	2016	2017	2018	2019	2020
TV*	39.1%	37.7%	36.8%	35.8%	34.8%	33.7%	32.9%
Digital	28.3%	32.6%	35.8%	38.4%	40.8%	43.1%	44.99%
---Mobile	10.9%	17.3%	22.7%	26.2%	28.8%	31.0%	32.9%
Print	17.4%	15.4%	13.9%	12.9%	12.2%	11.6%	11.1%
---Newspapers*	9.1%	8.0%	7.2%	6.6%	6.1%	5.7%	5.5%
---Magazines*	8.3%	7.4%	6.8%	6.4%	6.1%	5.8%	5.6%
Radio***	8.4%	7.8%	7.4%	7.0%	6.7%	6.4%	6.1%
Out-of-home	4.0%	4.0%	3.9%	3.8%	3.7%	3.5%	3.4%
Directories	2.8%	2.5%	2.2%	2.0%	1.9%	1.7%	1.6%

Note: \*excludes digital; \*\*print only, excludes digital; \*\*\*excludes off-air radio & digital

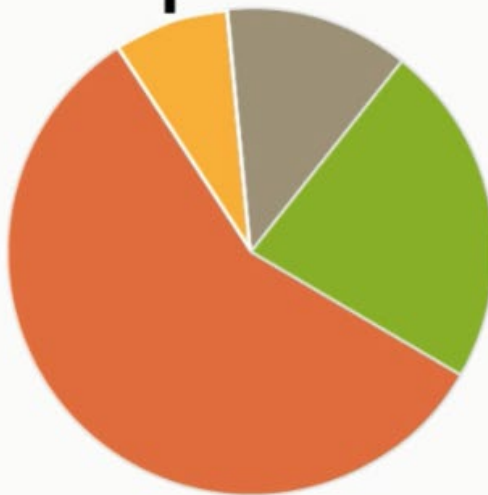
Source: eMarketer, March 2016



# Digital Share of Ad Spending is Growing

## China

Digital Spend



**Total Media Ad Spending in China, by Media, 2014-2020  
Billions**

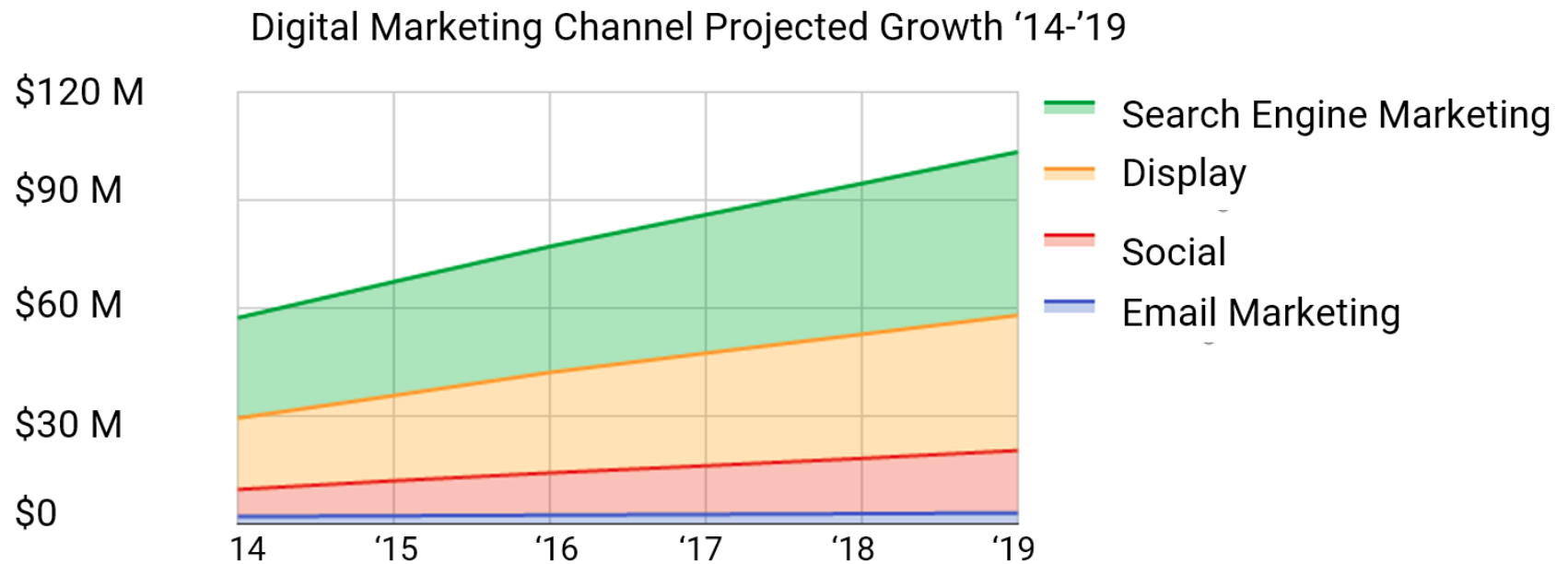
	2014	2015	2016	2017	2018	2019	2020
Digital	\$23.55	\$31.09	\$40.42	\$50.52	\$62.14	\$73.32	\$83.59
---Mobile	\$8.21	\$17.07	\$27.31	\$37.63	\$49.18	\$60.25	\$70.43
TV*	\$20.01	\$19.61	\$18.92	\$18.64	\$18.73	\$18.83	\$18.92
Out-of-home	\$7.60	\$8.36	\$9.02	\$9.48	\$9.86	\$10.15	\$10.35
