

# **Developing a digital marketing strategy for a small B2B company – pitfalls to avoid and learning experiences**

Jesper Nyström

MASTER'S THESIS	
Arcada	
Degree Programme:	International Business Management
Identification number:	8526
Author:	Jesper Nyström
Title:	Developing a digital marketing strategy for a small B2B company – pitfalls to avoid and learning experiences
Supervisor (Arcada):	Niklas Eriksson
Commissioned by:	Inclus Ltd
<p>Digital marketing is an increasingly important domain for companies to interact with their customers (Visser et al. 2018). Being successful with digital marketing requires marketers to have a good understanding of potential channels and marketing activities – not to mention the knowledge and skill to apply the most relevant ones to their own context (Chaffey &amp; Ellis-Chadwick 2019). This thesis focuses on the practical implications of digital marketing strategy development. The author sets out to develop a digital marketing strategy for the case company using an action research approach. In the process, the author reflects on his learning experiences with emphasis on identifying the main pitfalls to avoid in digital marketing strategy development. Therefore, the objective of the thesis is to develop a digital marketing strategy for the case company. The main research question is: What are the main possible pitfalls to avoid when developing a digital marketing strategy for a small B2B company? In addition, the author discusses the application of action research for this purpose. The literature review presents digital marketing related concepts and frameworks that can be applied to support digital marketing strategy development. Some of these frameworks are incorporated into the action research. As a result of this action research the author managed to successfully develop a digital marketing strategy for the case company. Based on the author's reflections, the main pitfalls to avoid in digital marketing strategy development relate to the following five categories: Prioritization, Resources, Planning, Process, and Analytics. The conducted action research and the identified main pitfalls and learning experiences provide a practical framework for developing a digital marketing strategy and to avoid some of the main pitfalls involved.</p>	
Keywords:	Digital marketing, digital marketing strategy, strategy development, marketing, action research, Inclus
Number of pages:	53
Language:	English
Date of acceptance:	12.4.2022

# CONTENTS

<b>1</b>	<b>Introduction .....</b>	<b>6</b>
1.1	Case company.....	6
1.2	Aim and research question.....	7
1.3	Structure of the thesis.....	8
<b>2</b>	<b>Literature.....</b>	<b>9</b>
2.1	Digital marketing.....	9
2.1.1	<i>Definitions</i> .....	9
2.1.2	<i>Paid, owned and earned media</i> .....	10
2.1.3	<i>Customer lifecycle</i> .....	12
2.1.4	<i>B2B marketing</i> .....	15
2.2	Digital marketing strategy .....	16
2.2.1	<i>Marketing mix</i> .....	17
2.2.2	<i>SOSTAC framework</i> .....	19
2.2.3	<i>Strategy development pitfalls</i> .....	21
2.3	Summary .....	22
<b>3</b>	<b>Method.....</b>	<b>24</b>
3.1	Data collection .....	26
3.2	Data analysis .....	27
3.3	Trustworthiness .....	28
<b>4</b>	<b>Results .....</b>	<b>29</b>
4.1	Cycle 1: Planning and goal setting .....	29
4.2	Cycle 2: Building the foundation .....	31
4.3	Cycle 3: Owned media .....	34
4.4	Cycle 4: Paid media.....	36
4.5	Cycle 5: Earned media .....	38
4.6	Cycle 6: Analysis and optimization .....	40
4.7	Summary of results.....	44
<b>5</b>	<b>Discussion .....</b>	<b>46</b>
5.1	Conclusions and further studies .....	50
	<b>References .....</b>	<b>52</b>

