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THE USE AND EFFECTIVENESS OF DIGITAL MARKETING. CASE – FOUNDATION FOR THE ARTS AND HUMANITIES

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In the course of completing this paper, the topic of digital marketing was studied, including such areas as digital marketing in general and its basics, advantages of using digital marketing, digital marketing tools, digital marketing application including planning and implementation, evaluation of a digital marketing campaign effectiveness, and, finally, the matters and ideas that ensure digital marketing success. All of these constitute the theoretical part of this thesis.

The reason for the choice of the concepts and ideas that were studied in the theoretical part of this thesis is directly linked to its purpose. The purpose of this thesis was to study the subject of digital marketing, familiarize with it and identify issues that make digital marketing campaigns successful. In addition to that, another purpose of this thesis was to generate a guideline to creating well-balanced digital marketing campaigns.

The empirical part was meant to combine the knowledge of the subject that I had gained with the actual business reality of the case company and compare them.

In order to achieve that, I used qualitative research. More specifically, an interview based on the theoretical part of the thesis was designed, and it covered most of the areas specified there. A marketing manager of the case company was contacted. The first half of the empirical part of the thesis is a report of interview responses, and the second one is the analysis of those.

Finally, in the last chapter of the thesis, recommendations for the case company in the form of ideas for improvement were provided. Questions listed in the ‘Objectives’ part of the thesis were answered, and a guideline specified in the ‘Purpose’ section of the thesis was drawn. The final outcome is to be provided to the case company.
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APPENDICES
1 INTRODUCTION. THE THESIS

1.1 Purpose

The purpose of this thesis is to familiarize with the topic of digital marketing and, as a result, identify the issues that ensure success of a digital marketing campaign, and to generate a guideline that would allow companies to create well-balanced digital marketing campaigns. I will use appropriate theoretical data gathered from reliable sources as the basis for the empirical part of the paper. The theoretical data will also be used to generate a list of suggestions for the case company concerning ideas for improvement.

Foundation for the Arts and Humanities was chosen as the case company for this paper since I had worked for the company previously and am familiar with some of its internal business processes. Another reason was the readiness of the company to cooperate with me.

1.2 Problem Definition

As stated by Sarah Vinz, “A problem statement describes a problem or issue that needs to be solved in your dissertation.” (Website of Scribbrs 2016). Based on the definition, I would formulate the following problem: some companies underestimate the usefulness and effectiveness (the extent to which objectives and targets are achieved and issues are resolved) of e-marketing; if used, however, crucial mistakes are made that hinder increasing the efficiency of e-marketing.
1.3 Objective

The main objective of the thesis is to reach the final outcome in the form of a guideline to creating viable digital marketing plans and a list of suggestions and improvement ideas for the case company that would help answer the following question: what makes a successful digital marketing campaign (traits, specific characteristics, and issues to consider) and how can its effectiveness be improved (ways or tools)?

Subsequent questions that I aim to answer within the framework of my thesis are:

1. For what purposes can digital marketing be employed? Its uses.
2. How does digital marketing allow to minimize spendings and maximize revenues?
3. How can higher numbers of potential customers be reached?

1.4 Conceptual Framework

The conceptual framework illustrated in Figure 1.1 demonstrates the relationship between the concepts used in the thesis. In the centre of the framework we can see ‘Private Educational Institutions’ which implies the case company. Marketing and digital marketing (e-marketing) are directly connected, and the latter one is influenced by traditional marketing since e-marketing does not exist separately from it, therefore they are linked the way they are in the illustration. Both of them impact the case company, which, in turn, realizing the need for promotion, increasing the number of customers, etc., researches the market (when needed), designs a promotion plan (that would also enable to understand whether a campaign was successful or not), implements it, monitors the campaign, analyzes its outcomes and finally specifies ideas for improvement. If applicable, the whole process is repeated, that is why a green arrow connects the “Coming up with ideas for improvement” and the “Private educational institutions” boxes.
Figure 1.1. A graphic illustration of the relationships of the concepts that will be handled in the thesis

Figure 1.2 depicts the relations between the concepts listed in the table of contents. First of all, marketing is linked to e-marketing due to an aforementioned reason. After that, one can see the concepts that together “form” e-marketing: e-marketing tools, e-marketing applications and factors that ensure the success of an e-marketing campaign, hence, they are graphically connected. Information regarding e-marketing tools allows companies to plan the application process, therefore the link. Knowing how to apply digital marketing and the keys to digital marketing success, in turn, allows businesses to evaluate the effectiveness of a campaign, therefore the links are established. In-between theory and final evaluation, though, there is the implementation itself, which is shown in the figure 1.2 as well.

Figure 1.2. A graphic illustration of the relationships of the concepts that will be handled in the thesis: table of contents
1.5 Boundaries

I am convinced that this topic does not go hand-in-hand with many others that could, by mistake, be placed into the paper. The main concerns that need extra attention are not going too deep into the field of traditional marketing and trying to concentrate on digital marketing instead. It is significant to stay focused and concentrated on the subject specified in the title of the paper.

2 MARKETING

There is no single definition of marketing that would be recognized globally and universally. As said by Dann and Dann (2010), “marketing is a living discipline that adapts and evolves on the strengths, weaknesses and operational foibles of the marketplace.” (Dann & Dann 2010, 30). Some definitions of marketing focus on the activities that the discipline instigates, others – on rather philosophical implications of it.

AMA’s (American Marketing Association) definition of marketing is:
“The activity, set of institutions and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.” (Keefe, 2008).

This definition mirrors the expanding trend of consumers to choose “intangible experiences” over obtaining physical objects (Dann & Dann 2010, 31). The boost of Internet use and e-based technologies has also contributed into the rise of experiential marketing.

Dann and Dann (2010) also say: “The AMA definition addresses the intangible approach to marketing by viewing the role and purpose of marketing as having three core elements:

- Activities, processes, institutions
- Creation communication, delivery and exchange of offerings of value
• Exchange between marketers, marketplace and society.” (Dann & Dann 2010, 32).

Marketing is a set of activities, processes and institutions. It generates, conveys messages, “delivers and exchanges offerings that have value.” (Dann & Dann 2010, 32).

There are four groups of recipients involved in marketing: customers, clients, partners and society. Each group represents a certain cluster with their own values, needs and motives that have to be taken into account by marketers. Processes need to be adjusted to those clusters accordingly and appropriately.

Another definition of marketing to be viewed is that by the CIM (The Chartered Institute of Marketing):

“Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably.” (Website of The Chartered Institute of Marketing 2015).

This definition emphasizes on the organization’s role in the process itself, on the “need to include long-term goals and objectives.” (Dann & Dann 2010, 34). It also concentrates on the commercial part of marketing.

Based on the CIM definition, we can say that marketing is a whole management process. It defines, expects and fulfills customer needs, and not only does it just do all that; marketing is meant to be profitable for the organization as well, and is profit-driven.

Digital marketing, the core focus of this paper, is said to be “an applied form of marketing.” (Dann & Dann 2010, 35). It implies that an e-marketer is fully aware of marketing-related concepts and is generally conversant with the field of traditional marketing.
3 DIGITAL MARKETING

3.1 Basics of Digital Marketing

Before moving any further into the field of digital marketing, e.g. its planning and implementation, it is crucial to clarify the basic notions such as what it is in the first place, as well as related concepts and theories.

Digital marketing has probably been taken advantage of by perspicacious marketers ever since the boom of mass Internet use. In his article for Smart Insights, Dave Chaffey talks about the term going through different stages and names since the year 2004 (Website of Smart Insights 2016). The term has been known as Internet Marketing, Web Marketing, Online Marketing, E-Marketing, and today some authors and academics are more inclined towards using the term “Digital Marketing”.

So what is digital marketing? According to Dann and Dann (2010), it “is any type of marketing activity that needs some form of interactive technology for its implementation.” (Dann & Dann 2010, 4). The Danns also say that digital marketing includes and covers a whole lot of tools, “mechanisms and approaches” in order to deliver marketing in the best possible manner with the help of technology.

The definition provided by other marketing gurus, Dave Chaffey and Fiona Ellis-Chadwick, states: “Digital marketing is the application of the Internet and related digital technologies in conjunction with traditional communications to achieve marketing objectives.” (Chaffey & Ellis-Chadwick 2016, 11).

Based on the two definitions, a conclusion can be made, that digital marketing involves pursuing and fulfilling marketing objectives, using technology and combining digital marketing with other means of communications and tools.

In order to generate a profound digital marketing strategy, it is crucial to understand a whole new environment and types of customers’ online presences. Today, the following media channels need to be taken into consideration when pursuing the goal of accessing and influencing potential customers online:

1. Paid media. Technically, this is paying a third party to get promoted on their websites or web-based platforms. Another term that could be used is Advertising.
2. Owned media. This implies using a channel that a company creates / designs and controls. Another term that could be used is Digital Properties.

3. Earned media. This channel is used when one’s contents are discussed and shared online. Another term that could be used is Partner Networks (Website of Small Biz Trends 2013).

Digital marketing is also growing in popularity as the number and variety of appropriate platforms is also constantly expanding. Customers all across the globe use platforms like desktop computers, laptops, mobile phones, tablets, other hardware platforms such as gaming tools, apps, smart watches and other wearables, etc. All these allow to access customers and potential customers at any point in time.

Digital marketing is also becoming increasingly common, since there are multiple applications to it, and far not every other means of carrying out a marketing campaign can offer such a privilege. According to Chaffey and Ellis-Chadwick (Chaffey & Ellis-Chadwick 2016, 16-17), those applications are using e-marketing as an advertising medium, direct response medium, platform for sales transactions, distribution channel, customer service mechanism, for lead-generation and for relationship-building.

The environment, within which any concept is developed, always has a tremendous impact on the concept itself and shapes it a certain way. The characteristic of the digital marketing environment, if known, would help comprehend the way the whole “system” operates. Those characteristics can be sorted into certain categories or groups, and are as follows:

1. Customer behavior impact (Dann & Dann 2010, 42).
   1.1. Interactivity (Dann & Dann 2010, 42). This concept refers to the extent of two-way interaction between a company and its customers. Even though the concept is not entirely linked to the Internet, one of its special characteristics is that it allows an individual to personalize a scenario or a situation and govern the degree of interaction. This can be achieved with the help of feedback systems or self-service features.
   1.2. Mass customization (Dann & Dann 2010, 42). Self-evidently, this concept refers to the ability of the consumers to customize the websites they access and hence influence the contents, offers, etc. displayed to them. While mass
customization implies loss of control over consumers at a certain level as it
gives them the power to sort what they wish to see, at the same time it lets
marketers implement tracking technologies and therefore provides a better
understanding of what consumers need, the way they make decisions and
choices, and what strategies work best.

1.3. “The interest-driven nature of the Internet.” (Dann & Dann 2010, 43). This
poses both, challenges and opportunities, for a company. On the one hand,
the fact that consumers are driven by their own interest means that they
know exactly what they are looking for and the chances that they will find
out about a product or a service “accidentally” are low. On the other hand,
potential consumers may be researching the field that they are interested in
and may come across a company and later interact with it. In relation to this
environment, marketers have to offer something that would satisfy custom-
ners’ anticipations as well as demands. Then, enough interest has to be insti-
gated with the goal of directing the potential customers to a company’s web-
site. Apart from that, the website itself needs to be designed in a smart man-
ner, so that it does not pose any difficulties and sparks further desire on the
customers’ side to cooperate.

2. Accessibility (Dann & Dann 2010, 44).

2.1. Global access. Global access means that nowadays groups of people can be
formed around the world based on mutual interests, not geography. This in-
creases the diversity of potential customers, as well as their sheer numbers.

2.2. Time independence. Websites are normally available 24/7.

2.3. Ubiquity. Ubiquity, or omnipresence, enables to cross all sorts of boundaries,
such as geographic or time boundaries.

3. Product characteristics (Dann & Dann 2010, 47).

3.1. Intangibility. As said by Dann and Dann (2010), “e-marketing focuses on
communication and delivery of intangible benefits which cannot be experi-
enced using the physical senses.” (Dann & Dann 2010, 47). However, this
characteristic is not necessarily always applied, for example, when goods
that are being promoted are tangible.

