

Eighth Edition

DIGITAL MARKETING

STRATEGY, IMPLEMENTATION
AND PRACTICE

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DIGITAL MARKETING

Digital marketing insight 4.1

Is a digital marketing strategy needed in the post-digital world?

The term 'post-digital' has been used for many years to describe a world where digital marketing activities are simply part of marketing. This is effectively the way customers view the world; it's entirely natural to use smartphones or laptops for selecting or buying products or services alongside traditional channels where needed — for example, for high-involvement purchases. Keith Weed, Head of Communications at Unilever™, says 'we are no longer doing digital marketing, but marketing in a digital world' (Weed, 2017).

In an article 'The post-digital era is coming: are you ready?', Paul Daugherty, Group Chief Technology Officer (CTO) at global consultancy Accenture, explains (Daugherty, 2019):

Digital is indeed still important, but now it is simply the price of admission for doing business — it is no longer a differentiation advantage. . . In the post-digital world, differentiation comes from applying digital in powerful new ways. The technologies needed to innovate and differentiate go beyond the foundational adoption of digital tools and concepts. It's an era where building trust with customers, employees, business partners and communities through a responsible approach to technology is the top priority.

He rightly stresses that it is innovative use of digital technology to achieve competitive advantage that should be the focus.

Some have questioned the need for a dedicated digital marketing strategy. In *Marketing Week*, columnist Mark Ritson (2021) suggests in a comedic example of a modern job interview, that a candidate for a senior marketing job today who wants the job is obliged to state, if asked about a digital marketing strategy, that 'I think a digital marketing strategy is at the core of every successful company these days'. However, he believes that the correct, more realistic answer should be: 'No, because if I ever develop a "digital marketing strategy" I clearly have no idea what I am doing. For starters, the digital prefix is inherently tactical in nature and execution'.

We hope to demonstrate in this text that although digital communications are tactical, digital channels also offer opportunities for competitive advantage through new business and revenue models and by executing digital tactics such as search, content and social media marketing more effectively than competitors to gain visibility, awareness and preference for brands online.

a separate focus to develop new processes, structures and skills for business competitiveness. Reviewing marketing roles in organisations using LinkedIn shows that there are many new digital marketing roles for managing digital activities, from digital transformation to digital experiences and digital analytics through to the tactics such as search, social media and email automation. With many specialist roles in digital marketing in businesses, a digital strategy to prioritise and integrate their activities is important. Of course, traditional roles such as brand, product, marketing and campaign managers are still vital to shape and implement strategy.

Digital skills need to be developed in these teams too and many larger organisations have a central 'Digital marketing centre of excellence'. In an article 'Inside 3M's quest to be both big and fast' (Lloyd, 2017), Erin Craven, 3M's Executive Director of Marketing and Sales for Canada, describes her role as: 'to help our marketers be better marketers and better sell in the digital world'. For 3M Canada, 3M's 55,000 products (from Post-It Notes

to respiratory masks) are managed by 100 marketers in 27 business divisions serving both consumer and B2B markets. The article explains that before creation of the centre of excellence, the organisation was siloed as expected for a complex company, and finding success in digital was only sporadic. She explains:

‘It wasn’t that we had too many cooks in the kitchen; we had too many kitchens’, she told *Strategy*. ‘Everyone knew they needed to “be digital,” but everyone was dabbling in it. We weren’t building subject matter expertise.’

Her solution was to create a digital marketing centre of excellence that the 100 marketers can leverage. This specialised team of about 30 – staffed by a selection of internal team members and bolstered by external hiring to fill in the skill gaps – offers everything from SEO to digital content consultation. ‘Ruthless prioritisation is how we eat, sleep and breathe’, she says.

This example shows that a focus on digital marketing is ‘here to stay’ in many organisations, as digital requires focused resources and focused priorities, which must align with business priorities. It’s why there are so many digital transformation projects in play.