## Figures

Figure 1. Paid, owned, and earned media and their cross-use (Adapted from Chaffey & Ellis-Chadwick 2019). .....	11
Figure 2. Marketing interactions throughout the customer lifecycle (Adapted from Chaffey & Ellis-Chadwick 2019). .....	14
Figure 3. B2B buying process (Adapted from Kotler & Armstrong 2020). .....	15
Figure 4. Internal and external influences on digital marketing strategy (Adapted from Chaffey & Ellis-Chadwick 2019). .....	17
Figure 5. SOSTAC planning framework (Adapted from PR Smith 2022). .....	20
Figure 6. Action research cycles (Adapted from Saunders et al. 2019). .....	25
Figure 7. The case company's updated marketing strategy framework. ....	30
Figure 8. The case company's marketing automation system implementation process. ....	33
Figure 9. Lead generation form for scheduling demo meeting. ....	34
Figure 10. Social media post promoting a blog post published on company website....	35
Figure 11. Best performing LinkedIn ad during the cycle. ....	37
Figure 12. Social media post promoting an earned media article. ....	39
Figure 13. The five pitfall categories of digital marketing strategy development. ....	48

## Tables

Table 1. Action research process and structure of cycles. ....	26
Table 2. Data analysis process for the action research cycles. ....	27
Table 3. Data analysis of Cycle 1: Planning and goal setting. ....	31
Table 4. List of the case company's monitored key performance indicators. ....	32
Table 5. Data analysis of Cycle 2: Building the foundation. ....	33
Table 6. Data analysis of Cycle 3: Owned media. ....	36
Table 7. Google Ads ad group performance in September 2021. ....	38
Table 8. Data analysis of Cycle 4: Paid media. ....	38
Table 9. Data analysis of Cycle 5: Earned media. ....	40
Table 10. Summary of the case company's marketing metrics. ....	41
Table 11. Data analysis of Cycle 6: Analysis and optimization. ....	43

Table 12. Summary of actions, pitfalls and learning experiences. ....	45
Table 13. Main pitfalls and learning experiences.....	47

# 1 INTRODUCTION

Digital transformation has made digital marketing increasingly important for companies (Visser et al. 2021). Digital marketing offers extensive possibilities to communicate with customers in different stages of the customer lifecycle (Chaffey & Ellis-Chadwick 2019). Moreover, Visser et al. (2021) argue that digital marketing can be more efficient than traditional marketing when leveraged appropriately. Digital marketing is about coordinating and using digital media, data and technology to achieve marketing objectives (Chaffey & Ellis-Chadwick 2019). However, being successful in digital marketing requires marketers to have a good understanding of potential channels and marketing activities – not to mention the knowledge and skill to apply the most relevant ones to their own context (Chaffey & Ellis-Chadwick 2019). This thesis focuses on the practical implications of digital marketing strategy development. The author sets out to develop a digital marketing strategy for the case company using an action research approach. Furthermore, the author reflects on the action research results and his personal experiences during the process to identify the main pitfalls to avoid in digital marketing strategy development. Additionally, the featured literature chapter presents definitions, concepts, and frameworks related to digital marketing and digital marketing strategy development. The conducted action research and the identified main pitfalls to avoid can provide a practical process for developing a digital marketing strategy while staying clear of some of its challenges.

## 1.1 Case company

Software company Inklus Ltd is the case company in this thesis. Inklus is a small company based in Finland that was established in 2016. The company employed 11 people and had a turnover of around 430 000 euros in 2021. Inklus is a software-as-a-service provider with a browser-based risk management software as their primary product. Inklus relies on a license-based business model for providing the software to its customers. The Inklus software enables organizations to manage their risk management process from identifying and assessing risks to risk monitoring and risk treatment. Inklus' value proposition is that the software is easy-to-use and collaborative, allowing customers to engage relevant stakeholders more easily throughout the risk management process. The

benefit of this is that risk assessments become more reliable and the process itself more effective. Customers of Inklus are primarily middle- and large-sized companies in a wide range of industries, and public organizations. Today, Inklus serves around 30 active license-customers from industries like construction, energy, real-estate, management consulting, IT, logistics, and public government. All customers are currently based in Finland, but the company plans to expand abroad soon.