3.2. Mobility. This characteristic covers a whole variety of communication chan-
nels and methods of distribution. Unlike in traditional marketing, channels
do not need to be fixed at a certain geographical point or “attached” to anything physically.

3.3. Portability. As the use of digital marketing increases globally, information and data are becoming portable.

3.4. Volatility of the Internet as a service product. Keeping up with the constantly emerging new tools and technologies and finding out which ones of them are appropriate for a particular company or situation is crucial in digital marketing. It is also significant to stay familiar with the emerging social innovations and expectations.

Even though traditional marketing and digital marketing have a lot in common (e.g. segmentation, strategy, market research, etc.), the nature and the environment of the latter one create new issues to be taken into consideration when designing a strategy.

1. Audience control. The sheer numbers of people of any demographic or social group that are able to access a website are enormous. It may be significantly harder to adjust the message, the offer and the language without engaging into a particular interaction with the people on the other side of the screen (Dann & Dann 2010, 54).

2. Information proliferation. The easiness and affordability with which information can be shared online today is stunning. However, at the same time, customer expectations regarding the quality of information provided are growing as well. Generally, information proliferation is met with enthusiasm by marketers, yet it also poses threats, such as accidental private information disclosure, copyright and intellectual property issues, etc. (Dann & Dann 2010, 54).

3. Share of voice. Unlike traditional broadcast media, Internet lacks control and centralization, which means that virtually anyone can have a voice and spread any type of information they wish to at different platforms. Tools such as Facebook, YouTube and other social media websites can be accessed by any company that wishes to promote their products or services. Such environments are, obviously, eminently competitive (Dann & Dann 2010, 55).

4. Internet time. Smart timing is crucial when it comes to digital marketing. Responses need to be made quickly and at the appropriate time, as the Internet provides no regular deadlines, unlike traditional media (Dann & Dann 2010, 55).
5. The “beta” factor. Internet provides companies an opportunity to market unfinished goods or services using the term “beta”. E-customers appear to be much more tolerant of unfinished offers as compared to the physical world, and that can be utilized to the good of a company (Dann & Dann 2010, 56).

3.2 Advantages of Digital Marketing

Digital marketing provides a number of benefits and boasts some advantages. It can also be very valuable when combined with a traditional marketing campaign.

To begin with, digital marketing can be utilized in order to facilitate linking of the overall marketing and other business operations with the target of attaining profitability. These goals can be supported by digital marketing activities in the following ways:

1. Identifying. The Internet enables marketers to find out customers’ needs and wants.
2. Anticipating. It is not a secret that customers access information and purchase goods or services online. Companies, when able to track and analyze these demands, can allocate their resources appropriately.
3. Satisfying. Matters like good performance of a website, easiness of its use, high level of customer service are crucial for success, and smart digital marketing can fulfill those.

Digital marketing also enables companies to reach the so-called “5S of Internet Marketing” (Chaffey & Ellis-Chadwick 2016, 18) when setting marketing strategy objectives. Table 1 demonstrates those.
### Benefit of e-marketing

<table>
<thead>
<tr>
<th>Benefit of e-marketing</th>
<th>How benefit is delivered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sell – Increase sales</td>
<td>Achieved by wider distribution, promotion and sales online (also by combining offline and online presence)</td>
</tr>
<tr>
<td>Serve – Add value</td>
<td>Offering extra benefits online or informing about new upcoming developments (offers) through online channels</td>
</tr>
<tr>
<td>Speak – Get closer to customers</td>
<td>Interacting with customers online (establishing a dialogue by arranging surveys, discussions, monitoring forums, carrying out market research online)</td>
</tr>
<tr>
<td>Save – Reduce costs</td>
<td>Savings deriving from using online services (email, reduced numbers of staff, reduced print and postage expenditures)</td>
</tr>
<tr>
<td>Sizzle – Extend the brand name</td>
<td>Extending the brand name online (offering propositions, services, experiences, etc. online)</td>
</tr>
</tbody>
</table>

Table 1. The 5S of Internet Marketing. Chaffey & Smith 2012.

The Internet can also be utilized to achieve certain strategic directions. Those are:

1. Market penetration. The Internet allows to trade more existing goods on existing markets.
2. Market development. This deals with establishing geographically new markets; the need to support physical infrastructure does not exist.
4. Diversification. This implies that new products are designed and sold in new markets.

(Chaffey & Ellis-Chadwick 2016, 17).

It is plainly obvious that no marketer would pick a particular marketing method or strategy over another, had it not offered remarkable advantages and airtight ways of reaching the established objectives. Dann and Dann (2010) have identified six reasons to turn to digital marketing.

1. Cost cutbacks and financial considerations (Dann & Dann 2010, 50).

Goodman (2004) summarizes that digital marketing offers a chance to reduce costs in the following ways:

- Saving money by not printing promotional materials out, and rather transferring them into digital formats.
• “Savings deriving from deductions in mail and postal services.” (Dann & Dann 2010, 50).
• Savings deriving from the reduced need for personnel.
• Decreased market research costs related to the use of tracking programmes.
• Savings in designing tailored products through the user-driven blending of “component digital parts.” (Dann & Dann 2010, 50).

(Goodman 2004, 20).

2. Effectiveness and efficiency considerations (Dann & Dann 2010, 50).
   Internet makes it easy to access and effectively compare huge volumes of information, successfully identifying the most crucial elements. This in turn has increased the efficiency of other business activities, e.g. HR and internal policies, financial operations, etc.

3. Wider access to clients, customers and partners (Dann & Dann 2010, 51).

4. Promotional value (Dann & Dann 2010, 51).
   Like it has been said in the previous section of the paper, the Internet provides an opportunity to demonstrate and promote a company’s products and services through various channels. Websites and online ads can be tailored in a way appropriate to the company and the overall backgrounds, which cannot be achieved when it comes to traditional marketing mediums. Apart from that, Internet provides the benefits of all the traditional mediums (TV, radio, print) combined.

5. Competitive pressures (Dann & Dann 2010, 51).
   A company’s wish to limit itself to traditional means of marketing exclusively most likely implies that its competitors will take advantage of the Internet as a channel of promotional and marketing activities, and therefore influence a larger scope of potential customers.

6. Corporate image (Dann & Dann 2010, 52).
   There are two main issues related to this concept. First of all, by entering the arena of e-marketing early enough, a company creates a positive public image; that of a modern up-to-date organization. Secondly, digital
marketing is often perceived as an indicator of sustainability, being eco-friendly and environmentally responsible.

4 DIGITAL MARKETING TOOLS

There is a certain set of digital marketing tools that represent a whole separate part of any digital marketing campaign. Chaffey and Smith (2008) divide those tools into six distinct groups. The groups are listed in figure 2:

Figure 2. Six Categories of E-Communications Tools or Media Channels. Chaffey & Ellis-Chadwick 2016, 32.

1. Search engine marketing (Chaffey & Smith 2008, 32). A company or its services pop up in search results when a user searches a key word or a phrase. Done to encourage click-through.

2. Online PR (Chaffey & Smith 2008, 33). Getting positive mentions concerning a company or its services / products on third-party web sources. This also
deals with negative feedback by conducting online PR and responding to unfavorable mentions online.

4. Interactive ads (Chaffey & Smith 2008, 33). Using banners and other similar tools to promote a brand and brand awareness, and boost click-through.
6. Social media marketing (Chaffey & Smith 2008, 33). Social media marketing spurs communications and interactions on social media platforms or a company’s own website. This allows to reach and engage potential customers.

Digital tools are utilized to achieve one’s digital marketing objectives. Regardless of the fact that there is a whole plethora of tools that can be used, it is not implied that all of them have to be put into use simultaneously. Below, I wish to elaborate on several digital marketing tools that I believe to be most appropriate for the case company and their business environment.

4.1 Company’s Own Website

Having a company’s own website and keeping it updated is crucial for successful digital marketing. A website can be used in order to build a brand, inform customers about new products or services; it can also be linked with other digital marketing tools a company employs in its strategy. Auxiliarly, a website facilitates communications with customers, and hence empowers a company to market to them directly (Website of Small Business Chron 2010).

4.2 Social Media

According to Brian Sheehan, “social networks are the fastest growing phenomenon on the Web.” (Sheehan 2010, 108). They change the landscape of the marketing world and numerous other business-related processes. The majority of the whole world’s population (two-thirds) access social networks regularly. In developed coun-
tries, the number goes as high as 80% (Sheehan 2010, 108). Social media platforms expand three times more rapidly than Internet use as a whole and as of 2010 accounted to 10% of all forms of e-based activities (Sheehan 2010, 108). Considering the overall boom in the growth of social media, it is safe to guess that by the year 2017 the use rates have increased.

As reported by Pew Research Center (2016), the number of social networks users has been growing steadily for the past years. See the figure 3.

Figure 3. Popularity of Social Networks. Website of Pew Research Center 2016.

Figure 4 demonstrates how truly widespread and popular social networks are, with three of them having over a billion users. Only some examples are listed, excluding other social media platforms like Skype, Snapchat, Viber, etc.
Figure 4. Social Network Sites Worldwide Ranked by Number of Active Users (mil). Website of Smart Insights 2017.

It is worthy of notice, that a large number of users use social networks on the daily or on the weekly basis, which indicates that those platforms have become an integral part of lives of millions of people worldwide. See figure 5:

Figure 5. Social Network Use. Website of Pew Research Center 2016.

According to the website of Smart Insights (2017), Facebook still dominates the global social media arena; other world’s most popular social media platforms include Facebook Messenger, Instagram, Twitter and Google Plus (Website of Smart Insights 2017). Overall, the popularity of those does not appear to cease; however Twitter has faced stagnation in terms of the number of monthly active users. At the
same time, other platforms such as Instagram and WhatsApp have experienced a boost as regards their acclaim among users.

Since the case company operates in Russia, it is significant to bear in mind, that the Russian media landscape is different from that of the European countries or the United States; the Russian Internet is dominated by other social networks. Figure 6 lists the most popular social media platforms in Russia in 2015.

Figure 6. Social Media Use in Russia in 2015. Website of Russian Search Tips 2015.

Within the framework of this paper, I intend to overview Facebook, Instagram, VK and Odnoklassniki as platforms to be used by the case company. I am doing this since these are the social media websites that are already being used by the company, and as the purpose of the report is to evaluate their effectiveness, I believe this to be the right step to undertake.

4.2.1 Facebook

In October 2012 Facebook officials made a public statement, that the website had surpassed the plank of 1 billion users. As of 2016, the website boasts 1,4 billion active users (Dodson 2016, 158), which in itself is a whole open field for marketers. Another advantage of Facebook, just like any other social media platform, is that one can access its users 24/7.

Ian Dodson and Brian Sheehan (Dodson 2016, 159; Sheehan 2010, 108) suggest that companies should create business pages on Facebook, rather than personal profiles.
First of all, it is necessary to add users as friends if one is using a personal profile, and friend requests can be declined, whereas business pages and their contents are available to everyone, and can be “liked”, subscribed to and followed.

Other main advantages of business pages on Facebook are 1) ability to have an unlimited number of “likes” and connections; once a user likes a post, it pops up on their friends’ timelines, therefore expanding the number of people who see the publication; 2) optimization for search engines. Facebook business pages can be easily found when their names are searched; 3) analytics, including age, location, gender, etc. of audiences. A page’s performance can also be tracked and evaluated, which facilitates further strategy improvements or idea-generation (Dodson 2016, 159).

4.2.2 Instagram

With more than half a billion monthly active users and over 300 million daily active users (Website of Instagram Press 2016), Instagram is a horrific digital marketing tool that opens up a vast amount of business opportunities.

As stated on the Market Domination Website, 40% of consumers respond to visual information better than to written information (Website of Market Domination Media 2014), and Instagram is exactly the place to share photos, videos or the so-called Boomerangs at. Aside from that, visuals are processed 60,000 times faster in the brain than text (Website of Buzzoid 2016)

Additional reasons to use Instagram as a digital marketing tool include:

1. Customer engagement. Engagement per post has grown at a staggering 53% year-over-year rate.
2. Instagram posts can be found by anyone with the help of hashtags and geographic location tracking systems, which enables potential customers looking for a particular service or product at a particular place to find those faster and more easily (Long 2016).
3. Instagram allows building trust and personality by creating branded content and therefore, like it has been mentioned, enhance engagement. This also helps establish an emotional connection with target audiences. “Behind-the-scenes” photos from a company’s office or facilities also make the company appear more trustworthy.
4. Even in spite of Instagram’s tremendous popularity, the competition there is still not as tough as on Facebook or Twitter.