Print	\$6.89	\$5.96	\$5.50	\$5.21	\$5.01	\$4.92	\$4.96
---Newspapers**	\$5.97	\$5.14	\$4.72	\$4.46	\$4.27	\$4.18	\$4.22
---Magazines**	\$0.92	\$0.82	\$0.78	\$0.76	\$0.74	\$0.73	\$0.73
Radio*	\$3.99	\$4.31	\$4.49	\$4.62	\$4.71	\$4.76	\$4.81
<b>Total</b>	<b>\$62.04</b>	<b>\$69.33</b>	<b>\$78.35</b>	<b>\$88.47</b>	<b>\$100.45</b>	<b>\$111.98</b>	<b>\$122.63</b>

Note: converted at the exchange rate of US \$1=RMB6.23; excludes Hong Kong; numbers may not add up to total due to rounding; \*excludes digital

Source: eMarketer, March 2016



## Spending Spread Across Digital Channels



Source: Google 2016 CMO Academy

## Planning Your Digital Ad Mix



D. Rogers, CBS

# Digital Advertising Mix

## ➤ Key Channels

➤ Email

➤ Search

➤ Display

➤ Video

## Key Principles

- Targeting
- Personalization
- Optimization

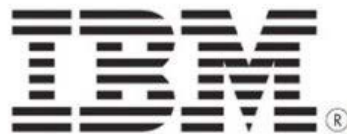
## Channel: Email

### Email Advertising Benefits

1. Allows you to reach your core targeted audience
2. Verified ID
3. Highly measurable. Can track visit to specific pages, level of interest, conversion rate, etc.
4. Email addresses allow for targeting of other types of digital advertising

## Channel: Email

### Tools for Marketing Automation



D. Rogers, CBS

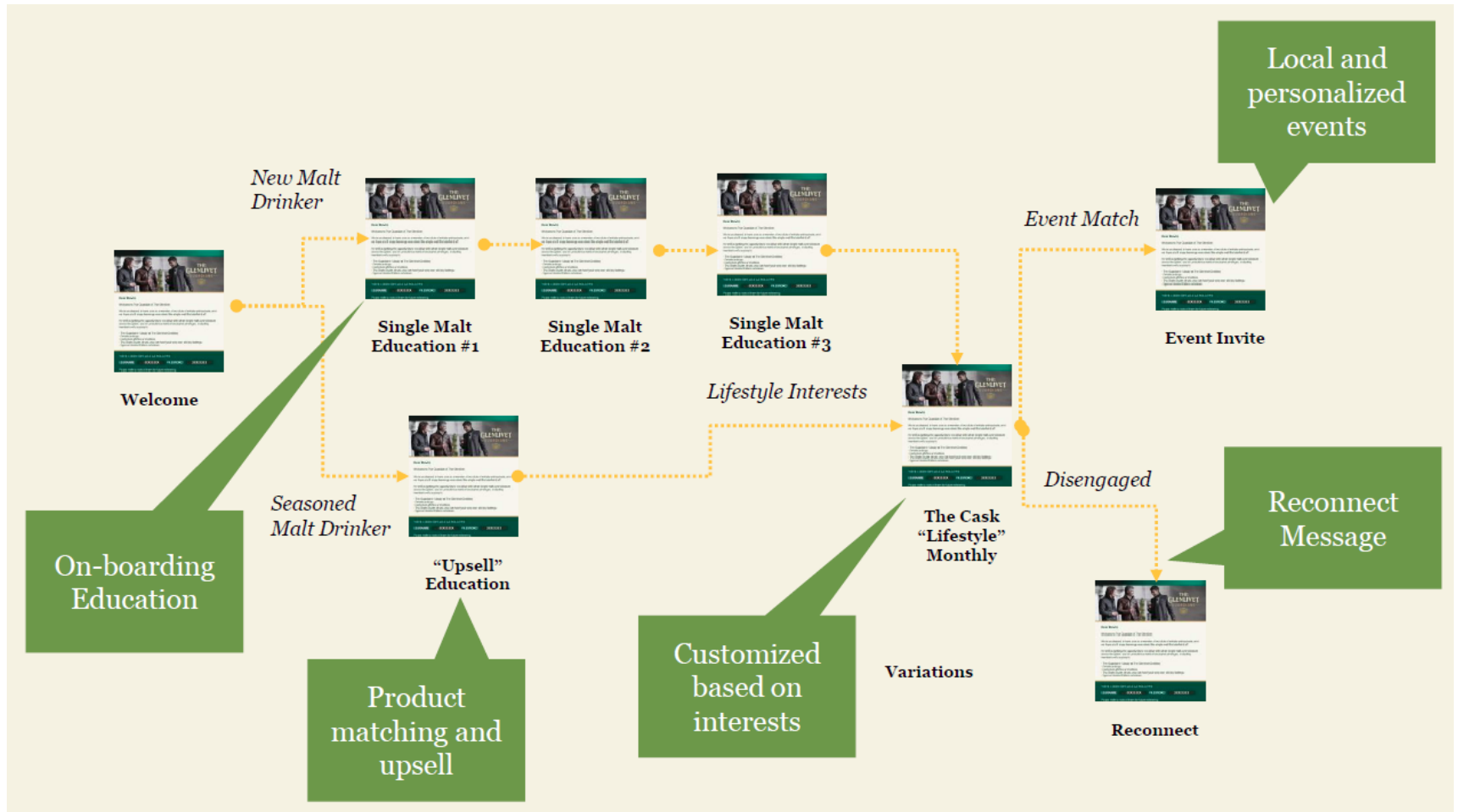
## Channel: Email

### Triggers for Emails

- Welcome (new customer)
- Customer actions (registration, purchase, abandoned cart, etc.)
- Lack of action
- Time passed (how do you like your product? Write a review)
- Deadlines (sales ...time is running out)
- Calendar (holiday promotions, etc.)

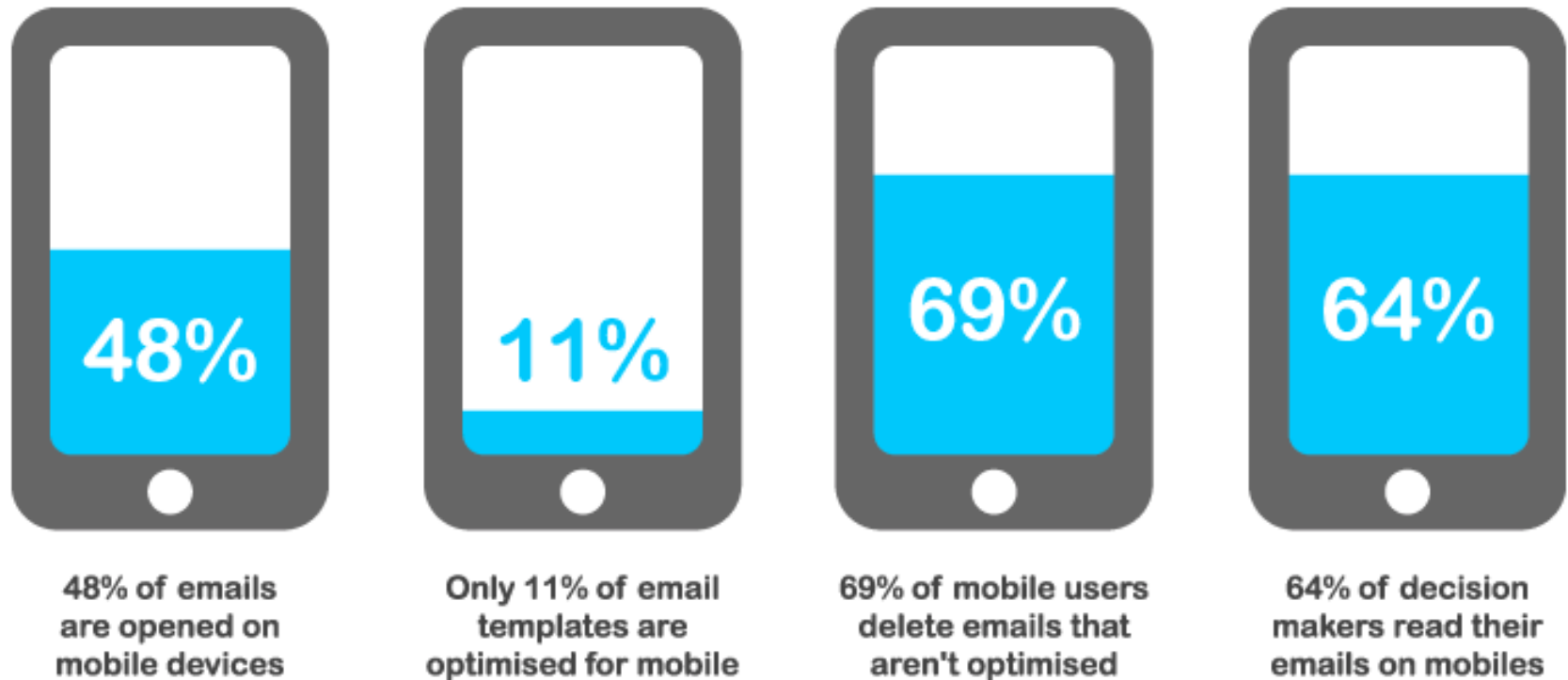
## Channel: Email

### Email Automation Flowchart



## Channel: Email

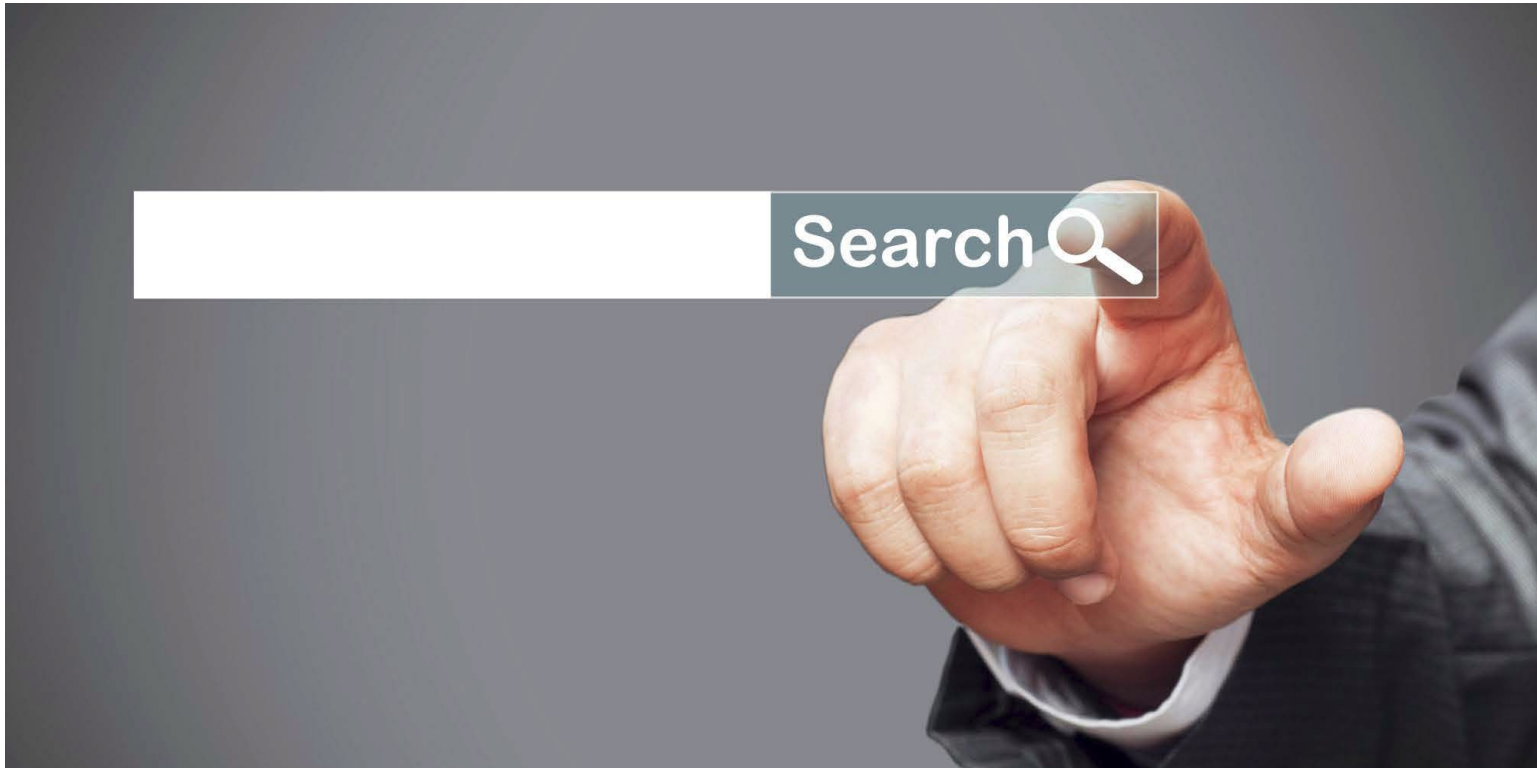
Be Sure to Optimize for Mobile. It is a **MUST**



D. Rogers, CBS



## Channel: Search

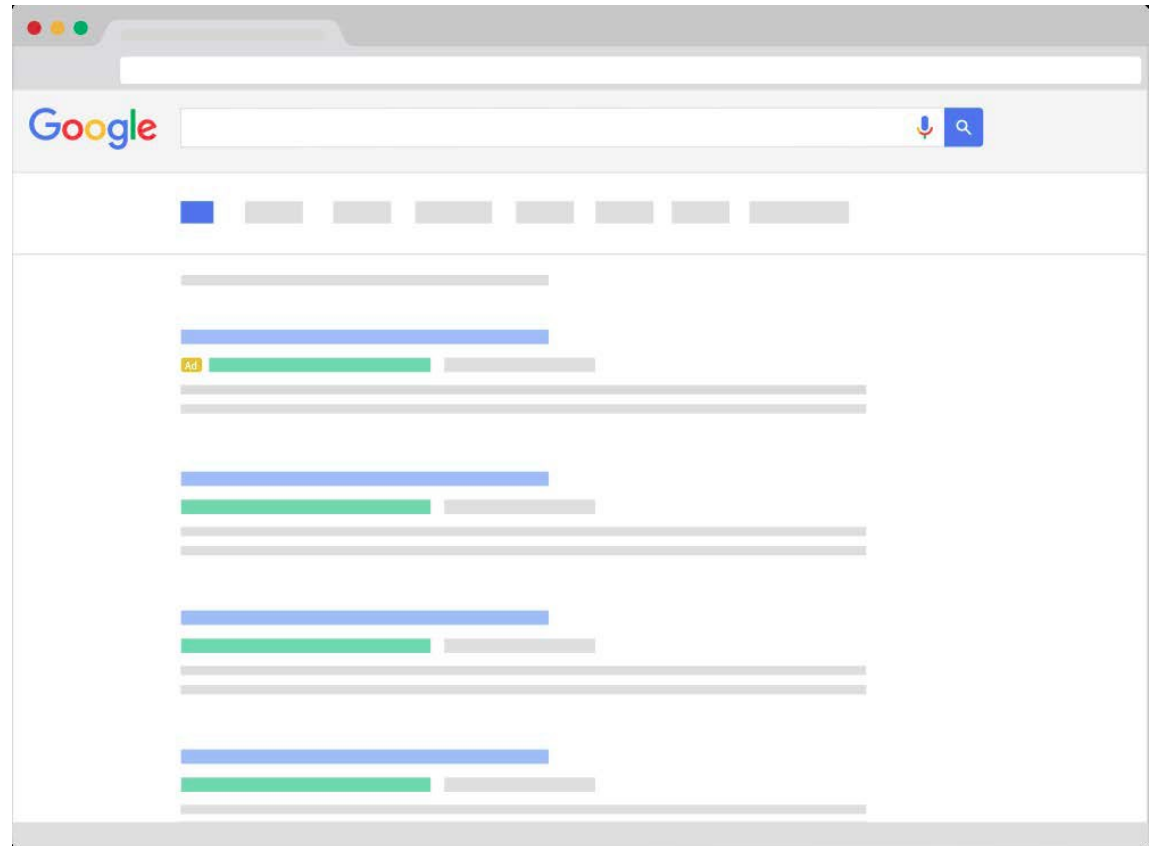


D. Rogers, CBS

## Channel: SEO vs. SEM

SEM (search engine marketing)  
paid search ads

SEO (search engine optimization)  
organic search results  
Influenced by content



## Key Features of PAID Search Advertising

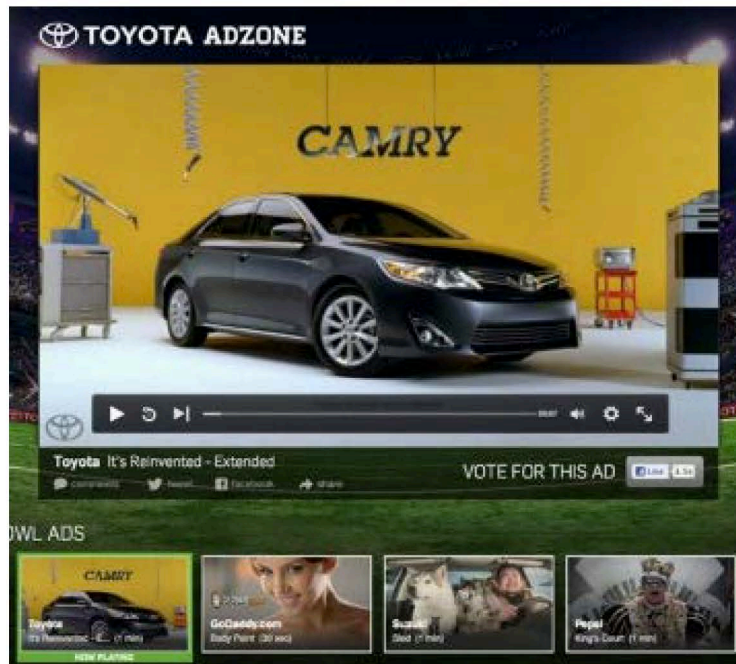
- Reach customers at “moment of intent”
- Text only ads
- CPC = Pay only for clicks (impressions are free)
- “Reverse Dutch auction” (pay \$0.01 above next highest bidder)
- Placement is based on bid + performance (bad ads don’t show)
- Customer intention makes it highly valuable, but...
- ...inventory is limited!

## Channel: Display



D. Rogers, CBS

## Channel: Video

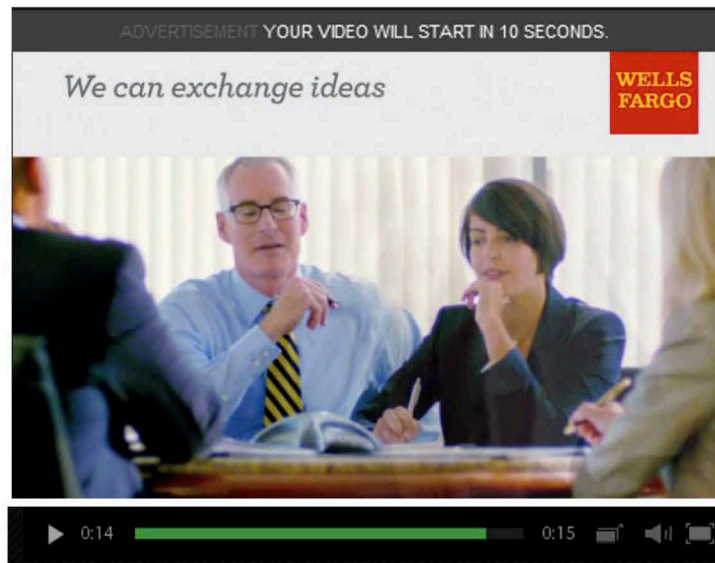


### Key Features:

- Premium category of “display”
- Highly engaging
- Huge potential reach (like TV)
- Much more targeting (vs. TV)
- Potential interactivity
- Sold via video ad networks

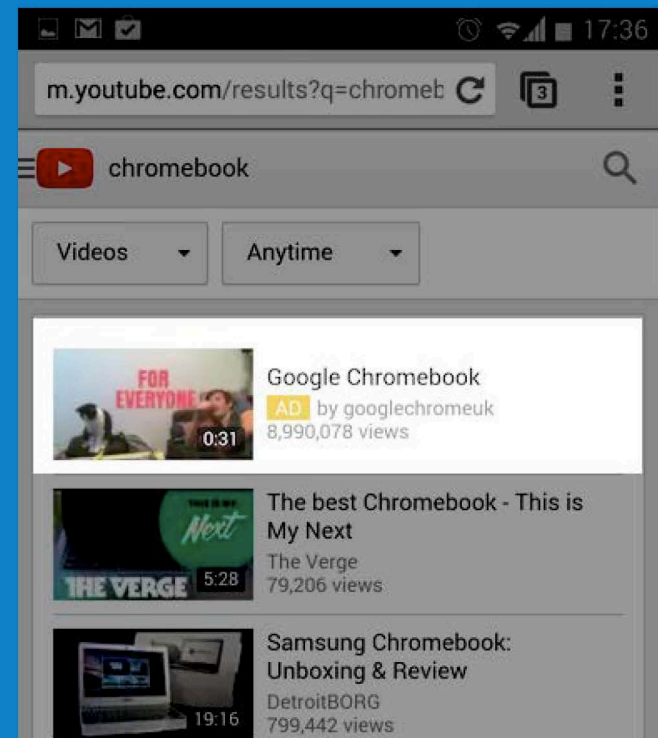
## Channel: Video

### Pre-Roll, Post-Roll, Mid-Roll



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### Promoted/Suggested



## Channel: Video

What if my business does not lend itself to video?



[Will it blend?](#)



## Channel: Video

Offer video as utility



[Home Depot How To](#)



# Digital Advertising Mix

## Key Channels

- Email
- Search
- Display
- Video

## Key Principles

- ✓ Targeting
- ✓ Personalization
- ✓ Optimization

## Principle 1: Targeting



## Principle: Targeting



### Common Means of Targeting

- Cookies
- Device ID
- Social login

# Re-Targeting



## Re-Targeting: Lookalikes or Google “Similar Audience”

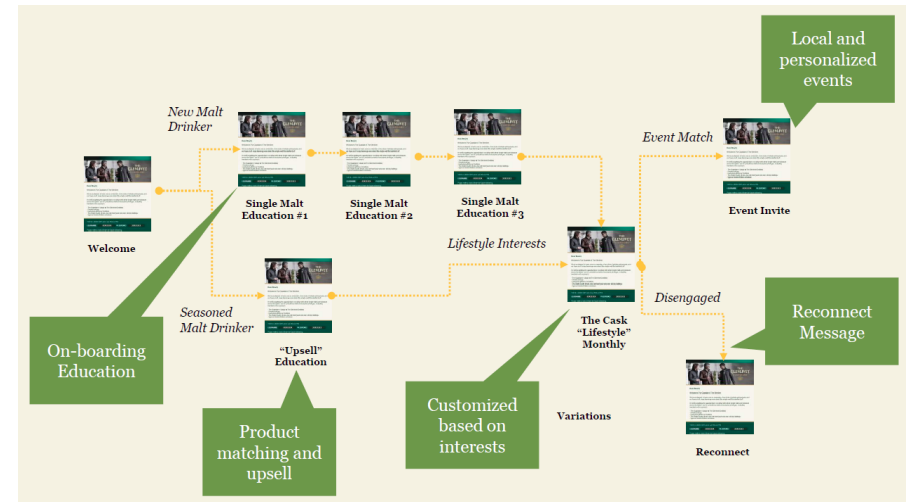


### How it Works:

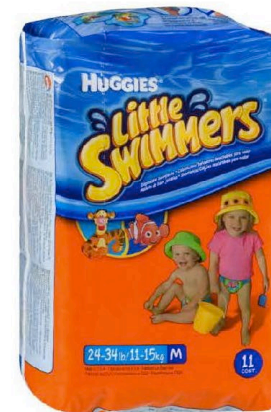
- Start with a defined audience (site visitors, email list)
- Use data to find other web users with similar behavior
- Target the “lookalike” audience to: lower cost, extend reach



## Principle 2: Personalization



## Principle 2: Customer Lifecycle



## Principle 3: Optimization (Media, Channel, Creative)

### Example: Optimization on Creative

- A/B testing on: copy (text), imagery, layout, offer, call-to-action

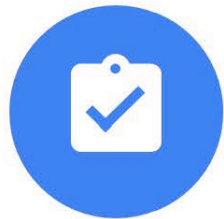


↑ +19%

<http://by.lanuk.net>



## Digital Advertising Recap



Select Campaign  
Goal

*Branding  
Lead Gen*



Define Budget &  
Metrics

*Impressions  
Click Throughs  
Time Spent  
Emails  
Registrations  
Conversions*



Choose  
Appropriate  
Channels

*Search  
Display  
Email  
Video*



Measure  
Results

*Between channels &  
within channels*



Optimize

*Launch &  
iterate*

**Thank You**



**Thank You**

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