Challenges of managing digital marketing

Digital marketing is becoming increasingly pervasive across every aspect of an organisation’s activities, but there are many challenges of managing digital media and technology to consider when seeking to integrate digital marketing across an organisation:

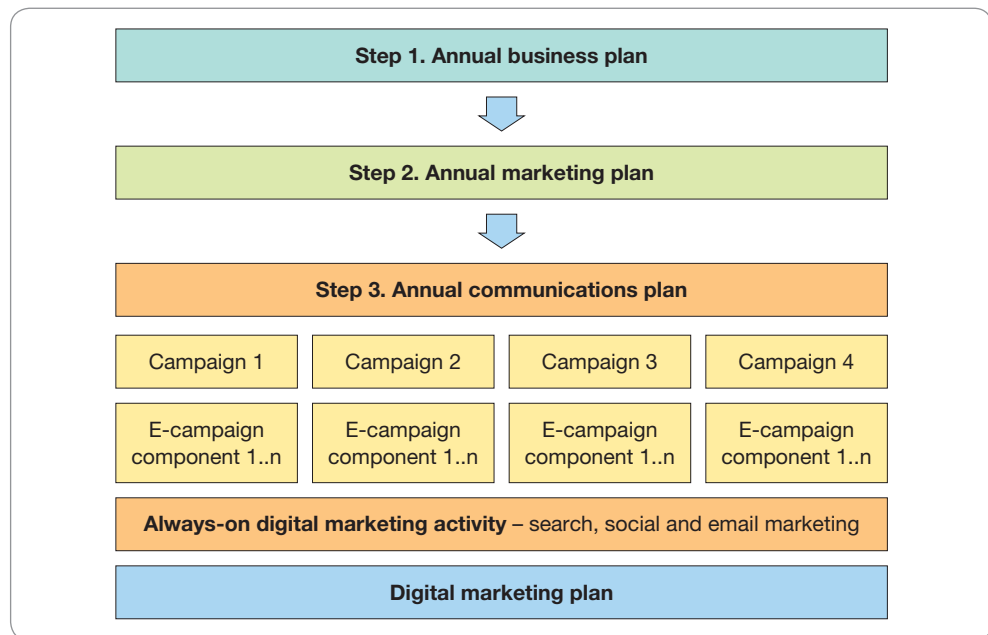
- *gaining buy-in and budget* consistent with audience media consumption and value generated;
- *conflicts of ownership and tensions* between a digital team and other teams such as traditional marketing, IT, finance and senior management;
- *coordination with different channels* in conjunction with teams managing marketing programmes elsewhere in the business;
- *managing and integrating customer information* about characteristics and behaviours collected online;
- *achieving consistent reporting*, review, analysis and follow-up actions of digital marketing results throughout the business;
- *structuring the specialist digital team* and integrating into the organisation by changing responsibilities elsewhere in the organisation;
- *‘time to market’* for implementing new functionality on a site;
- *insourcing vs outsourcing online marketing tactics*, i.e. search, affiliate, email marketing, PR; staff recruitment requirements.

Given the scope and importance of digital marketing for many organisations, as we explained in Chapter 1, many large organisations are now implementing **digital transformation** programmes to manage these challenges, which have these features:

- Gain agreement of long-term digital marketing strategy and investment levels between relevant parts of an organisation, i.e. senior management team, marketing, corporate communications/brand, e-commerce/trading, IT and data management.
- Broad scope covering resource investment for digital media, data management and marketing technology.
- Consider changes to process, structure and skills (internal and resources) needed to implement change and agree integration of communications across traditional and digital channels.
- Review approach to insight, measurement and improvement, e.g. agreeing relevant KPIs, dashboards to review them and use of structured experiments to make improvements.
- Define a roadmap and change programme for implementing changes.

Digital transformation

A staged programme of organisational improvements to business models, people, process and technologies used for integrated digital marketing in order to maximise the potential business contribution of digital technology, data and media.

Figure 4.2 Hierarchy of organisation plans including digital marketing plans

Ultimately, the transformation plan should integrate all of its strategic plans into the organisation's overall long-term business plan. Figure 4.2 shows a planning hierarchy for an organisation, from a corporate or business plan. The figure shows how the digital marketing plan supports other strategic and tactical initiatives.

Failure to plan how to manage digital channels can lead to the problems shown in Table 4.2, which can be reduced if a digital marketing strategy and transformation plan is in place to manage the problems. Activity 4.1 explores the benefits of a planned approach.

Table 4.2 Digital marketing planning failures and solutions

Potential failure or problem	Potential solution
Underestimated customer demand for online services	Research demand, set objectives, allocate sufficient resources
Intense competition from existing and new market entrants that may spark digital disruption in sector through new business or revenue models	Analyse the market, especially the intensity of rivalry, anticipate competitive responses, plan a clear market-entry strategy or potential changes to business and revenue models
Duplication of resources	Improve internal communications to avoid different parts of the marketing organisation purchasing different tools or different agencies for performing similar online marketing tasks
Insufficient resources and capabilities	Ensure budget and specific specialist digital skills are available to support the strategic initiatives including 'always-on' activities to continuously engage audiences using search, social and email marketing
Relevant customer data not collected or utilised	Research to ensure best-possible knowledge of target customers; integrate customer data into existing systems
Lack of control	Measure and analyse regularly to take corrective action to ensure achievement of objectives
Lack of senior management support	Ensure support for a long-term digital transformation plan as this will be needed to drive major strategic initiatives

Activity 4.1

Benefits of digital marketing planning

Digital markets are growing in complexity as reach extends through new applications, social media platforms and technologies (Vieira *et al.*, 2019). Without a digital marketing strategy, new business, brand exposure and revenues can all be significantly affected, particularly since new entrants may encourage digital disruption within a sector.

Purpose

To consider the benefits and barriers to the adoption of dedicated digital marketing planning.

Task

Imagine you are a marketing manager responsible for the development of your organisation's digital marketing strategy. Using an organisation you are familiar with, outline the barriers and potential benefits of proactive digital marketing planning.

How to structure a digital marketing strategy

Michael Porter (2001) suggested the internet has heightened the importance of strategy, but he encouraged businesses to be cautious and suggested where businesses should focus when developing their strategy. He suggested six principles that could help to sustain a distinctive strategic position:

- 1 Start with the *right goal*, which is grounded in real economic value.
- 2 Define a *value proposition*, which is unique but, importantly, deliverable.
- 3 Do things differently; create a *distinctive value chain*.
- 4 Be prepared to make *trade-offs*, tailoring a firm's activities to outperform rivals.
- 5 Create a *fit* between what the company does, where it wants to be and the resources available.
- 6 Establish *continuity*. Planning decisions follow the distinctive position set out by the original goals.

These principles remain fundamental to how to define value through a digital marketing strategy. More recently, Porter has recommended that innovative technologies are forcing companies increasingly to ask the question 'what business am I in?' (Porter and Heppelmann, 2014) as competition intensifies, due to increased data processing power and almost universal connectivity. The other aspect of a digital marketing strategy that Porter didn't consider, since it is more tactical, is how to improve digital marketing communications capabilities. This requires prioritisation of investment in digital marketing activities, such as those explored in Part 3, to improve reach, customer experience, conversion and retention.

Marketing planning and strategy comprises a complex and resource-intensive set of processes that can deliver great rewards if fully embraced (Jobber and Ellis-Chadwick, 2020). A **strategy process model** provides a framework that gives a logical sequence to follow to ensure inclusion of all key activities of strategy development and implementation. In a marketing context, these strategy development and implementation activities are coordinated through a marketing plan, and the process of creating this is known as **marketing planning**. McDonald (2003) defined marketing planning simply as:

the planned application of marketing resources to achieve marketing objectives. . . . Marketing planning is simply a logical sequence and a series of activities leading to the setting of marketing objectives and the formulation of plans for achieving them.

Strategy process model

A framework for approaching strategy development.

Marketing planning

A logical sequence and a series of activities leading to the setting of marketing objectives and the formulation of plans for achieving them.

McDonald (2003) distinguished between strategic marketing plans that cover a period beyond the next financial year (typically three to five years) and tactical marketing plans that cover detailed actions over a shorter time period of one year or less, and this is equally applicable to digital marketing planning. In a similar way, we suggest that a strategic digital marketing plan, often known in large companies as a digital transformation plan, should place emphasis on four areas:

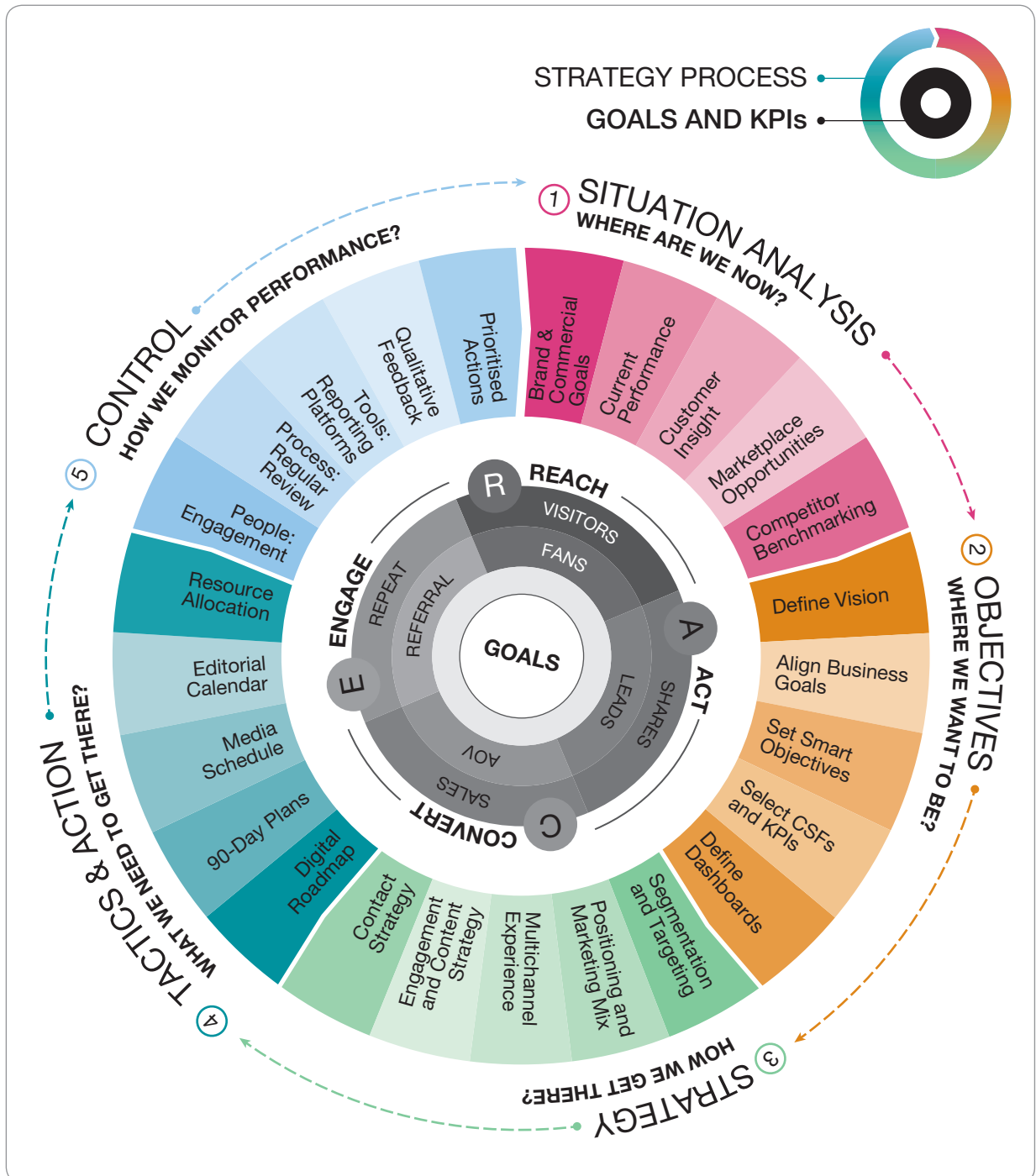
- 1 Identification of changes to competitive forces in the micro-environment and macro-environment that will influence customer demand for online experiences and products.
- 2 Developing value propositions for customers using online services as part of their buying process.
- 3 Definition of the integrated communications to support organisational goals and support via a marketing technology infrastructure and information architecture to deliver these value propositions as a customer experience.
- 4 Changes to governance of marketing activities affecting the structure, skills and systems or processes in an organisation.

Having a long-term *roadmap* to guide digital transformation activities for 18 months to three years may be needed given the scale of changes to structure, skills and technology. Equally, it is important to consider that digital environments are highly dynamic, and operational plans should aim to promote strategic agility, so shorter-term flexibility needs to be built into the process. Outram (2015) argues for a 90-day planning approach where communications strategy performance is reviewed.

Figure 4.3 shows an overall omnichannel strategy process model created by Dave Chaffey and Dan Bosomworth to summarise activities involved in creating and implementing a digital marketing strategy. The six main process activities are from PR Smith's SOSTAC® Planning framework (explained at www.prsmith.org), which stands for Situation, Objectives and Strategy, Tactics, Action and Control. Note that each stage is not discrete; rather there is some overlap during each stage of planning – previous stages may be revisited and refined. SOSTAC® was originally developed as a general marketing strategy model, which didn't consider digital-specific activities. Within each part of the 'wheel', Chaffey and Bosomworth have identified key digital marketing activities that businesses should work on as part of the process of digital transformation. The elements of SOSTAC® planning in the context of how they are described in this text with respect to digital marketing strategy are:

- 1 *Situation analysis means 'where are we now?'*. Planning activities involved at this stage include performing a digital marketplace SWOT analysis (Figure 4.6), and reviewing the different aspects of the micro-environment (Chapter 2) including customers, competitors and intermediaries. Situation analysis also involves review of the macro-environment (Chapter 3).
- 2 *Objectives means 'where do we want to be?'*. This can include a vision for digital channels, and also specific numerical objectives for the digital channels such as forecasts of visits, leads and sales based on a conversion model (e.g. Figure 2.6).
- 3 *Strategy means 'how do we get there?'*. Strategy summarises how to achieve the objectives for the different decision points explained in this chapter, including segmentation, targeting, proposition development, including digital branding and elements of the marketing mix (Chapter 5), and CRM (Chapter 6).
- 4 *Tactics defines the usage of tactical digital communications tools*. This includes specific details of the marketing mix (Chapter 5), CRM (Chapter 6), experience (Chapter 7) and digital communications (Chapters 8 and 9).
- 5 *Actions refers to 90-day action plans, change management and project management skills*. We refer to some of the issues of modifications to organisational roles and structures later in this chapter (the 7Ss of Table 4.7).

Figure 4.3 An omnichannel marketing strategy process model and implementation activities



Source: Chaffey (2016)

Prescriptive strategy

The three core areas of strategic analysis, strategic development and strategy implementation are linked together sequentially.

- 6** *Control* includes digital analytics to assess whether strategic and tactical objectives are achieved and how improvements can be made to enhance results further (Chapter 10).

Arguably, due to the speed of development of digital technologies, there is a need for a more responsive, more agile approach to strategy planning (as discussed at the start of Chapter 3). Rather than a top-down, **prescriptive strategy** development approach, similar