5. A company can demonstrate and advertise its products or services on Instagram without having to pay for the promotion (Istvanova 2014).

4.2.3 VK.com

VK.com has long been Russia’s most popular social network. Apart from Russia, the website is actively used in the former Soviet Union states and among members of Russian-speaking communities worldwide. Daily VK.com audience amounts to 50 million users (Pupele 2014). The platform is very similar to Facebook (and is even sometimes called “The Russian Facebook”), and therefore offers similar advantages and business- and marketing opportunities. The majority of the users are young people or people slightly older than 30: audiences like that are typically open-minded, dynamic, have various interests and are open to new experiences (Pupele 2014).

4.2.4 Odnoklassniki.ru

Odnoklassniki was founded in 2006, and is second to VK.com in terms of popularity with approximately 45 million visitors. Odnoklassniki’s audience is more mature: they are predominantly people closer to or over the age of 40 with rather traditional values and beliefs. Unlike VK.com users, Odnoklassniki visitors are spread throughout Russia more evenly, with people living in smaller towns and rural areas. Odnoklassniki users tend to participate in discussions, forum-like chats, reviews, etc. A definite advantage of the platform is that its users spend more time per page than any other Russia’s social network’s users (Pupele 2014).
4.3 Email Marketing

Email can also be effectively employed as a digital marketing tool. Benefits of email marketing are a shorter period of time needed to create and deliver a campaign, a faster response rate, ability to show exactly the information that a company wishes to show, and lower costs.

Email marketing generates a whole spectrum of opportunities. It can be utilized as a tool for:

1. Acquisition
   a. Sales promotions
   b. Informing about new products, offers, services, prices and policies

2. Conversion
   a. Converting leads to actual customers

3. Retention
   a. Creating and delivering loyalty programmes
   b. Reminding of new offers and renewals

4. Awareness raising
   a. Increasing brand-awareness and interactions with the brand
   b. Delivering information and news on the regular basis in order to keep the brand “at front of mind”

5. Brand-building
   a. Delivering customer service
   b. Delivering value

6. Research
   a. Delivering surveys to focus groups
   b. Pre-testing and prototyping
   c. Online discussions, etc.

7. Service delivery

(Chaffey 2007, 54-55; Chaffey 2007, 13-14).
5 DIGITAL MARKETING APPLICATION

5.1 Planning and Implementation

Planning is essential in business: it allows to seize control of what is going on, monitor workflows, identify failures or problematic issues, etc. There are several kinds of plans. Corporate and business plans cover long-term corporate strategies. Marketing plans, on the other hand, are made to help reach the overall corporate objectives. Digital marketing plans are never developed separately from general corporate plans; in order to be effective, they have to be integrated with real-life marketing communications channels.

Plans can be short-term (1 year), medium-term (2-3 years) or long-term (3-5 years). Regardless of their span, all can use SOSTAC ®.

The SOSTAC ® planning framework is used globally to generate plans of all sorts and forms. The abbreviation stands for Situation analysis, Objectives, Strategy, Tactics, Actions and Control.

Short-term digital marketing plans deal with issues like customer acquisition and tools appropriate for that goal, increasing customer engagement, incentive programs, customer contact strategies, etc.

Long-term digital marketing plans address three main areas. The first one is identification of important macro-environment changes and competitive forces changes within the micro-environment. The second one is designing value propositions and communicating them to the customers online. Finally, the third one is “definition of the technology infrastructure and database architecture to deliver the value proposition.” (Chaffey & Smith 2008, 441).

5.1.1 Situation Analysis

In digital marketing, this area covers the company’s current situation, including matters like the number of customers purchasing online, growth forecast, competitors actions and tactics, impact of new intermediaries, how successful online performance
has been, changes in the online world to consider, etc. Both, internal and external analysis, are required.

Figure 7 lists the traditional analytical areas.

Figure 7. Elements of Situation Analysis for E-Marketing. Chaffey & Smith 2008, 445.

Internal analysis

Internal analysis evaluates key performance indicators. As listed by Dave Chaffey, those are enquiries or leads, sales, market share, return on investment (ROI), and online revenues or service contribution (Chaffey & Smith 2008, 445).

Other key performance indicators are unique visitors, conversion rates, total number of sessions or visits, repeat visits, time spent by visitors on a website, subscription rates, churn rates, and clickthrough rates.

All key performance indicators can be used to set objectives and afterwards evaluate performance. In addition, costs are another part of control. It is imperative to remember, though, that costs or revenues taken out of context make no sense, and are but numbers. Trends have to be compared.

A situation analysis normally includes SWOT analysis as well (Chaffey & Smith 2008, 444). In the field of digital marketing an e-SWOT framework should be applied; it focuses on comparing the strengths and weaknesses of the e-based channel with other channels. Tools used together with e-SWOT could be:

1. Customer database: is it clear and integrated? Does it allow to deliver personalized messages and communications?
2. Online customer care.
3. Website: is its design effective and appealing to users?
4. Integrated database: does it connect all tools, both online and offline?
5. Opt-in email campaigns: are they effective?
6. Web links: do users actually follow them?
7. Display ads / sponsorships: are clickthrough rates sufficient?
8. Mobile marketing: any relevant experiences with cell phone campaigns?
9. Interactive TV: is it relevant in your case? If so, has it been used?

External analysis
External analysis is constituted by analyzing customers, competitors, and opportunities and threats that cannot be controlled by the organization. Digital marketing is constantly developing and posing new threats and opportunities; an e-marketplace map has to be drawn in order to understand trends, dynamics and customer interactions with search engines as well as competitors.

Other questions to consider when carrying out external analysis are:

- How are customers changing?
- How many customers use online services? Which customer segments do they belong to? How often do they use online services?
- How many customers buy goods online only?
- How is your competitors’ online offer different from yours?
- Who are the major online players?
- Are there any intermediaries your company could collaborate with?

External threats and opportunities should as well be taken into concern. They are:

- Political laws and regulations that have an impact on your marketing.
- Economic factors.
- Social factors: future online behaviors.
- Technological factors: are you keeping up with the developments?

5.1.2 Objectives

Objectives are a fundamental part of planning. The five broad categories of digital marketing objectives are sell, serve (adding value), speak (communicating with cus-
tomers and therefore getting closer to them), save (cost reductions), and sizzle (extending the brand online).

Each of the 5S demands specific objectives, for example “by the end of the fiscal year, sales should increase by 35%”.

Specific objectives are easier to break down into smaller ones or into stages, so it is more realistic to achieve them. Key performance indicators may be applied to quantify the objectives.

Digital marketing objectives, apart from the aforementioned ideas, should cover:

1. Online revenue contribution targets
   a. Percentage of customers reached via various channels and the percentage of sales linked to each of those channels
   b. Cannibalization. Do online sales put traditional sales at risk?

2. Building brand awareness

3. Consolidating relationships and increasing customer loyalty


5.1.3 Strategy

Strategy is meant to explain how to achieve objectives and supports tactical decisions. The digital marketing strategy deals with what a company intends to do in the online world.

Digital marketing strategy can answer numerous questions, such as:

- What segments will be targeted online?
- Who is the target audience?
- Which products should be sold into existing markets? Should specific or new segments be targeted instead?
- Online value proposition. What is it?
- Ways of fighting or dealing with competition.
- Will online and offline channels be integrated or compliment each other?
- Customer acquisition.
- Customer retention.

Components of digital marketing strategy include segments and marketplace trends; target audiences, positioning and propositions; positioning and related online value propositions; clear objectives; digital marketing mix (especially place, partners and service levels); appropriate use of various digital media tools; communications to retain customers; user-orientated and user-generated contents; brand reputation management; databases (Chaffey & Smith 2008, 460-461).

Digital marketing strategies are not always particularly specific, since they are still rather new to a number of businesses or companies. In many instances strategies are based upon rather generalized objectives, for example: “to develop and implement an interface that works seamlessly and is easy to use”. Starting off with strategy elements like this may be a wise thing to do, as it allows to see a broader picture and hence lets companies identify related targets and objectives.

5.1.4 Tactics

Digital marketing tactics help establish the most suitable marketing mix, more specifically, the choice of tactical e-tools, which are:

1. Website
   a. A perfect tool for interaction
   b. A tool for generating sales
   c. Can be designed to support objectives

2. Interactive advertising and sponsorship
   a. Raising awareness
   b. Acquiring traffic

3. Opt-in email
   a. Can be an effective way to market

4. CRM management tools
   a. Developing a customer database and interacting with them (e.g. personalized messages, birthday gifts, etc.)
   b. Supporting relationships

An e-marketer should always bear in mind, though, that the website itself should constantly be updated, so that there is no insignificant information there, no dead-end
links, etc. A poorly designed (or, on the contrary, a website that is designed in an excessively complicated manner) can draw customers away and damage the company’s image. That is also a part of tactics.

5.1.5 Actions

Strategies and tactics on their own produce no value. Actions are what initial planning should eventually come to.

Each project or goal requires its own actions to be undertaken; people and resources need to be allocated appropriately to enable the realization of those actions.

Even though actions vary completely from one task to another, a common list of digital marketing actions has been established by Chaffey and Smith (2008):

1. Traffic building actions (placing banners on other websites, sponsoring events or activities, etc.).
2. Actions to achieve customer response.
3. Actions to generate sales.
4. Fulfillment actions (delivering an order or a service to a customer).
5. E-CRM actions.

In the current unstable environment risk management is a must, so every company should consider risk management actions. They include identifying potential risks by brainstorming; evaluating their impact and the likelihood of them occurring; designing response plans to the worst potential risks; continuous monitoring while implementing a campaign. (Chaffey & Smith 2008, 470).

5.1.6 Control

Without control mechanisms, digital marketing is doomed to fail. Control, first of all, is based on performance diagnosis. Regular reviews are essential. Figure 8 demonstrates the key points of the digital marketing control process. Step 1 is about defining the aims of the measurement system. Normally, they are connected to the digital marketing objectives, evaluate whether they are eventually achieved and identify corrective actions. Step 2 deals with data collection to rule out the various metrics which
a part of the whole measurement framework. Step 3 involves analyzing the results in order to establish the reasons why the outcomes may be different from objectives and selecting tools to reduce the differences. Finally, Step 4 is dedicated to elimination of any identified problems by taking corrective actions.


It is obvious that performance is measured with the help of certain metrics. Quite often, key performance indicators should be measured. In the context of digital marketing, they can be sales, online revenue contribution, subscriptions, enquiries, unique visitors (N), repeat visitors (N), average duration of stay at a website, most popular pages, churn rates, termination rates, source of traffic, awareness levels (Chaffey & Smith 2008, 472).

Crucially, customer awareness, satisfaction and attitudes have to be kept a close eye on. Another important thing to bear in mind is corrective actions; they ensure that objectives are attained.

5.1.7 Resources

No objective can be achieved if there are no sufficient resources to back it up with. The three main categories of resources are:
1. Human resources. A company has to identify the human resources they need and come up with ways to attract or locate them, given that people with the appropriate skills and high levels of competence are not easy to find.
   a. Outsourcing or insourcing may be considered, depending on the tasks.
2. Monetary resources (money). Plans should be supported by adequate budgets. A ROI forecast and a plan of further actions if sales are higher or lower than predicted has to be created.
3. Time. Schedules, deadlines and timescales are a must.

(Chaffey & Smith 2008, 479-480).

5.2 Evaluation of Effectiveness

5.2.1 Performance Management

*Measures, tools, right processes*

As said by Bob Napier of Hewlett-Packard back in the 1960s, “You can’t manage what you can’t measure”. This marks the importance of a process management system in the functioning of any organization. In this section of the paper, I am to review approaches to performance management by taking a look at the three main elements of a digital marketing management system: process management, measurement framework (metrics) and assessment of the suitability of tools and techniques for gathering, studying, disseminating and auctioning results.

*Process management*

Andy Neely and his cowriters suggest, that in order to be managed, processes need to be measured. Their definition of performance management is “the process of quantifying the efficiency and effectiveness of past actions through acquisition, collation, sorting, analysis, interpretation and dissemination of appropriate data.” (Chaffey & Ellis-Chadwick 2016, 554).

Performance management adds analysis and applying changes with the goal of enhancing business performance and returns to the definition above.

The need for performance management is ever so clear when a company struggles to meet its own particular objectives or performance- and/or operations expectations,
such as linkage of measures and objectives, corrective measures. The need is also obvious when barriers are faced, including senior management myopia, data issues, resourcing problems and ambiguous obligations for delivering and bettering the measurement system (Chaffey & Ellis-Chadwick 2016, 554).

As reported by The Web Analytics Association (2011), the top two challenges for performance management of digital marketing are actionability of the data (ability to actually use and act upon the data) and business decisions driven by analytics (ability to make decisions or choices based on the results of analytical activities undertaken). To bypass these risks, a structured measurement process is required.

5.2.2 Measurement Framework (Metrics)

When measuring a digital marketing campaign, the following questions need to be asked and answered:

1. Are corporate objectives specified in the digital marketing strategy achieved?
2. Are marketing goals achieved?
3. Are marketing communications going as planned and achieved?

(Chaffey & Ellis-Chadwick 2016, 555).

These help evaluate the impact of digital marketing at different levels. Additionally, there are efficiency measures that deal with costs, expenditures and ways of minimizing them, as well as saving funds and boosting revenues. The latter, for instance, can be achieved by turning website visitors into online buyers.

As listed by Chaffey and Ellis-Chadwick (2016), measures for various tasks or goals of digital marketing are as follows:

- **Channel promotion** (Chaffey & Ellis-Chadwick 2016, 556): measures that give reason why customers end up at a webpage – ads and sites that they were referred from.
  - Referrers
    - Percentage of total referrals or sales
    - Cost-per-acquisition
    - Cost-per-sale
    - Contribution to sales
• Channel buyer behavior (Chaffey & Ellis-Chadwick 2016, 557): this addresses the contents that are viewed and the times spent on viewing them

• Channel satisfaction (Chaffey & Ellis-Chadwick 2016, 558): customers’ opinions concerning website service quality

• Channels outcomes (Chaffey & Ellis-Chadwick 2016, 558): customer actions undertaken as a result of visiting a website
  o Registration
  o Further information requests
  o Responding to online promotions
  o Offline leads
  o Online sales

• Attrition rate (Chaffey & Ellis-Chadwick 2016, 558): percentage of customers lost at each stage of making a purchase online

• Channel (website) profitability (Chaffey & Ellis-Chadwick 2016, 559)

Assessment of the suitability of tools and techniques for gathering, studying, disseminating and auctioning results

There is a whole variety of metrics a marketer should consider.

The first category of information any marketer requires is site-visitor activity data, or “information regarding contents and services accessed by website visitors.” (Chaffey & Ellis-Chadwick 2016, 560). The concepts utilized to measure such activity are summarized in Table 2.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many? (Reach)</td>
<td>Unique users</td>
</tr>
<tr>
<td>How often? (Frequency)</td>
<td>Visits</td>
</tr>
<tr>
<td>How many? (Volume)</td>
<td>Page impressions</td>
</tr>
<tr>
<td>What do they see?</td>
<td>Ad impressions</td>
</tr>
<tr>
<td>What do they do?</td>
<td>Ad clicks</td>
</tr>
</tbody>
</table>

Table 2. Terminology for Key Website Volume Measures. Chaffey & Ellis-Chadwick 2016, 561.

Other data offering comprehensive knowledge of customer behavior may include top website pages, entry and exit pages, sequence of pages visited and viewed, visitor location.
In the “Digital Marketing. Strategy, implementation and practice” book, Dave Chaffey and Fiona Ellis-Chadwick (2016) have unified ways of how web analytics data should be interpreted. The data is presented in table 3.

<table>
<thead>
<tr>
<th>Analyst question</th>
<th>Typical terminology</th>
<th>Diagnosis analyst uses to improve performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>How successful is the website in terms of customer engagement and achieving intended results?</td>
<td>Pages / visit</td>
<td>- Are our engagement and conversion rates consistent with those of other companies in the sector?</td>
</tr>
<tr>
<td></td>
<td>Bounce rates</td>
<td>- What are the top engagement and conversion levels from various referrers?</td>
</tr>
<tr>
<td></td>
<td>Conversion goals</td>
<td></td>
</tr>
<tr>
<td>At what page do visitors enter the website?</td>
<td>Top entry pages</td>
<td>- How valuable is the homepage as compared to other pages of the website as well as the landing pages?</td>
</tr>
<tr>
<td></td>
<td>Top landing pages</td>
<td>- Is page popularity linked to product popularity?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Sources of traffic (key search words)</td>
</tr>
<tr>
<td>What / who leads visitors to our website (sources, referrers)?</td>
<td>Referrers</td>
<td>- Are all of the existing e-media channels relevant for us?</td>
</tr>
<tr>
<td></td>
<td>Traffic sources</td>
<td>- Do the brand reputation and search engine traffic correspond?</td>
</tr>
<tr>
<td></td>
<td>Filters for visitor segmentation</td>
<td>- Who are the main free-of-charge parties driving traffic to our website?</td>
</tr>
<tr>
<td>What is our most popular content?</td>
<td>Top content</td>
<td>- Is our page as popular as we expected?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Are there any problematic issues that hinder findability of our page that are caused by navigation labeling?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Which of the contents that we share is most likely to lead website visitors to concrete outcomes (e.g. purchases)?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Which content is most attractive for returning visitors?</td>
</tr>
<tr>
<td>What are the most popular methods for finding particular contents on the website?</td>
<td>Site search</td>
<td>- How popular are the various forms of navigation presented on the website (menu, search bar, etc.)?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- What searches are most popular?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Do visitors succeed in finding what they look for?</td>
</tr>
<tr>
<td>At what page do visitors exit the website?</td>
<td>Top exit pages</td>
<td>- Are the exit pages the ones we expected?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Are there any malfunctioning / error pages which account for visitors leaving the website (e.g. 404 not found)?</td>
</tr>
<tr>
<td>What are the click-streams taken by website visitors?</td>
<td>Path analysis</td>
<td>- What, according to path analysis, are the most effective calls-to-action?</td>
</tr>
<tr>
<td></td>
<td>Top paths</td>
<td>- What is important to know about the pages that affect sales?</td>
</tr>
</tbody>
</table>


When selecting online analytical tools, marketers should keep multiple factors in mind. In many instances, the choice of the most appropriate systems depends on el-
ements like integration with other information sources, accuracy, media attribution, visualization, customization facilities, support services, and privacy issues (Chaffey & Ellis-Chadwick 2016, 568).

The different web metrics collection and research methods have been summarized by Chaffey and Ellis-Chadwick in Table 4.

<table>
<thead>
<tr>
<th>Techniques</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Server-based log file analysis of website</td>
<td>-Directly documents customer website behavior as well as place of referral</td>
<td>-Not marketing-outcome-centric</td>
</tr>
<tr>
<td>activity</td>
<td>-Cheap</td>
<td>-Very large analysis</td>
</tr>
<tr>
<td></td>
<td>-Gives ideas for search engine optimizing</td>
<td>-Does not directly document channel satisfaction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Can be misleading</td>
</tr>
<tr>
<td>Browser-based website activity data</td>
<td>-More accurate than server-based</td>
<td>-Somewhat expensive</td>
</tr>
<tr>
<td></td>
<td>-Counts all users</td>
<td>-Disadvantages similar to those of the server-based method, except for</td>
</tr>
<tr>
<td></td>
<td></td>
<td>accuracy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Limited demographic data</td>
</tr>
<tr>
<td>AB and multivariate testing</td>
<td>-Structured tests that allow to review influence of various on-page variables. It allows to increase conversion rates from the website</td>
<td>-Requires separate costs to be invested (various tools)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Some systems do not support such types of testing</td>
</tr>
<tr>
<td>Panel activity and demographic information</td>
<td>-Allows to compare oneself to competitors, as well as compares them between each other</td>
<td>-May not necessarily be accurate as it is based on extrapolation from information limited sample</td>
</tr>
<tr>
<td></td>
<td>-Offers demographic profiling</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-Allows to avoid undercounting and overcounting</td>
<td></td>
</tr>
<tr>
<td>Outcome information (e.g. inquiries from</td>
<td>-Allows to actually document and record marketing results</td>
<td>-Hard to combine information with other methods of info collection when done manually</td>
</tr>
<tr>
<td>visitors)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Online questionnaires (random or based on</td>
<td>-May allow to document customer satisfaction and profiles</td>
<td>-May be hard to find respondents who do everything completely and answer truthfully</td>
</tr>
<tr>
<td>customer activity)</td>
<td>-Cheap</td>
<td>-May represent answers of particular dissatisfied customers that do not represent the majority</td>
</tr>
<tr>
<td>Online focus groups</td>
<td>-Cheap</td>
<td>-Hard to moderate and lead / control</td>
</tr>
<tr>
<td>Mystery shoppers</td>
<td>-Tests are structured, which allows to receive elaborate feedback</td>
<td>-No possibility of visual observations</td>
</tr>
<tr>
<td></td>
<td>-Allows to analyze integration with other channels</td>
<td>-Somewhat expensive</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Sample must be representative</td>
</tr>
</tbody>
</table>

When it comes to performance metrics, Brian Sheehan lists the following ones as the most appropriate and useful: increased traffic volume, conversion rates, clickthrough rates, ROI, cost per click, cost per action or acquisition, costs of making sales offline, total number of online sales, overall revenue increase, return on ad-spend, rank of link on search engine, brand impact (Sheehan 2010, 142).

Maintaining an online presence, improving web presence

In order to maintain an online presence and ensure that customers’ experiences with the website or an online platform are positive, a company has to undertake a number of measures.

To begin with, a technique known as Design for Analysis should be applied. This means that the appropriate measures are taken into account when designing a website to better understand its audiences and their decision-making. For example, navigation on the main page of a website is carried out by customer type. Other examples of Design for Analysis can be (Chaffey & Ellis-Chadwick 2016, 563-564) 1) splitting a huge page or form into smaller parts to see which parts are visited / viewed the most; 2) URL policy; 3) organizing or sorting contents by site visitor type or their buying decisions and establishing groups of related contents within the online analytical system.

In order to maximize the effectiveness of a website and its attractiveness to customers, some testing can be done.

The first type is the so-called AB testing. Basically, two different options of how a website is to look or function (buttons, images, headings, etc.) are tested. The goal of such testing is to boost the effectiveness of a website or a web page against KPIs.

Multivariate testing is another tool that can be put into use. It is practically similar to AB testing, except that it includes more options, is more sophisticated and allows to test multiple combinations and elements at the same time.

Another technique that can be utilized is the clickstream analysis, which helps analyze visitor behavior and therefore specify possible improvements to the website. Clickstream analysis consists of:

- Path analysis: pages entered and exited by website visitors
- On-site search effectiveness. Its key metrics are:
  - Number of searches
• Average number searches / visitor
• Percentage of searches with 0 results
• Percentage of website exits from search results
• Percentage of returned searches clicked
• Percentage of searches turned into sales or particular outcomes
• Most popular searches

(Chaffey & Ellis-Chadwick 2016, 567-568).

• Visitor segmentation.

Finally, in order to maximize the effectiveness of its online presence, a company can conduct marketing research online. It also has a broad application of acquiring feedback. As identified by Smart Insights (Website of Smart Insights 2010), the five types of e-feedback tools are website feedback tools, website user intent-satisfaction surveys, crowdsourcing product opinion software, simple page or concept feedback tools, general online survey tools (Chaffey & Ellis-Chadwick 2016, 571).

6 WHAT ENSURES THE SUCCESS OF DIGITAL MARKETING?

6.1 What Makes Digital Marketing Successful?

So what is it that makes digital marketing successful? As reported by Advertising Agency Universal McCann and summarized by Brian Sheehan in his book “Online Marketing” (Sheehan 2010, 115), significant tips for successful social-web marketing include making “the experience better when shared.” (Sheehan 2010, 115); giving “users something to join.” (Sheehan 2010, 115); updating contents on the regular basis

As outlined by Larry Weber (2009), the seven steps listed below should be undertaken:

1. Observe. Identifying the most authoritative online locations where people gather; listening to what they have to say and using the information.
2. Recruit. Establishing a team of people who actually want to talk about your offer.
3. Evaluate platforms. Is one particular platform, or a combination of several most appropriate for you?
4. Engage. Determine which content will attract visitors and get them to discuss and share it.
6. Promote. Market your offer both online and offline.

Ian Dodson (2016) suggests, that prior to launching a web page, companies should consider particular key ideas: 1) including business details (contacts); 2) using eye-catching graphics; 3) maintaining a consistent tone and style; updating the page regularly. This will not only keep customers more engaged, but, if it is a social media page, will give more “likes” and therefore promotion; 4) having at least two people to administer / run the page. (Dodson 2016, 160).

The contents always should be engaging and related to the business. “Off-topic” posts tend to annoy customers and increase churn.

Dodson also recommends a list of tips to bear in mind:

1. “Painting a picture” and including “emotive imagery”.
2. Never ceasing to try new things. Attempts to improve online presence may fail, but a company should never give up on trying to find the “perfect match” between what they can post online and what customers want.
3. Prioritizing quality over quantity. Companies should avoid sharing dozens of pointless posts; rather, they should be fewer but relevant.
4. Keeping a positive attitude.
5. “Throwing a little humor where possible”.
6. Using videos as means of promotion and content sharing.
7. Finding a balance “between viral content and business-led posts”.

(Dodson 2016, 161).
6.2 Strategic Framework

To fully experience the benefits of digital marketing and to elude difficulties, companies should “develop a planned, structured approach.” (Chaffey & Ellis-Chadwick 2016, 27). Figure 9 suggests a process for designing a digital marketing plan and putting it into use.


A. Defining the online opportunity
   1. Setting digital marketing objectives. Objectives have to be specific and deliverable.
   2. Evaluating digital marketing performance.
   3. Assessing the e-marketplace. Both, micro-environment (customers, competitors, suppliers, own capabilities and resources) and macro-environment (strategy, laws, etc.) have to be assessed. (Chaffey & Ellis-Chadwick 2016, 28).

B. Selecting the strategic approach
   1. Defining digital marketing strategy (in order to achieve objectives).
2. Identifying the value proposition.
3. Defining the digital marketing communications mix. Selecting the most appropriate tools.

(Chaffey & Ellis-Chadwick 2016, 29).

C. Delivering results online
   1. Implementing a digital marketing plan.
   2. Implementing customer experience. Creating online customer relationships in order to understand customers, who they are, their motives, etc.
   3. Carrying out digital marketing communications. This includes search engine marketing, PR, partnership social media marketing, advertising, email marketing, etc.
   4. Customer profiling, monitoring and bettering e-activities and maintaining e-activities. Identifying customer interaction profile and behavioral data, “summarizing and disseminating reports and alerts about performance compared with objectives in order to drive performance improvement”.

(Chaffey & Ellis-Chadwick 2016, 29).

7 METHODOLOGY

For the empirical part of my thesis I am planning to contact the case company – Foundation for the Arts and Humanities.

I have chosen to turn to the qualitative research. One of the main characteristics of qualitative research is that data is collected in natural and real situations, and that it also involves data interpretation and analysis. That is exactly what I am to do in the empirical part of this paper.

On the basis of the theoretical background of this thesis and the fact that I am to use qualitative research, an interview – one of its most common tools – will be designed (Appendix 1); it will allow me to evaluate how effectively the case company applies digital marketing to their operations and performance, or if it is being utilized effectively at all in the first place. This can be achieved, as the answers will be analyzed
and interpreted by comparing them to the theoretical basis specified and identified by authors I referred to.

Such choice of methodology is dictated my belief, that it is the most appropriate one to be used in this particular case and in relation to the topic of the thesis.

8 DIGITAL MARKETING APPLICATION AT THE CASE COMPANY

8.1 Case Company

Foundation for the Arts and Humanities is a private foreign language- and culture studies centre. Five out of its eight subsidiaries are located in the City of Surgut, Russia; one is located in Khanty-Mansiysk, Russia, one – in Moscow, Russia, and one – in Chippenham, England.

The company was founded in 1992 by Lyudmila Zhuravleva, starting off with just one rented room and growing into the region’s largest and most influential service provider in the field. Ms. Zhuravleva as well as the company in general have received numerous awards for the positive impact on the development of education and motivating youths to engage in international educational projects and building the so-called “intercultural dialogue”.

The company also owns a travel agency that specializes in organizing educational trips in Russia and abroad.

In relation to this paper, I contacted and interviewed Ms. Alyona Filatova, a company’s marketing manager. The interview was conducted via Facebook Messenger.

8.2 Interview Background Information

The interview questions were divided into several distinct sections. The sections were Basic Questions (general information about e-marketing), Tools, Planning (SOSTAC framework), Characteristics of a Successful Digital Marketing Campaign,
8.3 Interview Responses

8.3.1 Basics

The first section of the interview comprised of four big questions: characteristics applicable to digital marketing at the case company, adapting to particular customer groups while developing a digital marketing campaign, goals of digital marketing and motivations for the use of digital marketing.

According to Ms. Filatova, main characteristics of digital marketing at the Foundation for the Arts and Humanities are that the contents is mass-oriented, yet adapted to the needs and demands of larger target audiences. Digital marketing campaigns duplicate the main message of traditional and overall marketing campaigns. Finally, another important detail mentioned by the interviewee, is that the case company do turn to targeting.

The main goal of using digital marketing for the case company is awareness raising and gathering and establishing new contacts, whereas the central motive for using it is the fact that the Internet is one of the most popular customer communications channels.

It is worthy of notice that constant technological updates and developments do not particularly describe the case company. Neither are the campaigns overly interactive: as stated above, the messages in them are rather addressed at mass audiences.

Foundation for the Arts and Humanities do not use digital marketing with the goal of making direct sales, adding value, or reducing financial expenditures. Only two goals listed before (awareness raising and gathering contacts) were picked by Ms. Filatova as applicable.

Motives for employing digital marketing do not include improving productivity and effectiveness, competitors’ established online presence, or desire to create a particular corporate image.
8.3.2 Tools

The second section of the interview consisted of just two larger questions, with smaller sub-questions, the first one being “Which e-marketing tools do you use?” and a list of options. Out of all of the suggested tools, the following ones were chosen: online PR, online partnerships (though very seldom), social media marketing (platforms being: Facebook, VK.com, Odnoklassniki, Instagram), the company’s website, search engine marketing (though only during the “high season”: April-May, August-September), and – sometimes – email marketing. However, I find it crucial to point out, that, Ms. Filatova has informed me, that email marketing is only used to keep the customer retention rates steady and informing partners about upcoming events; as a means of direct sales, email marketing is only used in the company’s smaller subsidiary – the aforementioned travel agency.

The case company does not use interactive ads.

The second question of this section dealt with email marketing in particular: to be more specific, its various uses. The interviewee was asked to pick the points that answer the question why the case company uses it as a tool. However, since Ms. Filatova stated that email marketing is not exactly widely used at the case company, she skipped the question.

8.3.3 Planning

The Planning section of the interview was directly linked to the SOSTAC Framework, with each part of it being dedicated to the framework’s areas: Situation Analysis, Objectives, Strategy, Tactics, Actions, Control, Resources.

**Situation Analysis**

In the first question, the interviewee was asked to pick the areas, which the company analyzes. The following ones were picked: competitors, market, resources, the existing website; social media platforms were added to the list as applicable by the interviewee herself.

External analysis
This part incorporated two questions. The first was “Which of the following question do you seek answers to in terms of e-marketing?”, and the options were:

- How do customers change throughout time (their demands, etc.)?
- What number of our customers uses online services? What customer segments do they belong to? How often do they use these services / platforms?
- How is our competitors’ online presence different from ours (websites, offers, etc.)?
- Who are the main “players” on the online market?
- Which third parties could we partner?

All of these questions, according to Ms. Filatova, are significant to the case company, and the answers to them are being looked for.

The second question in this sub-section was “Which of the risks concern your company?”, the options being:

- Laws and regulations.
- Economical risks.
- Social factors: customers’ future behavior.
- Technological innovations: are you staying updated / up-to-date?

And, once again, all of the risks were selected as applicable.

**Internal analysis**

Similarly to the External Analysis part, the internal one also covered two questions. “What do you analyze e-marketing wise?” (and a list of options), and “Which of the tools listed below do you use?” (and, yet again, a list of options).

In response to the first question, Ms. Filatova picked leads, sales, and conversion rates. Apart from these, the interviewee added her own options to the list: sales from online platforms, number of followers, number of calls, and number of new contacts. The following ones appear to not be applicable to Foundation for the Arts and Humanities: market share, ROI, online revenues or service contribution, unique visitors, total number of sessions or visits, repeat visits, time spent by visitors on the website, clickthrough rates.
As to the second question and, therefore, sub-questions, the responses were more detailed and comprehensive. In addition to simply picking the tools that are put into use at the case company (listed below), more specific details were given.

- Customer databases. The case company uses amoCRM software, which is easy to use and is rather effective.
- Website. Unfortunately, it is not exactly modern and, therefore, does not do its job as well as it could in theory. The website needs to be re-designed and updated.
- Opt-in email campaigns. For direct sales, they are only used by the travel agency. Barely effective.
- Web links. It is most effective when links are shared on social media platforms.

The remaining options (online customer care, integrated databases, display ads / sponsorships, mobile marketing, interactive TV) are not utilized by the case company.

**Objectives. Strategy**

Like many previous sections, this one also encompassed two sub-questions, the first one being: “Which of the questions listed below do you seek answers to?”, and a list of the following options:

- What segments will be targeted online?
- Who is the target audience?
- Which products should be sold into existing markets? Should specific or new segments be targeted instead?
- Online value proposition. What is it?
- Ways of fighting or dealing with competition.
- Will online and offline channels be integrated or compliment each other?
- Customer acquisition.
- Customer retention.
- Marketplace trends

All of the options were selected as relevant.
The second question was: “Which of the actions listed below do you undertake?”, and a list of options, all of which were also applicable to the case company:

- Traffic building actions (placing banners on other websites, sponsoring events or activities, etc.).
- Actions to achieve customer response.
- Actions to generate sales.
- Fulfillment actions (delivering an order or a service to a customer).
- E-CRM actions.

**Control**

Here, the interviewee was not given any response options; instead, Ms. Filatova was asked to describe how the company control their online presence and online marketing campaigns.

Based on the responses, control actions at the case company include setting particular sales-from-online-platforms goals and keeping an eye on them, watching the dynamics of the number of followers / subscribers, analyzing the number of views, conversion rates, and, finally, comparing performance to that of the competitors.

As we can see, the answer barely reflects the framework for successful control presented in the theoretical part of this paper. Such “negligence” is to be analyzed in the next part of the thesis paper.

**Resources**

Similarly to the Control part, here the respondent was asked just one question: to list the resources utilized in online marketing campaign.

The response was very concise, yet it reflected and mimicked the theoretical part: time, money, people (marketing department, sales personnel that responses to leads, subcontractors that update the website).

**Evaluation**

In spite of the fact that this segment of the interview was rather impressive in size and the number of possible response options, Ms. Filatova’s answers were above concise. According to her, while evaluating the outcomes of digital marketing campaigns, the department basically answers the same questions that they ask themselves
as in the Control section, except here the actual outcomes are compared against the planned outcomes.
The respondent also did not say how effective she finds the company’s online presence to be.
Amongst questions that were skipped (which means they are not taken into consideration at the company in the first place) are:

- Do you achieve corporate goals with the help of e-marketing?
- Do you achieve the overall e-marketing goals?
- What criterion do you use to evaluate the effectiveness of our e-marketing campaigns and online presence?
- Questions concerning the website, path analysis, search results, etc. presented in the theoretical part.
- Which analysis techniques do you use? See the options in the theoretical part.

The last question in this segment of the interview was whether the company tests its website or web-pages that are under development. The answer was “Yes, though only offline. We analyze the activity of users, their demographics, and conversion rates”.

8.3.4 Characteristics of a Successful Digital Marketing Campaign

Firstly, Ms. Filatova was asked what, in her opinion, ensures the success of a digital marketing campaign. Her response was “understanding the demands of the target audience, correctly chosen platforms, successful targeting, clear message”.

Apart from that, the case company evaluate online platforms and their effectiveness; engage (determine which content will attract visitors and gets them to discuss and share it); measure the performance, combine online and offline promotions; ask happy and satisfied customers to share their stories and experiences with the company; strive to improve both communications and offers; attempt to improve their online presence; and use videos. All these actions reflect the suggestions given by the authors whose works and ideas are presented in the theoretical part of this paper.
8.3.5 Designing a Digital Marketing Strategy

This was the final section of the interview. Ms. Filatova was again asked two questions.

The first one was: “Does the following plan / statement apply to Foundation for the Arts and Humanities: When designing an online marketing strategy, we…

A. Identify our online opportunities (including evaluating the market, evaluating our productivity in general, and goal-setting).

B. Choose a strategic approach (determine the unique value of our offers, come up with a strategy and a marketing mix).

C. Act online.

All were relevant to the case company.

In the second question, the respondent was to describe how the company develop their e-marketing strategy. The response was: “Online marketing is an integral part of the overall marketing strategy. They are united by the mutual principles, idea, slogan and goal. In accordance with the analysis of the previous periods and new information gathered, we identify the most effective instruments and channels. We select the most appropriate tools and promotion resources based on our budget”.

9 EFFECTIVENESS ANALYSIS

It is relatively obvious from the previous chapter of this paper, that the case company appear to be putting some of the concepts and tools in use and successfully incorporate them in their operations, whereas others are left “overboard”. In this chapter, I am to analyze the current situation at the Foundation for the Arts and Humanities as regards the aforementioned areas, and theorize on what those circumstances could mean in practice and what effect they have on the company’s performance.
9.1 Basics

Foundation for the Arts and Humanities’ ability to combine mass-orientation with adaptation in their marketing campaigns is commendable. Launching mass-oriented advertisements is dictated by the case company’s desire to attract customers of all ages and segments, yet adaptation is motivated by particular needs arising throughout the year, e.g. the need to “pack” groups of students belonging to the same age category and level of language proficiency.

The case company’s take on the goals and motives for turning to digital marketing appears rather short-sighted to me, being limited to only such goals as awareness raising and contact gathering, and the motive of “Internet being a popular customer communications channel”, as worded by the interviewee. Such potentially productive and viable goals as generating direct sales, adding value and reducing costs, as well as motives such as increasing productivity and effectiveness, challenging competitors online or creating a certain brand image are turned a blind eye to.

In the current financial turmoil that especially affects Russia, additional sales and savings could open a vast field of new opportunities for Foundation for the Arts and Humanities; increased revenues could potentially be invested in new projects or market research.

According to the case company, they have over seventy competitors on the market in Surgut alone (including private teachers giving individual lessons), and the number is constantly growing. In such an environment, it may be very hard and laborious to “fight” for the attention and trust of potential customers. That means, that challenging competitors is an absolute business must for the case company, yet, based on the interview responses, it is not a motive to use digital marketing; in fact, it is not even taken into consideration. It is my firm belief, that Foundation for the Arts and Humanities should reevaluate their attitude concerning the matter, put more thought into it in order to hit new performance thresholds.

Creating a strong brand image and maintaining it is also pivotal due to multiple reasons. First of all, a brand image makes a company look “bigger”, and customers get an impression that it deserves their time and money; it also makes a company and its representatives create an image of being professional, important and trustworthy. In addition to that, a positive and a powerful brand image builds loyalty and trust, con-
veys stability (therefore increases trustworthiness in the eyes of the customers), makes a business memorable (makes it stand out of the crowd of competitors), shows commitment. (Murphy 2015). A brand image also demonstrates how “collected”, organized and put-together a business is, which is extremely significant, as customers need to know that they are not wasting their money in an enterprise that can go bankrupt or go through major havoc at any time (Thimothy 2016).

9.2 Tools

When it comes to digital marketing tools, the case company, seems to have chosen very good tactics, utilizing most of the tool options listed in the interview (in accordance with the literature that the theoretical part of this paper is based on). As has been mentioned before, those tools are search engine marketing, online partnerships, social media marketing, the company’s own website and – very rarely however – opt-in email.

Advantages of using these tools (except for the latter one), to name just a few, include:

- Search engine marketing: the ability to grab the target audience’s attention at the right time (which the company does at particular times of the year), easiness and speed of implementation, measurability, ability to raise brand awareness.
- Online partnerships: third-party endorsement, growth potential, efficiency.
- Social media marketing: huge numbers of users, customer reach, low costs, accessibility.
- Own website: possibility to post any type of information or messages a company wishes to, easiness of access to contacts and additional information, ability to update data when needed.

However, Foundation for the Arts and Humanities are not particularly keen on opt-in email marketing, which I believe to be a shortcoming. Companies can benefit from email marketing in a number of various ways. As presented in the theoretical part of the paper, opt-in email marketing provides such opportunities as customer acquisition (by conducting sales promotions and educating potential customers about new
products, offers, services and policies; converting leads to actual customers; generating and implementing loyalty programs; raising awareness; brand-building; research, and service delivery.

It is clear and evident, why customer acquisition and conversion matter: more sales mean higher revenues and more business opportunities. Customer retention is critical for the same reasons. I have also already elaborated on why a brand image (here: brand building) matters.

The remaining two reasons to consider email marketing as a tool are awareness raising and research. Why do they matter? Awareness raising allows to boost the number of interactions with a brand, and that in turn has the potential of turning leads into actual sales. It also makes it possible to deliver news and information regularly and hence keep the brand at the front of mind. Research is vital as it enables companies to study offers that are being developed and tested (delivering surveys and studies), prototype offers, concentrate on particular focus groups rather than the whole market, and organize online discussions with the goal of hearing out people “out there” and discovering what their actual attitudes (and feedback) concerning offers, products, personnel, etc. is.

9.3 Planning

Overall, at first glance, it appears that the amount of effort the case company puts into analysis is fairly impressive. In relation to external analysis, all of the areas and questions to be scrutinized (according to authors upon whose works the theoretical part of the thesis is based) are paid attention to. To summarize, those areas are: customers, customer behavior, competitors and their online presence, possible partners, various risks (laws, economical risks, social factors, technological advancement). Keeping oneself updated on all these matters allows companies to develop together with the new emerging trends and face associated threats as well as opportunities confidently and ready; it also allows to understand marketplace trends and dynamics better.

Internal analysis carried out by the case company is less thorough. Studying such parameters, indicators and issues like leads, sales, and conversion rates, Foundation for the Arts and Humanities oversight market share, return on investment, online
revenues or service contribution, unique visitors, total number of sessions or visits, repeat visits, time spent by visitors on the website, clickthrough rates. Being negligent towards these areas is a great weakness to any company. The importance of internal analysis cannot be underestimated. It is a tool of a company’s competency and competitive viability exploration. It provides information about a company’s strengths, weaknesses, opportunities and threats and enables to design objectives strategically and sustain and develop the business. With the help of internal analysis, existing plans can be revised and adjusted to the actual current market realities, and failed objectives can be re-addressed appropriately with new tactics, tools and ideas. Disregarding as many areas as the case company can possibly be even dangerous for operations, or ill-judged, to say the least. Some of the tools that could be utilized are also “put aside”, leaving out multiple opportunities for growth and development alongside them.

Similarly to internal analysis, not all of the areas of the overall situation analysis are covered, including demand analysis, SWOT, PEST factors. The implications of not inspecting them are the same as those related to internal analysis.

Objectives. Strategy

Foundation for the Arts and Humanities’ actions in respect to objective- and strategy design are utterly profound. All of the subjects and questions, that the authors listed in the list of references suggest, should be studied are researched.

Objectives play a key role in any business’s existence. Firstly, objectives create a target to achieve and therefore they are technically the initial motivation for all actions. Objectives can also be set to make sure that all parties involved in operations are “on the same page” and strive to achieve the same results and share vision and mission. Apart from that, objectives make it possible to measure and evaluate performance and results. They also help avoid losing time on insignificant matters and instead focus on maximizing potential. In some cases, objectives – if they are clear and realistic – help receive investments from third parties. Finally, objectives make it easier to allocate resources more efficiently; that, in turn, increases a company’s market share and profitability.

The value and importance of strategy are similar to those of setting the right objectives. In addition to all of the considerations above, strategy is essential as it gives a
better understanding of oneself (capabilities, prerequisites for success) and the industry in general; it allows to adapt to new trends and changes and their impact on the business and the field of operations and hence provides with ideas as to how to face them; in addition to that, strategy generates a vision and direction, offers a purpose, goals and plans.

All that being said, Foundation for the Arts and Humanities do themselves a huge favor by paying so much attention to objective setting and thinking their strategy through, since, as we can see, those have an enormous impact on a business and people involved.

**Control**

The process of control in the context of digital marketing is a very complicated one. According to Chaffey and Smith (2012), it is divided into four major areas of control (goal setting, performance measurement, performance diagnosis and corrective actions), and in each of those sections two big questions are to be asked: who sets SMART objectives and what a company wants to achieve; who measures (What? When? How?) and what is happening; who reviews the work or processes and why certain thing happen; and, finally, who acts and checks and what should be done about the issues that have been identified.

According to interview responses, Foundation for the Arts and Humanities do set objectives, and therefore cover the first area suggested by Chaffey and Smith.

The second area – performance measurement – is also covered. Measurement actions carried out by the case company are setting particular sales-from-online-platforms goals and controlling them, watching the dynamics of the number of subscribers, analyzing the number of views, conversion rates, and comparing their performance to competitors’ performance.

However, Foundation for the Arts and Humanities pay little to no attention to the latter two areas. If problematic issues are spotted, the question “Why this or that is happening?” is not asked, and no corrective measures are undertaken.

Without corrective measures, hardly any improvement is possible. Such measures are an integral part of any quality management system. They ensure that the number of customer complaints is reduced, no unnecessary work is done, quality issues are resolved, and that business needs as well as regulatory requirements are eventually
met. They also promote continuous improvement and are a great method for problem solving (Miller 2013). Not following these two steps, the case company deprive themselves of all these opportunities and advantages that could be put to use.

Finally, such performance indicators as online revenue contribution, enquiries, unique visitors (N), repeat visitors (N), average duration of stay at a website, most popular pages, churn rates, termination rates, source of traffic, awareness levels are not inspected by the case company, making control significantly less effective and its results less satisfying.

Resources

Whether as a result of smart management or due to the fact that it is hardly possible not to employ one of the possible resources, the case company utilizes all three of them: human resources, money and time.

When it comes to human resources, Foundation for the Arts and Humanities know an approximate number of students, their demographics and language skills beforehand (before an academic year begins) and look for the appropriate number of teachers and technical personnel. All that is planned so that the needs and goals are met, and yet at the same time regulations, labor laws and availability of staff are met as well.

Financial plans are drawn regularly, and business targets and goals are indeed supported by real budgets at the case company.

Lastly, the case company is perfectly familiar with the value of time as a resource. Schedules are designed regularly (for groups of students and personnel), deadlines and certain timelines for – for example – completion of particular tasks are set.

Evaluation

In my opinion, evaluation (or, rather, failure to conduct evaluation thoroughly enough) is Foundation for the Arts and Humanities’ weakest spot. Control and evaluation are simply merged into one process at the case company, which, I believe, may negatively affect both, since attention and concentration have to be divided rather than devoted to each one of them fully and, most importantly, separately.
Proper evaluation should cover much more than just performance indicators and numbers; *good* evaluation deals with corporate goals, goals of e-marketing campaigns; it is meant to help find out whether everything went as planned. Aside from the sheer numbers, proper evaluation deals with such parameters as most popular contents, entry and exit pages, where website visitors “come from”, sequences of page views, etc. All these help study customer behavior and preferences, and such knowledge, in turn, helps maximize efficiency by directing resources and effort in the right way.

Such tools / techniques as online surveys and online focus groups are perfect for collecting feedback and also pre-testing and prototyping offers or services. They do not require significant financial investments (are cheap to arrange), yet at the same time are hugely easy to conduct, effective and provide a vast spectrum of data and, possibly, ideas for improvement or further developments. However, the case company do not use those at all.

### 9.4 Characteristics of a Successful Digital Marketing Campaign

The responses provided by Ms. Filatova somewhat align with the ideas suggested by Sheehan and Dodson (listed in the theoretical part of the paper) as to what makes a digital marketing campaign successful.

Foundation for the Arts and Humanities do address the issue of selecting platforms to market themselves at, and that fits under the recommendation of the aforementioned authors. The case company also undertake a number of actions that reflect those recommendations too, such as observing, evaluating platforms, measuring performance, doing promotions online and offline simultaneously, striving for improvement, using videos. The case company also engage happy customers in their marketing campaigns, for example, by asking them to share their stories on the local TV or radio, or at the so-called “open doors” meetings.

To summarize this section, I believe Foundation for the Arts and Humanities do an outstanding job to ensure that their digital marketing campaigns are successful. It was my intention not to give any response options during the interview so that the answers would be as genuine as they could be, and they turned out to correspond
with what established authors and marketing specialists believe to be the key factors of online marketing success.

9.5 Designing a Digital Marketing Strategy

I tend to think that this section of the interview does not require an excessive amount of analysis, as, according to the responses, Foundation for the Arts and Humanities do everything in their power to make sure that their digital marketing strategy is successful.

The strategy design process at the case company fully reflects the steps Chaffey and Ellis-Chadwick suggest be taken. Apart from that, the strategies that are designed cover all possible areas that could and should be taken into account, including principles, general message of the marketing campaigns, financial matters, data on customers and the market, instruments and channels.

It is my firm belief, that at this point the way the case company appears to design their digital marketing strategy is well-rounded and balanced.

10 DISCUSSION

This chapter of this thesis is a rather short summary of what has been previously said in the paper; it contains recommendations for the case company based on the interview responses and analysis, answers to the questions listed in the Objectives part of the paper, and the guideline that has also been mentioned in the first chapter. The answers are concise, since detailed and elaborate information on all the matters is presented in the chapters above, both theoretical and empirical ones.

10.1 Recommendations

The list of recommendations presented in this sub-chapter is entirely based upon the responses provided by Ms. Filatova and my analysis of those. In order to be able to draw these recommendations, I compared the given answers to the suggestions and
concepts of authors whose research I used in my thesis. The recommendations are structured in the same way as the Interview Responses and Effectiveness Analysis chapters, covering all of the sub-areas. There are no recommendations for the Objectives and Strategy part of the bigger Planning section, and no recommendations for the Characteristics of a Successful Digital Marketing Campaign, and Designing a Digital Marketing Strategy, since the case company manages these subjects very well, which I believe to be proven.

**Basics**
My recommendations concerning the basics of digital marketing deal with goals and motives.
Goals are essential for any enterprise as they help define the purpose of what is to be done, they help avoid stagnation and allow to reach real accomplishments. Unclear, undefined goals or absence of goals are prerequisites for failure.
The three possible goals that digital marketing lets companies achieve that are ignored by Foundation for the Arts and Humanities are generating direct sales, adding value, and reducing costs. It is my firm belief that the case company should reevaluate their attitude towards these. Incorporating these goals in the company’s operations will not only help achieve the obvious results, such as financial savings and increased sales, but will also benefit the company overall.
Designing, or in this case accepting, goals goes hand-in-hand with specifying actions that have to be undertaken in order to fulfill these goals. It may turn out, that some of those actions are already being undertaken, but since there are no clear “final targets” to aim at, those actions may not be overly efficient. Knowing what the desired outcome is (reducing costs, increasing direct sales, adding value) will maximize the efficiency of what is being done.
My other recommendations is to consider such motives for the use of digital marketing as increasing productivity and effectiveness, challenging competitors online, and creating a brand image. I have already explained why these are crucial in the Effectiveness Analysis chapter.

**Tools**
The only tools that the case company does not utilize and that I suggest be used is opt-in email.
Probably, at some point all companies ask themselves questions like “How do we acquire new customers?”, “How do we convert website visitors into customers?”, “How to keep customers loyal to the brand and support the retention rates?”, “How do we raise brand-awareness?”, “How can we deliver services and value?”, “How can we research the market effectively and fast?”, etc. All these questions can be answered with the help of opt-in email. According to Ms. Filatova though, opt-in email is barely effective at all. It may be attributed to the field the company operates in or the mentality of Russian customers / customers in general. However, I would still suggest they use this tool: it does not take a lot of time nor money (the job can also be done by trainees and assistants) to be put in use, yet the results will not be long in coming. The tool will either prove to be, in fact, effective, or completely not. The answer can only be found with a substantial amount of prior research (in form of action) though.

Planning

The external analysis that Foundation for the Arts and Humanities conduct seems very profound to me, hence my recommendations are targeted at the situation analysis and internal analysis, its sub-section.

Concerning internal analysis, I am convinced the case company should put such indicators as ROI, market share, online revenues and service contribution, and click-through rates in use. All of them help draw a better picture of the circumstances the company is facing at the given time, and also help generate a more adequate plan for action, which bases upon the company-specific data. Once the data is known (and therefore the reasons why the situation is the way it is), relevant ideas can be developed and implemented.

As regards the situation analysis in general and altogether, I would suggest the case company start using instruments like SWOT analysis, PEST factors, and demand analysis. Being familiar with the implications of the situation environment opens up broad opportunities for thought and encourages solutions, plans and action that are significant for the specific company in the specific case.

Control

Foundation for the Arts and Humanities oversight two major control subjects: performance diagnosis and corrective actions.
Ignoring the former one implies that a company is unable to accurately identify the difference between the desired and the actual organizational, process and individual performance. If the difference is unknown, it is impossible to specify the intervention actions that are required to improve performance. If those are unknown and the company fails to overcome difficulties and fight their problems, it risks incurring financial losses, as well as loss of credibility, customers, and, depending on the importance of the particular process under scrutiny, may eventually even collapse.

Not operating with the latter one means that no improvements are done, as no actions to liquidate problematic issues are undertaken. It can lead to devastating outcomes due to the same reason as not conducting performance diagnosis.

My recommendation is that Foundation for the Arts and Humanities use both of the aforementioned control processes, and take the following performance indicators into account (or at least the ones most applicable to their operations): online revenue contribution, enquiries, unique visitors (N), repeat visitors (N), average duration of stay at a website, most popular pages, churn rates, termination rates, source of traffic, awareness levels. These performance indicators would allow to “track down” the most potentially profitable and efficiency-raising matters, and, hence, invest more effort into them.

**Evaluation**

The most important thing for Foundation for the Arts and Humanities, in my opinion, is to understand that evaluation and control are separate processes and should be approached differently.

Since the actual evaluation is barely done at the case company, my suggestion is for them to employ all of the tools, methods and questions presented in the theoretical part of this paper. Clearly, it may not be possible to use all of them at the same time, and some time might be required to get to accustomed to all those, so taking “small steps” at first could be the option.

To sum up the possible evaluation ways, here is a list of the concepts and ideas, which are already explained in detail before:

- A performance measurement process.
- Checking, whether actions help achieve not only the immediate goals, but also corporate objectives, overall marketing goals and finding out whether marketing communications are going as planned.
• Channel evaluation on numerous levels.
• Using existing diagnostic frameworks.
• The various ways of interpreting web analytics data for an analyst.
• Different ways of online metrics collection and research methods.

10.2 Objectives. Answers

The main objective of this thesis was to find an answer to the following question: what makes a successful e-marketing campaign and how can its effectiveness be improved?

Based on the research I have conducted throughout the period of completing this thesis, I have come to believe that a successful digital marketing campaign incorporates the many levels of planning: conducting situation analysis, setting the right objectives, choosing an appropriate strategy, choosing the right tactics, undertaking adequate actions, controlling, and, overall, backing the campaign up with sufficient resources. A successful digital marketing campaign is carried out on the appropriate platforms, and the performance is measured. In addition to that, in order to make a campaign successful, people behind it should incorporate concepts and ideas, such as observing, engagement, promotion, improvement, etc. The full lists of matters to consider that I have managed to draw up is presented in Chapter 6 of this thesis. The effectiveness of a digital marketing campaign can be improved with the help of performance diagnosis and corrective actions.

The Objective section of this thesis included three smaller sub-questions, the first one being “What are the various uses of digital marketing?”. The answer is the 5S Model: it can be used to sell (increase sales), serve (add value). Speak (get closer to customers), save (reduce spendings), and sizzle (extend the brand online). The following can be added to that list: market penetration, market development, product development, and diversification.

The second question was “How does digital marketing allow to minimize spendings and maximize revenues?”. The answer to the first part of it is rather simple: it can be achieved through online communications, online transactions that reduce the number of staff needed to complete a task, reduced print and postage costs, and by designing
tailored products with the help of blending “component digital parts”. In relation to the second part of the question, I can say that, in my opinion, revenues will grow if a company succeeds in developing a thorough plan and a well-balanced campaign in general, and I have already elaborated on that matter and its details previously.

The final sub-question was: “How can a higher number of potential customers be reached?”. Having studied marketing literature (listed in the references), I have come to a conclusion, that that can be achieved if a company employs all of the existing tools, or, at least, those appropriate in their circumstances. Those tools are search engine marketing, online PR, online partnerships, interactive ads, opt-in email, and social media marketing.

10.3 The Guideline

The guideline to designing successful digital marketing campaigns that I have synthesized is yet another summary and repetition of what has been shown in this thesis previously. To make it concise and easy-to-understand, it is done in the form of a multiple step process.

PRE-PHASE:

- Before plunging into the process of designing a digital marketing campaign, the very first step should be setting goals and defining the target audience. Decide whether your campaign is going to be mass-oriented or rather personalized. This will help you choose appropriate tactics, messages, etc.
- Goals and target audience selection have to be specific and clear from the very beginning, however more specific details can be synthesized or analyzed later once the process has begun.
- Define a value proposition. It has to be unique and deliverable.
- Consider the characteristics of the digital marketing environment and the related issues (pages 11-14). How are you going to handle them? What actions are you going to undertake to face them prepared?

STEP 1:
• Choose the media for your campaign (paid, owned, earned).
• Identify the applications. Why are you marketing online (to generate direct response, to sell, to distribute, as a customer service channel, to generate leads, for relationship-building). Once the applications are selected, identify your goal and required actions to achieve those goals that correspond.
• Try to apply the 5S framework to your campaign to maximize its effectiveness and efficiency.
• Consider digital marketing as a means of saving (financially), increasing effectiveness and efficiency, promotional value, fighting competitive pressures, creating a corporate image. All of these can benefit you greatly.

STEP 2:
• Select the appropriate digital marketing tools. Try to use as many as you can to enhance the positive outputs (search engine marketing, online PR, online partnerships, interactive ads, opt-in email, and social media marketing).

STEP 3:
Use the SOSTAC framework for planning.
• Conduct thorough situation analysis (demand analysis, site analysis, SWOT, PEST factors, resources analysis, market research, intermediary analysis, competitor analysis). Identify your strengths and weaknesses. Act and plan upon your findings.
  o Conduct external analysis. Study customers, their behavior, competitors, intermediaries. Research your risks. Plan how to minimize or avoid them.
  o Conduct internal analysis. Study Leads, sales, market share, return on investment (ROI), and online revenues or service contribution, unique visitors, conversion rates, total number of sessions or visits, repeat visits, time spent by visitors on a website, subscription rates, churn rates, and clickthrough rates. Act and plan upon your findings.
• Design your digital marketing strategy (scheme similar to traditional marketing strategy). Make sure to follow these steps:
  o Identify your online opportunities (including evaluating the market, evaluating our productivity in general, and goal-setting).
Choose a strategic approach (determine the unique value of our offers, come up with a strategy and a marketing mix).

Act online.

- Identify what resources you need (amount). Those should cover human resource considerations, time, and financial resources (investments).
- Undertake the following actions: traffic building actions, actions to achieve customer response, actions to generate sales, fulfillment actions (delivering an offer or a service), e-CRM actions.
- Control your performance. Set goals, measure performance, diagnose performance, take corrective actions.
- Evaluate.
  - Create a performance measurement system, or better use one created by recognized and respected marketing professionals.
  - Evaluate not only the digital marketing-related performance, but overall performance as well, e.g. corporate goals. Are they achieved with the help of digital marketing?
  - Evaluate channels on numerous levels: channel promotion, referrers, channel buyer behavior, channel satisfaction, channel outcomes, attrition rate, channel profitability.
  - Try to answer the common web-analysis questions (Table 3).
  - Use different online metrics and research methods (Table 4).
  - Use KPIs: increased traffic volume, conversion rates, clickthrough rates, ROI, cost per click, cost per action or acquisition, costs of making sales offline, total number of online sales, overall revenue increase, return on ad-spend, rank of link on search engine.
  - Try clickstream analysis.

STEP 4:

Use techniques or ideas that have been proven to “bring” success: observing, recruiting, evaluating platforms, engaging, measuring, promoting, improving.

In addition to that, make sure to “paint a picture” and use emotive imagery in your campaigns online, try new approaches and tools, prioritize quality over quantity, keep a positive attitude, when appropriate – “throw a little humor”, use videos, find a balance between viral content and business-led posts.
11 CONCLUSIONS

11.1 Reliability and Validity

Reliability is linked to the ability to obtain the same research results with the help of the same instruments more than once. To put it differently, if one's research is associated with a high degree of reliability, other researchers should be able to have the same results given that they conduct their research with the help of the same methods and in the same conditions.

In the case of my thesis, the theoretical part of the paper is based on works of internationally recognized and officially published authors. Most of their ideas and conclusions resonate with one another, which, I believe, is a sign of those being correct, as they have been proven more than once and by more than one person (author) or organization. In the empirical part, I used an interview to conduct the research. I am sure, that the answers were truthful; hence, if someone else wishes to carry out a similar interview, they should get the same responses. This leads me to believe, that the research is reliable.

Validity of research is described by the degree to which the requirements of the research method have been complied with in the process of developing research findings (Website of Research Methodology 2016). Some of the measures that help ensure validity are choosing the appropriate time scale for research and the appropriate methodology, choosing the appropriate sample method, making sure that respondents are not pressured by the research and are not forced to choose answers that the researcher wishes them to select (Website of Research Methodology 2016).

I would like to believe, that I have chosen the right research methodology. I tried my best to contact the representative of the case company at an appropriate time and did not force her to be faster. I am absolutely sure that I did not attempt to make the respondent choose any particular answers; some of the questions did not include any answer options and gave the respondent the freedom to state whatever she wished to and provide the information that she felt like sharing. I hope, this allows me to come to the conclusion that the validity of the research is significant.
11.2 Personal Competence

Before beginning the process of writing my thesis and even before selecting a topic, I made a decision that I wish to choose a challenging one (and a related task) in order to expand my academic “awareness” and to actually be able to use the knowledge that I gain throughout the stages of completing the thesis in the future, in my professional life.

It is too early to say whether I am able to use this knowledge, as I am still a student and do not yet have a job, but I am certain, that this experience will not pass unnoticed.

First of all, the topic that I dealt with was extremely interesting and alluring to me, though equally as demanding at the same time. Even though the field of e-marketing is probably one of the most promising and topical ones at this age when everything is getting digitalized, there is still a lack of reliable and significant resources on the matter. The related literature either gets outdated too fast, as the field never ceases to evolve and develop, or is too far-fetched or not based upon any realistic and convincing examples. Therefore, the very first challenge for me was to identify the most appropriate books, articles and research papers to base my own research upon. I hope that I managed to complete this mini-task of its own successfully, and think that this will help me further in life to be able to identify the most crucial data resources, and sift unnecessary information away.

The second challenge for me was the data itself. Even though, like I have mentioned above, it was not overly excessive, it was still plentiful to absorb at once, and it required a lot of effort to process and systemize it. I faced the task of laying the theoretical information out logically, coherently and consistently. This thesis was most likely the biggest professional project I have done entirely on my own so far, so it was extra laborious for me, but, I like to think, I managed. I am sure this experience will make it easier for me to interpret and analyze data in the future.

Time management was a big concern for me as well on multiple levels. To begin with, I had to stay within the deadlines that I set for myself. Apart from that, my task was to make sure that the case company had the time to answer all my interview questions. Since I got a response in August when the interviewee got back to work from a summer vacation, I had to rush to analyze all of the responses, and, at the same time, not to compromise the quality of the analysis. I also had to plan my semi-
nars so that the time would suit three parties: my supervisor, Riitta Blue, my opponent, and myself. Time management is a central concern for, I believe, the majority of businesses, as a famous saying states “Time is money”. This was a very important lesson for me.

This thesis has also shown me how relevant patience is, and that your own personal opinion is not necessarily the ultimate truth. At times one might feel like their project or research paper is a masterpiece and may wish to get done with it as quickly as possible, when, in fact, many changes and corrections are required. It is critical to be open to other people’s opinions, including highly trained and competent professionals like one’s supervisor, and also peers, who just voice their questions, concerns and judgments as “independent listeners”. Sometimes it may simply be that people are different and see the same things differently, so one also has to learn to accept the variety of minds out there. I have promised myself to apply both these lessons, patience and openness to constructive criticism, to my working attitude and behavior in the future.

Finally, my interest in the field of marketing sure has grown even further, as well as my interest in digital technologies. Nowadays it seems rather obvious that the future is in digitalization and innovative methods of selling. Innovativeness, in my opinion, goes hand-in-hand with creativity, and that is yet another skill I am striving to develop. I wish to continue my education in the field after I receive my bachelor’s degree, and hope to study digitalization or something very similar on a master’s level.

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Interview With A Case Company Representative

BASIC QUESTIONS

**Question 1:** Which of the characteristics below describe digital marketing in your company?
- Interactivity. Personalization? Controlling the degree of interaction?
- Mass customization.
- Volatility. Are you keeping up with the new technologies and trends?

When creating a digital marketing campaign, do you adjust to a particular potential customer category? Do you use targeting?

**Question 2:** Which of the goals listed below do you pursue when turning to digital marketing?
- Sell. Wider distribution.
- Serve. Add value. Extra benefits online
- Speak. Creating a dialogue
- Save (costs)
- Sizzle. Extend brand awareness. Achieved through providing new propositions, new offers and new experiences online including building communities

**Question 3:** What makes you turn to digital marketing (options listed below) in the first place?
- Cost savings and financial considerations
- Effectiveness and efficiency considerations
- Promotional value
- Competitive pressures
- Corporate image creation

TOOLS

**Question 1:** Which of the tools listed below do you use?
• Search engine marketing
• Online PR. Getting positive mentions concerning a company or its services / products on third-party web sources. This also deals with negative feedback by conducting online PR and responding to unfavorable mentions online.
• Online partnerships
• Interactive ads
• Opt-in email
• Social media marketing
• Own website

**Question 2:** Which of the options listed below can be applied to your company?

“We use digital marketing for…”

• Acquisition
• Conversion
• Retention
• Awareness raising
• Brand-building
• Research
• Service delivery

**PLANNING**

Situation analysis

**Question 1:** What kind of analysis do you conduct?

• Demand analysis
• Site analysis
• SWOT
• PEST factors
• Resources analysis
• Market research
• Intermediary analysis
• Competitor analysis

External analysis

**Question 1:** Which of the questions listed below do you seek answers to?
• How are customers changing?
• How many customers use online services? Which customer segments do they belong to? How often do they use online services?
• How many customers buy goods online only?
• How is your competitors’ online offer different from yours?
• Who are the major online players?
• Are there any intermediaries your company could collaborate with?

**Question 2:** Which risks do you think apply to your company?

• Political laws and regulations that have an impact on your marketing.
• Economic factors.
• Social factors: future online behaviors.
• Technological factors: are you keeping up with the developments?

**Internal analysis**

**Question 1:** Which of these matters do you analyze?

Leads, sales, market share, return on investment (ROI), and online revenues or service contribution, unique visitors, conversion rates, total number of sessions or visits, repeat visits, time spent by visitors on a website, subscription rates, churn rates, and clickthrough rates.

**Question 2:** Which of the tools listed below do you use? If you use them, please answer additional questions.

• Customer database: is it clear and integrated? Does it allow to deliver personalized messages and communications?
• Online customer care.
• Website: is its design effective and appealing to users?
• Integrated database: does it connect all tools, both online and offline?
• Opt-in email campaigns: are they effective?
• Web links: do users actually follow them?
• Display ads / sponsorships: are clickthrough rates sufficient?
• Mobile marketing: any relevant experiences with cell phone campaigns?
• Interactive TV: is it relevant in your case? If so, has it been used?

**Objectives**

**Question 1:** Which of the questions listed below do you seek answers to?
- What segments will be targeted online?
- Who is the target audience?
- Which products should be sold into existing markets? Should specific or new segments be targeted instead?
- Online value proposition. What is it?
- What are the ways of fighting or dealing with competition?
- Will online and offline channels be integrated or compliment each other?
- What are the ways to acquire customers?
- What are the ways to support customer retention?
- What are the marketplace trends?

**Question 2:** Which of the actions listed below do you undertake?
- Traffic building actions
- Actions to achieve customer response
- Actions to generate sales
- E-CRM actions

**Control**

**Question 1:** Please, describe how you control your online presence and your digital marketing campaigns.

**Resources**

**Question 1:** What resources do you use in your digital marketing campaigns?

**Evaluation**

**Question 1:** Please, describe how you evaluate the effectiveness of your online presence and your digital marketing campaigns?

**Question 2:** Which of the questions listed below do you seek answers to?
- Are corporate objectives specified in the e-marketing strategy achieved?
• Are marketing goals achieved?
• Are marketing communications going as planned and achieved?

**Question 3:** What criterion do you use to evaluate the effectiveness of your digital marketing campaigns and online presence?

**Question 4:** Which of the questions below do you seek answers to?

• How successful is the website in terms of customer engagement and achieving intended results?
• At what page do visitors enter the website?
• What / who leads visitors to our website (sources, referrers)?
• What is our most popular content?
• What are the most popular methods for finding particular contents on the website?
• At what page do visitors exit the website?
• What are the clickstreams taken by website visitors?

**Question 5:** Which analysis techniques do you use?

• Server-based log file analysis of website activity
• Browser-based website activity data
• AB and multivariate testing
• Panel activity and demographic information
• Outcome information (e.g. inquiries from visitors)
• Online questionnaires (random or based on customer activity)
• Online focus groups
• Mystery shoppers

**Question 6:** Do you ever test offers under development using the Internet? Do you test the your website and pages under development?

**CHARACTERISTICS OF A SUCCESSFUL DIGITAL MARKETING CAMPAIGN**
**Question 1:** What, in your opinion, ensures the success of digital marketing?

**Question 2:** Which of the actions listed below apply to you?

- Observe. Identifying the most authoritative online locations where people gather; listening to what they have to say and using the information.
- Recruit. Establishing a team of people who actually want to talk about your offer.
- Evaluate platforms. Is one particular platform, or a combination of several most appropriate for you?
- Engage. Determine which content will attract visitors and get them to discuss and share it.
- Measure. Set success metrics and keep an eye on performance.
- Promote. Market your offer both online and offline.
- Improve. Constantly improve your web presence, communications and offers.
- “Painting a picture” and including “emotive imagery”.
- Never ceasing to try new things. Attempts to improve online presence may fail, but a company should never give up in trying to find the “perfect match” between what they can post online and what customers want.
- Prioritizing quality over quantity. Companies should avoid sharing dozens of pointless points; rather, they should be fewer but relevant.
- Keeping a positive attitude.
- “Throwing a little humor where possible”.
- Using videos as means of promotion and content sharing.

**DESIGNING A DIGITAL MARKETING STRATEGY**

**Question 1:** Please, describe how you design your digital marketing strategies.

**Question 2:** Does this plan apply to your company?

“**When designing a digital marketing strategy, we…”**

- Identify our online opportunities (including evaluating the market, evaluating our productivity in general, and goal-setting).
- Choose a strategic approach (determine the unique value of our offers, come up with a strategy and a marketing mix).
- Act online.