Inklus created its marketing function and hired the first full-time marketing resource in May 2021 with the ambition of improving the company's digital marketing activities. Before this investment Inklus was lacking a clearly defined digital marketing strategy, and the digital marketing activities were carried out as a joint effort by employees with other main responsibilities. Inklus' digital presence at this point consisted of a newly launched website and social media profiles on LinkedIn, Facebook, and Twitter. The reason for investing in the marketing function was to get a more strategic and systematic approach to the company's digital marketing activities. It was also identified that the number of leads generated by digital marketing activities was minimal, and that it should be developed to support the company's growth ambitions. The company together with the newly appointed marketing manager, the author of this thesis, found that the first step to reaching these objectives would be to develop a digital marketing strategy for Inklus.

## **1.2 Aim and research question**

This thesis dives into the practical implications of developing a digital marketing strategy for a small company in a business to business (B2B) context. The objective of the thesis is to develop a digital marketing strategy for the case company. The study applies an action research approach spanning over a seven-month period to develop the digital marketing strategy. This allows the author to conduct multiple iterations of the planned marketing activities and reflecting on the outcomes. The author shares insights gained from the process with emphasis on the main pitfalls to avoid when developing a digital marketing strategy for a small B2B company. Therefore, the main research question is: What are the main possible pitfalls to avoid when developing a digital marketing strategy for a small B2B company? In addition to the main research question the author also

discusses learning experiences of applying action research to develop a digital marketing strategy.

### **1.3 Structure of the thesis**

This thesis begins with an introduction chapter that presents the case company as well as the aim and research question for the conducted action research. The second chapter reviews literature and elaborates on concepts and frameworks relevant to digital marketing and the context of this thesis. Covered subjects in the literature chapter include digital marketing definitions, owned, paid, and earned media, customer lifecycle, B2B digital marketing, digital marketing strategy, marketing mix, SOSTAC planning framework, and strategy development pitfalls. Chapter 3 presents the research methodology of the thesis. The chapter introduces action research and describes the data collection and analysis methods used in this thesis. Implications and trustworthiness of the research methodology are also discussed. Chapter 4 presents the results of the action research process. The actions and outcomes of each action research cycle are summarized separately. Additionally, these actions and the author's reflections on digital marketing strategy development pitfalls and learning experiences are presented at the end of the chapter. Chapter 5 consists of a discussion about the presented results and the author's reflections on the main pitfalls to avoid in digital marketing strategy development. The chapter ends with the author's conclusions and suggestions for further studies.



## 2 LITERATURE

This chapter begins with an introduction to digital marketing, featuring definitions of digital marketing, the digital customer lifecycle, paid, owned, and earned media, and B2B digital marketing. After establishing what digital marketing is, the literature ventures into topics more specific to the thesis, touching upon known digital marketing strategy frameworks like the marketing mix and SOSTAC planning framework. The final topic reviewed in the literature is digital marketing strategy pitfalls. Together these topics offer a good foundation of potential activities and processes to be applied when developing a digital marketing strategy.

### 2.1 Digital marketing

#### 2.1.1 Definitions

It is well-known that marketing has undergone a dramatic digital transformation in the past decades. Visser et al. (2021), mention that the continuously increasing internet usage is the underlying driver of this digital shift. Both Visser et al. (2021) and Chaffey & Ellis-Chadwick (2019) point out that the wide-spread use of internet has led to significant changes in consumer behavior and how companies promote and provide their services. Chaffey & Ellis-Chadwick (2019) elaborate that the transformation has been significant also within digital marketing, through advancements in digital media and marketing technology. Visser et al. (2021) conclude that digital marketing is increasingly important for companies to reach customers.

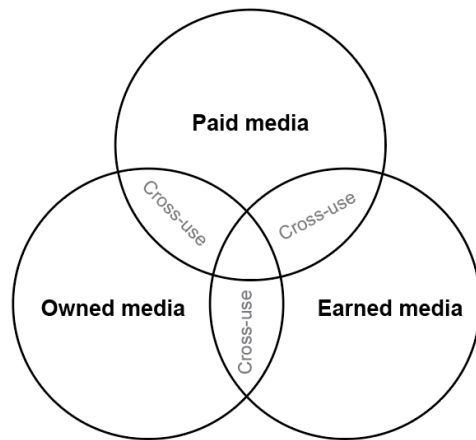
In most literature there is a consensus about the general definition of digital marketing. There are, however, variations to how comprehensive definitions different authors use. This is evident in the literature reviewed for this thesis. For instance, Chaffey & Ellis-Chadwick (2019 p. 9) define digital marketing as “the application of digital media, data and technology integrated with traditional communications to achieve marketing objectives”. Chaffey’s & Ellis-Chadwick’s (2019 p. 9) definition is short, yet comprehensive and structured, in that it views digital marketing as a concept consisting of three building blocks i.e., digital media, data and technology. Visser et al. (2021 p. 6), on the other

hand, leaves more room for interpretation by providing a broader definition to digital marketing “Digital marketing is a process in which organizations and existing or potential customers use the internet to create value and products as well as exchange them”. Das (2020 p. 11) has a more technical perspective with the definition “Digital marketing is an umbrella concept for marketing of diversified products and services using technological tools primarily on the internet, but also includes mobile devices, display advertisement and many other digital medium”. Arguably, Chaffey & Ellis-Chadwick (2019 p. 9), provide the most complete definition out of these examples, highlighting that digital marketing is about more than just digital mediums. Both Chaffey & Ellis-Chadwick (2019) and Visser et al. (2021) emphasize the importance of integrating digital marketing with other marketing activities, which suggests that digital marketing should be viewed as a marketing channel in the company’s overall marketing mix.

### **2.1.2 Paid, owned and earned media**

Chaffey & Ellis-Chadwick (2019) summarize that digital marketing in practice includes managing a company’s online presence through a range of channels and medias such as company websites, social media, search engines, online advertising, email marketing and more. It is critical for companies to prioritize the most relevant marketing activities for their business and marketing objectives (Chaffey & Ellis-Chadwick 2019). In addition to the already mentioned tools, Chaffey & Ellis-Chadwick (2019) and Visser et al. (2021) refer to the categorization of digital channels into paid media, owned media, and earned media. According to Chaffey & Ellis-Chadwick (2019), are these three categories the main media types within digital marketing. Visser et al. (2021) state that the three media types are applicable for companies with either or both online and offline sales channels. Companies with online sales channels can leverage digital media to drive sales, whereas the focus for companies with offline sales is in interacting with the audience, acquiring visitors, and generating leads (Visser et al. 2021). Chaffey & Ellis-Chadwick (2019) emphasize that in digital marketing the three media types should be partly integrated with each other, also shown in figure 1 below. This cross-use allows for instance promoting earned media in the company’s own channels as well as creating more awareness for owned media with online advertising. The categorization of digital

media into paid, owned and earned is a recurring theme throughout this thesis and referred to in the action research.



*Figure 1. Paid, owned, and earned media and their cross-use (Adapted from Chaffey & Ellis-Chadwick 2019).*

Chaffey & Ellis-Chadwick (2019) describe paid media as bought media where the company has made an investment in return for website visitors or conversions. In other words, it requires a payment from company to site owner, or ad network, in exchange for distributing the company's advertisement (Chaffey & Ellis-Chadwick 2019). Similarly, Visser et al. (2021), define paid media as media purchased by marketers to create brand awareness. Both sources mention online advertising and traditional mass medias like TV, radio and print, as primary channels in this category (Chaffey & Ellis-Chadwick 2019, Visser et al. 2021). They also expand that online advertising can be in the form of paid search engine marketing, display ad marketing, social media marketing and affiliate marketing (Chaffey & Ellis-Chadwick 2019, Visser et al. 2021). Visser et al. (2021) state that paid media is effective for most companies to reach an audience and attract new website visitors. Therefore, it could be argued that paid media is especially helpful in the first stages of the customer lifecycle.

Owned media comprises all communication channels that are owned and controlled by the company (Chaffey & Ellis-Chadwick 2019, Visser et al. 2021). According to Chaffey & Ellis-Chadwick (2019), a company's digital owned media includes the company website, blogs, social media, email lists, and possible mobile apps. From an offline perspective owned media is anything from brochures to physical stores (Chaffey &

Ellis-Chadwick 2019). Chaffey & Ellis-Chadwick (2019) suggest that owned media should be viewed as an alternative investment to other media, and that companies today should strive to become multichannel publishers. Visser et al. (2021) argue that companies should optimize their owned and earned media channels before adopting paid media.

Earned media is communications that promotes a company through a third-party or word of mouth (Chaffey & Ellis-Chadwick 2019). This includes public relations, editorials, influencers, and other actors that generate awareness for the company (Chaffey & Ellis-Chadwick 2019). Visser et al. (2021) includes traffic generated by external links to the list of earned media. Additionally, both Visser et al. (2021) and Chaffey & Ellis-Chadwick (2019) agree that social media outreach and engagement is part of earned media. Earned media is seemingly the blurriest of the three media types, as there are marketing activities that could arguably be part of both earned and owned media. Search engine optimization (SEO), for instance, is referred to as earned media by Visser et al. (2021), whereas Chaffey & Ellis-Chadwick (2019) place SEO in the owned media category due to it being such an integral part of the company website.

### **2.1.3 Customer lifecycle**

Chaffey & Ellis-Chadwick (2019), Visser et al. (2021) and Das (2021) all agree that digital marketing enables vast opportunities for interacting with customers and achieving marketing goals. Chaffey & Ellis-Chadwick (2019) find that digital marketing enables growth opportunities for companies, and that it can help especially small and medium-sized companies to expand. According to Visser et al. (2021), digital marketing can be more efficient than traditional marketing. Furthermore, digital marketing enables easier and more targeted distribution of communications (Chaffey & Ellis-Chadwick 2019). Digital communications can also be more interactive and personalized (Chaffey & Ellis-Chadwick 2019). Additionally, it is easier to measure results of digital activities and to gather data about the target audience (Chaffey & Ellis-Chadwick 2019). Visser et al. (2021) and Das (2021) agree that digital marketing is more cost-efficient compared to traditional marketing. Das (2021) boldly states that digital marketing is significantly more cost-effective, whereas Visser et al. (2021) elaborates that it enables low-cost

distribution of communications and a more purposefully allocated marketing budget due to more easily measured results. Das (2021) also views the result- and conversion-oriented approach of digital marketing as a benefit and mentions that companies that use digital marketing tend to have a better return on investment (ROI). The benefits are indeed impressive but succeeding with digital marketing is not self-evident. Chaffey & Ellis-Chadwick (2019) argue that a key challenge in digital marketing is to successfully assess, adopt and integrate digital marketing activities relevant to the company's context from the wide range of available options. To tackle this challenge Chaffey & Ellis-Chadwick (2019) introduce the 5Ds of managing digital marketing interactions: 1. Digital devices, 2. Digital platforms, 3. Digital media, 4. Digital data, 5. Digital technology. Assessing the 5Ds allows the marketer to identify technologies and channels relevant to the company's target audience that should be managed to support marketing objectives.

Chaffey & Ellis-Chadwick (2019) highlight the customer lifecycle as another practical tool to discover various interactions with a customer through different stages in the customer's lifecycle. The customer lifecycle shows both the opportunities and challenges of managing interactions with customers (Chaffey & Ellis-Chadwick 2019). Figure 2 visualizes the customer lifecycle, its different stages, and examples of possible touchpoints throughout the lifecycle. Reach, Act, Convert and Engage, also known as the RACE framework, are the four stages in the customer lifecycle (Chaffey & