

eMarketing: Marketing in a Digital World (EBIZ 2010)

EMARKETING: MARKETING IN A DIGITAL WORLD (EBIZ 2010)

NSCC Edition

ROB STOKES



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INFORMATION ABOUT THE TEXTBOOK

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1.

INTRODUCTION

The foundation of consistently successful marketing communications lies in thorough planning and strategic preparation. Before you execute digital campaigns, you need to plan them. You need to research and understand your product, your communication challenge, your market, your competitors and, of course, your consumers. We call planning and strategy Think.

Think is the first step in a strategic process:

1. **Think:** Research, plan and strategise. Use the opportunities of digital to meet communication, market and product challenges. Plan assets and campaigns.
2. **Create:** Make beautiful assets, from websites and videos to banner adverts and applications.
3. **Engage:** Use channels to drive traffic to those assets and build relationships with customers.
4. **Retain:** Use channels to offer consistent value and grow long term customer relationships.
5. **Optimise:** Track and analyse to understand how assets and campaigns are performing. Derive insight to improve and test assets and campaigns.

Strategy and context tackles how the Internet has changed and challenged the world in which we market, and how best to use digital tools and tactics for effective marketing strategies. We cover the foundations of marketing strategy here.

Understanding customer behaviour focuses on the latest thinking in consumer behaviour, necessary for creating products, services and communications strategies that people actually want to engage with.

Data-driven decision making breaks down the considerations and steps required to truly be a data driven organisation, and explains the advantages gained from harnessing the power of your customer data.

Market research unpacks how to use the Internet to understand audiences and campaigns. The Internet was originally developed as an academic tool for sharing research. This is ideal for savvy marketers.

2.

STRATEGY AND CONTEXT

Learning Objectives

In this chapter, you will learn:

- How to define and distinguish business strategy and marketing strategy
- How to think about digital audiences
- The key building block concepts that are essential to any strategy
- The questions that need to be asked when assembling a digital marketing

Introduction

A strategy indicates the most advantageous direction for an organisation to take over a defined period of time. It also outlines which tactics and means should be used to execute this direction. Originating as a military term, strategy is about using your strengths, as well as the context in which you are operating, to your advantage.

In marketing, strategy starts with understanding what the business wants to achieve, or what problem it wants to solve. It then considers the context in which the business and its competitors operates and outlines key ways in which the business and brand can gain advantage and add value.

In the early days of TV, when the medium was new and not yet entirely understood, there were separate ‘TV planners’ who created a ‘TV strategy’ for the brand. Over time, this was incorporated into the overall marketing strategy (as it should be). The same has happened with digital. Digital thinking should be incorporated into marketing strategy from day one. This chapter considers digital strategy separately in order to highlight some ways in which digital has affected our strategic approach to reaching customers and solving marketing problems.

Key Terms and Concepts

Term	Definition
Cluetrain Manifesto	A set of 95 theses organised as a call to action (CTA) for businesses operating within a newly connected marketplace, published in 1999. While some of the book's claims have failed to materialise, it was an early source of guidelines for social media and obtained a cult-like following.
Market share	In strategic management and marketing, market share is the percentage or proportion of the total available market or market segment that is being serviced by a company. Metric A unit of measurement.
Pay per click (PPC)	Pay per click is advertising where the advertiser pays only for each click on their advert, not for the opportunity for it to be seen or displayed.
Return on investment (ROI)	The ratio of cost to profit.
Search engine optimisation (SEO)	SEO is the practice that aims to improve a website's ranking for specific keywords in the search engines.
Short Message Service (SMS)	Electronic messages sent on a cellular network.
Strategy	A set of ideas that outline how a product or brand will be positioned and achieve its objectives. This 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.

What is Marketing?

A simple definition for marketing is that it is the creation and satisfaction of demand for your product, service or ideas. If all goes well, this demand should translate into sales and, ultimately, revenue.

In 2012, Dr Philip Kotler defined marketing as “The science and art of exploring, creating and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential”¹

The American Marketing Association (AMA), defines marketing as “The activity, set of institutions and

1. (Kotler, 2012).

processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large”²

In order to motivate people to pay for your product or service, or to consider your organisation superior to your competitors, you need to create meaningful benefits and value for the consumer. The design of the product or service itself can arguably be a function of marketing. The value that a marketer should seek to create should be equal to or even greater than the cost of the product to the consumer. Doing this often and consistently will grow trust in and loyalty towards, the brand and create strong brand equity.

What is Digital Marketing?

How does digital marketing fit into this definition? There is, in fact, no difference between ‘traditional’ marketing and digital marketing. They are one and the same, apart from digital being specific to a medium. Ultimately, the aim of any type of marketing is to keep and grow a customer base and stimulate sales in the future.

Digital communication tools contribute towards connecting and building long-term relationships with customers.

What is digital? Bud Caddell defines ‘digital’ as “A participatory layer of all media that allows users to self-select their own experiences and affords marketers the ability to bridge media, gain feedback, iterate their message and collect relationships”.³ In other words, digital is a way of exploring content and ideas (for users) and connecting with and understanding customers (for marketers).

Digital marketing is powerful in two fundamental ways. First, the audience can be segmented very precisely, even down to factors like current location and recent brand interactions, which means that messages can (and must) be personalised and tailored specially for them.

Second, the digital sphere is almost completely measurable. Every minute and every click by a customer can be accounted for. In digital you can see exactly how various campaigns are performing, which channels bring the most benefit and where your efforts are best focused. Cumulatively, access to data that measures the whole customer experience should lead to data-driven decision making.

The complete scope of marketing is practised on the Internet. Products and services are positioned and promoted, purchased, distributed and serviced. The web provides consumers with more choice, more

2. (AMA, 2017).

3. (Caddell, 2013).

influence and more power. Brands constantly have new ways of selling, new products and services to sell and new markets to which they can sell. Digital marketing helps to create consumer demand by using the power of the interconnected, interactive web. It enables the exchange of currency but more than that, it enables the exchange of attention for value.

An Exchange of Value

If marketing creates and satisfies demand, digital marketing drives the creation of demand using the power of the Internet and satisfies this demand in new and innovative ways.

A brand on the Internet can gain value in the form of time, attention and advocacy from the consumer. For the user value can be added in the form of entertainment, education and utility. Brands build loyalty among users who love their products or services and must align with users' values and aspirations. Users fall in love with products and services when their experience is tailored to their needs and not the needs of the brand.

Understanding Marketing Strategy

Business and Brand Strategy

Before you can delve into marketing strategy, take a step back and consider the business and brand with which you are working.

The end goal of any business is to make money in one way or another. Business strategy asks the questions, "What is the business challenge we are facing that prevents us from making more revenue?" and, "What business objective should we strive for in order to increase the money in the bank?"

The brand is the vessel of value in this equation. The brand justifies why the business matters, what the business' purpose is and what value the business adds to people's lives.

The AMA defines a brand as, "A name, term, design, symbol or any other feature that identifies one seller's good or service as distinct from those of other sellers. The usual expression of a brand is its trademark. A brand may identify one item, a family of items or all items of that seller" (N.A., 2011). To quote Cheryl Burgess, a brand presents, "a reason to choose" one product or service over another.

The value of the brand is measured in terms of its brand equity. How aware are people of the brand? Does it hold positive associations and perceived value? How loyal are people to the brand?

When you have the answers to these questions, you can formulate a marketing strategy to address the challenge or objective you've discovered.

Marketing Strategy

The purpose of a marketing strategy is to determine what the business is about and to then address the business or brand challenge, or objective that has been revealed. An effective strategy involves making a series of well-informed decisions about how the brand, product or service should be promoted. The brand that attempts to be all things to all people risks becoming unfocused or losing the clarity of its value proposition.

For example, a new airline would need to think about how it is going to add value to the market and differentiate itself from competitors. It will need to consider whether their product is a domestic or international service; whether its target market is budget travellers or international and business travellers; and whether the channel is through primary airports or smaller, more cost-effective airports. Each of these choices will result in a vastly different strategic direction.

To make these decisions, a strategist must understand the context in which the brand operates, asking, “What are the factors that affect the business?” This means conducting a situational analysis that looks at the following four pillars:

1. The environment
2. The business
3. The customers
4. The competitors.

Here are some considerations and tools for conducting your brand’s situational analysis.

Understanding the Environment

The environment is the overall context or ‘outside world’ in which the business functions. It can involve anything from global economics (how well is the local currency performing these days?) to developments in your industry. Every brand will have a specific environment that it needs to consider, based on the type of product or service it produces. An analysis of the business and brand environment will typically consider political, economic, social, technological, legal and environmental (PESTLE) influences to identify a clear set of considerations or issues pertinent to the marketing strategy.

Understanding the Business

There are several marketing models that can be used to understand the business and brand with which you are working. Since it’s essential for all marketing messages to encapsulate the brand’s identity and objectives, this is a very important step. A crucial consideration is the brand itself. What does it stand for? What does it mean? What associations, ideas, emotions and benefits do people associate with it? What makes it unique?

There are several levels of branding to investigate, as shown below.



Figure 1:

Out of this, you can determine what the brand or product's unique selling point (USP) is. A USP is the one characteristic that can make your product or service better than the competition's. Ask yourself, "What unique value does it have? Does it solve a problem that no other product does?"

Understanding Customers

To understand your customers, you need to conduct market research. Try not to make assumptions about why people like and transact with your brand. You may find their values and motives are quite different from what you thought. Ongoing research and a data-driven business will help you to build a picture of what particular benefit or feature your business provides to your customers, allowing you to capitalise on this in your marketing content.

One important area on which to focus here is the consumer journey, which is the series of steps and decisions a customer takes before buying from your business (or not). Luckily, online data analytics allow you to get a good picture of how people behave on your website before converting to customers; other forms of market research will also help you establish this for your offline channels.

On the Internet, a consumer journey is not linear. Instead, consumers may engage with your brand in a variety of ways, (i.e. across devices or marketing channels) before making a purchase.

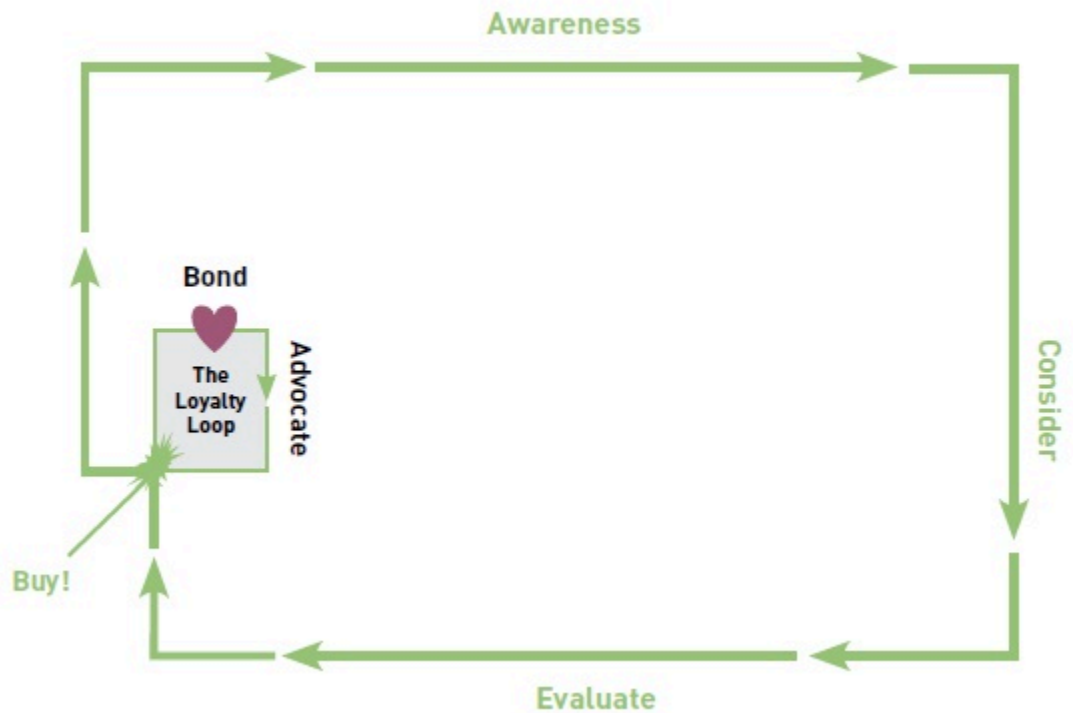


FIGURE 2

The goal is to reach customers with the right marketing message at the right stage of their journey. For example, you may want to use aspirational messages for someone in the exploration phase, but focus on more direct features and benefits (such as a lower price) when they're almost ready to buy.

Understanding Competitors

Finally, it's important to know who else is marketing to your potential customers, what they offer and how you can challenge or learn from them. Many competitors target the same needs in a given customer, sometimes through very similar products. Positioning places your brand in a unique place in people's minds. It is impossible to create a strong value proposition or USP without knowing your competitors' positioning strategy.

On the Internet, your competitors are not just those who are aiming to earn your customers' money; they are also those who are capturing your customers' attention. With more digital content being created in a day than most people could consume in a year – for example, over 300 hours of video are uploaded to YouTube every minute (YouTube, 2017) – the scarcest resources these days are time, focus and attention. When considering competition, it's also worthwhile looking at potential replacements for your product. The Internet is disrupting and accelerating the pace of disintermediation in a number of industries, meaning that people can now go directly to the business instead of transacting through a middleman (look at the travel industry as an

example). To stay ahead, you should be looking at potential disruptors of your industry as well as the existing players.

Digital Marketing Strategy

Once you have a clear sense of what the business challenge or objective is, you can define how your marketing strategy will leverage digital channels to fulfil it.

As discussed in the introduction, digital should not be considered as separate from your core strategy. Digital marketing builds on and adapts the principles of traditional marketing using the opportunities and challenges offered by the digital medium.

A marketing strategy should be constantly iterating and evolving. Since the Internet allows for near-instantaneous feedback and data gathering, marketers should constantly be optimizing and improving their online marketing efforts.

User-centric thinking, which involves placing the user at the core of all decisions, is vital when looking at building a successful marketing strategy. The marketing strategist of today is offered not only a plethora of tactical possibilities, but also unprecedented ways of measuring the effectiveness of chosen strategies and tactics. Digital allows greater opportunities for interaction and consumer engagement than were possible in the past, so it is important to consider the ways in which the brand can create interactive experiences for consumers, not just broadcast messages.

The fact that digital marketing is highly empirical is one of its key strengths. Almost everything can be measured: from behaviours, to actions and action paths, to results. Insight tools can even be used to track the sentiment of users towards certain elements online. This means that the digital marketing strategist should be constantly measuring and adapting to ensure the highest ROI. Built into any strategy should be a testing framework and the ability to remain flexible and dynamic in a medium that shifts and changes as user behaviours do.

If we defined strategy as ‘a plan of action designed to achieve a particular outcome’, the desired outcome of a digital marketing strategy would be aligned with your organisation’s overall business and brand-building objectives or challenges. For example, if one of the overall objectives was acquisition of new clients, a possible digital marketing objective might be building brand awareness online.

The building blocks of marketing strategy

The following building-block techniques will help you structure a marketing strategy, both online and offline,

that addresses your core business challenges. These strategy models are just starting points and ways to help you think through problems. As you grow in experience and insight, you could find yourself relying on them less or adapting them.

Porter's Five Forces analysis

Porter's Five Forces analysis is a business tool that helps determine the competitive intensity and attractiveness of a market. The Internet's low barrier to entry means that many new businesses are appearing online, providing countless choices for customers. This makes it important to consider new factors when devising a marketing strategy.



FIGURE 3

The Four Ps

The Four Ps of marketing help you structure the components that make up a brand's offering, differentiators and marketing. They have been fundamentally changed by the Internet and need to be looked at in the context offered by digitally connected media and from the perspective of the consumer. How your brand is positioned in the mind of your consumer will ultimately determine your success.

1. Products (and Services)

Products and services are what a company sells. The Internet enables businesses to sell a huge range of products, from fast-moving consumer goods and digital products such as software, to services such as consultancy. In fact, the Internet has in some cases made it possible for a product or service to exist. Consider

Uber and Airbnb. Online, the experience the user has in discovering and purchasing can be considered part of the product the brand provides, or be the product itself.

The Internet has enabled hyper-personalisation. For example, [Nike](#) and [Converse](#) allow customers to customise their own trainers. The Internet as a distribution medium also makes it possible for products, such as software and music, to be sold digitally.

2. Price

The prevalence of search engines and of shopping comparison websites, such as www.pricerunner.co.uk and www.nextag.com, makes it easy for customers to compare product prices across a number of retailers. This makes the Internet a market of near-perfect competition⁴. The Internet allows for personalised and flexible pricing strategies to a level that traditional retailers would find almost impossible to achieve.

With price differentiation becoming a challenge, especially for smaller players in the market, businesses need to consider differentiating on value. Value is a combination of service, perceived benefits and price, where customers may be willing to pay a higher price for a better experience or if they feel they are getting something more than just the product.

3. Placement (or Distribution)

Product distribution and markets no longer have to be dictated by location. By simply making their products visible online (for example, on a website or Facebook page), brands can reach a global market. The key is to reach and engage customers on the channels they are using. This is why choosing your digital tactics is vital. You want to engage customers on their terms, not yours.

4. Promotion

The Internet, as an information and entertainment medium, naturally lends itself to promoting products. The online promotional mix is an extension of the offline, but with some significant differences. For one, online promotion can be tracked, measured and targeted in a far more sophisticated way.

Promotion doesn't just mean advertising and talking at customers. On the Internet, it's crucial to engage, collaborate and join conversations, too. Interacting with customers helps build relationships and the web makes this sort of communication easy. That's why a good portion of this book is devoted to engagement tactics and tools.

4. (Porter, 2008)

SWOT Analysis

A SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis is an ideal way to understand your business and your market.



FIGURE 4: SWOT analysis. Stokes, 2013

Always have a purpose in mind when conducting a SWOT analysis. For example, study the external threats to your business and see how learning from these can help you overcome internal weaknesses. This should tie back in to how your business and marketing objectives and strengths should be promoted, opportunities should be sought out, while threats and weaknesses should be minimised as much as possible. A SWOT analysis is part of a situational analysis and identifies the key issues that direct the marketing strategy. Be mindful of the fact that weaknesses can be opportunities and strengths can be threats, especially in the world of digital disruption.

Crafting a Digital Marketing Strategy

Any activity with an end goal (whether it's winning a war, building a city or selling a product) should have a blueprint in place for every person in the organisation to follow. In digital marketing, there is no single definitive approach so each business must create its own roadmap. However, there are questions you can use to guide this process.

1. Context

A strategy needs to cover the questions of who you are and who you are not. It should also include what you are offering and to whom, as well as why and how you are doing so. The steps and questions below cover what

an organisation should be aware of when creating and implementing a strategy that will meet its marketing objectives and solve its challenges.

The first step in crafting a successful strategy is to examine the context of the organisation and the various stakeholders. We covered this under marketing strategy earlier in this chapter, but it bears repeating:

- What is the context in which you are operating (PESTLE factors) and how is this likely to change in the future?
- Who are you, why does your brand matter and what makes your brand useful and valuable?
- Who are your customers and what needs, wants and desires do they have?
- Who are your competitors? These may extend beyond organisations that compete with you on the basis of price and product and could also be competition in the form of abstracts, such as time and mindshare. Thorough market research will reveal the answers to these questions.

2. Value Exchange

Once you have examined the market situation, the second step is an examination of your value proposition or promise: what unique value your organisation can add to that market. It is important to identify the supporting value-adds to the brand promise that are unique to the digital landscape. What extras, beyond the basic product or service, do you offer to customers?

The Internet offers many channels for value creation. However, the definition of what is ‘valuable’ depends largely on the target audience, so it is crucial to research your users and gather insights into what they want and need. Gathering the right data can help you evolve this value exchange over time.

3. Objectives

When setting your digital marketing goals, there are four key aspects to consider: objectives, tactics, key performance indicators (KPIs) and targets. Let’s look at each one in turn.

Objectives

Objectives are essential to any marketing endeavour; without them your strategy would have no direction and no end goal or win conditions. It’s important to be able to take a step back and ask:

- Why are we doing any of this?
- What goal, purpose or outcome are we looking for?”

- What are you trying to achieve?
- How will you know if you are successful?

Sometimes, words like 'objective' can be used in different situations with slightly different meanings. Remember, the objective of a website or online campaign is aligned with the strategic outcomes of the business. The objective of a campaign may be to create awareness for a new business or increase sales of a product. The objective answers the question, "What do we want to achieve with this marketing campaign?" For example, an objective might be to increase the sales of a product, grow brand awareness or increase website traffic. A business objective (something that your business will either do or not do) and a marketing objective (a change in customer behaviour that your business wants to achieve) are not the same thing!

Objectives need to be SMART:

- Specific – the objective must be clear and detailed, rather than vague and general.
- Measurable – the objective must be measurable so that you can gauge whether you are attaining the desired outcome.
- Attainable – the objective must be something that is possible for your brand to achieve, based on available resources.
- Realistic – the objective must also be sensible and based on data and trends; don't exaggerate or overestimate what can be achieved.
- Time-bound – finally, the objective must be linked to a specific timeframe.

Goals

The goal of a website or campaign in web analytics refers to an action that a user takes on a website or a type of user behaviour. This action could be making a purchase, signing up for a newsletter, or viewing a certain number of pages in a visit. A completed goal is called a conversion. Goals are derived from objectives and answer the question, "What do we need users to do in order to achieve our objective?"

Tactics

Objectives are not the same as tactics. Tactics are the specific tools or approaches you will use to meet your objectives, for example, a retention-based email newsletter, a Facebook page, or a CRM implementation. As a strategy becomes more complex, you may have multiple tactics working together to try to achieve the same objective. Tactics may change (and often should), but the objective should remain your focus.

NOTE: Goals related to visitor behaviour, such as time spent on site or pageviews per visit, are referred to as engagement goals.

Key performance indicators (KPIs)

Key performance indicators or KPIs are metrics that are used to indicate whether tactics are performing well and meeting your objectives. There are many metrics to be analysed and determining which are important will help to focus on what really matters to a particular campaign. KPIs relate closely to goals and answer the question, “What data do we need to look at to see if goals are being completed?” For example, if your objective is to increase website traffic, you may look at the number of website visitors, the percentage of new visitors and how long users stay on the site.

KPIs are determined per tactic, with an eye on the overall objective. The diagram below shows how a number of KPIs can feed into one goal and a number of goals can in turn feed into one objective. A single objective can have a number of goals, each with their own number of KPIs, to ensure it is achieved.

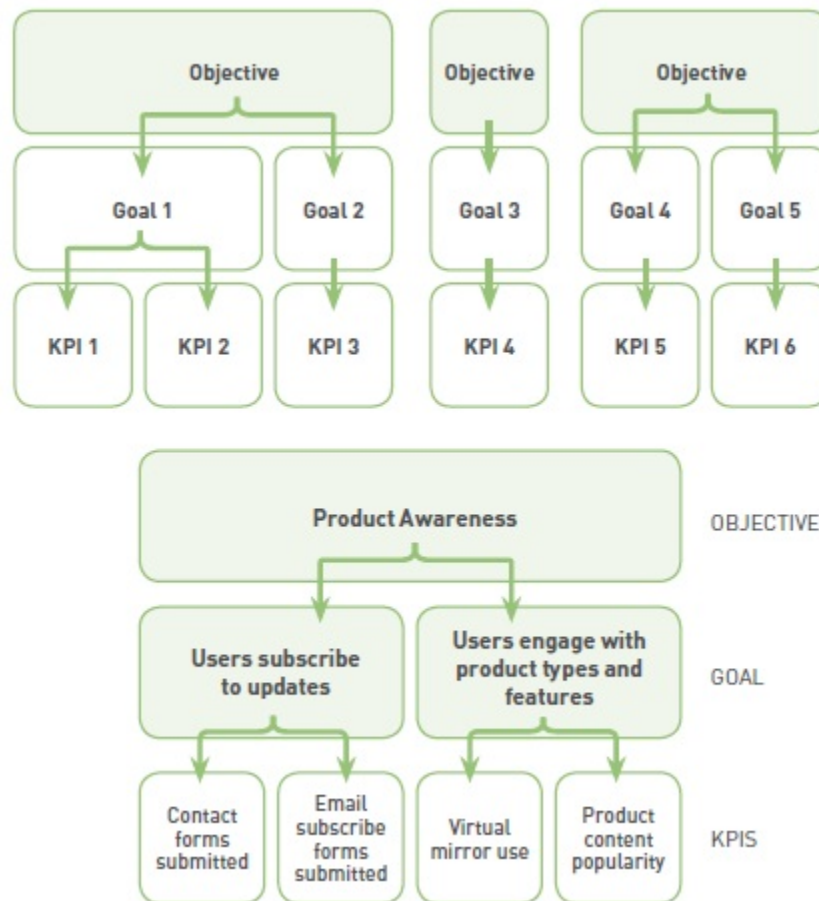


FIGURE 5

Targets

Finally, targets are the specific values that are set for your KPIs to reach within a specific time period. That is, they are the actual target values that KPIs need to meet in order for the campaign to be declared a success. For example, sportspeople need to reach targets to advance their careers: come in the top ten to qualify for the final or run ten km in under 27 minutes. If you meet or exceed a target, you are succeeding; if you don't reach it, you're falling behind on your objectives and you need to reconsider your approach (or your target). If one KPI is 'newsletter subscriptions', then a target might be '100 subscriptions every month' so if one month falls short at 70, this will quickly reveal that a fix is required.

When setting objectives and targets for any campaign, remember to think about overlaps in customer behaviour that might impact how you measure your success. People might click on an ad and visit your website to buy something, but they could also browse and then go and buy something in the brick-and-mortar store. The total economic value of online activities needs to account for this so that you can get an idea of the true contribution digital is making.

Example

SMART objective:

- Increase sales through the eCommerce platform by 10% within the next six months.

Tactics:

- Search advertising
- Social media marketing using the Facebook brand page.

KPIs per tactic:

- Search advertising – number of search referrals, cost per click on the ads
- Facebook brand page – number of comments and shares on campaign specific posts.

Targets per tactic:

- Search advertising – 1 000 search referrals after the first month, with a 10% month-on-month increase after that
- Facebook brand page – 50 comments and ten shares on campaign-specific posts per week.

4. Tactics and evaluation

Many digital tools and tactics are available once you have defined your digital marketing objectives. Each tactic has its strengths – for example, acquisition (gaining new customers) may best be driven by search advertising, while email is one of the most effective tools for selling more products to existing customers. The table below expands on some of the most popular tactics available to digital marketers and their possible outcomes. These will be covered in far more detail in the Engage section of this book.

Tactic	Outcome
SEO	Customer retention and acquisition
This is the practice of optimising a website to rank higher on the search engine results pages for relevant search items. SEO involves creating relevant, fresh and user-friendly content that search engines index and serve when people enter a search term that is relevant to your product or service.	SEO has a key role to play in acquisition, as it ensures your organisation's offering will appear in the search results, allowing you to reach potential customers. A site that is optimised for search engines is also a site that is clear, relevant and well designed. These elements ensure a great user experience, meaning that SEO also plays a role in retention.
Search advertising	Sales, customer retention and acquisition
In pay-per click or search advertising, the advertiser pays only when someone clicks on their ad. The ads appear on search engine results pages.	The beauty of search advertising is that it is keyword based. This means an ad will come up in response to the search terms entered by the consumer. It therefore plays a role in sales, acquisition and retention. It allows the advertiser to reach people already in the buying cycle or are expressing interest in what they have to offer.
Online advertising	Branding and acquisition
Online advertising covers advertising in all areas of the Internet – ads in emails, ads on social networks and mobile devices and display ads on normal websites.	The main objective of online advertising is to raise brand awareness online. It can be more interactive and therefore less disruptive than traditional or static online advertising, as users can choose to engage with the ad or not. Online advertising can be targeted to physical locations, subject areas, past user behaviours and much more.
Affiliate marketing	Sales and branding
Affiliate marketing is a system of rewards whereby referrers are given a 'finder's fee' for every referral they give.	Online affiliate marketing is widely used to promote eCommerce websites, with the referrers being rewarded for every visitor, subscriber or customer provided through their efforts. It is a useful tactic for brand building and acquisition.
Video marketing	Branding, customer retention and value creation
Video marketing involves creating video content. This can be wither outright video advertising, or can be valuable, useful, content marketing.	Since it is so interactive and engaging, video marketing is excellent for capturing and retaining customer attention. Done correctly, it provides tangible value – in the form of information, entertainment or inspiration – and boosts a brand's image in the eyes of the public.
Social media	Branding, value creation and participation

Social media is media in the form of text, visuals and audio, that can be shared online. It has changed the face of marketing by allowing collaboration and connection in a way that no other channel has been able to offer.

From a strategic perspective, social media, is useful for brand building, raising awareness about the brand and its story and encouraging the customer to become involved with the brand. The shareable and accessible nature of social media platforms allows brands to communicate and engage directly with their customers. Social media also offers brands a way to interact with their customers, instead of just broadcasting to them.

Email marketing

Email marketing is a form of direct marketing that delivers commercial and content-based messages to an audience. It is extremely cost effective, highly targeted, customisable on a mass scale and completely measurable – all of which make it one of the most powerful digital marketing tactics.

Customer retention and value creation

Email marketing is a tool for building relationships with potential and existing customers through valuable content and promotional messages. It should maximise the retention and value of these customers, ultimately leading to greater profitability for the organisation a whole. A targeted, segmented email database means that a brand can direct messages at certain sectors of their customer base in order to achieve the best result.

Once the objectives and tactics have been set, these should be cross-checked and re-evaluated against the needs and resources of your organisation to make sure your strategy is on the right track and no opportunities are being overlooked.

5. Ongoing optimisation

It is increasingly important for brands to be dynamic, flexible and agile when marketing online. New tactics and platforms emerge every week, customer behaviours change over time and people's needs and wants from brands evolve as their relationship grows.

This process of constant change should be considered in the early stages of strategy formulation, allowing tactics and strategies to be modified and optimised as you go. After all, digital marketing strategy should be iterative, innovative and open to evolution.

Understanding user experience and the user journey is vital to building successful brands. Budget should be set aside upfront for analysing user data and optimising conversion paths.

Social thinking and socially informed innovation are also valuable and uniquely suited to the online space. Socially powered insight can be used to inform strategic decisions in the organisation, from product roadmaps to service plans. Brands have moved away from being merely present in social media towards actively using it,

aligning it with actionable objectives and their corresponding metrics. This is critical in demonstrating ROI and understating the opportunities and threats in the market.

Managing the learning loop (the knowledge gained from reviewing the performance of your tactics, which can then be fed back into the strategy) can be difficult. This is because brand cycles often move more slowly than the real-time results you will see online. It is therefore important to find a way to work agility into the strategy, allowing you to be quick, creative and proactive, as opposed to slow, predictable and reactive. The data collected around the success of your marketing strategy should feed into a larger pool of information used to drive business decisions.

Case study: Vets Now: Taking care of the brand

One-line summary

Vets Now, an industry-known UK accident and emergency veterinarian service, wanted to become the brand of choice amongst consumers and veterinarians

The challenge

Vets Now provided their accident and emergency service to over 1 000 veterinary practices across the UK. But, with more and more smaller local emergency veterinary clinics opening and day clinics starting to offer out-of-hours services, Vets Now was experiencing intense competition. They decided to target pet owners directly and make themselves the brand of choice for pet owners, if and when their pet required emergency care.

However, the brand didn't deal directly with clients too often and brand awareness of Vets Now among pet owners was at about 8% (despite one in four UK vet practices using the service). The brand was also offering inconsistent sub-brands, which confused pet owners.

Vets Now wanted to improve brand awareness, consolidate their offering and offer a pet-owner led approach.

The solution

Vets Now recognised that they needed to conduct a brand audit to determine their unifying core purpose. A brand workshop was held and the key insight was that emergency and critical

care was the heart of the brand. All other sub-brands and straplines were negating from this core message. The brand wanted to present a singular pet owner brand proposition and developed the single unifying strapline: Introducing Vets Now – Your pet emergency service.

To appeal to customers directly, they needed to know who their potential customers were and what their feelings were towards their pets. Vets Now conducted surveys, interviews and focus groups with over 1 000 pet owners. They identified eight pet owner types and highlighted the key drivers behind pet ownership in the UK. They then mapped out the owner types against these drivers.

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Vets Now also identified three touchpoints of customers with the brand:

- Search and online – finding an emergency vet
- Clinical – referred to Vets Now by another veterinary clinician
- Social space – engaging with other pet owners and online content.

Using these insights, the brand consolidated itself as one single brand offering. The brand also identified its essential brand principles and used these to inform all its branding and marketing communication. Vets Now created new branding and imagery and chose a reassuring and expert but friendly and straightforward tone of voice to use across all communications. This unified and consolidated look and feel conveyed the core purpose of the brand and offered consumers brand recognition.

This new look and feel was rolled out across the website, Vets Now hospitals and clinics, internal branding and print and digital marketing campaigns. These were chosen to ensure the new branding reached consumers at all three touchpoints.

The marketing campaign included various platforms and a mixture of traditional and digital tactics. There were print and digital ads, as well as content delivered across the website, social media, printed flyers and in-clinic posters. Content included emergency plans for if a pet becomes ill or has an accident, dangers that are present in the home over the Christmas holiday period and how to ensure a pet stays happy and healthy over the festive season. This content was specifically created to resonate with the audience and used the insights gained from the in-depth research conducted by the brand to inform content development and creation.

The results

The research and ensuing strategy ensured the brand's increased awareness among customers. After the campaigns and rebranding, 59% of respondents had an unprompted recall of Vets Now, up 20% from before the campaign. Within the sample of respondents, propensity to use Vets Now after the campaign was up 138% from before. These were strong indicators of positive performance. The new website also saw a 23% drop in bounce rate within 5 days of going live, showing that the brand was now more in line with what users were searching for.

The importance of relooking at your brand and really investigating your customers is clearly demonstrated in this case study. It shows how a B2B brand can reposition itself as B2C with the right analysis and strategy. Clearly laying down your objectives, doing the necessary research

and identifying how to address your customer across all touchpoints is essential to marketing strategy.⁵

The Bigger Picture

All of the chapters in this book are linked to digital marketing strategy in one way or another.

A solid business and brand strategy should be the starting point of any marketing venture and you should always keep one eye on it as you develop specific campaigns, platforms and approaches. After all, you should always remember that you are trying to reach your chosen audience by communicating to them in the most effective way, to build rewarding and lucrative long-term relationships.

While strategy helps you understand the questions you should ask, data collected across your business, including market research, provides the information you need to answer them.

Summary

Strategy is the essential first step in positioning your brand within the market and creating a roadmap for achieving your business goals. While there are many different paths one can take, there is a clear process for understanding where you are, where you need to be and how you will get there. It all starts with understanding the business challenges that your brand faces. From there, an effective marketing strategy looks at the market context, weighs the available options and makes important choices, based on solid research and data. Digital adds a layer of technology, engagement and iterative optimisation into the strategic process. The wide variety of tools and tactics offered by the digital medium should inform your strategic choices.

Digital can make marketing strategy highly empirical and your strategic thinking should be mindful of ROI and how it can be measured. This will allow you to optimise your tactics and performance in order to create a valuable brand story, an excellent user experience, the most optimised conversion funnels and the highest ROI.

5. ([Marketing Society](#), 2017)

Case Study Questions

1. What was Vets Now's new brand strategy?
2. Why was it necessary for Vets Now to do such extensive customer research?
3. Could it be argued that this case study covers a business strategy rather than a marketing strategy?

Chapter Questions

1. Why is it important to consider the business context when planning your marketing strategy?
2. How has the Internet affected marketing and the models we use to understand it?
3. Do you agree with the idea that customers are more empowered than they were before digital communications were so prevalent? Justify your answer

Further Reading

[Seth Godin's popular blog](#) provides regular insight and food for thought.

[Smithery](#) – A marketing and innovation blog that teaches marketers to ‘Make Things People Want, rather than spend all their energy and resources trying to Make People Want Things’.

[GigaOM's community of writers](#) covers a wide range of technological copies.

Positioning: The Battle for Your Mind – This book by Ries & Trout published in 2002 offers excellent advice claiming space in the minds of consumers

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Figure acknowledgments

Figure 1. Adapted from Noesis Marketing, 2011. www.noesismarketing.com/building-a-brand-pyramid

Figure 2. Adapted from Brilliant Noise, 2012. brilliantnoise.com/blog/brilliant-model-the-loyalty-loop/#more-3873

Figure 3. Adapted from Porter, 2008.

Figure 4. Stokes, 2013.

Figure 5. Adapted from Kaushik, 2010. www.kaushik.net/avinash/digital-marketing-and-measurement-model

Figure 6. Vet's now Logo. www.vets-now.com

Figure 7. goo.gl/EtfeS4

3.

UNDERSTANDING CUSTOMER BEHAVIOUR

Learning Objectives

In this chapter, you will learn:

- Conceptual tools for understanding your customer
- Key concepts for thinking about your target audience
- Some Behavioural economic theories
- How digital has affected customer behaviour

Introduction

Although marketing is a business function, it is primarily an exercise in applied human psychology. The role of marketing is to address customer needs and provide value. In either case, success requires a nuanced understanding of how people think, process and choose within their environment.

To achieve this, one must strike a balance between awareness of global shifts and impacts on people's behaviour and the fiercely intimate motivations that determine where individuals spend their time and money. This chapter outlines an approach for understanding customer behaviour and introduces some conceptual tools used to frame and focus how you apply that understanding to your marketing efforts.

Key Terms and Concepts

Term	Definition
Attention economy	The idea that human attention is a scarce commodity i.e. seeing attention as a limited resource.
Customer experience map	A visual representation of the customers' flow from beginning to end of the purchase experience, including their needs, wants, expectations and overall experience.
Customer persona	A detailed description of a fictional person to help a brand visualise a segment of its target market.
Global citizen	A person who identifies as part of a world community and works toward building the values and practices of that community.
Tribe	A social group linked by a shared belief or interest.
Product	An item sold by a brand.
Story	A narrative that incorporates the feelings and facts created by your brand, intended to inspire an emotional reaction.

Understanding Customer Behaviour

The study of consumer behaviour draws on many different disciplines, from psychology and economics to anthropology, sociology and marketing. Understanding why people make the decisions they do forms part of a complex ongoing investigation.

Marketing and product design efforts are increasingly focusing on a customer-centric view. Rather than making people want stuff, successful organisations are focused on making stuff people want. Given the plethora of options, product or service attributes, pricing options and payment choices available to the connected consumer today, competition is fierce and only the considered brand will succeed. Understanding the consumers' behaviour lies at the heart of offering them value.

Consider that no point of engagement with your brand occurs in isolation for your customer. Their life events, social pressures and motivations impact on their experience with your brand. Something happened before and after they bought that box of cereal and their experience with it does not start or end at the point of sale.

Key Digital Concepts Influencing Customer Behaviour

The Impact of Digital

Digital disruption, which is discussed throughout this book, can appear in many small and large ways. If there's

one thing the past 10 years has taught us, it's that there is constant disruption and upheaval in the digital world. How we communicate with one another, how we shop, how we consume entertainment and ultimately how we see ourselves in the world, have all changed because of digital. And these changes are continuing, even accelerating.

One of the results of digital tools and media is a destabilising of the status quo. All industries are vulnerable to change when a product or service comes along that meets user needs in an unprecedented way. Netflix has disrupted the media industry; Airbnb has changed travel; and Uber has dramatically impacted what individuals can expect from transport options.

Consider that people born after 1985, more than half the world's population, have no idea what a world without the Internet is like. They only know a rapid pace of advancement and some tools that serve them better than others.

The Internet seeks no middlemen. Established industries or organisations can be bypassed completely when people are placed in control. Your customers can find another option with one click and are increasingly impatient. They are not concerned with the complexity of the back end. If Uber can offer them personalised cash-free transportation, why can't your product offer something comparable? People will use the service that best serves them, not what best serves an industry or existing regulations.

The Global Citizens and their Tribe

Coupled with these empowered digital consumers, who are changing digital and driving disruption as much as digital is changing them, is the contradiction evident in the relationship between a global citizen and increasingly fragmented and differentiated tribes built around interests. National identity, given global migration and connectivity, has shifted as the world has gotten smaller. On the other hand, the Internet has created space for people to create, form, support and evolve their own niche communities. This duality forces marketers to keep cognisant of global shifts while tracking and focusing on niche communities and specific segments within their market.

The Attention Economy

The attention economy is a term used to describe the large number of things competing for customer attention. Media forms and the mediums through which they can be consumed have exploded over the last decade and it's increasingly difficult to get the attention of those you are trying to reach. Your customer is distracted and has many different things vying for their attention.

Tools for Understanding your Customer

Despite the complexity of the customer landscape, various tools and frameworks are available to consider your customer. The goal with many of these is to inform your decision making and help you think from the perspective of your customer.

Developing User Personas

To understand all your customers, you must have an idea of who they are. While it's impossible to know everyone who engages with your brand, you can develop representative personas that help you focus on motivations rather than on stereotypes.

A user persona is a description of a brand-specific cluster of users who exhibit similar behavioural patterns in, for example, their purchasing decisions, use of technology or products, customer service preferences and lifestyle choices. We will revisit the user persona at multiple points during this course, as it shouldn't be seen as an end in itself.

A user persona is a consensus-driving tool and a catalyst that can be applied when you try to understand your entire customer experience, or when you decide on the implementation of specific tactics. Every organisation should have four to five user personas to help strategists target their efforts.

To create a user persona and inform decisions with your customers' point of view, one must prioritise real information over your team's assumptions and gut feelings.

Desktop research, drawn from sources such as existing reports and benchmarking studies, help you to frame the questions you need to ask when delving deeper into the data available to you elsewhere through online platforms like your website or social media presence. The Internet provides an increasing number of viable alternatives to offline primary research.

A combination of habits and specific needs are combined into a usable overall picture. A key feature of the user persona below is how it accounts for customer motivation. Summer is driven by emotion, rich storytelling and social belonging. This knowledge should drive how the brand communicates with her and how her brand experience is tailored to make her feel like part of a community.



Figure 1

To build a robust user persona, you should consider the demographics, psychographics and motivators for your customers.

Demographics and Psychographics

Understanding customers can involve two facets:

1. Understanding the physical facts, context and income of their 'outer world' i.e. their demographics
These include their culture, sub cultures, class and the class structures in which they operate, among other factors.
2. Understanding the motives, desires, fears and other intangible characteristics of their 'inner world' i.e. their psychographics.

Here we can consider their motives, how they learn and their attitudes.

Both facets above are important, though some factors may be more or less prominent depending on the product or service in question. For example, a women's clothing retailer needs to consider gender and income as well as feelings about fashion and trends equally, while a B2B company typically focuses on psychographic factors, as their customers are linked by a job function rather than shared demographics.

Demographics can be laborious to acquire but are generally objective and unambiguous data points that change within well-understood and measurable parameters. For example, people get older, incomes increase or decrease, people get married or have children. Data sources like censuses, surveys, customer registration forms

and social media accounts are just a few places where demographic data can be gathered either in aggregate or individually.

Psychographics, on the other hand, are fluid, complex and deeply personal because, after all, they relate to the human mind. This information is very hard to define, but when complementary fields work together, it's possible for marketers to uncover a goldmine of insight.

Understanding Motivation

People make hundreds of decisions every day and are rarely aware of all of the factors that they subconsciously consider in this process. That's because these factors are a complex web of personal motivating factors that can be intrinsic or extrinsic and positive or negative.



Figure 2

Extrinsic Motivators

Extrinsic factors are external, often tangible, pressures, rewards, threats or incentives that motivate us to take action even if we don't necessarily want to. For example, a worker in a boring or stressful job may be motivated to keep going by their pay check and drivers are motivated to obey traffic rules by the threat of getting a fine or hurting someone.

Marketing often uses extrinsic motivators to provide a tangible reward for taking a desired action. Some examples include:

- Limited-time specials and discounts, where the customer is motivated by a perceived cost saving and the urgency of acting before the offer is revoked.
- Scarcity, where the limited availability of a product or service is used to encourage immediate action.
- Loyalty programmes, which typically offer extrinsic rewards like coupons, exclusive access or free gifts in

exchange for people performing desired behaviours.

- Ancillary benefits, such as free parking at the shopping centre if you spend over a certain amount at a specific store.
- Free content or downloads in exchange for contact details, often used for subsequent marketing activities.

For example, Booking.com uses a range of extrinsic motivators to encourage customers to book quickly, including a price discount exclusive to their site and urgency through the use of the words “High demand”, “Only three rooms left” and, “There are two other people looking at this hotel”. All of these factors nudge the customer to book quickly to avoid missing out on what is framed as a limited-time opportunity.

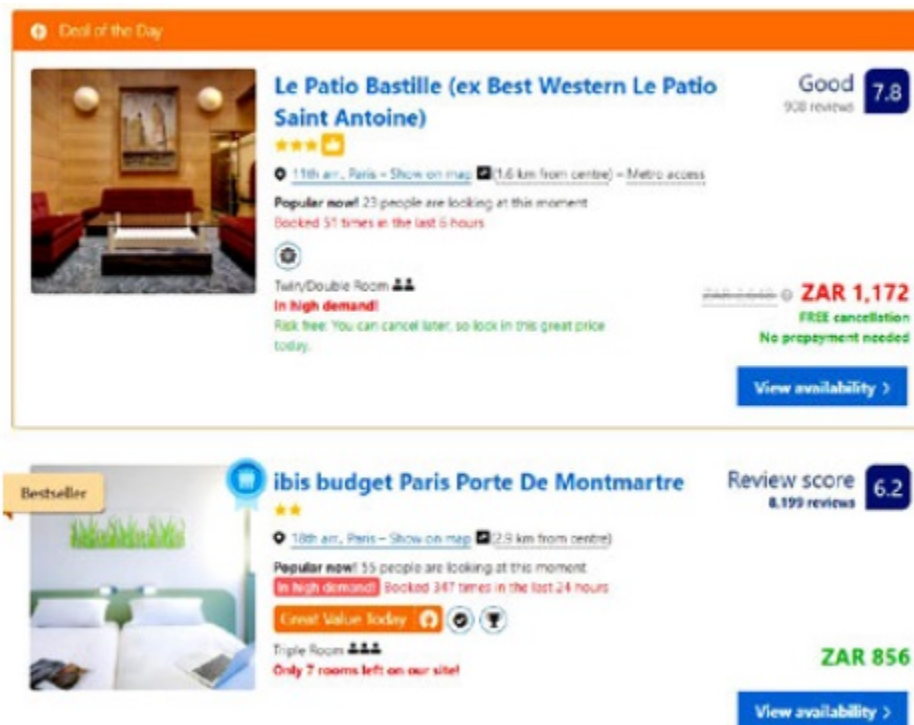


Figure 3. A screenshot of Booking.com using extrinsic motivators.

The problem with extrinsic motivation is that a customer can often perform the desired action to get the reward or avoid the threat without fully internalising the meaning or marketing message behind the gesture. Or worse, the required action becomes ‘work’ which diminishes the enjoyment of the task and the reward.

For example, some people will swipe in at the gym with their membership card to avoid losing their access, but won’t actually exercise. Some might log in to a website every day to accumulate points without actually looking at the specials on offer.

Kohn (1993)¹ summarised the three risks of extrinsic rewards as:

1. “First, rewards encourage people to focus narrowly on a task, to do it as quickly as possible and to take few risks.
2. Second, people come to see themselves as being controlled by the reward. They feel less autonomous and this may interfere with performance.
3. Finally, extrinsic rewards can erode intrinsic interest. People who see themselves as working for money, approval or competitive success find their tasks less pleasurable and therefore do not do them as well”.

Intrinsic Motivators

Somebody who is intrinsically motivated performs an action for an intangible benefit simply because they want to, or for the pleasure, fun or happiness of it. Intrinsic motivators are much subtler and more difficult to quantify, but are also more powerful and longer-lasting drivers of human behaviour.

Some common forms of intrinsic motivation include:

- **Love** – not just romantic love, but also the love of an activity or outcome.
- **Enjoyment and fun** – few intrinsic motivators are as powerful as the desire to have a good time.
- **Self-expression** – some people act in a certain way because of what they feel the action says about them.
- **Personal values** – values instilled through cultural, religious, social or other means can be powerful motivators.
- **Achievement or competence** – when people challenge themselves, take a meaningful personal risk, or attain a long-desired goal, they are acting because of an intrinsic motivation.
- **Negative intrinsic motivators** – fear, embarrassment and inertia are some powerful drivers that rely on negative emotions.

Finding the Right Motivators

Many brands develop elaborate marketing campaigns with gimmicks and rewards, but find that these fall flat. Often this is because of a misunderstanding of the motivators that drive customers to take action in the first place. Marketers tend to overvalue how much people like, understand and care about brands, which can lead to a disconnection from the audience.

The most important factor to consider in choosing a customer motivator is relevance to the customer, to the brand and to the campaign. Ask yourself, “Is the incentive you are offering truly relevant and useful?”

1. _____

Most complex human actions involve a combination of factors. For example, we work because of the external pressure to earn money and some also get an intrinsic reward in the form of achievement, self-expression or making a difference in the world. Both factors are important and if one is missing, the other needs to compensate strongly for this. For example, interns who work for free to get ahead quickly in their careers; people who are paid more to stay in a difficult or unfulfilling job.

The success of your customer persona will depend on how carefully you interrogate assumptions about your customer, how carefully you draw on research and how you prioritise understanding their motivations and the way decisions are made.

Decision Making and Behavioural Economics

One significant shift in understanding customers over the past few years has come from the fields of psychology and economics. This area of inquiry, behavioural economics, looks at what assumptions or behaviours drive decision making. An understanding of individual motivations and interactions between customers and your brand can help you cater to what your market really wants or needs.

As an example, industrial designer Yogita Agrawal designed an innovative and much-needed human-powered light for people in rural India. Although the product ingeniously took advantage of the locals' mobile lifestyle – the battery is charged through the action of walking – and the idea was well received, initially no one actually used the product. Agrawal eventually discovered the simple reason for this; the device had a plain, ugly casing that did not match at all with the vibrant and colourful local dress. When she added a colourful and personalisable covering to the device, usage shot up dramatically. Although she had found the big insight, that walking can generate energy to power lights in areas not served by the electrical grid, it took a further understanding of regional customs to truly make the device appealing.

If marketers can apply this insight to their strategies and campaigns, it means that they may be able to get more customers to take desired actions more often, for less cost and effort. This is the ideal scenario for any business.

Biases

Cognitive Biases

Cognitive biases are our own personal prejudices and preferences, as well as common ways of thinking that are inherently flawed. A classic example is confirmation bias, where we take note of information that confirms our beliefs or world view, but discount or ignore information that doesn't.

Try it for yourself! The next time you are driving or commuting, pay attention to all the red cars on the road. Does it begin to seem like there are more red cars than usual?

Category:	Bias:	Elaboration:
Information	Knee-jerk bias	Making a quick decision in a circumstance where slower, more precise decision-making is needed
	Occam's razor	Assuming that an obvious choice is the best choice
	Silo effect	Using a narrow approach to form a decision
	Confirmation bias	Only focusing on the information that confirms your beliefs (and ignoring disconfirming information)
	Inertia bias	Thinking and acting in a way that is familiar or comfortable
	Myopia bias	Interpreting the world around you in a way that is purely based on your own experiences and beliefs
Ego	Loss aversion bias	Tending to favour choices that avoid losses, at the risk of potential gains
	Shock-and-awe bias	Believing that our own intelligence is all we need to make a difficult decision
	Overconfidence effect	Having too much confidence in our own beliefs, knowledge and abilities
	Optimism bias	Being overly optimistic and underestimating negative outcomes
	Force field bias	Making decisions that will aid in reducing perceived fear or threats
	Planning fallacy	Incorrectly judging the time and costs involved in completing a task

Pricing Bias

There is also a lot of bias around the price of an item. Generally, we perceive more expensive to be better and we can actually derive more psychological pleasure from them, even if the cheaper alternative is objectively just as good.

A classic example of this is wine-tasting, where in repeated experiments participants agree that the more expensive wine tastes better where, in fact, all the wines were identical. Taken even further, however, researchers discovered that people tasting the more expensive wines actually had a heightened pleasure response in their brains, showing that researchers could generate more enjoyment simply by telling them they were drinking an expensive wine.²

Loss Aversion

One of the most powerful psychological effects is the feeling of loss, when something we possess is diminished or taken away. The negative feeling associated with loss is far stronger than the positive feeling of gaining the equivalent thing. In other words, we feel the pain of losing \$200 more acutely than the joy of gaining \$200.

Marketers can use loss aversion very effectively in the way they frame and execute marketing campaigns. Here is an example: giving a customer a free trial version of a service for long enough that it becomes useful or important to them at which point they would be happy to pay to avoid losing it. On-demand TV service Netflix uses this to great effect with its 30-day free trial, especially since they ask for credit card details upfront so that shifting over to the paid version is seamless.

Heuristics

A heuristic is essentially a decision-making shortcut or mental model that helps us to make sense of a difficult decision-making process or to estimate an answer to a complex problem.

Some classic examples include:

- [The availability heuristic](#) – we overemphasise the likelihood or frequency of things that have occurred recently because they come to mind more easily.
- [The representativeness heuristic](#) – we consider a sample to represent the whole, for example in cultural stereotypes.

2. (Ward, 2015)

- [The price-quality heuristic](#) – more expensive things are considered to be better quality. A higher price leads to a higher expectation, so this can work both to the advantage and disadvantage of marketers. For products where quality is measurable and linear, the price needs to correlate and a higher price needs to be justified tangibly. For products or services where quality is less tangible or more subjective such as food, drinks, experiences and education, in many ways the price can *heighten* the perceived quality and experience even on a neurological level.
- [Anchoring and adjustment heuristic](#) – we make decisions based on relative and recent information rather than broad, objective fact. In marketing, this can be used to steer customers to the package or offer that the brand most wants them to take.

Choice

How do people choose? This is a difficult question to answer because people decide based on irrational, personal factors and motivators, objective needs and their immediate circumstances.

Word of Mouth or Peer Suggestions

We are very susceptible to the opinions of other people and tend to trust the opinions of friends, family, trusted experts and ‘people like us’ over companies or brands. We are also much more likely to join in on an activity like buying a specific product if we see others like us doing it first. This is the notion of social proof. Human beings generally rely on early adopters to lead the way, with the vast majority waiting for a new product or service to be tested before jumping on board.

This is why many brands use spokespeople or testimonials. They act as a reassurance to the potential customer that other normal people actually experienced the benefits that were promised. This also highlights the importance of positive online word of mouth. As you will learn when we discuss the Zero Moment of Truth, people do extensive research online before important purchases and can have their minds swayed by the reviews, experiences and opinions of others who are often strangers.

Personal Preferences and History

Some of our decisions are based on very personal factors, such as a favourite colour, a positive past experience or a historical or familial association. For example, some people may choose to buy the same brand of breakfast cereal that they remembered eating as a child, regardless of the price or nutritional benefits. For them, the total experience and good feelings form part of the overall value they derive. This is why many brands place emphasis on their long and prestigious histories.

Habits

In other cases, we buy the same thing because we've always bought it and it's simply the easiest option.

Habits are typically triggered by an outside or environmental factor (the cue), which then causes us to act out our habit (the action) after which we receive a positive boost (the reward). This sequence is referred to as the habit loop.

In marketing, the goal is to get a customer to form a habit loop around purchasing or using the brand's offering. For example, many snack brands try to associate the environmental cues of hunger or boredom with their products such as Kit Kat's "Have a break" or Snickers' "You're not you when you're hungry" campaigns.

Loyalty programmes can play a key role in helping customers solidify a habit. For example, given the choice of two similar coffee shops on the morning commute to work, a person may be more inclined to visit the one offering a free coffee once they've collected a card full of stamps (even if that means going out of their way or paying a bit more for what is essentially a small discount). Eventually, the routine becomes set and it becomes easier to stick to the safe, familiar option.

Here are some examples from brands that encourage habit formation.

Brand	Cue	Routine	Reward
Starbucks	Walking to work in the morning	Get my regular coffee order	A caffeine hit and a friendly interaction with the barista
Nike	Mobile app reminder to go for a run	Put on Nike shoes, go to the gym	Endorphins, satisfaction at living a healthy aspirational lifestyle
Movie theatre	Smell of popcorn	Buy a snack set from the counter	Tasty snack, experiencing the 'full' movie-going experience

How do habits form? To create a habit, you need to perform a repeated action many times in a row. The harder the action such as going for a jog each morning, the longer and more consistently you need to practice the behaviour. Once the habit sets, it becomes a mental 'shortcut' that will take conscious effort to override in future.

Decision Load

Making decisions is hard even if the decision is a low-stakes, low-impact one. Generally, psychologists agree that we have a certain quota of decisions that we can make every day, after which subsequent decisions become harder and more taxing and often result in poorer outcomes called 'decision fatigue'. This is why leading

thinkers try to cut out as many trivial decisions as possible. Steve Jobs of Apple famously wore the same blue-jeans-and-turtleneck outfit every day to save himself making that one extra decision every morning.

This is also why we tend to subconsciously eliminate unnecessary decisions and stick to reliable, tested habits. This is especially true for the fast moving consumer goods (FMCG) sector. Consider your habits when buying toothpaste. Typically, you will purchase the same brand you always do without really thinking about it. Unless you had a terrible experience with the product, one toothpaste seems as good as the other, and there's no incentive to switch. You certainly won't pause for five minutes in front of the shelf each time to carefully study each option before making your decision. It doesn't matter enough to get the best one.

Now imagine that your usual brand is out of stock. Suddenly, instead of relying on the existing habit, you are forced to make the decision from scratch at which point marketing factors and price can play an important role. But, crucially, it is the experience that the new product delivers that will be the deciding factor. If the new toothpaste is similar or inferior to the usual brand, there's no incentive to change the buying habit.

Defaults

Providing a 'default option' can be a powerful decision-making shortcut, because it removes the need to make an active decision. Defaults work for a number of reasons.

- They offer a path of least resistance. The default setting is perceived to be the one that is good enough for most people and requires the least amount of thought and customisation. This is ideal for reducing effort.
- They serve as a social signal. The default is seen as the socially approved option. The presumption is that the majority will choose this and there is safety in aligning with the majority.
- They offer assurance. Similarly, we also presume that the default choice has been selected by an expert because of its merit to the end user.
- They take advantage of loss aversion. When it comes to sales and marketing, effective default packages typically include more products or services that are strictly needed to increase the value and therefore the price. This is done simply because opting for a more basic version involves the customer taking elements away and therefore suffering a loss. Once the default price has been anchored in the customer's mind, there is less incentive to remove unwanted elements, even if the price gets reduced. For example, when buying a new laptop, the customer may be offered a package deal that includes antivirus software, a laptop bag, a wireless mouse and other related accessories.

Choice Architecture

You can simplify your customers' decision-making processes by cleverly designing the choices you offer. This is called choice architecture.

While the following are guidelines only and should be tested thoroughly based on your own individual context, brand and customers, generally speaking a good choice architecture has the following characteristics:

- **A small number of choices, usually not more than five, though ideally three.** The smaller the number of options to choose from, the easier it is for the customer to distinguish the differences between the options and to avoid a feeling of missing out.
- **A recommended or default option.** Because people consider expert advice and social preferences when choosing, highlighting one option as ‘the mostpopular choice’ or ‘our top-selling package’ can direct people to the option you most want them to take.
- **A visual design hierarchy, typically using colour and size.** To make your preferred option stand out, one easy trick is to make it bigger and brighter than the options around it.

Mixpanel strongly emphasises its Business plan as the ideal choice. Not only is it highly emphasised compared to the surrounding options, it includes a ‘best value’ assurance.

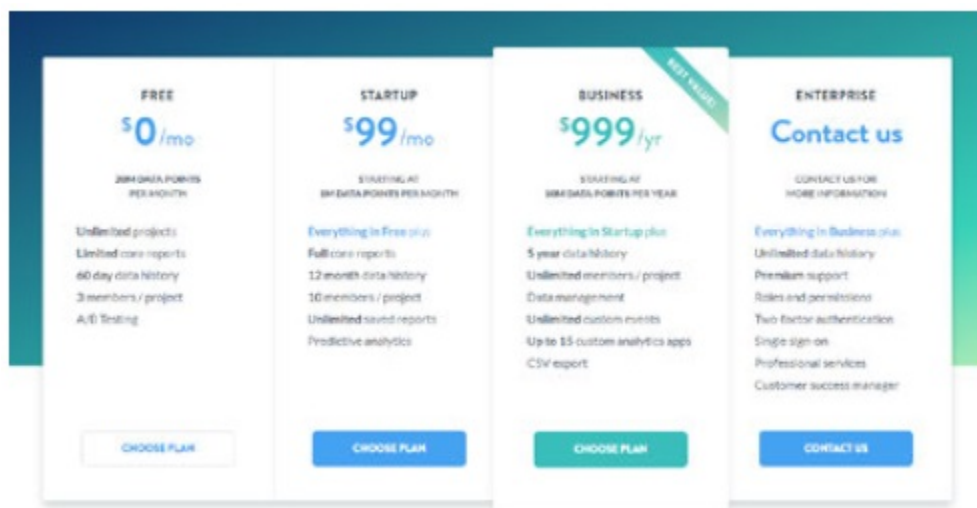


Figure 4

Customer Experience Mapping

Once you have carefully crafted personas to guide you around who your customer groups are, you need to understand how and where they are engaging with your brand. This is where customer experience mapping comes into play.

A Customer Experience map visually identifies and organises every encounter a customer has (or could have) with your company and brand. These interactions are commonly referred to as “touchpoints”.³

You can use it as a tool to map your entire customer experience, or to drill down into detail for particular parts of that experience. Examples include in-store purchasing or someone trying to buy something on your website.

The map should detail how customers are feeling at various points in their interaction with you and also highlight any pain points that they may be experiencing. Identifying these problems or dips in their experience presents opportunities for engagement and also helps to explain your customer behaviour in context.

Towards Creating your Map



FIGURE 5

Customer experience maps should vary from business to business, so one shouldn't just follow a blueprint. Consider the customer journey introduced in **Strategy and context**, taking someone from consideration through to purchase and hopefully loyalty. The experience map looks at the progression from consideration

through to post purchase in great detail and visually synthesises your customer's behaviour and motivations at every point of contact with your brand. Look at the example above, which includes some key sections:

- Phase – Where is your customer in their interaction with your brand?
- Doing, thinking, feeling – How does what they are feeling and doing vary from stage to stage?
- Channels – What channels or contact points are involved in facilitating this stage of their journey?
- Opportunities – What opportunities exist to solve pain points for your brand?

Measuring Success

The ultimate test of how well you understand your customers is evident in the success of your product or service. Targeted and relevant communications can only drive the sales of a relevant and well-positioned product.

Data on the success of your campaigns, from social media analytics through to site visits and customer service feedback, should both act as measures of success and feed into course correcting your marketing efforts or, where relevant, the nature of your actual product or service.

Every measure and data source discussed throughout the rest of this book should feed into your evolving picture of your customer. Personas and user-experience maps should be living documents and tools.

Case Study: Argos

One-line summary

Leading UK retailer Argos uses data analysis to deliver an overall year-on-year net margin increase of 170%.

The challenge

Argos wanted to increase the effectiveness of their budget and spending and increase revenue from paid search by 30%, without increasing the cost of sales.

The solution

Argos' marketing agency came up with a six-part strategy to achieve this goal:

1. It used predictive analytics models to forecast optimised budget spend and expected revenue for each day, week and month.
2. It aligned creative messages with stock and price changes to make sure the right ads were shown to the right people on the right device and at the right time.
3. It used a bespoke attribution model to measure the contribution that each click and keyword made to a sale.
4. It ran models to see how weather, location, seasonality and other factors caused changes in customer buying behaviour, then synchronised campaigns to those changes.
5. It adapted the messaging, scheduling and positioning of paid search ads to take advantage of expected traffic increases after the airing of a TV ad.
6. It changed the focus from revenue as a measure of success to profit as a measure of success, so instead of looking only at cost of sale, they examined net margin contribution to product sales.

By reviewing Google data, ROI targets, conversion rates and transactional data, they were able to build predictions for keywords related to over 50000 Argos products. Argos also used software to analyse data from customer-buying triggers like location, weather and TV ads.

Using this data, Argos and their marketing team was able to map season trends across all Argos products, including events like back to school, Argos catalogue launches, Easter, Christmas and more. Using this data, they could anticipate customer demand and predict changes in impressions, clickthrough rate, cost per click and conversion rate.

They used the same software to map weather-dependent products to weather-related digital campaigns for Argos, identifying the effects of temperature on each product all through the year. These seasonal and weather triggers were used in conjunction with daily weather forecasts for each region and store area to automate campaign adjustments and propose bid changes.

Finally, Argos aligned online marketing with TV ad broadcasts for both Argos and competitors, making changes in Google within seconds of an ad being broadcast. This enabled them to take advantage of people who use dual screens while watching TV. Daily diagnostic reports were provided to identify and correct any underperforming campaigns.

Results

The marketing agency delivered a 170% increase year-on-year net margin increase across all product categories. The increase was over 100% in all categories and in some categories as much as 900%. Other results included:

- Total annual revenue from search increased by 52% compared to the previous year
- PPC delivered a 46% increase on the previous year over Christmas
- Web traffic from PPC and Shopping increased by 33% on the previous year
- Cost of sales outperformed their target
- They lifted conversion rates and average order value
- The total number of orders via PPC increased by 31% (Forecaster, n.d).

The Bigger Picture

An understanding of your customer ties to absolutely everything you do in the marketing process. It should inform and drive strategy and aid in matching tactics to outcomes. Feedback on how well you've understood your customer can come from various digital channels, social media, conversion optimisation, CRM, data and analytics. While there are many sources of data, only when they are combined into a holistic picture can they help you get to the 'why' about your customers.

Summary

People have come to depend on and shape the digital channels that enable connection, individual interest and the disruption of industries. Your consumers are connected, impatient, fickle and driven by a number of motivations and contextual realities. Only through targeting and understanding specifically can you reach them and ensure the success of your brand. Some tools can help you paint a picture of your customers and their experience of your brand by depicting complex motivations, both external and internal. This enables real customer data and research and the ability to consider the complex and sometimes irrational influences on how people make decisions. Customer personas, customer experience maps and the field of behavioural economics can all help to shape your thinking and drive your approach.

Case Study Questions

1. Why did Argos need to use software for this campaign?
2. What kind of data was important for this campaign and how was it collected?
3. What can you learn from the campaign's use of big data?

Chapter Questions

1. What is behavioural economics?
2. What traps should you avoid when developing a consumer persona?
3. What is the relationship between a consumer experience map that maps your customers' entire journey and an experience map used in the user experience design discipline?

Further Reading

[This presentation](#) offers a good summary of the key topics and ideas within behavioural economics.

Eisenberg, B. and Eisenberg, J., 2006. [*Waiting for Your Cat to Bark: Persuading Customers When They Ignore Marketing.*](#)

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Figure acknowledgments

Figure 1. Profile with permission from Mirum, 2017. Image of person, Pixabay, 2018.

Figure 2. Own image.

Figure 3. Screenshot, Booking.com. Date: 23 January 2018. www.booking.com

Figure 4. Screenshot, Mixpanel, 2017. www.mixpanel.com/pricing

Figure 5. Used with permission from Mirum, 2017.

4.

MARKET RESEARCH

Learning Objectives

In this chapter, you will learn:

- Key concepts in conducting market research
- Several methods for conducting online research, including surveys, online focus groups and data sentiment analysis
- Possible problems and pitfalls to look out for when researching online

Introduction

The Internet is built for research. Whether it's a consumer shopping around for prices, a researcher exploring a topic or a fan looking up their favourite band, the Internet has provided new ways for gathering and analysing data.

Customers are able to research companies and products easily, gathering information to compare prices and services with a few clicks. Customers are also able to share likes and dislikes easily, whether that information is shared with companies or with friends.

As a result, brands can study who their customers are, what they are interested in, how they feel about the brand and the best times and places to engage with them. Insights can be gathered from ongoing market research, making it possible to course correct and apply data-driven decision making. This chapter will focus on tools and methodologies for gathering useful data.

Term	Definition
Bounce rate	The number of people who view one page and then leave a website without viewing any other pages. Data statistics and facts collected for analysis.
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.
Focus group	A form of qualitative research where people are asked questions in an interactive group setting. From a marketing perspective, it is an important tool for acquiring feedback on new products and various topics.
Hypothesis	A supposition that is tested in relation to known facts; a proposition based on reason but not necessarily assumed to be true.
Listening lab	A testing environment where the researcher observes how a customer uses a website or product.
Observation/ online ethnography	When researchers immerse themselves in a particular environment in order to gather insights.
Primary research	The collection of data to present a new set of findings from original research.
Qualitative data	Data that can be observed but not measured. Deals with descriptions.
Quantitative data	Data that can be measured or defined. Deals with numbers.
Research community	A community set up with the intention of being a source for research.
Research methodology	Methods employed in research to reach results.
Sample size	The number of respondents in a sample of the population.
Secondary research	The collection of existing research data.
Sentiment	The emotion attached to a particular mention which is positive, negative or neutral.
Statistically significant	A sample that is big enough to represent valid conclusions.

The Importance of Market Research

The modern world can feel unpredictable. It is increasingly difficult to keep up with trends, customer needs, popular opinions and competitors. So, how can you keep your brand and products relevant to ensure you are meeting your customers' needs?

The answer is to conduct market research. Market research helps you make informed business decisions. It involves systematically gathering, recording and analysing data about customers, competitors and the market

and turning this data into insight that can drive marketing strategies, product design and positioning and communications strategies.

Online market research is the process of using digital tools, data and connections to glean valuable insights about a brand's target audience. In other words, it's the process of learning about your audience by engaging and observing them online. Technology plays a key role in gathering data and connecting with research participants and can make the whole process quicker and easier to manage than traditional offline research methods.

Traditional and online market research have the same goals and underlying principles, but online market research has the benefit of using digital technology, which provides a range of benefits:

- The Internet is always on, meaning that data is readily available at any time.
- Many of the processes for finding, gathering and storing data can be automated. For example, you can get an automatic email alert if someone mentions your brand, or you can set up self-administered digital surveys.
- You have access to a large number of participants around the world at the click of a button. A lot of the information you will use is already being automatically collected, such as web analytics and social media data. All you need to do is access it.

People are often happy to share their own research, insights and methodologies online, so you can access this trove of resources to inform your own research.

Online market research can be much more cost effective and quick to set up than traditional research techniques.

There are many reasons why you should conduct regular market research.

- To gain insights into your consumers. This can include:
 - What customers want and need from your brand
 - What customers like and dislike about the brand
 - Why customers buy the brand's products or services
 - Why potential customers might choose your brand over another
 - Why (or why not) customers make repeat
- Understand the changes in your industry and business
- Discover new market trends on which you can capitalise
- Find new potential sales avenues, customers, products and more
- Find and engage new audiences
- Allow customers to help steer your business.

If you are able to understand your customers and the greater business context, you will be able to market more effectively, meet their needs better and drive more positive sentiment around your brand. All of this adds up to happier customers and, ultimately, a healthier bottom line.

Key Concepts in Market Research

While the research field can be full of complex terminology, there are four key concepts to understand before conducting your own research:

1. Research methodology
2. Qualitative and quantitative data
3. Primary and secondary research
4. Sampling.

Research Methodology

Research methodology refers to the process followed in order to conduct accurate and valuable research. The research process should involve certain steps:

1. Establish the goals of the project
2. Determine your sample
3. Choose a data collection method
4. Collect data
5. Analyse the results
6. Formulate conclusions and actionable insights (for example, producing reports).



FIGURE 1

Most often, market research is focused around specific issues unique to a business or brand. It is therefore not always possible to freely obtain comparable information to aid decision making. This is why it can be useful to start from a specific research problem or hypothesis when kicking off a research project. Your research question should guide your entire process and will determine your choice of data collection method. We will discuss more on those later.

Another approach involves ongoing data collection. As discussed in the Data-driven decision making chapter, unbiased decision making is far more accurately driven when aided by market insight. Many have argued that less expensive, ongoing data collection is increasingly a route proven to be useful to organisations.

Primary and Secondary Research

Research can be based on primary data or secondary data. Primary research is conducted when new data is gathered for a particular product or hypothesis. This is where information does not exist already or is not accessible and therefore, needs to be specifically collected from consumers or businesses. Surveys, focus groups, research panels and research communities can all be used when conducting primary market research.

Secondary research uses existing, published data as a source of information. It can be more cost-effective than conducting primary research. The Internet opens up a wealth of resources for conducting this research. The data could have originally been collected for solving problems other than the one at hand, so they may not

be sufficiently specific. Secondary research can be useful for identifying problems to be investigated through primary research.

The Internet is a useful tool when conducting both primary and secondary research. Not only are there a number of free tools available when it comes to calculating things such as sample size and confidence levels (see section 4.7 on Tools of the trade for some examples), but it is also an ideal medium to reach large numbers of people at a relatively low cost.

The Internet and Secondary Research

Research based on secondary data should precede primary data research. It can be used in establishing the context and parameters for primary research.

Secondary data can:

- Provide enough information to solve the problem at hand, thereby negating the need for further research
- Provide sources for hypotheses that can be explored through primary research
- Provide information to inform primary research, such as sample sizes and audience
- Be used as a reference base to measure the accuracy of primary research.

Companies with online properties have access to an abundance of web analytics data that are recorded digitally. These data can then be mined for insights. It's worth remembering, though, that it's usually impossible for you to access the web analytics data of competitors. Therefore this method will give you information only about your own customers.

Customer communications are also a source of data that can be used, particularly communications with the customer service department. Committed customers who complain, comment or compliment are providing information that can form the foundation for researching customer satisfaction.

Social networks, blogs and other forms of social media have emerged as forums where consumers discuss their likes and dislikes. Customers can be particularly vocal about companies and products. This data can and should, be tracked and monitored to establish consumer sentiment. If a community is established for research purposes, the resulting feedback is considered primary data, but using social media to research existing sentiments is considered secondary research. The Internet is an ideal starting point for conducting secondary research based on published data and findings. With so much information out there, it can be a daunting task to find reliable resources.

The first point of call for research online is usually a search engine, such as [Google](#) or [Yahoo](#). Search engines usually have an array of advanced features, which can aid online research. For example, Google offers:

- [Advanced search](#)
- [Google Scholar](#)
- [Google Book Search](#)
- [Google News Archive](#)

Many research publications are available online, some for free and some at a cost.

Many of the top research companies feature analyst blogs, which provide some industry data and analysis free of charge.

Some notable resources are:

- [Experian Marketing Services](#)
- [PEW Research Center](#)(US data)
- [Neilson Analytics](#)

The Internet and Primary Research

Primary research involves gathering data for a specific research task. It is based on data that has not been gathered beforehand. Primary research can be either qualitative or quantitative.

Primary research can be used to explore a market and can help to develop the hypotheses or research questions that must be answered by further research.

Generally, qualitative data is gathered at this stage. For example, online research communities can be used to identify consumer needs that are not being met and to brainstorm possible solutions. Further quantitative research can investigate what proportion of consumers share these problems and which potential solutions best meet those needs.

Quantitative and Qualitative Data

Data can be classified as qualitative or quantitative. Qualitative research is exploratory and seeks to find out what potential consumers think and feel about a given subject. Qualitative research aids in identifying potential hypotheses, whereas quantitative research puts hard numbers behind these hypotheses. Quantitative research relies on numerical data to demonstrate statistically significant outcomes.

The Internet can be used to gather both qualitative and quantitative data. In fact, the communities on the web can be viewed as large focus groups, regularly and willingly sharing their opinions about products, markets and companies.

In robust research studies, both qualitative and quantitative research can be applied at different stages of the study. The main differences between quantitative and qualitative research are represented in Table 2 below.

	Quantitative	Qualitative
Data gathered	Numbers, figures, statistics objective data	Opinions, feelings, motivations, subjective data
Questions answered	What?	Why?
Group size	Large	Small
Data sources	Surveys, web analytics data	Focus groups, social media
Purpose	Tests known issues or hypotheses. Seeks consensus, the norm Generalises data	Generates ideas and concepts – leads to issues or hypotheses to be tested. Seeks complexity Puts data in context
Advantages	Statistically reliable results to determine if one option is better than the alternatives	Looks at the context of issues and aims to understand perspectives.
Challenges	Issues can be measured only if they are known prior to starting. Sample size must be sufficient for predicting the population	Shouldn't be used to evaluate pre-existing ideas. Results are not predictors of the population.

Both quantitative and qualitative research can be conducted online.

Web analytics packages are a prime source of data. Using data, such as search terms, referral URLs and internal search data, can lead to qualitative information about the consumers visiting a website. However, when data is measurable and specific, such as impressions and clickthrough rates, it leads to quantitative research.

Sampling

Qualitative research is usually conducted with a small number of respondents in order to explore and generate ideas and concepts. Quantitative research is conducted with far larger numbers, enough to be able to predict how the total population would respond.

You should ensure the sample is representative of the population you are targeting as a whole. If your business transacts both online and offline, be aware that using only online channels for market research might not represent your true target market. However, if your business transacts only online, offline channels for your market research are less necessary.

Because quantitative research aims to produce predictors for the total population, sample size is very important. The sample size needs to be sufficient in order to make statistically accurate observations about the population.

For example, if you have 4 000 registered users of your website, you don't need to survey all of them in order to understand how the entire population behaves. You need to survey only 351 users to get a sample size that gives you a 95% confidence level with a $\pm 5\%$ confidence interval. This means that you can be 95% sure your results are accurate within $\pm 5\%$.

There are several sample size calculators mentioned in section 4.7 on Tools of the trade.

Online Research Methodologies

There are many online market research methodologies. This chapter touches on three of the most popular and useful ones: surveys, online focus groups and social media monitoring.

Which methodology should you choose?

That all depends on a variety of factors, from your research question and purpose, to your budget and time. Here are some general pointers:

- **Surveys:** Ideal for collecting large amounts of quantitative data and some qualitative data. They are quick and easy to set up and can run automatically.
- **Online focus groups:** Ideal for engaging consumers and collecting qualitative data such as opinions, ideas and feelings about the brand. They require a larger time investment and a willing group of participants.
- **Online monitoring:** Ideal for collecting qualitative data on brand sentiment and can also provide some quantitative data around volume of interest in the brand. This data can be collected passively and there are several tools that can automate this.

Surveys

Surveys are questionnaires that contain a series of questions around a specific topic. Their purpose is to gather large volumes of quantitative data easily, though they can also collect some qualitative data.

Conducting surveys online allows for data to be captured immediately and data analysis can be performed easily and quickly. By using email or the Internet for conducting surveys, geographical limitations for collecting data can be overcome cost effectively.

Technology allows you to compile sophisticated and user-friendly surveys. For example, as opposed to indicating impressions on a sliding scale, respondents can indicate emotional response. Or the survey can be tailored depending on previous answers, such as questions being skipped if they are not relevant to the respondent.

You can run ongoing online surveys at minimal cost. Simple polls can be used in forums and on blogs to generate regular feedback. Website satisfaction surveys are also an easy way to determine the effectiveness of a website or marketing campaign.

One application of surveys is allows for instant feedback on questions or ideas from an existing community, such as a trusted group of thought leaders, your brand's social media fans, or a pre-created research community. Examples include Facebook polling apps and real-time mobile survey platforms.

Designing Surveys

How you design a survey and its questions will directly impact on your success. A survey can include any number and type of questions and more complicated questions should appear only once users are comfortable with the survey. Be careful that you do not introduce bias when creating questions by asking leading questions.

Example

Incorrect: We have recently introduced new features on the website to become a first-class web destination. What are your thoughts on the new site?

Replace with: What are your thoughts on the changes to the website?

In general, you will also find that you get more accurate answers when phrasing questions in the past tense than in the continuous tense.

Example

Incorrect: How many times a week do you buy take-away food?

Replace with: In the past month, how many times did you buy take-away food?

Marketing Survey
Answers marked with a * are required.

1 / 2 50%

Page One

The following is a quick survey about [Product X]. Please answer clearly and honestly. Your feedback is greatly appreciated!

1. In the past week, how many [Product X] advertisements have you seen?

☐ 0
☐ 1
☐ 2
☐ 3
☐ 4 or more

2. Where have you seen advertisements for [Product X]?

☐ Newspaper
☐ Magazine
☐ TV
☐ Internet
☐ Other (Please Specify)

3. What stuck out to you the most about the ads for [Product X]? What did you like or dislike about them?

4. Please choose how much you agree or disagree with the following statements about [Product X]:

	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
Advertisements are interesting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Claims in advertisements are believable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advertisements clearly show what is being offered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I plan to buy [Product X] in the future	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Exit **Next**

FIGURE 2

Types of Survey Questions

1. Open-ended

Open-ended questions allow respondents to answer in their own words. This usually results in qualitative data.

Example

What features would you like to see on the website for the digital marketing textbook (www.redandyellow.co.za/courses/textbook-digital/)?

2. Closed

Closed questions give respondents specific responses from which to choose. These are typically multiple-choice questions with either one or multiple possible answers. This results in quantitative data.

Example

Do you use the digital marketing textbook website? Yes

No

OR:

What features of the digital marketing textbook website do you use? Tick all that apply.

Blog

Free downloads

Case studies

Additional resources

3. Ranked or Ordinal

These types of questions ask respondents to rank items in order of preference or relevance. Respondents are given a numeric scale to indicate order. This results in quantitative data.

Example

Rate the features of the digital marketing textbook website, where 1 is the most useful and 4 is the least useful.

Blog	Free downloads
Case studies	Additional resources

4. Matrix and Rating

These types of questions can be used to quantify qualitative data. Respondents are asked to rank behaviour or attitude.

Example

Rate the features of the digital marketing textbook website according to the following scale:

1 = love it, 2 = like it, 3 = no opinion, 4 = dislike it.

Blog	Free downloads
Case studies	Additional resources

Focus Groups

Online focus groups involve respondents gathering online and reacting to a particular topic. Respondents can be sourced from all over the world and react in real time, arguably being freer with their responses since they can be anonymous in an electronic environment.

Online focus groups are ideal for having frank, detailed conversations with people who have an interest in your brand. This means they result in primary, qualitative data. This information can then be used to create quantitative research questions.

Online focus groups can be conducted using a range of technologies. The simplest is to use a text-based messaging program or online forum; there are many options available. More sophisticated tools allow for voice or video conferencing and can make it easier for the researcher to pick up clues from the respondent's voice and facial expressions. Some tools allow the researcher to share their desktop screen with respondents in order to illustrate a concept or question.

Good options for conducting online focus groups include:

- [Google Hangouts](#)
- [Skype](#)
- [GoToMeeting](#)

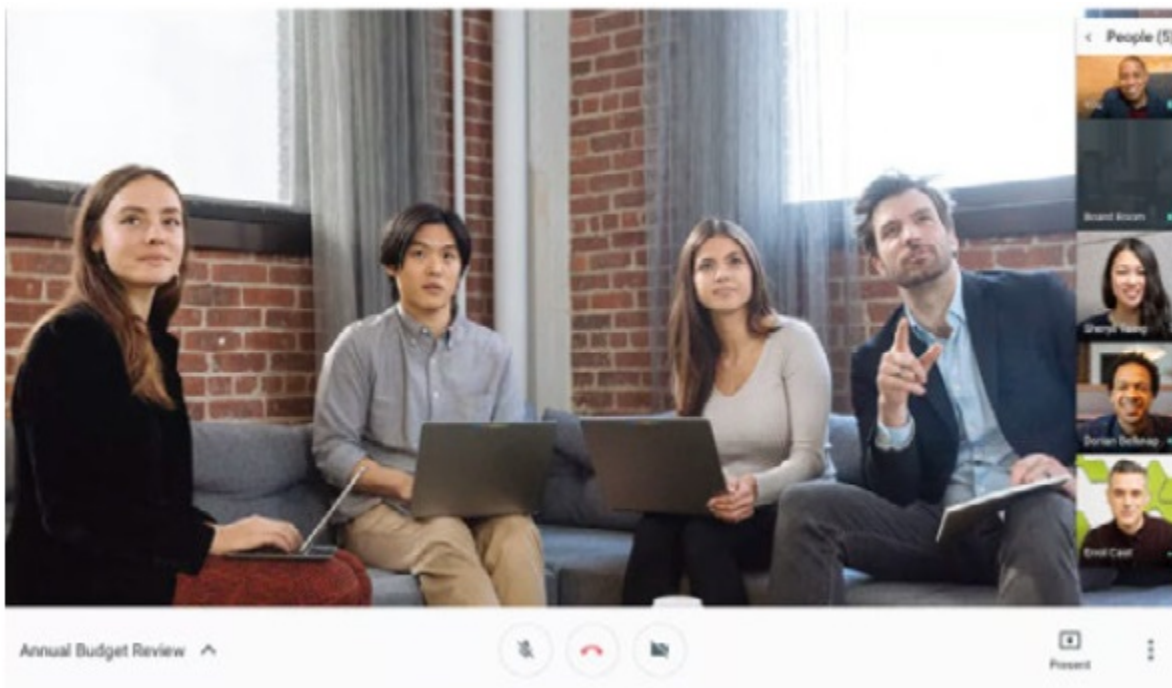


FIGURE 3

Focus groups are less formal than surveys, meaning the researcher will have specific questions to ask, but the conversation usually grows and develops organically as participants discuss their impressions. Usually running for between one and two hours, focus groups are used to get consumer views on:

- New products or marketing campaigns
- Existing products and campaigns and how they can be improved
- Sentiment around the brand
- Views on a brand's new direction or visual style
- Ideas for how the brand could improve its position or branding.

Online focus groups are excellent for collecting a lot of qualitative data quickly. When setting up the group, try to include enough participants to keep the conversation alive, but not too many so that some get drowned out by others, eight to ten is a good range. Also consider that you may run into technical troubles if people are connecting from different locations and Internet connections. Be prepared to do some basic troubleshooting if this happens.

There are a number of different ways that you can recruit participants for an online focus group. This could include inviting people from your existing customer database, going through a traditional market research recruiting agent, or putting a call out on your website or social media communities. It is common practice to offer a small incentive to people who participate in a focus group, as it is a fairly time-intensive activity.

Sentiment Analysis

Finding out if people are talking about you is quite difficult in the offline world, but almost effortless online. Rather than having to conduct real-world surveys and interviews, in the digital world you can simply 'listen' to the conversation happening about you.

Keywords – the foundation to categorising and indexing the web – make it simple to track conversations taking place online. Customers don't always use channels designated by a company to talk about that organisation, but the good news is that the Internet makes it easy for a company to identify and use the channels that customers have selected.

Online tools allow a company to track mentions of itself, its staff, its products, its industry and its competitors or anything else that is relevant. This is called online monitoring, online listening, or data sentiment analysis. It involves using digital tools to find and tap in to existing conversations. The tool then gathers and collates all the mentions it finds, so that you can analyse the data for insights.



FIGURE 4

Typically, searches include the following main focus areas:

- Company
- Brand name
- Key products
- Key personnel (names, job titles, etc.)
- Key campaigns and activities
- Industry
- Conferences
- Patents
- News
- Competitors
- Brand names
- Product launches
- Website updates
- Job vacancies
- Key people.

There are four different types of searches you can perform to track relevant brand keywords. Each modifies the specific type of data collected and aims to improve the quality and depth of the data you gather.

The four operators are:

1. **Broad match** – for example, Apple Computers. This is when any of or all words must be found in the mention.
2. **Direct match** – for example, “Apple Computers”. This is denoted by quotation marks and dictates that the tool should find mentions only where the phrase appears complete and in order in the content.
3. **Inclusive match** – for example, Apple +computers. This is denoted by a plus sign directly before a word or phrase. This will direct the tool to search for any mention that contains both Apple AND computers, although not necessarily in that order.
4. **Exclusive match** – for example, Apple –fruit. This is denoted by a minus sign directly before a word or phrase. This will instruct the tool to include only mentions that contain the first word or phrase but not when the second word is also in the same mention.

Combinations of these four types of searches (operators) can be used to improve accuracy.

Example

“Apple Computers” + “Steve Jobs” – fruit.

Applying this theory to the groupings above, some keywords used for Apple might be:

Company

- “Apple computers”
- www.apple.com
- Apple +Macbook, “iPod Nano”, “Macbook Air”, “iTunes” +music –radio
- “Steve Jobs”

Industry

- “Consumer Electronics Show” + “Las Vegas”
- “CEBIT”

Competitors

- Microsoft
- www.microsoft.com

It is also important to track common misspellings and typos, all related companies and all related websites.

Tracking the names of people key to a company can highlight potential brand attacks, or can demonstrate new areas of outreach for a company.

Brand names, employee names, product names and even competitor names are not unique. To save yourself from monitoring too much, identify keywords that will indicate that a post has nothing to do with your company and exclude those in your searches.

For example, “apple” could refer to a consumer electronics company, or it could appear in a post about the health benefits of fruit. Finding keywords that will indicate context can help to save time. So, you could exclusive-match words such as “fruit”, “tasty” and “granny smith”.

Tools for Data Sentiment Analysis

Thankfully, online listening does not entail hourly searches on your favourite search engine to see what conversations are taking place online. There are many different tools that monitor the web and supply the results via email alerts or a web dashboard.

Google has several bespoke search services and periodically adds more to the list.

- [Google Alerts](#): Google Alerts will send an email when the keyword is used in either a credible news item or a blog post.
- [Google News](#): Google News searches all news items for mentions of a keyword.
- [Google Patent Search](#): Google Patent Search allows you to keep track of all filings related to an industry and searches can be done to see if there are patent filings which might infringe on other patents.
- [Google Video Search](#): Google Video Search relies on the data that have been added to describe a video and will return results based on keyword matches.

In addition to these mostly free tools, there are also a number of premium paid tools available to make the process easier and more robust. See section 4.7 on Tools of the trade for more suggestions.

NOTE: Free tools like those listed here can be very useful, if somewhat limited. For larger brands the investment in a paid tool is often worth it given the volume of conversation to be monitored.

Other Avenues for Online Research

Personal Interviews

There are various tools available to the online researcher for conducting personal interviews, such as private chat rooms or video calling. The Internet can connect a researcher with many people around the world and make it possible to conduct interviews with more anonymity, should respondents require it.

Observation/online Ethnography

Taking its cue from offline ethnography, online ethnography requires researchers to immerse themselves in a particular environment. In this way insights can be gathered that might not have been attainable from a direct interview. However, they do depend more heavily on the ethnographer's interpretation and are therefore subjective.

Online Research Communities

Although online communities are a valuable resource for secondary research, communities can also provide primary data. Sephora has an example of an online research community that helps gather research data. The community platform can be used as a means to elicit feedback about products and can generate ideas for new products. This is qualitative data that can aid the company in exploring their research problem further. In many cases, social media can be used to gather insight about a brand or customer experience. It is important to remember, however, that a representative sample is necessary for making solid conclusions.

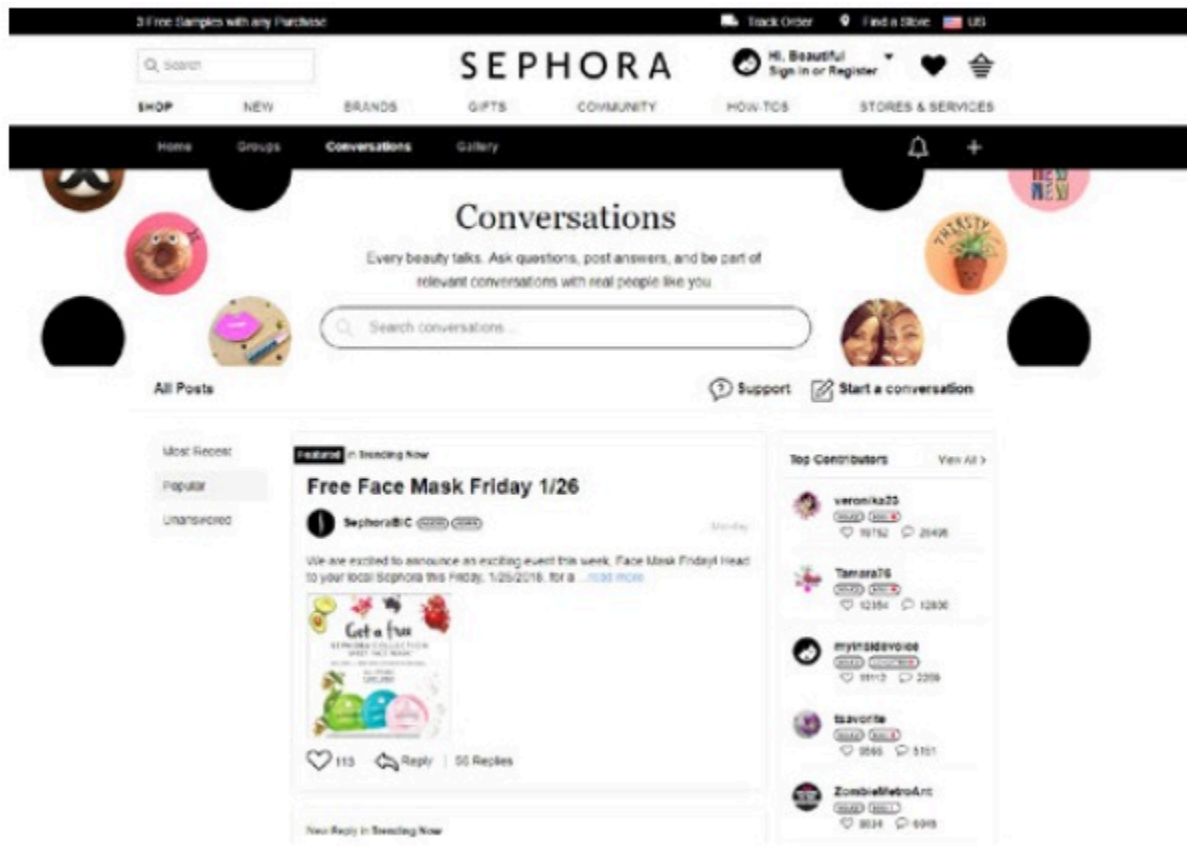


FIGURE 5

Listening Labs

When developing websites and online applications, usability testing is a vital process that will ensure the website or application is able to meet consumers' needs. Listening labs involve setting up a testing environment where a consumer is observed using a website or application.

Conversion Optimisation

Conversion optimisation aims to determine the factors of an advert, website or web page that can be improved in order to convert customers more effectively. From search adverts to email subject lines and shopping cart design, tests can be set up to determine what variables are affecting the conversion rate.

The **Conversion optimisation** chapter covers tools for running tests, such as A/B split testing and multivariate testing.

How to get responses: Incentives and assurances

As the researcher, you know what's in it for you when sending out a survey. You will receive valuable insights that will aid in making business decisions. But what is in it for the respondents?

Response rates can be improved by offering respondents incentives for participating in the research, such as a chance to win a grand prize, a discount or special offer for every respondent, or even the knowledge that they are improving a product or service that they care about.

Some researchers feel that monetary incentives are not always a good thing. Some respondents may feel that they need to give 'good' or 'correct' answers that may bias results. Alternatively, you may attract respondents who are in it just for the reward. One approach could be to run the survey with no incentive, with the option of offering one if responses are limited.

Designing the survey to assure respondents that a minimal time commitment is required and their privacy is assured can also help to increase responses.

Room for Error

With all research there is a given amount of error to deal with. Bias may arise during surveys and focus groups, for example, interviewers leading the respondents. Or bias may be present in the design and wording of the questions themselves. There could be sample errors or respondent errors. Using the Internet to administer surveys removes the bias that may arise from an interviewer. However, with no interviewer to explain questions, there is potential for greater respondent error. This is why survey design is so important and why it is crucial to test and run pilots of surveys before going live.

Respondent errors also arise when respondents become too familiar with the survey process. The general industry standard is to limit respondents to being interviewed once every six months.

Sample error is a fact of market research. Some people are just not interested, nor will they ever be interested, in taking part in research. Are these people fundamentally different from those who do? Is there a way of finding out? To some extent, web analytics, which track the behaviour of all visitors to your website, can be useful in determining this.

When conducting online research, it is crucial to understand who is in the target market and what the best way to reach that target market is. Web surveys can exclude groups of people due to access or ability. It is vital to determine if this is acceptable to the survey and to use other means of capturing data if not.

Justifying the cost of research

Regular research is an important part of any business' growth strategy, but it can be tough to justify the budget necessary for research without knowing the benefit. Conducting research can cost little more than an employee's work hours, depending on his or her skills, or it can be an expensive exercise involving external experts. Deciding where your business needs are on the investment scale depends on the depth of the research required and what the expected growth will be for the business. When embarking on a research initiative, the cost-to-benefit ratio should be determined.

Testing should be an ongoing feature of any digital marketing activity. Tracking is a characteristic of most digital marketing, which allows for constant testing of the most basic hypothesis: Is this campaign successful in reaching the goals of the business?

Tools of the trade

Creating and managing online surveys:

- [SurveyMonkey](#)
- [Google Forms](#): accessed through Google Drive
- [Split test calculator](#)
- [Sample size calculator](#):
- [Internet Usage World Stats](#):
- [Google Think](#)
- [Silverback usability testing software](#)
- [Mobile-based survey tools](#): (focused on the African continent), [Survey Swipe](#)
- [Idea Method Cards app](#) (ideas for qualitative research):
- Premium online monitoring tools: [BrandsEye](#), and [SalesForce Marketing Clou](#)

Advantages and challenges

Market researchers are increasingly turning to online tools in their research processes. The Internet allows for research at a far lower cost; it can also more easily cross geographic boundaries and can speed up the research process.

This is not to say there are not downsides. While the Internet makes it possible to reach a far larger group of people without the cost of facilitators, this does come with some challenges. For example, you cannot control the environments in which information is being gathered. For an online sample, it's important to

focus on getting the correct number of people to make your study statistically viable. If your questions are not carefully drafted, confusing questions could lead to answers that are flawed or not relevant. Additionally, online incentives could lead to answers that are not truthful, meaning that the value of the data could be questionable. Certain target groups are not accessible via the Internet and so it's important that you carefully consider who you are trying to reach.

The value of Internet research should by no means be discounted, but it is important to consider the nature of the study carefully and to interrogate the validity and legitimacy of the data as a valid representation. Data is meaningful only if it is representative, so be sure to establish goals and realistic expectations for your research.

Case study: Sentiment data mining predicts political outcomes

One-line summary

BrandsEye, is an opinion mining company based in South Africa that accurately predicted two significant political outcomes in 2016, outperforming traditional polling methods and showcasing the value of analysing social media analysis at scale.

The problem

The controversial referendum resulting in Britain leaving the European Union and the election victory for Republican nominee Donald Trump in the US presidential race in 2016, arguably came as surprises to the global community. This is largely due to the fact that the traditional polling methods used to predict the results of these separate national votes indicated that neither of these things would happen.

The Pew Research Centre listed a number of reasons for traditional polling methods falling short:

- Non-response bias: The sample population who took part in these polls were not representative of those who actually turned out to vote.
- Shy Trumper: Choosing to vote for Trump was not seen as socially desirable and so many would not admit to this in the poll.
- Failed voter turnout: Many people who planned to vote and stated their intentions in

polls, did not in fact do so (Press 2016).

The solution

BrandsEye's methodology, in both cases, accurately predicted the outcomes of these votes, because it relied on real-time organic conversations happening on multiple online platforms and used machine-learning and a crowd-sourcing approach to analyse the sentiment of the general conversation. Those who may have been reticent to take part in a poll, or to declare their political affiliations in official channels, did feel comfortable doing so on their own social media channels.

As explained on the BrandsEye website,

"...the traditional approach to social media analysis has been algorithmically driven, even though it is well known that machines fail to understand sarcasm and nuance, particularly in the social media context. With our unique crowd-sourcing approach to sentiment analysis, BrandsEye used people to understand the referendum commentary. Every online comment was independently analysed by several trained contributors to create a 95% confidence level with a 2.5% margin of error, an unheard of amount of precision in social media analysis".¹

1. (N.A, 2016)

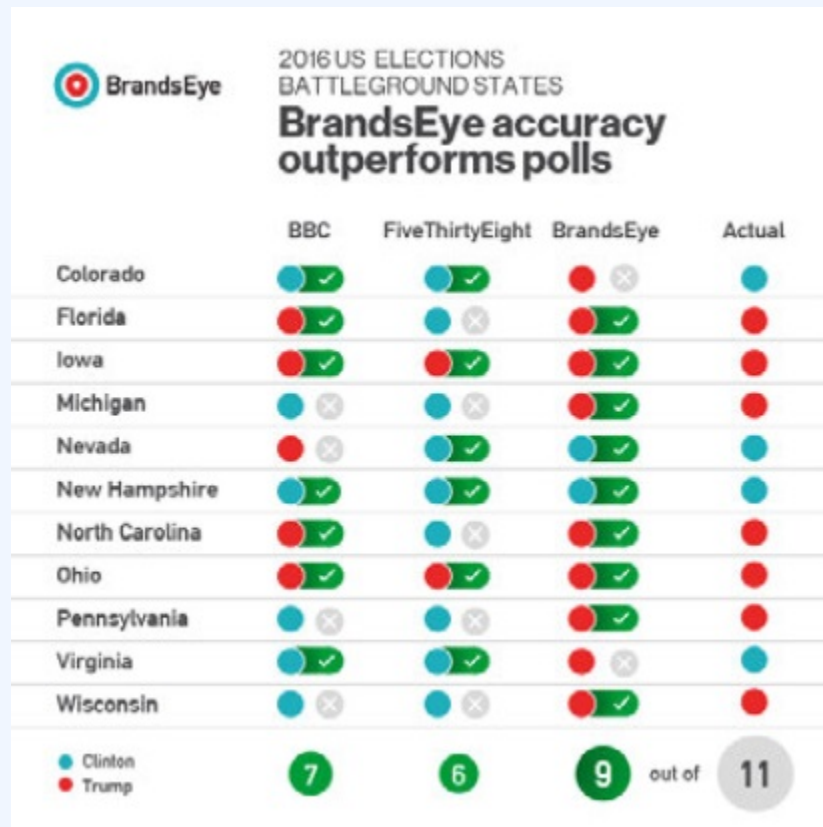


FIGURE 6

The results

The results speak for themselves. In contrast to traditional polling, BrandsEye's weighted average approach, matched the outcome of 9 of the 11 key swing states. As with Brexit, accurate social media analysis had once again proven to be the best way to understand the voice of the people. That voice is a human voice and BrandsEye's use of trained humans to efficiently and effectively understand the sentiment of millions of citizens was the key to unlocking how they truly felt.

As the world becomes more connected, differences between decision makers and their stakeholders are becoming more visible and volatile than ever. Traditional methods of understanding a broad group of people are breaking down because they can neither measure the intensity nor the commitment of the emotions. Sophisticated analysis of social media, however, offers a more reliable understanding of what is happening in today's world by

combining world class tech and human understanding to provide a window into how people really feel and the factors driving that emotion.

The bigger picture

Understanding your market is the foundation of every marketing activity, online or off. If you don't know who you're speaking to, or what your audience cares about, it's unlikely that your message will resonate with them.

Market research will define the content you create across channels like email marketing, digital copywriting, SEO and online advertising. It helps you find your audiences on social channels by indicating where they spend most of their time and how they like interacting with your brand. It also helps you meet their needs by defining the touchpoints they expect from your brand, especially when it comes to creating web and mobile channels.

The more data you can gather about your audience, the better you will be able to optimise and improve your marketing efforts. Market research is an excellent supplement to the quantitative data you can gather through data analytics.

Summary

Market research means gathering and analysing data in order to gain insight into consumers, understand a market and make business decisions. Information can be gathered about customers, competitors and the market.

Research can be conducted based on secondary data, which refers to information or data that is already published, or based on primary data, which is data gathered specifically for a particular research problem.

Research can also be qualitative or quantitative. The Internet provides the tools for gathering qualitative data, while online tools such as surveys and web analytics packages are ideal for gathering quantitative data.

Surveys, online focus groups and online monitoring are three excellent ways to conduct research online.

Analytics and online report tools play a big role in providing data. While these are digital marketing tactics in themselves and are covered later in this book, keep in mind that they also provide information that can feed into research conducted for a particular purpose.

Case Study Questions

1. What is sentiment data?
2. How could a tool like BrandsEye be used to gather information about your customers? Suggest some ideas.
3. Why was BrandsEye able to correctly predict the results of the national referendum on Brexit and the US Presidential Elections?

Chapter Questions

1. Discuss the relationship between the ideas discussed in the **Data-driven decision making** chapter and this one.
2. What is primary research?
3. What role does online research play in the overall market research toolkit?

Further Reading

Learn about probability sampling: [Research Methods Knowledge Base](#) by William M.K. Trochim on [Conjoint.ly](#)

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Figure Acknowledgements

Figure 1. Own image

Figure 2. Screenshot, www.surveymethods.com/Survey.aspx?id=ad3eb730-1d74-4e78-8d12-a3b7d52bfabf

Figure 3. Cnet, 2017. www.cnet.com/news/google-hangouts-meet-chat

Figure 4. Screenshot Sentiment analysis dashboard taken on 24 January 2018 app.powerbi.com/view?r=eyJrIjoiYjA1ZDNmYTctODE2OS00YTQ0LTliZDMtNzM5YzBmODk3NDQ5IiwidCI6ImI4ZGFhMmRILWMzZWUtNDdmYS04NGIzLWVhNzE5OGUyOGFiZCIsImMiOiZ9

Figure 5. Sephora Community Screenshot, 24 Jan 2018. community.sephora.com Figure 6. Brandseye, 2016. www.brandseye.com/news/how-bra

5.

SEARCH ENGINE OPTIMIZATION (SEO)

Learning Objectives

In this chapter, you will learn:

- How search engines work and how they deliver results
- How to plan, research and implement an effective keyword strategy across text and other content
- Techniques for link building, an essential aspect of SEO
- How specialised search, such as mobile, social and local search, can affect your rankings and how to optimise for these.

Introduction

With millions of people performing billions of searches each day to find content on the Internet, Google alone processes over 40 000 searches per second.¹ It makes sense that marketers want their products to be findable online. Search engines, the channels through which these searches happen, use closely guarded algorithms to determine the results displayed.

Determining what factors these algorithms take into account has led to a growing practice known as search engine optimisation (SEO).

SEO is the practice of optimising a website to achieve the highest possible ranking on the search engine results pages (SERPs). Someone who practices SEO professionally is known as an SEO (search engine optimiser).

1. (Internet Live Stats, 2017)

Google uses about 200 different factors in its algorithm to determine relevance and ranking (Dean, 2016). None of the major search engines disclose the elements they use to rank pages, but there are many SEO practitioners who spend time analysing patent applications to try to determine what these are.

Other types of websites that rely on search, like YouTube and Facebook, have their own algorithms. Facebook's News Feed algorithm, for example, uses around 100 000 factors to rank and sort content that appears in users' news feeds

SEO can be split into two distinct camps, white hat SEO and black hat SEO, with some grey hat wearers in between. Black hat SEO refers to trying to game the search engines. These SEOs use dubious means to achieve high rankings and their websites are occasionally blacklisted by the search engines. White hat SEO, on the other hand, refers to working within the parameters set by search engines to optimise a website for better user experience. Search engines want to send users to the website that is best suited to their needs, so white hat SEO should ensure that users can find what they are looking for.

NOTE: Take a look at this speculative list of Google's 200 algorithm factors from [BackLink](#).

Key terms and concepts

Term	Definition
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 search engine or user what an image is about and displaying the text in instances where the image is unable to load. Also called alt tag. Anchor text is the visible, clickable text in a link.
App store optimisation (ASO)	The process of optimising mobile and web applications for the specific web stores in which they are distributed.
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, get linking!
Canonical	In SEO, canonical refers to a definitive URL. The canonical version is the definitive version.
Domain name	The easy-to-read name used to identify an IP address of a server that distinguishes it from other systems on the World Wide Web: our domain name is redandyellow.co.za.
Flash	A technology used to show video and animation on a website. It can be bandwidth heavy and unfriendly to search engine spiders.
Heading tags	Heading tags (H1, H2, H3, etc.) are standard elements used to define headings and subheadings on a web page. The number indicates the importance so 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.

Home page	The first page of any website. The home page gives users a glimpse into what your site is about very much like the index in a book, or contents page in a magazine.
HyperText Markup Language (HTML)	Certain HTML tags are used to structure the information and features within a web page.
Hyperlink	A link in an electronic document that allows you, once you click on it, to follow the link to the relevant web page.
Internal link	A hyperlink on a website that points from one page to another on the same website domain.
Internet Protocol (IP) address	The Internet Protocol (IP) address is a unique number that is used to represent every single computer in a network.
Keyword frequency	The number of times a keyword or key phrase appears on a website.
Key phrase	Two or more words that are combined to form a search query are often referred to as keywords. It is usually better to optimise for a phrase rather than for a single word.
Keyword rankings	Where the keywords or phrases targeted by SEO rank in the search engine results. If your targeted terms do not appear on the first three pages, start worrying.
Landing page	The page a user reaches when clicking on a paid or organic search engine listing. The pages that have the most success are those that match up as closely as possible with users' search queries.
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.
Meta tags	Tags that tell search engine spiders exactly what a web page is about. It's important that your meta tags are optimised for the targeted keywords. Meta tags are made up of meta titles, descriptions and keywords.
Referrer	When a user clicks on a link from one site to another, the site the user has left is the referrer. 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.
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.
Search engine spiders	Programs that travel the web, following links and building up the indexes of search engines.
Universal Resource Locator (URL)	A web address that is unique to every page on the Internet.
Usability	A measure of how easy it is for a user to complete a desired task. Sites with excellent usability fare far better than those that are difficult to use.
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.

Core principles

Understanding SEO

Search engines need to help users find what they're looking for. To make sure, they list the best results first, looking for signals of:

- Popularity
- Authority
- Relevance
- Trust
- Importance.

NOTE: Want to see how search works? Check out [Google's How Search Works](#).

SEO, also called organic or natural optimisation, involves optimising websites to achieve high rankings on search engines for certain selected keywords. Generally, techniques used for optimising on one search engine will also help efforts across others.

SEO can be divided into two main strategies:

1. On-page optimisation, achieved by making changes to the HTML code, content and structure of a website, making it more accessible to search engines and by extension, easier for users to find.
2. Off-page optimisation, generally focused on building links to the website and covers activities like social media and digital PR.

NOTE: A good place to keep track of Google search algorithm updates is this handy resource from [Moz](#).

SEO is an extremely effective way of generating new business to a site. It is a continuous process and a way of thinking about how search engines see your website and how users use search engines to find your website. It's search psychology.

Search engine optimisation is a fairly technical practice but it can easily be broken down into five main areas:

1. A search engine friendly website structure
2. A well-researched list of keywords
3. Content optimised to target those keywords
4. Link popularity
5. User insights.

Search engine friendly website structure

Search engines encounter two kinds of obstacles:

1. Technical challenges that prevent the search engine spider from accessing content.
2. A competitive marketing environment where everyone wants to rank highly.

To ensure that search engines can access your content, you must remove technical barriers. Those who want to achieve the best results must follow best practices.

The key is to make sure that there are direct HTML links to each page you want the search engines to index. The most important pages should be accessible directly from the home page of your website.

The information architecture or, how content is planned and laid out, has important usability and SEO implications. Users want to find what they are looking for quickly and easily, while website owners want search engine spiders to be able to access and index all applicable pages. Google consistently points out that it wants users to have a good user experience. Content relevance, user engagement and user experience are all crucial to SEO (Martin, 2016).

There are times when user experience and SEO can be at odds with each other, but usually if you focus on building usable, accessible websites, then you have made them search engine friendly as well.

Another technical challenge to search engines is Flash. For the most part, search engines struggle to crawl and index Flash sites. There are some workarounds, but the best approach from an SEO perspective is to avoid building sites or delivering key content in Flash. Instead, use HTML5, which provides similar interactivity and visuals while remaining easily crawlable.

The chapter on Web development and design delves more deeply into building a search engine friendly website.

Voice search

As digital marketers, we must evolve with the times to stay effective. The ‘no interface trend’ refers to the way people want new, natural forms of interaction with technology. Consider Stephen Sandmann’s (2016) observation that, “Speech, gesture, touch and sight: truly intuitive technologies are set to transform your customer interactions forever”.

When people think of SEO, they usually think of only the traditional type of SEO, based on desktop and mobile Google search. SEO has evolved to be mobile-centric, which now includes voice search.

Many consumers use Google search on their mobile phones to find answers to their everyday questions. This means you can encourage your consumers to engage with your brand via voice search-accessed mobile search. The Google app allows a person's voice to access mobile Google search results on their smartphones. Google voice search is a default app in all of the latest Android smartphones.

Other voice search tools include Apple's Siri, Microsoft's Cortana and Amazon's Alexa.

Voice searches are usually made through mobile devices because of their on-the-go convenience factor which means that the mobile context will generally apply. This means:

- The user behaviour relating to voice search differs from traditional mobile search. This may seem obvious, but you have to make a conscious effort to accommodate voice search in your Mobile SEO strategy.
- In most cases, voice searches appear in the form of questions, such as, "What movies are showing at Brooklyn Mall?"
- Voice-derived search queries are also usually longer than the average traditional search query.

These differences should be factored into your content by adding local keywords that are geographically relevant and by writing content that answers common questions that your intended audience may ask.

The future

Google's revamped Google Now, called Google Now on Tap, is incredibly intuitive. Now on Tap is a Google voice search that has contextual awareness. When you do a search via Now on Tap, it scans your phone's screen and recent activities to help give it context for your search, thereby better answering your query to fill in the gaps of a vague search query. Google also makes use of a personal index of what you do on your Android phone as a means of learning more about you.

Siri and other voice search platforms are also making major headway in terms of technological advancements and additional predictive features. Voice search is here to stay and will become more widely used going forward.

Implementation

SEO and keywords

How do you start building your keyword list? It requires a little thought and a fair amount of research and insight, using tools that are readily available to help you grow and refine your list of keywords.

Keywords are the very foundation of search. When users enter a query on a search engine, they use the words they think are relevant to the search. The search engine then returns those pages it has calculated to be most relevant to the words the searchers used and, increasingly, the implied meaning of the search.

NOTE: Keyword or key phrase? These are usually used interchangeably to refer to single or multiple words used for optimising websites. We largely use 'keyword' in this book, but they are essentially the same.

Developers of search engines have built a sophisticated understanding of semantics and the way in which we use language. So, if a user searches for 'car rental', the search engine will look for pages that are relevant to 'car rental' as well as synonyms like 'car hire', 'vehicle hire' and so forth. Search engines have also built up knowledge around common misspellings, typos, synonyms and related searches.

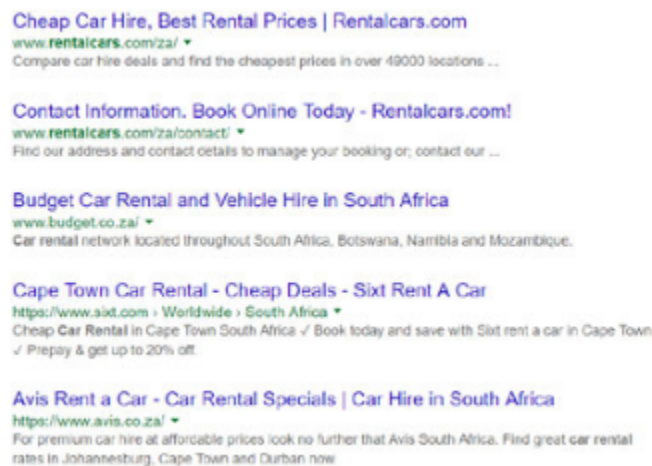


Figure 1. Google delivers search results for logical synonyms.

It is crucial that you implement keywords that are likely to be used by target audiences. Websites need to appear when potential customers are searching for them. A large part of keyword research is understanding search psychology. When we build our keyword lists, we are tapping into the mental process of searchers and putting together the right mix of keywords to target.

There are four things to consider when choosing a keyword:

1. Search volume

How many searchers are using that phrase to find what they want? For example, there is an estimated monthly search volume of over 338 million for the keyword ‘hotel’, but an estimated 6 600 searches per month for a keyword such as ‘Cape Town Waterfront hotel’.

If you’re researching keywords using the Google AdWords Keyword Planner, note that it reports only on paid search volume, not on total volume. Also, Google has made access more difficult for free accounts.

2. Competition

How many other websites out there are targeting that same phrase? For example, Google finds over 2 900 000 000 results for ‘hotel’, but only 640 000 for ‘Cape Town Waterfront Hotel’.

3. Propensity to convert

What is the likelihood that the searcher using that keyword is going to convert on your site? A conversion is a desired action taken by the visitor to your website. Related to propensity to convert is the relevance of the selected term to what you are offering. If you are selling rooms at a hotel at the V&A Waterfront, which of the two terms, ‘hotel’ or ‘Cape Town Waterfront hotel’, do you think will lead to a higher rate of conversions?

4. Value per lead

What is the average value per prospect attracted by the keyword? Depending on the nature of your website, the average value per lead varies. Using the hotel example again, consider these two terms:

‘Luxury Cape Town hotel’ and ‘budget Cape Town hotel’. Both are terms used by someone wanting to book a hotel in Cape Town, but it is expected that someone looking for a luxury hotel is intending to spend more. That means that this particular lead has a higher value, particularly if you have a hotel booking website that offers a range of accommodation.

Step-by-step keyword research

Step 1: Brainstorm

Think about the words you would use to describe your business and about the questions or needs of your customers that it fulfils. How would someone ask for what you are offering? Consider synonyms and misspellings as well.

Bear in mind that people may not ask for your services using the same words as you to describe them. You may sell ‘herbal infusions’, whereas people may ask for ‘herbal teas’ and some might even request a ‘tisane’.

NOTE: Misspellings are important, but consider what these tell you about the traffic you’re getting and analyse this traffic to ensure that you’re getting quality visitors.

Even common words are often misspelt and you may need to consider common misspellings and typos, (i.e. ‘jewelry’ or ‘morgage’).

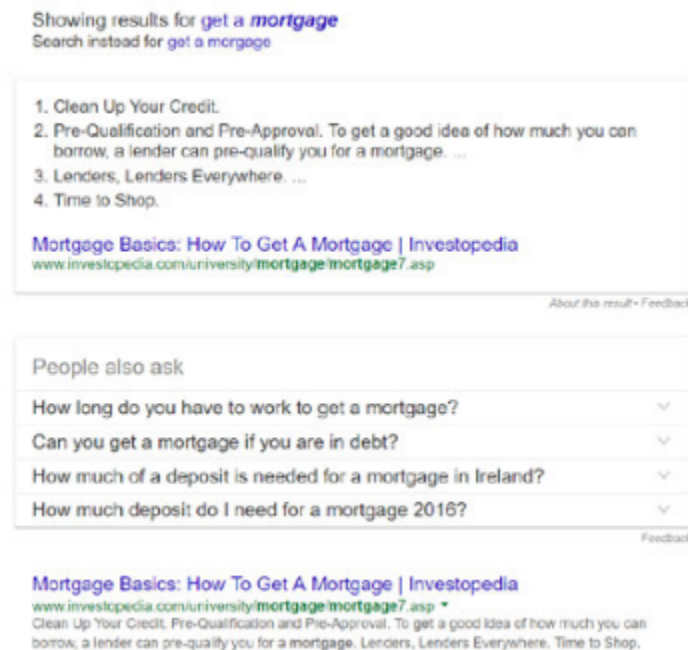


Figure 2. Google returns relevant results even for common misspellings

Step 2: Gather data

Two ways in which to gather accurate keyword data are to survey customers and to look at your website referral logs.

Look at what terms customers are already using to find you and add those to your list. If they are already sending you some traffic, it is worth trying to increase that traffic.

Step 3: Use keyword research tools

There are several tools available for keyword discovery and some of them are free. Some tools will scan your website and suggest keywords based on your current content. Most will let you enter keywords and will then return suggestions based on past research data, along with:

- Similar keywords
- Common keywords used with that keyword
- Common misspellings
- Frequency of the keywords in search queries
- Industry-related keywords
- Keywords that are sending traffic to your competitors
- How many sites are targeting your keywords.

Bearing in mind the factors that make a good keyword, you need to aim for the right mix of keywords. Low-volume terms with low levels of competition may be a good way to get traffic in the short term, but don't be scared off by bigger competition in the high-value, high-volume areas. It may take longer to get there, but once you do, the revenue can make it worthwhile.

It is a good idea to create a spreadsheet of the list of keywords, along with additional information about each one.

Keyword or phrase	Search volume	Competition	Propensity to Convert	Value of Lead
Hotel	3,870	90%	2%	\$18
Luxury hotels	345	80%	35%	\$35

Figure 3

This will help you to choose the right keywords to target. These lists should be created for the whole website and can then be broken down for each page you want to optimise.

Optimising content for keywords

Once keywords and phrases are selected, we need to ensure the site contains content to target them. You must ensure that the content is properly structured and that it sends relevance signals. Content is the most important part of your website so create relevant, targeted content aimed at your selected keywords. Remember, search engines can recognise context and implied meaning, so synonyms are important.

Content has several roles to play on your site.

- It must provide information to visitors.
- It must engage with them.
- It must persuade them to do what you want.

Now it must also send signals of relevance to search engines. You need to use the keywords on the content page in a way that search engines will pick up and users will understand.

Each web page used to be optimised for a set number of keywords. With the increasing sophistication of search engines and their semantic awareness, however, pages are now optimised for themes instead – search engines have moved from keywords to concept and context. For example, one page might be optimised for car insurance, with relevant keywords used as required, while another page would be optimised for health insurance, or household insurance.

Search engines consider context in three ways:

1. **User intention** – Google tries to match your query to what you are asking rather than the individual words used. “Song about evil ducks” gives you “March of the Sinister Ducks” as a result, rather than a page with those specific keywords.
2. **Your content** – Google reads your pages’ keywords to find out what they are about, conceptually.
3. **Relating concepts** – Google relates concepts to each other, like showing Alan Moore as author of *March of the Sinister Ducks* and offering related results for his work.

While keywords are still useful, focus has shifted from repeatedly using keywords to ensuring that each page is about something specific. Even though you should be thinking customer first rather than exact keywords, keywords are still useful. Here are some guidelines:

- **Title tag:** Use the keyword in the title and as close to the beginning as possible.
- **H1 header tag:** Use the keyword in the header tag and as much as possible in the other H tags.
- **Body content:** Use keywords as it makes sense in context. Remember to use synonyms rather than focusing on one specific version of a keyword. You should aim for about 350 words of content. But

don't overdo it or it could look like spam to the search engines.

- **Bold:** Use tags around the keyword at least once.
- **URL:** Try to use the keyword in your page URL.
- **Meta description:** Use it at least once in the meta description of the page, which should entice users to clickthrough to your site from the SERP.
- **Link anchor text:** Try to ensure that the keyword is used in the anchor text of the pages linking to you.

Optimising Media

Images, video and other digital assets should also be optimised with the relevant keywords. Search engines cannot decipher multimedia content as well as text, so they rely on the way that media is described to determine what it is about. Screen readers also read out these descriptions, which can help visually impaired users make sense of a website. In addition, media such as images and video are often also shown on the SERPs. Proper optimisation can give a brand more ownership of the SERP real estate and can also be used effectively to target competitive terms.

Just as rich media can help emphasise the content on a page to a visitor, they can also help search engines to rank pages, provided they are labelled correctly.

Here are some ways to optimise images with keywords for SEO.

- Use descriptive, keyword-filled filenames.
- Use specific alt tags and title attributes.
- Add meta information to the image. Make sure this information is relevant.
- Use descriptive captions and keep relevant copy close to the corresponding media. For example, an image caption and neighbouring text will help to describe content of the image.
- Make sure that the header tags and images are relevant to each other.
- Think about what other digital assets you have and whether these can be optimised in line with your keyword strategy. For example, consider using app store optimisation (ASO) which is the process of optimising your mobile and web apps for the specific web stores in which they are distributed.



FIGURE 4

The best way to ensure results is to focus on writing quality content while sticking to a few guidelines on tags and URLs. Remember, you want search engines to rank you highly for your content, but you also want to ensure that the content is a pleasure to read. Regularly adding fresh, valuable content will also encourage the search engines to crawl your site more frequently.

Use your website and its pages to establish and reinforce themes. Information can always be arranged in some kind of hierarchical structure. Just as a single page can have a heading and then be broken down into sub-headings, a large website can have main themes that are broken down into sub-themes. Search engines will see these themes and recognise your website as one with rich content.

Link Popularity

Links are a vital part of how the Internet works. The purpose of a link is to allow a user to go from one web page to another. Search engines, mimicking the behaviour of humans, also follow links.

Besides allowing search engine spiders to find websites, links are a way of validating relevance and indicating importance. When one page links to another, it is as if that page is voting or vouching for the destination page. Generally, the more votes a website receives, the more trusted it becomes, the more important it is deemed and the better it will rank on search engines.

Links help send signals of trust. Signals of trust can come only from a third-party source. Few people will trust someone who says, “Don’t worry, you can trust me!” unless someone else, who is already trusted, says, “Don’t worry, I know him well. You can trust him”. It is the same with links and search engines. Trusted sites can transfer trust to unknown sites via links.

Links help to validate relevance. Text links, by their very nature, contain text (thank you, Captain Obvious). The text that makes up the link can help validate relevance. A link such as ‘Cape Town hotel’ sends the message that, “You can trust that the destination site is relevant to the term ‘Cape Town hotel’.” If the destination web page has already used content to send a signal of relevance, the link simply validates that signal.

The parts of a link

Here is an example of the HTML code for a link:

```
<a href="www.targeturl.com/targetpage.htm">Anchor Text</a>
```

<a href> and are HTML tags that show where the link starts and ends.

www.targeturl.com/targetpage.htm is the page that the link leads to. You should make sure that you are linking to a relevant page in your site and not just to the home page.

Anchor Text is the visible text that forms the link. This is the text that should contain the keyword you are targeting.

The link sends a signal that the target URL is important for the subject used in the anchor text.

There can be a lot more information included in this anatomy, such as instructions telling the search engine not to follow the link, or instructions to the browser on whether the link should open in a new window or not.

```
<a href="www.targeturl.com/targetpage.htm" rel="nofollow">Anchor Text</a>
```

rel="nofollow" can be included in links when you don't want to vouch for the target URL. Search engines do not count nofollow links for ranking purposes. This was introduced by Google to try to combat comment spam.

Not all links are created equal

Of course, not all links are equal. While link volume is the number of links coming to a specific page of your site, link authority looks at the value of the links. Some sites are more trusted than others. Since they are more trusted, links from those sites are worth more. Likewise, some sites are more relevant than others to specific terms. The more relevant a site, the more value is transferred by the link.

Well-known and established news sites, government sites (.gov) and university domains (.ac) are examples of sites from which links can carry more weighting.

Sites with higher authority carry more link weight.



Figure 5

Search algorithms also consider relationships between linked sites. By analysing various elements, search engines try to determine if the links are natural links, or if they are manipulative, artificial links created solely for ranking purposes.

Manipulated links are worth very little compared to natural links and may even lead to a drop in search engine rankings. The Google algorithm update focused on reducing spammy links, called Penguin, was released in 2012.

The search engine algorithm will also determine the relevance of the referring website to the site being linked to. The more relevant the sites are to each other, the better.

Also keep in mind that linking to valuable, relevant external resources can help to improve the visibility of your own site.

How does a website get more links?

With links playing such a vital role in search engine rankings and traffic for a website, everyone wants more of them. There are certainly dubious means of generating links, most of which can result in penalties from the search engines. However, here are some ways for ethical and honest website owners and marketers (that's what you are) to go about increasing links to their websites.

Create excellent, valuable content that others want to read

If people find your site useful, they are more likely to link to it. It is not necessary (or possible) to try to write content that will appeal to the whole of the Internet population. Focus on being the best in your industry and in providing value to the members of that community. Make sure that valuable content is themed around your keywords



FIGURE 6

Infographics are visual and graphic representations of data and are a popular type of content that is useful to users and can encourage lots of traffic and inbound links.

Create tools and documents that others want to use

Interview experts in your field and host those interviews on your website. Create useful PDF guides for your industry that people can download from your site. Think outside the box for quirky, relevant items that people will link to. Calculators are popular tools and we don't just mean the ones that add two and two together. If you have a website selling diet books, for example, create a tool which helps users to calculate their body mass index (BMI) and target weight. Importantly, be unique!



FIGURE 7

Create Games

Creating a game that people want to play is a great way to generate links. Make sure that the theme of the game is based on the keywords for your website so that when others talk about and link to the game they are using your keywords.

Capitalize on Software and Widgets

Widgets, browser extensions and other software that users love to use all help to generate links for a website. For example, the TripAdvisor widget enables hotels, attractions, restaurants, destination marketers and bloggers to add TripAdvisor content, such as reviews, awards and local area attractions, to their website.

Competitor analysis

You can find out who is linking to your competitors and which non-competing sites are ranking highly for your keywords. Use this information to identify sites to target for link requests.

Until January of 2017, using Google search along with the 'link:' command could be used to find these links and websites. Now, however, a better alternative is to use the data in your Google Search Console account, formerly known as Webmaster tools. Learn more here: [Google Search Central](#)

You can also use paid tools that provide link index data, such as:

- [Majestic](#)
- [Link Research Tools](#)
- [Ahrefs](#): An all-in-one SEO toolset, with free Learning materials and a passionate Community & support.
- [MOZ Link Explorer](#)

With all link-building tactics, make sure to use your keywords when communicating. You will be telling people how to link to you and ensuring that search engines notice your authority.

User insights

Search engines want their results to be highly relevant to web users, to make sure that web users keep returning to the search engine for future searches. And the best way to establish what is relevant to users? By looking at how they use websites, of course!

User data is the most effective way of judging the true relevance and value of a website. For example, if users arrive on a website and leave immediately, chances are it wasn't relevant to their query in the first place. However, if a user repeatedly visits a website and spends a long time there, it is probably extremely relevant. When it comes to search engines, relevant, valuable sites are promoted and irrelevant sites are demoted.

How do search engines access this data?

Search engines use cookies to maintain a history of a user's search activity. This will include keywords used and websites visited from the search engine. Search engines gather data on the clickthrough and bounce rates of results.

Site speed, that is, the performance of your website, is one of the contributing factors to ranking in Google (Dean, 2016). In fact, this is becoming increasingly important. Check out [Google's PageSpeed tool](#) to help analyse your site's performance. It will recommend ways to improve your site's speed and mobile-friendliness: developers.

Google's AMP project also underlines the importance of site speed for users and thus to Google themselves (and thus, of course, to your SEO). Accelerated Mobile Pages (AMP) essentially simplifies HTML, CSS and JavaScript elements to serve stripped-down pages containing only the most essential elements to mobile users. This leads to anything from a 15% to an 85% improvement in site speed.²

2. (Chung, 2015)

So, what does this mean for SEO? When it comes to a website, it must:

- Be valuable enough to attract both visitors and links naturally.
- Retain visitors and make sure they return to the website.
- Convert visitors.

Social and Search

Social information is playing an ever-increasing role in search. Social content, such as Twitter messages or YouTube videos, can appear in the SERPs and there is a growing indication of social influence on search rankings.

There are several social factors to consider for social and search:

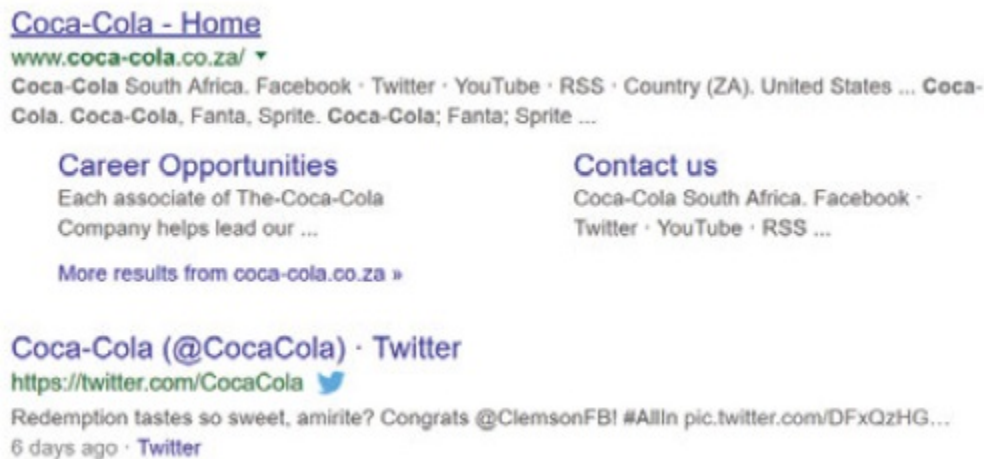


FIGURE 8

1. Use social media properties to dominate brand SERPs.

When someone searches for your brand name, you can use your social media properties to 'own' more of the results on that page, reducing the likelihood that a user will end up on a competitor's website instead. Use your brand name when naming Twitter and Flickr profiles and Facebook and YouTube pages.

2. Social links are used as signals of relevance.

Links from social sites such as Twitter include 'rel=nofollow'. However, there is a strong indication that these links are in fact followed by search engines and are used to determine relevance. If you focus on creating great content on your site and making sure that it is easy to share socially, you should see a result in your SEO efforts.

3. Personalised results are influenced by your online social network.

If you are logged in to a social network while searching, such as Facebook for Bing, or your Gmail account for Google, you could see results from or influenced by your social circle. In Bing, for instance, results can include indications of what your friends have previously liked or shared via Facebook. On Google, you may be more likely to see a friend's blog for relevant searches.

4. Optimise for social search engines.

Google is the biggest search engine worldwide; YouTube is the second biggest and Facebook is growing. Even within social properties, users still use search to find the content they are looking for. Content that is housed on these properties should be optimised for the relevant social search engine as well.

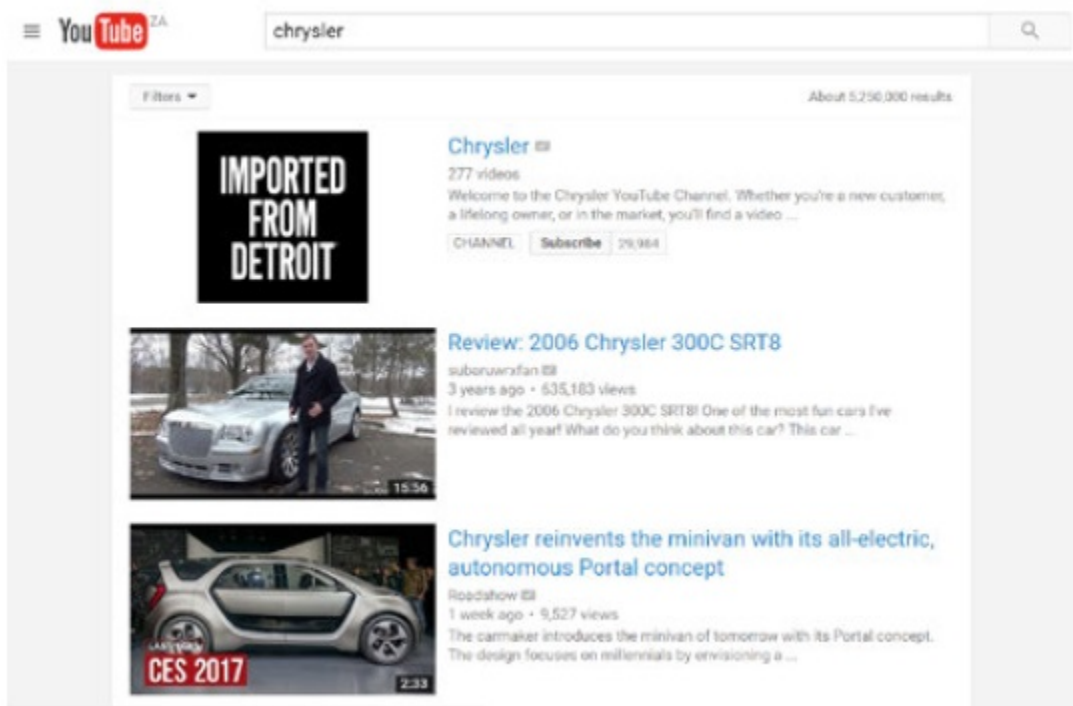


FIGURE 9

Mobile Search

As web-enabled mobile devices continue to grow in the market and become easier to use, mobile search remains a key growth area. Mobile searches tend to be different to desktop searches. They are more navigational in nature as users tend to know where they want to end up and users are often looking for concise, actionable answers.

The need for a website that performs well on mobile became crystal clear in 2015, when Google made what

is called the mobilegeddon update. That is, sites that perform well on mobile are given higher rankings, while sites that do not perform well on mobile are penalised.

You can find a good overview of mobile SEO and how to create a website easily accessible via mobile on [Google Search Central: Choose a mobile configuration](#) (note that responsive design is Google's recommendation)

Mobile search input can also be different from desktop search. As well as typing in search keywords, mobile users can search by voice, or by using images or scanning barcodes.

As with mobile web development, mobile SEO is a little different from desktop SEO, although the fundamental principles remain the same. Build usable and accessible sites with great content and you've already come a long way.

Differences in approach for mobile SEO are largely because:

- Search engines have the ability to deliver precise location-based results to mobile users.
- Usability is critical in sites for mobile devices.
- Search engines have less data to work with compared to traditional web in terms of site history, traffic and inbound links.

The fundamentals of mobile SEO are not so different to those of desktop SEO:

1. A usable, crawlable site is very important.
Build mobile versions of your website that cater for mobile users having simple navigation and content stripped down to only what is required.
2. Content is important and should be formatted for mobile usage.
Text and images should be optimised for the mobile experience, so no large file sizes! The meta data still matters and titles and descriptions are what users see in the SERPs.
3. Links are important.
You should link to your mobile site from your desktop site and vice versa. Submit your mobile site to relevant mobile directories.

4. Submit a mobile XML sitemap.

Mobile-specific sitemaps use the same protocols as standard XML sitemaps with the addition of a mobile tag.

5. Use the word ‘mobile’ on the mobile website, or use mobile top-level domains.

Make it explicit to search engines that this is the mobile version of your website and they are more likely to prioritise it as such.

Local Search

Local search refers to search behaviour and results where location matters. Either results returned are local in nature, or results returned can be map based.

With blended SERPs, map-based results can be returned together with other types of results, depending on the type of search. As search engines become more sophisticated, location can be inferred and influence the types of results.

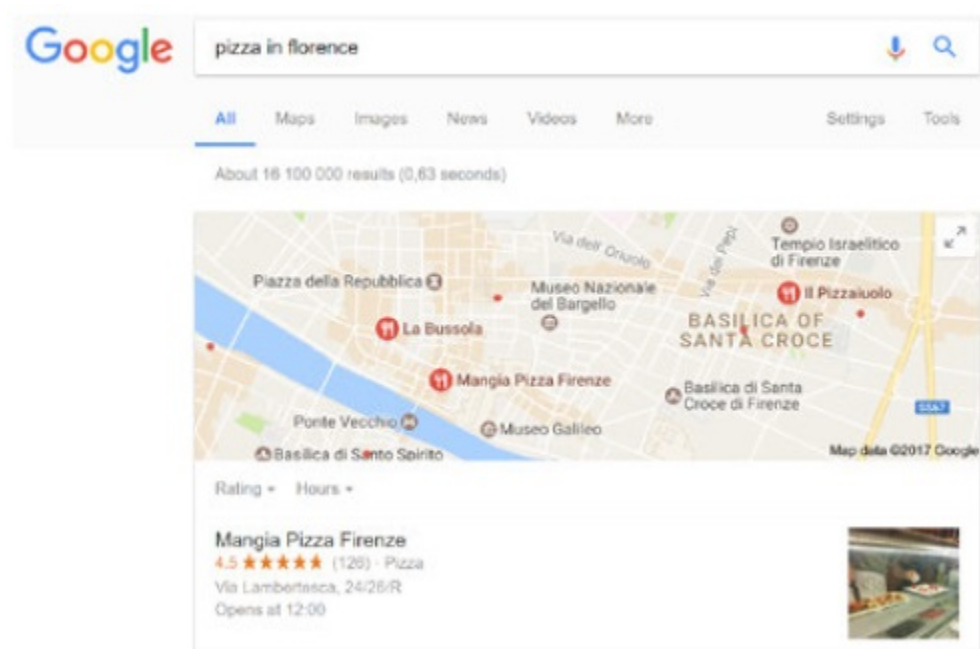


FIGURE 10

A user may search for ‘plumber london’, for example and the search will know to return results for London plumbers. These may even be returned on a map.

However, a user in London may search just for ‘plumber’. The search can infer from the user’s IP address that

the user is in London and still return results for London plumbers, since someone searching for this term is likely to be looking for a nearby service.

For search engines to return location-relevant results, they need to know the location of elements being searched. This is often determined from sites that include the name and address of a business. Note that this site may not be yours. Location results are often determined from various review sites and the results can include some of those reviews.

Search engines also allow businesses to ‘claim’ their locations. For example, Google’s Google My Business function allows small businesses to enter their information, which will then populate into all Google services. A business can set up a local or a brand page on Google which, once completed, will give them access to various page management and optimisation tools as well as making them more visible on SERPs.

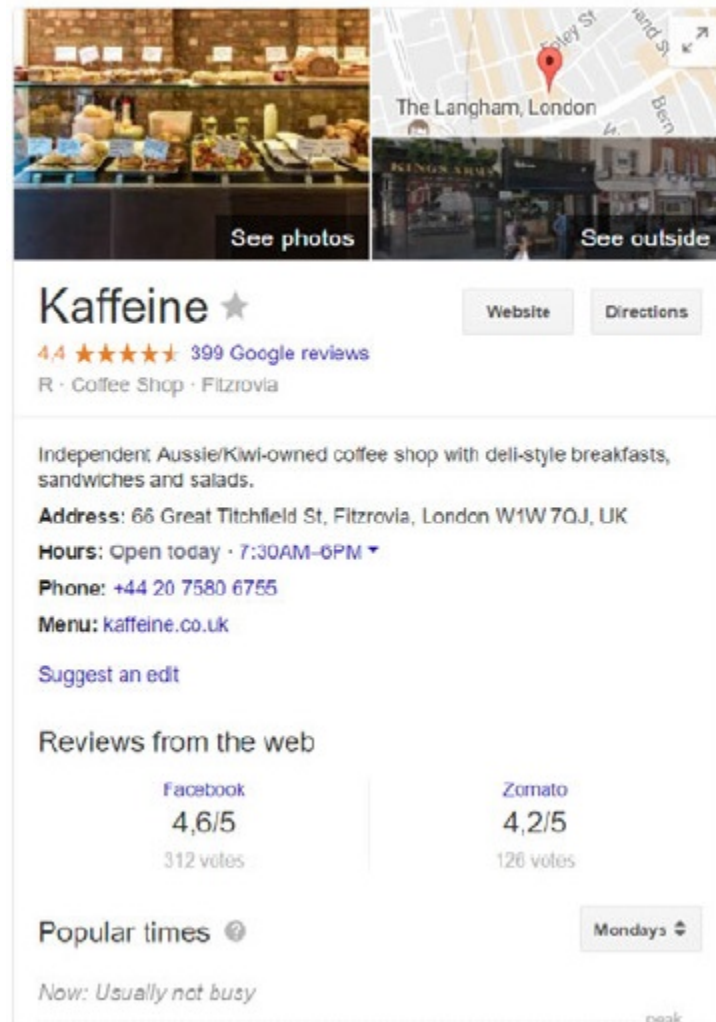


FIGURE 11

What not to do

Black hat SEO refers to practices that attempt to game the search engines. If a search engine uncovers a website using unethical practices to achieve search engine rankings, it is likely to remove that website from its index.

Google publishes guidelines for webmasters, available through [Google's Webmaster Central](#). As well as outlining best practice principles, Google has supplied the following list of don'ts:

- Avoid hidden text or hidden links.
- Don't use cloaking or sneaky redirects.
- Don't send automated queries to Google.
- Don't load pages with irrelevant keywords.
- Don't create multiple pages, subdomains, or domains with substantially duplicated content.
- Don't create pages that include malicious behaviours such as phishing or installing viruses, trojans or other malware.
- Avoid 'doorway' pages created just for search engines or other 'cookie cutter' approaches, such as affiliate programmes with little or no original content. If your site participates in an affiliate programme, make sure that your site adds value. Provide unique and relevant content that gives users a reason to visit your site first.
- Avoid link farms and focus on attracting quality, valuable links.

The bottom line: design websites for users first and foremost and don't try to trick the search engines. It will only be a matter of time before they uncover the black hat techniques.

Advantages and Challenges

Optimizing a website for search engines should entail optimising the website for users. Done properly, it should result in a better user experience, while ensuring that search engines index and rank the website well.

It can be tempting to focus on the technicalities of SEO while forgetting that both robots and humans need to read the same website. One should not be sacrificed for the other.

Search engines update their algorithms regularly. Each update is an attempt to improve search results, but can result in loss of rankings for some websites, depending on the update. A contingency plan, such as a pre-prepared search advertising campaign, needs to be in place to cope with a sudden drop in rankings.

As with any digital marketing practice, SEO should not be the only focus of digital marketing efforts. It works best when part of a holistic online marketing strategy.

The SEO community is constantly sharing insights about search algorithms. Whenever a new one is released, do some research on the best ways to avoid being penalised.

Tools of the trade

There are a number of tools available to assist with SEO. Some are made available by search engines and some are developed by agencies and individuals who specialise in SEO. Most are available for free:

[Google Search Console](#)

Google provides guidelines to webmasters and tools to help ensure your website is being indexed.

[Open Site Explorer](#)

Moz provides a useful tool called Open Site Explorer, which can help you determine the value of links from particular sites.

[Tools from SEOBook](#)

SEObook provides a number of tools that assist any SEO. For example, Rank Checker is a Firefox extension that allows you to save a number of keywords and to perform regular searches on them, giving you the ranking of your chosen URL for each keyword in the search engines selected. They also have tools to help with keyword discovery.

Keyword discovery tools

There are a number of tools available, some free and some paid for, to assist with keyword discovery. Some include:

[Google AdWords Keyword Planner](#)

[Trellian's KeywordDiscovery tool](#)

[Wordtracker](#)

[Bing Ads Intelligence](#)

[SEO PowerSuite Rank Tracker](#) (the trial version has limited functionality)

[Link-Assistant .Com](#)

Online forums

[Webmaster World](#)

Webmaster World is frequented by SEOs and webmasters aiming to stay current with latest trends and search engine updates.

[Google Merchant Center](#)

The Google Merchant Center allows you to mark up any products you sell through eCommerce, ensuring that they also rank for relevant search results.

[MozBAR](#)

The Moz SEO toolbar gives instant metrics while viewing SERPs or web pages.

[Screaming Frog](#)

Screaming Frog allows you to crawl website URLs and analyse the onsite SEO.

[AWR](#)

AWR gives you access to rankings for desktop, mobile and local searches.

Case study: Lloyds Pharmacy Online Doctor

One-line summary

A strong search strategy led to a 144% increase in organic sessions and a large increase in organic revenue for Lloyds Pharmacy Online Doctor (Digital Training Academy, 2016).

The challenge

Lloyds Pharmacy Online Doctor provides an extra channel for providing healthcare to patients with health problems that they may find embarrassing or inconvenient to treat using face-to-face care. They needed to increase search visibility and thus organic traffic results to replace the heavy spending they were doing on PPC advertising to drive online traffic.

The solution

The brand's agency, Click Consult, identified gaps in the Online Doctor website's backlink profile and decided to enhance it. They invested in blogger, social and PR outreach, identifying and creating relationships with industry influencers that would be willing to showcase innovative content to their audience.

They created the “Let's Type About Sex” campaign, creating an app and animations, carefully placing their content, which led to strong blogger engagement.



Figure 12. One article in the Let's Type About Sex campaign.

The results

The campaign led to an increase in the authority of the site, as well as:

- An increase in the number of page one terms to 36
- A 144% increase in organic sessions

- A 43% increase in overall sessions
- A 77.59% increase in organic revenue
- A 17% increase in online revenue.

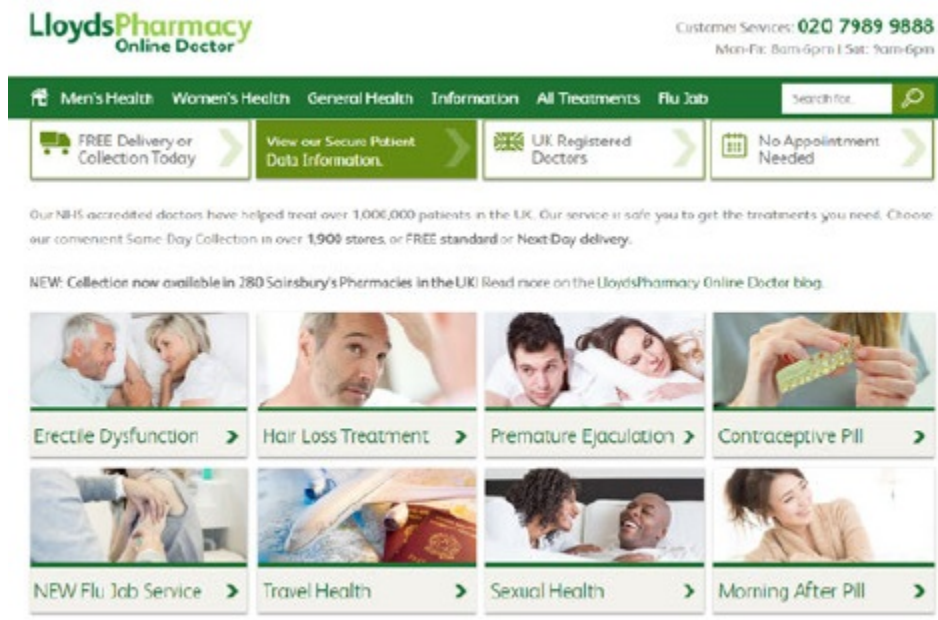


FIGURE 13

The Bigger Picture

Search engine optimisation can be influenced and enhanced by most other digital marketing campaigns, and they should all be approached with this in mind.

SEO and content marketing go hand in hand, since SEO relies on fresh, relevant and popular content, and content marketing can be informed by SEO keywords and insights.

For example, search advertising campaigns can provide valuable keyword research, which can then be fed into the SEO strategy. Social media marketing can generate an enormous amount of links to a website. Digital PR aims to generate links too and these can be optimised for search engines.

User research and web analytics can generate insights into how users find the website, which can inform SEO strategy and effective SEO techniques can provide insights into user behaviour.

Summary

The average website receives a significant proportion of its traffic from search engines, highlighting the importance of SEO.

There are two types of search results:

1. Organic or natural results
2. Paid results.

SEO aims to improve a website's ranking in the organic results. Search engine optimisation is a fairly technical practice but it can easily be broken down into five main areas:

1. A search engine friendly website structure
2. A well-researched list of keywords
3. Content optimised to target those keywords
4. Link popularity
5. User insights.

Growing trends in SEO include the influence of social content on search results, mobile SEO and local search. Google is placing more and more emphasis on a mobile-first approach.

Case Study Questions

1. Why did Click Consult decide to focus on improving Online Doctor's backlink strategy?
2. Why did improving the site's authority also improve their SEO results?
3. Why did Online Doctor want to focus on SEO rather than PPC?
4. Do you think search engine algorithms can help businesses become better at what they do?

Chapter Questions

1. Why do links send signals of trust to search engines?
2. Why is it better to have more niche pages of content than fewer pages that cover a lot of content?
3. How can analysing the links to a competitor's website help aid your own link building strategy?
4. Why is it important for search engines to keep updating their algorithms?
5. If metadata are no longer used for ranking purposes, why do they still have an important role in SEO?

Further Reading

www.moz.com – Moz provides regular articles, guides and blog posts covering all things SEO. As well as sharing insights from their own SEO efforts, there are also vibrant forums where you can learn from others.

www.seobook.com – Aaron Wall's SEObook.com provides training and tools for SEO, as well as regular articles and posts.

www.webmasterworld.com – a forum for webmasters, from beginners to those who've been around. A great resource for a budding SEO.

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Figure acknowledgments

Figure 1. Screenshot, Google search 2017.

Figure 2. Screenshot, Google search, 2017.

Figure 3. Stokes, 2013.

Figure 4. Stokes, 2013.

Figure 5. Screenshot, Google search bar, 2017.

Figure 6. Stokes, 2013.

Figure 7. BBC, 2014. www.bbc.co.uk/health/tools/bmi_calculator/bmi.shtml

Figure 8. Screenshot Google search, 2017.

Figure 9. Screenshot, YouTube. 2017.

Figure 10. Screenshot, Google search, 2017.

Figure 11. Screenshot, Google search, 2017.

Figure 12. Lloyds Online Doctor Irish health blog, 2016. www.lloydsonlinedoctor.ie/blog/female-health/lets-type-about-sex

Figure 13. Screenshot, Lloyds pharmacy, 2017. onlinedoctor.lloydspharmacy.com

6.

CONTENT MARKETING STRATEGY

Learning Objectives

In this chapter, you will learn:

- To understand the role of content marketing strategy within your marketing plan
- To be familiar with the steps involved in developing your content marketing strategy
- To recognise some models for understanding how types of content are absorbed or experienced by your target audience.

Introduction

While the phrase ‘content is king’ has been referenced for some time, it is only in the last decade that content marketing strategy has been solidified into a discipline of its own. Defining content marketing strategy can be tricky, however, with some practitioners focusing more on the role it plays in information architecture and others believing that it should be considered on a campaign by campaign basis.

This chapter looks at content marketing strategy from a holistic perspective, as a process that includes an understanding of all the content your brand is creating, those for whom it is intended and to what purpose. Content marketing is important for positioning your brand in the minds of consumers. As a content marketer, you need to understand the brand and consumer context and be able to craft appropriate content based on user receptiveness and channel-appropriateness. You also need to select the best route to customer in terms of tactics and to understand how content marketing fits and contributes to your overall marketing strategy. Ultimately this supports the design of communication that impacts people enough to make them want to share the content on.

Key terms and concepts

TERM	DEFINITION
Algorithm	An algorithm is a 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. A good example of a commonly used algorithm is the one used by Google to determine which pages rank more highly on SERPs.
Content audit	An examination and evaluation of the existing content which a brand publishes.
Editor	A person who determines the ultimate content of copy, traditionally understood to be in the newspaper, magazine or publishing industry context.
Information architecture	The way data and content are organised, structured and labelled to support usability.
Persona	In this context, a character created to define a group of users in order to speak to them as though they were a unique user. Usually a hypothetical character created to represent and personify a set of traits.
Usability	A measure of how easy a system is to use. Sites with excellent usability fare far better than those that are difficult to use.

Defining content marketing

Content marketing is an umbrella term which focuses on matching content (information, inspiration, or entertainment) to your customer needs at whichever stage they are in the buying cycle or customer journey. Unlike TV, where the advertiser pushes messages to a captive audience, the focus is on engaging content, which means that marketers must think like publishers (attracting an audience) rather than seeing themselves as advertisers (buying an audience) of a product. The Internet has, in many respects, cut out the middle man. Consumers and brands can now connect directly through a number of easily accessible online platforms.

The Content Marketing Institute offers the following definition:

Content marketing is a strategic marketing approach focused on creating and distributing valuable, relevant

and consistent content to attract and retain a clearly- defined audience — and, ultimately, to drive profitable customer action.¹

This definition applies to all the spaces in which you share content both traditional and digital. This includes printed magazines, booklets and promotional material as well as your social media space, website, campaigns, competitions and your company blog. The way in which that information is shared is also important.

Kristina Halvorson suggests the model illustrated below for approaching the different areas of content marketing strategy.



Figure 1. A model explaining content strategy.

Content components

Substance: Who are you trying to reach and why?

Structure: Where is your content? How is it organised? How do people find your content?

People components

Workflow: How does your content happen?

Governance: Politics, guidelines and standards that your brand operates in².

1. (Content Marketing Institute, 2017)

2. Halvorson, 2010)

As you can see in the above discussion, Halvorson suggests that one consider the bigger picture of content creation rather than just the product which is the end result. Content marketing looks at staff, tools, processes and outcomes. The end goal for these processes is conversion. All content should be created with a strategic outcome in mind. Such outcomes could include talkability, referral, affinity and ultimately purchase or increased usage of your product or service.

Strategic building blocks

Translating your brand essence

The brand essence sums up the unique attributes of a brand and the basis for its emotional connection with customers. Remember your emotional connection with your customer is the very things that differentiates your brand from your competitors. Your brand essence should assist in defining a tone of voice for your brand and the style in which it engages with its customers. The brand essence can be a useful guide for ensuring that the content you create (and your marketing activity) represents the brand appropriately. You can relate this to your brand story. What is your reason for being? How do you connect that with the interests of your customers? What is the value you add to your customers' lives? Is it convenience, health, status?

Consider a brand like Mercedes Benz. Their essential product is transportation, but the brand offers so much more than that to its customers. For example, it provides a sense of safety and security, customers know they are driving a car with the latest safety technology. But the brand's most powerful aspect is the sense of achievement and status that owning a Mercedes Benz provides. The value of the brand is less about the product itself and transporting passengers and more about the feeling and status the customer gets by owning the product.

Will It Blend? is a video series by Blendtec which builds on this principle. Blendtec produce industrial blenders. Their value proposition is that they can blend anything and their very popular videos demonstrate this.



FIGURE 2

Market research and consumer personas

The sweet spot for content marketing lies in an intercept between the marketing goals of a brand, the brand personality as it guides and differentiates that brand in the marketplace and the consumer motivation for paying any attention to a brand at all. One device that is used in addressing consumer needs is the development of a consumer persona.

A persona is a profile that a writer creates to embody the aggregated characteristics of the target audience for whom he or she is writing. It helps to personalise the brand. Personas are based on the profile of users of your content. Creating a profile is all about considering the characteristics of your customers and their needs and desires. For example, a brand like Philadelphia Cream Cheese could have a couple of customer personas. A busy father, who works full time, but still wants to provide healthy and nutritious lunches for his family. Or a young female foodie, who wants to try new recipes she finds online from international celebrity chefs to impress her friends at dinner parties. Each of these would require slightly different approaches when developing content. Both would benefit from videos featuring recipes, but one would appreciate regular basic options for lunchboxes and the other a celebrity endorsement or even a celebrity hosted video of finer and more elaborate meals.

It's important to focus on the motivations of the persona that you may create, rather than exterior signifiers that lead to the creation of a stereotype. The persona assists you in segmenting and understanding your target market and is a framework through which you can guide any content that you create.

Creating Content Themes

Linked to the brand identity are certain themes or concepts. These are areas of focus that support the creation of content that match a consumer's interest. These themes must be true to the brand essence, not focused directly on sales and should also speak to the interests of the audience.

CONTENT PLANNING APPROACH

CONTENT PLANNING APPROACH

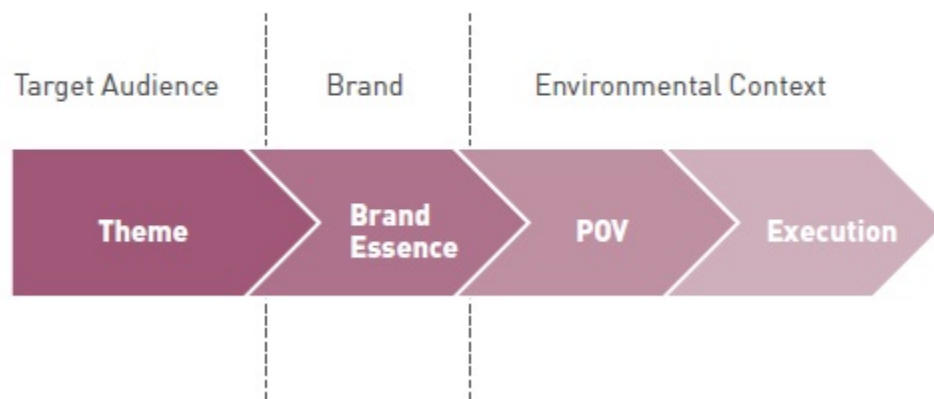


FIGURE 3

For Coca-Cola, for example, consumer interests filtered through the brand essence of 'Coke brings joy' could result in the following themes:

- Friendship
- Sharing is caring
- Spreading smiles.

These themes are then used as the basis on which to develop content ideas.



FIGURE 4

In the above tweet, we can see how a particular content theme was translated into a question that is focused on relationships and family. It also encourages engagement from the audience by asking for their input.

Another example which demonstrates this is how Corona brought their brand essence to life through an interactive documentary. The essence of the brand is to live the extraordinary and to provide amazing experiences to its customers. The documentary depicted a group of people from Bulin in China, officially the town furthest away from any ocean in the world, encountering the ocean for the very first time. A truly extraordinary and amazing experience, facilitated by Corona. You can view it here: www.youtube.com/watch?v=V8ELAv3Ovho.

Matching Content Formats to Objectives

Information can be presented through any number of mediums, which is both an

Consider the illustration below:



FIGURE 5

As discussed in the Strategy and context chapter, determining your objectives is an essential part of your marketing planning and should feed into your content marketing strategy and ultimately the business strategy. Understanding the journey your consumers go through as they approach your ultimate sales goal will enable you to match content formats to their needs. A humorous video may be successful in initially making potential customers aware of your brand. However, once you have their attention, a research paper or useful case study could be more effective in convincing them that you are the best choice in the market.

Price Waterhouse Cooper (PWC) is one of the largest international financial consulting firms, offering a range of financial services and advice across the globe. Every year they publish valuable content and guides to assist their customers with tax and wealth management. You can find the 2017 guide here: www.pwc.com/us/en/private-company-services/publications/tax-wealth-management-guide.html

There are many examples of online journalism using multimedia to convey information most effectively to their users. *The New York Times* has presented a number of different methods for conveying complex information in an engaging manner. ‘Snow Fall’ by John Branch is one example: www.nytimes.com/projects/2012/snow-fall/#/?part=tunnel-creek.

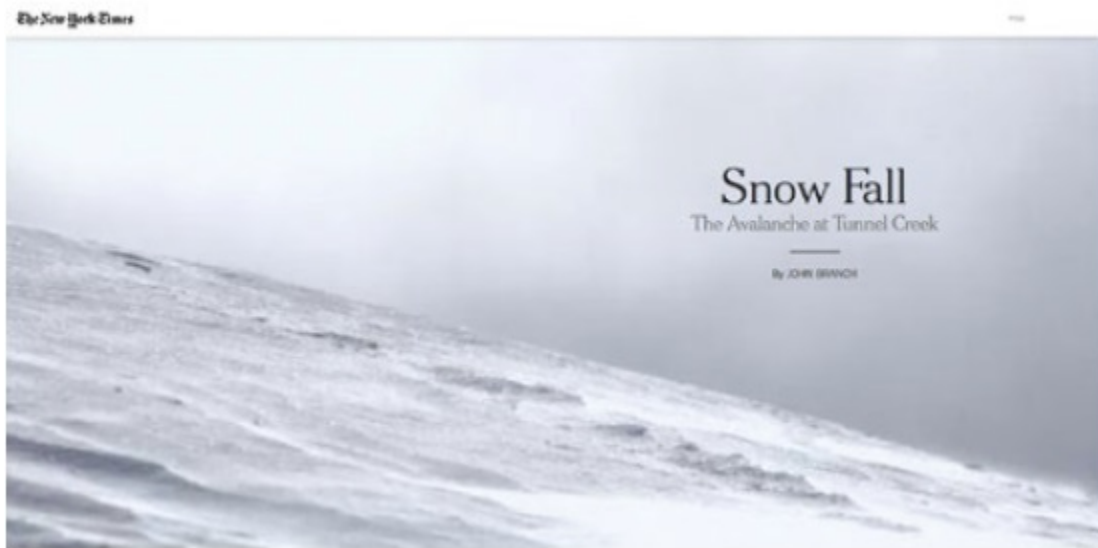


FIGURE 6

The New York Times also often publishes infographics that demonstrate this principle powerfully.

Because users consume content across multiple screens, multimedia is necessary to ensure you keep the audience engaged and they do not get bored with your content. See this infographic on the importance of exploring different types of multimedia with content marketing: blog.marketingv2.com/the-importance-of-multimedia-content-in-your-marketing-strategy.

To take advantage of these various forms of content delivery, it is necessary to build the correct capabilities. But how do you determine what forms of content you need?

The Content Audit

Once you have established your marketing goals, your brand personality and a guiding understanding of who you are trying to reach, the content audit is a necessary but sometimes laborious next step. The content audit involves an audit of all the existing content supplied by the brand such as the website, white papers, articles, videos and content shared on social media sites can all be considered.

An assessment can then be made of how well these pieces of content match the strategic needs of the brand, its audience and the appropriateness to the chosen channel.

While you can either thoroughly immerse yourself in this process or attempt to get a more time-efficient overview, the goal is to map what is currently on offer versus what is needed to achieve the strategic objective. It is important not just to understand what you have and who accesses it, but also how it is currently organised, through which channels and how often it is accessed by your audience.

Many practitioners suggest the use of a spreadsheet to achieve this. Content can be found to be either mismatched to the goals of the organisation, or spot on. Most importantly, you can establish what is missing. Are your customer needs being addressed? Where do the opportunities lie?

Content Creation

Learning From Publishers

Referring to a brand as publisher refers to expanding the function of the marketer or brand manager and opening up additional opportunities to influence and/or convert. Rather than focusing on the immediate sale or conversion, a publisher focuses on value and interest for the user and building a relationship based on supplying information, inspiration, or entertainment that suits the customer's needs. Makeup.com by L'Oreal is an oft-cited example of a brand publishing useful tips and content that does not link to a product or sales directly, but demonstrates how the brand can facilitate the lifestyle consumers desire or aspire to. In content marketing a brand has to give customers more than just the product or service.

Resource Planning – Thinking Like a Publisher

Content marketing touches on a number of departments in an organization. Marketing, sales, customer service, corporate communications, human resources and website management teams should all be aware of the content marketing strategy for a business. Co-ordinating content between these teams can be challenging if not impossible if turnaround times are tight. This is why it is important not only to look at where content production should live in your organisation, but also to map the workflow of content creation, an essential function. Are designers involved? Where does quality control take place? Where can a piece of content be adapted and reused on a different distribution channel?

Some organisations opt to have a central role for someone to oversee content; others build in-house departments. Factors to consider are budget, creative control, approval and sign off processes, objective perspectives and full-time versus freelance resources. Whether you are outsourcing to a publishing house, or training a team in house, the decision must be made and planned for so that workflow can be mapped to facilitate your strategic needs.

Always on Content Planning

Given that a large part of the global population is constantly engaging with content via various digital devices and platforms, it is necessary to consider content creation in terms of not only short campaign bursts, but ongoing delivery and engagement. Consider the illustration below.

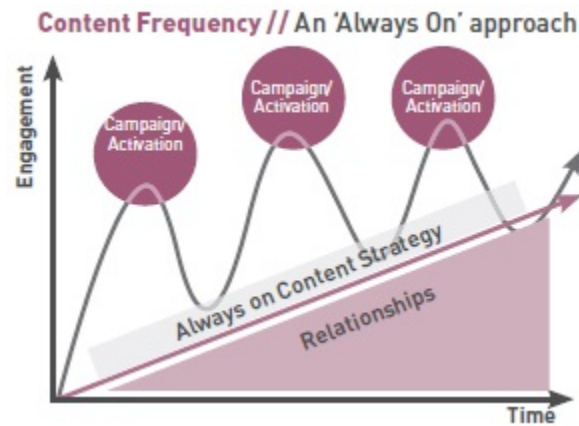


FIGURE 7

By constantly engaging with audiences, which is well suited to social media, for example, it is possible to build and maintain a relationship with customers/users. Consider the image above, where constant engagement is built by a constant presence and amplified by shorter-term campaigns.

Content models

Your organisation's content requirements and objectives should determine the structure of your content teams. Do you have a need for ongoing content creation, or are there less frequent high-input forms of content that will benefit your organisation? There are many models which are constantly evolving, so invest in some research around what will suit your organisation. We have outlined two approaches below.

Stock and flow

Stock content refers to bigger, beautiful assets that require more investment and age well, meaning that they will be interesting in six months as well as today. 'Inside Chanel' by Chanel, is an example of this. High-production value documentary type videos are created and sponsored by the brand to achieve awareness and develop brand affinity across its target market. You can visit the Chanel channel on YouTube here:



One or more interactive elements has been excluded from this version of the text. You can view them online here: <https://pressbooks.nsc.ca/emarketing/?p=75>



FIGURE 8

Flow content has a lower production value and a quicker production and publishing time frame. Images depicting what is going on at a business on any given day, for example, freshly baked goods at a bakery, can be placed in this category. Weekly or even daily blogs as well as event and holiday themed content would all be considered flow.

Both types of content should be considered for balancing out a content strategy. It can also be useful to consider destination and distributed content. Content which you are either sending out to the world through various platforms and networks, or which pulls your user towards a page on your website or an article on your blog. Rather than focusing solely on driving users to your owned media spaces, such as your website, consider how to create content that engages with your target audience in the spaces and platforms they use online.

Content channel distribution

Algorithmic Curation

Algorithmic curation is a term that refers to the algorithms platforms have created for dealing with information overload. Various platforms, like Facebook, Twitter and the search engine Google, use algorithms to filter out the amount of information that is delivered to users. Each algorithm will use a number of factors to determine what is actually relevant and interesting to the user doing a search or looking at their news feed.

One of the factors that influences whether a piece of content is considered relevant is how much an individual engages with the brand's presence on that platform over time. Posts shared by a Facebook Page, for example, may reach only users who have previously engaged with posts from that page through commenting or liking. It is therefore important to create content that encourages engagement and sharing.

Increasingly SEO and content marketing have to work together if they are to reach their audience and achieve their objectives. Without good content, SEO will struggle and without SEO even good content will not be seen. SEO approaches content differently to content marketing. SEO wants the content as narrow and focused as possible, so that they can give the right answer to the right user while users are searching. It also recognises the need for enjoyable shareable content as this improves search rankings and earns backlinks. Content marketers, on the other hand, prefer broader content and focus on the quality and exposing the content appropriately.³

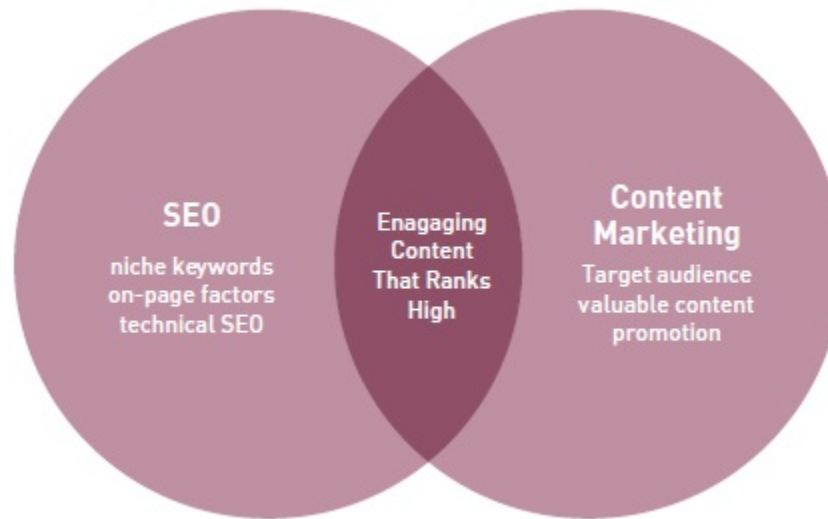


FIGURE 9

Understanding Channels and Platforms

Understanding the channels through which you share content is as important as the crafting of that content itself. Reaching people effectively will only be achieved if the medium supports the message and vice versa. Social media, email marketing, mobile marketing and video marketing are just some disciplines that will form part of your content creation arsenal. The rest of this book is dedicated to best practice in communicating effectively through the various digital disciplines available to you.

Tools of the Trade

In order to support the ongoing production of interesting content, it is necessary to have some planning documents in place. Consider those outlined below.

3. (Postan, 2016)

Brand Style Guides

This document guides anyone creating content for a brand at any time. What is the tone of voice and brand personality? How is it best represented visually and what are the brand colours and fonts? This can be a challenging document to put together and it usually isn't the content marketer who is tasked with doing so, but is essential to aligning brand communications. It is also a document that tends to be 'live' as it is constantly updated as the brand and content landscapes evolve and new conventions need to come into play. Brand style guidelines are also referred to as Corporate Identity(CI) or Brand Identity (BI).

Content Calendars

Content calendars assist the content marketer in planning the content they will be sharing, across which platforms and when. The more advance planning is undertaken, the easier it is to react quickly to tactical opportunities.

Social Media Calendar					
	Monday	Tuesday	Wednesday	Thursday	Friday
Facebook	Post link to content from your blog with short update	Share community content	Post an interesting question to the community	Create an original image-based post	Share humorous fun content (cartoon, meme, video, etc.)
		Share a promotional item, special offer, freebie			Remind people to join your mailing list and the benefits they get if they do.
Google Plus	Share community content	Write a 300-word original piece about a recent development in your industry	Share community content	Post link to content from your blog with short update	Post humorous fun content (cartoon, meme, video, etc.)
			Share a promotional item, special offer, freebie		
Pinterest	Pin community content on your company boards	Set up a new themed board under your company Pinterest account	Pin your own blog or e-commerce content on your company boards	Pin community content on your company boards	Pin your own blog or e-commerce content on your company boards
Twitter	Retweet community content	Compose tweet linking to content from your blog	Compose tweet linking to content from your blog using an image, or link to community content	Compose tweet linking to content from your blog or the community	Retweet community content

FIGURE 10

Workflow Map

A workflow map documents the path a piece of content takes when it is created. What are the steps in approval, how is it optimised for digital publishing, who has final sign off? Is it a duplicate of existing content and where else can it be used? A workflow map assists you in streamlining this process.

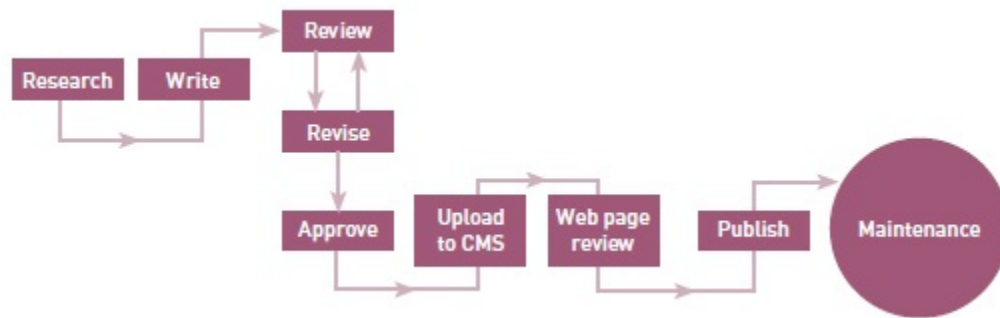


FIGURE 11

Persona Map

As discussed, the persona map assists content creators in focusing on those for whom they are in fact creating content and what the motivations of consumers may be.

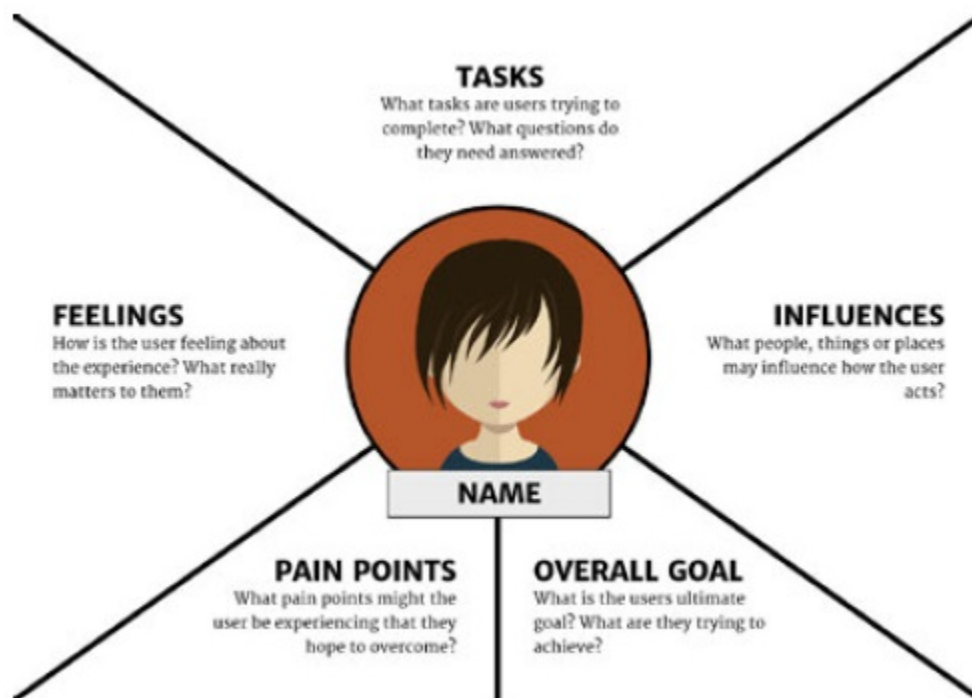


Figure 12. An example of a persona map

Advantages and Challenges

Content marketing can position your brand as an expert through the sharing of useful content in your specific field. It also enables you to reach the customer who has a fragmented attention span spread across many devices and content touchpoints.

One of the more powerful benefits, however, is that you can learn a lot about your target consumer through the content with which they do or do not engage. The more targeted and ongoing your content, the more data you can gather about how effectively you are reaching those you need to.

One of the great challenges in content marketing is providing content that is truly interesting and engaging to the right people with the right mix of subject matter and brand. Matching content to the required outcome for your strategic purposes takes dedication and focus. In the context of ongoing content production, it can also be a challenge to maintain levels of quality over time, which is why process and quality assurance steps must be put in place. Consider that the goal is not to create as much content as possible, rather it is to focus on relevance and content that matches strategic outcomes.

Case Study: Intel and Toshiba

One-line summary

Toshiba and Intel paired up to create an extremely successful social storytelling campaign that refreshed the 'Intel inside' slogan and boosted awareness of the new Ultrabook.

The problem

Intel and Toshiba both wanted to an opportunity to interact and raise awareness with younger consumers, aged 18–34 years old. They knew they didn't want a regular ad, but something that would really engage the audience and get them to interact with the brands.

The solution

An interactive social film called 'The Beauty inside'. The film starred real Hollywood stars and was a film about a character called Alex, who wakes up every day as a different person. On the inside he is the same, but on the outside, he looks like someone different. The story was about the fluid nature of identity and that despite outside appearances, it is what is inside that counts.



FIGURE 13

The campaign included a strong social element. Due to the changing nature of Alex, he could be played by anyone (male or female) and fans were invited to audition via the brand's Facebook application for the role. Those chosen would star in the professionally filmed episodes with real Hollywood players. Additional audience created content was also shared in the Alex story on the Facebook page.

Watch this video about this incredible case study:



One or more interactive elements has been excluded from this version of the text. You can view them online here: <https://pressbooks.nsc.ca/emarketing/?p=75>

The outcome

Over 26 fans were cast in the film as Alex, chosen from over 4 000 contenders. And an additional 50 Alexes were featured on the 'The Beauty Inside's Facebook Timeline. The content resonated with the audience and the social nature of the film sparked engagement and shares.

- The results of the campaign were:
- 70 million video views
- 97% YouTube approval rating
- 26 million social interactions
- 40% lift in brand perception for Toshiba

- 66% lift in brand perception for Intel
- Increase in sales of 300% during the event, when compared to previous weeks.⁴

Despite being a few years old, this case study is a great example of how providing content with strong entertainment value to customers and engaging with them on an emotional and social level, can have dramatic results.

The bigger picture

Content is a significant component of many digital marketing disciplines. When creating content, you should always keep the principles of writing for the web in mind.

Email marketing relies on great content since most people suffer from email fatigue, they will only stop to read emails that they know are of high quality and that provide excellent content.

Social media marketing also depends on sharing relevant and valuable content with social fans. While your brand promise may get them to your social page, your ongoing stream of quality content will encourage them to interact and share, spreading the word about your company. If your content is great and really resonates with your audience, it could go viral.

Search engine optimization is strongly influenced by the quality, frequency and value of content. Not only will search engines favour your site, but others will choose to link in to your content, creating a valuable referrer for your brand.

Video marketing is a whole new approach to content, in which you create dynamic and shareable videos specifically tailored to the interests and needs of your audience.

Mobile marketing also requires that you consider the unique requirements of your audiences across a series of devices. If you understand the role that each device plays in a user's life and buying cycle, you structure content according to user purpose and frame of mind.

Summary

Content marketing presents a pull mechanism for the marketer rather than a push one. It's a gentler approach

4. Digital Training Academy, n.d.).

to traditional advertising and product or price promotions. Brands must consider their brand identity and the market they are trying to reach in order to create targeted and valuable brand content that delivers on strategic objectives.

It's about more than creating a piece of content. Content marketing strategy looks at how you structure your organisation to create that content and how you match specific types of content and methods of delivery for achieving strategic outcomes.

These ideas need to resonate with people rather than simply existing across an array of media with which they are presented.

Case Study Questions

1. What is brand storytelling?
2. Why do you think Intel and Toshiba chose this option?
3. What in particular do you think drove the dramatic lift in brand perception for both brands?

Chapter Questions

1. What is content marketing strategy? How does it compare to business strategy?
2. Why is the customer journey or buying cycle relevant to content marketing strategy?
3. How do you decide what new forms of content your brand needs?

Further reading

contentstrategy.com – Content strategy for the web. contentmarketinginstitute.com/blog – the official blog of the Content Marketing Institute

the-cma.com – The Content marketing Association website. News, research and case studies on Content marketing.

This chapter is based on chapter 15 in eMarketing: The Essential Guide to Marketing Online.

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Figure acknowledgments

Figure 1. Adapted with permission, Kristina Halvorsen, 2010.

Figure 2. Screenshot, Blendtec, n.d.

Figure 3. Stokes, 2013.

Figure 4. Screenshot, Twitter 2013.

Figure 5. Adapted from, Bosomworth, 2012. **Figure 6.** Screenshot, New York Times, 2013. **Figure 7.** Stokes, 2013.

Figure 8. Screenshot, YouTube Inside Chanel, 2017.

Figure 9. Outbrain, 2017. www.outbrain.com/blog/content-marketing-and-se

Figure 10. Small Business Trends, n.d. smallbiztrends.com/social-media-calendar-template-business.

Figure 11. Own image.

Figure 12. UXPin, n.d. www.uxpin.com/studio/blog/the-practical-guide-to-empathy-maps-creating-a-10-minute-persona

Figure 13. Contently, 2016. contently.com/strategist/2016/01/06/the-new-hollywood-why-brands-are-making-movies

7.

CONVERSION OPTIMIZATION

Learning Objectives

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

Introduction to Optimize

Planning, research and strategy are important for executing digital marketing campaigns that resonate with users. As part of executing these strategies, you need to create digital assets, and then use various channels to drive traffic to those assets, and build relationships with your users.

As you are doing all of this, it's important to know, "Is it actually working? And how might it all work better?"

This is where Optimise comes in. To ensure you earn the best return on your advertising investment, you need to track, analyse and optimise your digital assets and campaigns to achieve the best results. (Yes, that's track, analyse and optimise, or TAO, so you'll never forget it.)

As Eric Schmidt, executive chairman of Google, said, "The Internet will transform advertising because of its trackability, not its beauty." Since most actions online are recorded, we can build a rich, data-driven picture of how our digital assets and online campaigns are performing. Digital allows us to use this data to test and improve our marketing efforts and then release new, better versions of campaigns rapidly.

With user-friendly reporting interfaces and free, powerful web analytics tools such as Google Analytics, there is no excuse for not knowing what's happening in your campaigns. The chapter on **Data analytics** will help you with the concepts and definitions you need, and show you how to set objectives and key performance indicators (KPIs) so that you know what you need to measure.

It's easy to rely on web analytics tools to report the 'what' without applying your brain to understand the 'why' and the 'what next'.

The chapter on **Conversion optimization** takes you through the steps of turning data into something useful: insights that let you transform website visitors into active customers.

Getting into the routine of using data to understand how your visitors are behaving and how you might influence that behaviour is what conversion optimisation is about. You need to use the web analytics data not just to report on how campaigns and digital assets are performing, but also to understand how to make these perform better.

Introduction

Let's look at a real-world example to help explain what conversion optimization is. Think of a shoe store. When laying out the store, a lot of care has been taken in determining where to place displays, mirrors, chairs and the till. However, there is no way of easily determining if the current layout is the best option.

For example, the till may be at the front of the store. It may be worth testing to see if moving the till to the middle of the store affects sales. This would require tracking sales over a period of time with the till in the front of the store, shutting down for a few days while the store is reorganised and then tracking sales with the new layout, all a little impractical.

However, if we have an online store, we can just show slightly, or very, different versions of web pages to visitors and track how different versions affect sales. We don't need to shut down our website to create new versions and we can watch the real-time results emerge 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.

Key terms and concepts

TERM	DEFINITION
A/B test	Also known as a split test, it 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.
Cookie	A small text files that are used to transfer information between browsers and web servers. They help web servers to provide the right content when it is requested.
Conversion	Completing an action that the website wants the user to take. Usually a conversion results in revenue for the brand in some way. Conversions include signing up to 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.
Heat map	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. Usually it is 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 combination performs better.
Null hypothesis	The default or general position, usually where no difference is the hypothesis.
Split test	Also known as an A/B test.

What can you test?

The short answer: everything! However, there are some good tactics to start testing.

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 images versus video.

You can also test delivery days and times for your email, either with a split test or by testing with your whole group at different times of the year.

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 rate, 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](#) 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.

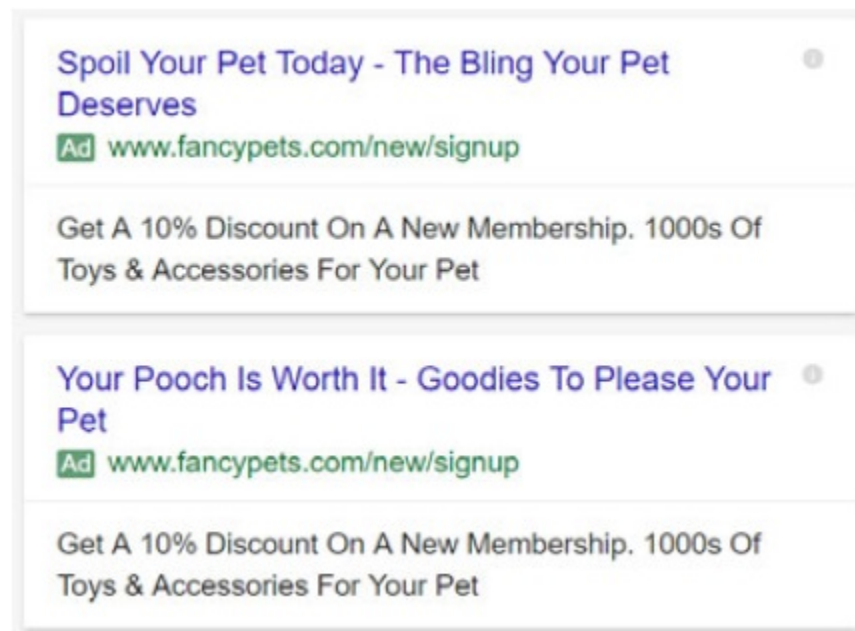


FIGURE 1 Two search ads with different headlines.

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 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 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 can be tested, such as images versus video. Time of day or day of the week can also be tested, to see how these affect interactions.

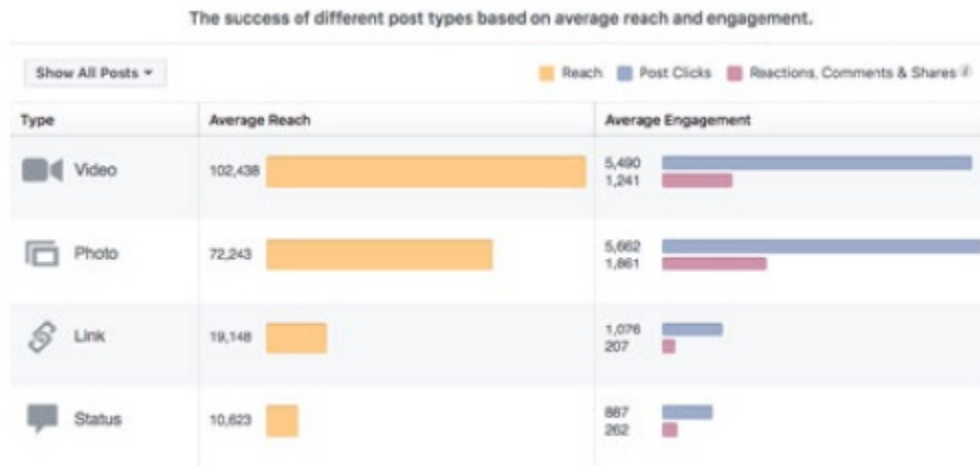


FIGURE 2 Facebook Insights showing what kinds of social media posts make the biggest impact on your followers.

It can be trickier to test social media messages scientifically, as the environment is difficult to impossible to control.

Landing Pages

A 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 such as 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:

- **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 the font size.
- **Call to action:** Different 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:** Don't forget, you can also test different types of offers on a landing page or word the same offer differently.

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 to increase 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. Some things to test include:

- 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 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. Test credibility and reassurance statements in the checkout process. Font size can also 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.

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.

Types of Tests

When we talk about conversion rate optimisation, 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.

We can run A/B tests. Here 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.

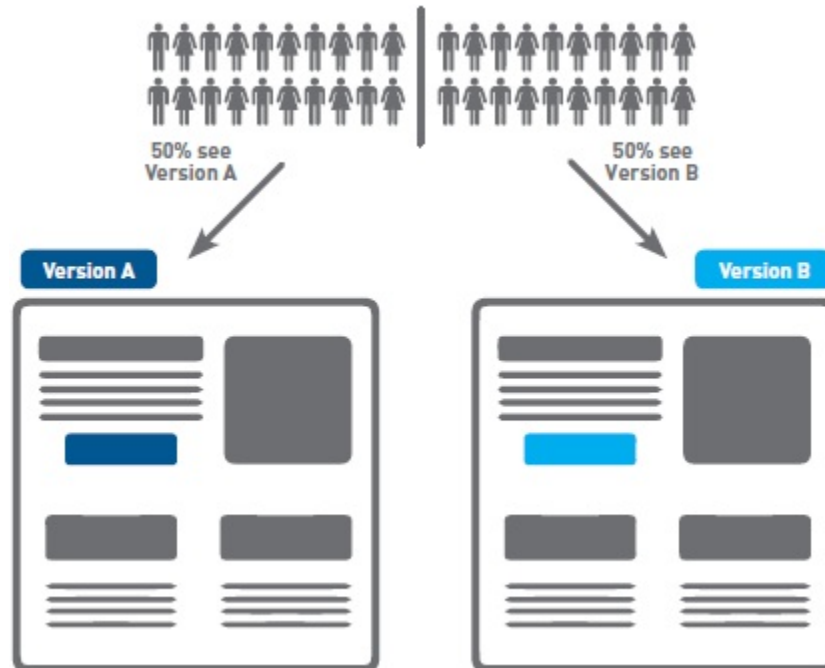


FIGURE 3 A/B testing explained visually.

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!

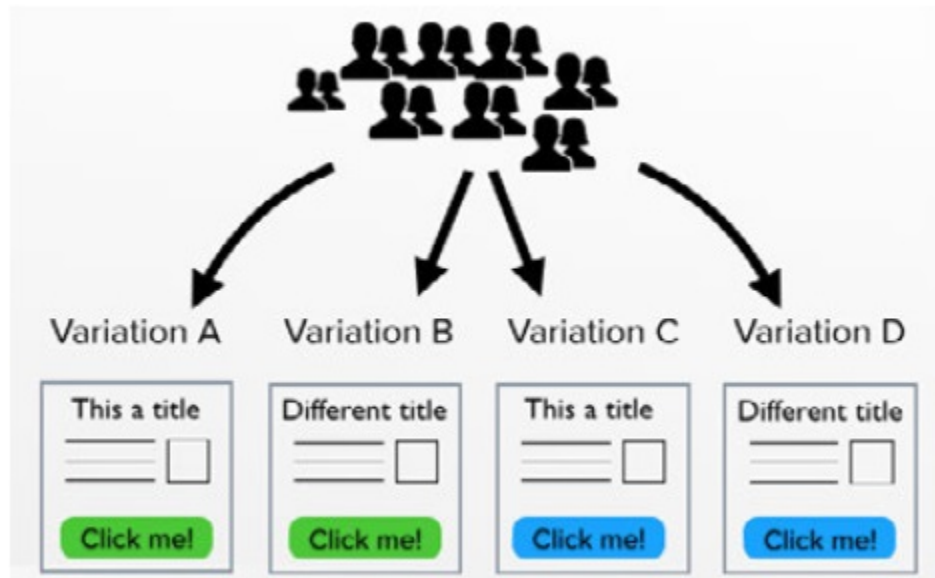


FIGURE 4 Multivariate testing combines a variety of elements.

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.

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 Tools of the trade, in section 20.6 of 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

Estimate Test Duration	Scenario 1	Scenario 2	Scenario 3	Scenario 4
# Test combinations	2	2	2	3
# Page views per day	200	200	300	350
% 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 5 Small changes can affect your online testing.

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 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, 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.

You do not have to be able to perform the 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 on the [VWO website](#)

Are your results significant?

	Control	Variation
Number of Visitors	250	250
Number of Conversions	25	42

CALCULATE SIGNIFICANCE

P-Value
(Range from 0-1)

0.012

Significance

Yes!

FIGURE 6 The results from VWO's 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.

Step-by-step guide to conversion optimisation

The basic approach to conversion optimisation is:



FIGURE 7 The conversion optimisation process.

Step 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 that can be used, 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, 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 particular pages on your site using tools such as [Crazy Egg](#) or [ClickTale](#).
- User data: User labs or simple site surveys ([Kissmetrics](#) is a useful tool for these) can also be used to add qualitative data to the quantitative data gathered using web analytics tools.



FIGURE 8 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.

Step 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 and why?

To understand who is coming to the website and why, you need to look at data that tells you about your visitors

and about how they got to your website. Visitor information includes their location and richer demographic information, such as age and income, if available. Another key point to look at is the type of device they use, desktop, tablet, or mobile phone, for example.

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 home page. Look to see which pages 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.

Step 3. Fix anything that's 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 and try to 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 to buy couches.

Step 4. Design Tests

By now you should know what areas of your site need testing, so it's time to design tests.

Wishpond (2016)¹, provides The 3 Step formula for creating an A/B Testing Hypothesis. These are:

- Step 1: Conversion problem
Why aren't people converting?
- Step 2: Proposed solution

1. Enter your footnote content here.

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. You now have a sound A/B testing hypothesis.

Step 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, test to 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.

Step 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.

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. A returning visitor should also see the same version they saw the first time to avoid confusion. There are many software solutions that help you to do this.

Google now provides a dedicated tool called Google Optimize for website and AB testing, as well as personalisation solutions. It integrates seamlessly with Google analytics, 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. Optimize makes managing your experiments much simpler with an activity log, experiment previews and by keeping track of user permissions. By facilitating testing, Optimise 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.

- [A/B Split Test Significance Calculator](#)
- [User Effect Split Test Calculator & Decision Tool](#)

[Kissmetrics](#) is a popular analytics package that also includes testing and optimisation features. It refers to itself and a customer engagement automation system. It is a system designed for deep data tracking and provides real insights into performance and user experience. Its ability to store information from every customer who ever interacts with your brand, not only assists with CRM, but sales leads as well.

[ClickTale](#) is 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.

[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.

Case Study: Tinkoff Bank

One-line summary

Tinkoff Bank, one of Russia's top four credit card issuers, improved its website conversion rate using split testing.

The challenge

Tinkoff Bank relies on its website for finding new customers, as it operates on a digital platform rather than using physical branches. Users fill in an application form on the website and submit it for approval, then receive their credit card at their homes.

FIGURE 9. The original credit card application for Tinkoff Bank.

The application page involves a multi-step form and details about the application process and credit card plan. The form submission counts as a conversion. Tinkoff is always looking for ways to increase these conversions.

The solution

Tinkoff identified key pages on the site that could be optimised. It used web analytics data to discover that the credit card application page had a high bounce rate, so it focused on helping the user stay on the application page to complete the conversion. They introduced new features in three areas:

1. An additional information box
2. Gamifying the form with a progress bar
3. Allowing users to fill in their details later on.

Additional information box

Tinkoff worked off the assumption that offering additional details about the credit card would

increase signups. They created two variations of the original page. The first had a hyperlink to 'more details' under the CTA, which led to a new page with additional information

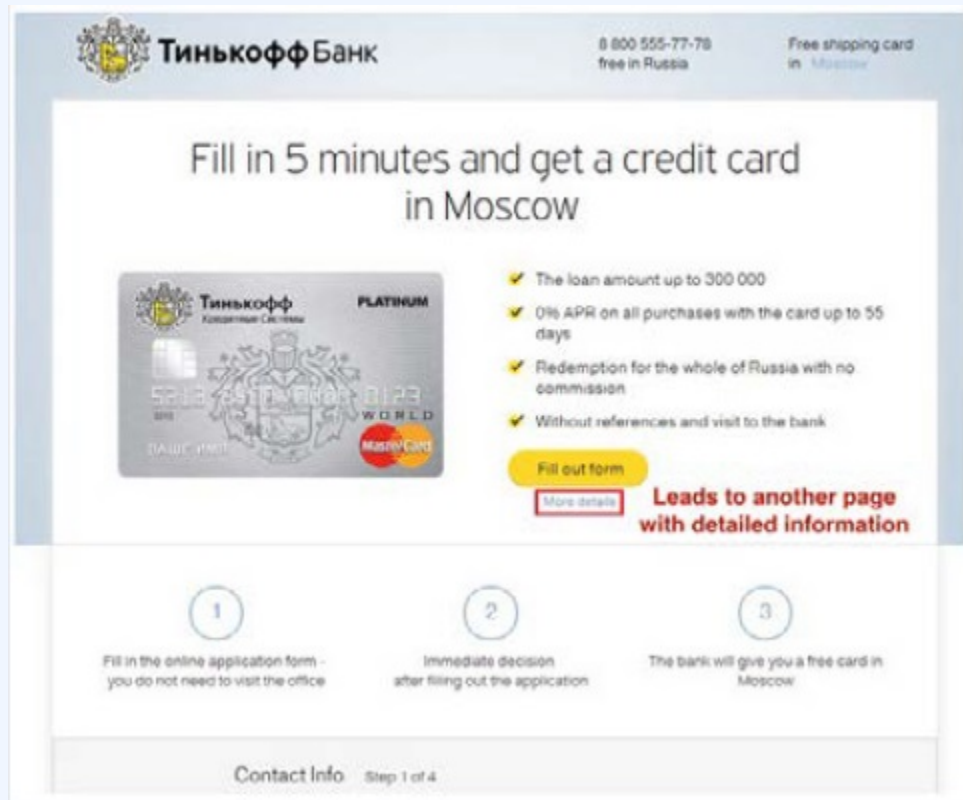


FIGURE 10 The first additional information variation for Tinkoff Bank.

The second variation opened a box right below the link instead of leading to another page.



FIGURE 11

Progress Bar

Here, the bank used the hypothesis that a progress bar on top of the four-step application form would encourage users to fill in the form completely.

They used two variations. The first had a yellow banner-like progress bar above the form that highlighted the step the user was currently on and used a black line to show the user's progression.

FIGURE 12 The first progress bar variation for Tinkoff Bank.

The second variation had a green progress bar without an extra line to show the user's progress. Instead, the green portion of the bar grew as users moved through the form.

FIGURE 13 The second progress bar variation for Tinkoff Bank. (Source: VWO)

Filling in details later

Tinkoff Bank thought that allowing users to fill in passport details later on would increase the number of submissions. This time, they only created one variation to compare to the original.

When users reached the section for passport information, they could click a box saying, “Don’t remember passport details” and a window would appear asking them to choose phone or email to provide their details later on.

The screenshot shows a multi-step application form. At the top, three numbered steps are visible: 1. Fill in the phone application form... you do not need to visit the office; 2. Immediate decision after filling out the application; 3. The bank will give you a free card in 10 minutes. The current step is 'Personal Data' (Step 2 of 3). Under 'Passport data', there is a red-bordered button that says 'Forgot your passport data?'. Below this are input fields for 'Date of birth', 'Date of issue', 'Passport', 'Series and number', and 'Date of issue'. A 'Checkbox' is located below the passport data section. A 'Pop-up' dialog box is shown at the bottom, titled 'Forgot your passport data? No problem!'. It contains the text: 'Continue filling out the application, when the passport will be on hand. Choose the most convenient way.' and two radio buttons: 'By email' (selected) and 'By phone'. Below the radio buttons, it says 'By email' and 'An email will be sent with a link to continue filling in the application form.' There is an input field for 'Email' and a yellow button that says 'Continue filling out later via email'.

FIGURE 14 The variation allowing users to fill in details later for Tinkoff Bank. (Source: VVO)

The Results

Additional information box

The first variation, with a link to another page with extra information, did worse than the original page. However, the second variation:

- Improved conversion rates by 15.5%
- Had a 100% chance of beating the control.

Why these results? Key differentiators on a web page can improve conversions and emphasising free shipping and the bank's credibility both made users feel happier about their choice. However, the first variation led users away from the signup form, adding additional effort to return to the form.

Progress bar

Both progress bars outperformed the control. The first variation had a 6.9% higher conversion

rate than the control and the second variation improved the conversion rate of the original by 12.8%. Both had a 100% chance to beat the original page.

Why? Users don't like lengthy forms but a progress bar can be reassuring.

Filling in details later

The variation was a resounding success:

- The conversion rate of the form improved by 35.8%
- The after-filling conversion rate improved by 10%.

Remember, users are less likely to complete a form if they are led away from it and fetching a passport would mean leaving the form.⁽²⁾

The Bigger Picture

As you've seen 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 is the way to go. Not only does this 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.

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 tests, 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:

2. VWO Blog, 2015).

1. Gather data
2. Analyse data
3. Fix anything that's broken
4. Design tests
5. Run tests
6. Report and repeat.

Case Study Questions

1. Why did Tinkoff bank try two different variations for the first two tests?
2. Why was testing so important in this case?
3. Discuss why the winning variation outperformed the others in each case.

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.

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Figure Acknowledgments

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VERSIONING HISTORY

eMarketing: Marketing in a Digital World was created using 6 chapters from [*eMarketing – The Essential Guide to Marketing in a Digital World*](#) by Rob Stokes.

Adaptation Book Mapping

<i>eMarketing: Marketing in a Digital World</i>	<i>eMarketing – The Essential Guide to Marketing in a Digital World</i>
Chapter 1	Chapter 1
Chapter 2	Chapter 2
Chapter 3	Chapter 4
Chapter 4	Chapter 8
Chapter 5	Chapter 15
Chapter 6	Chapter 20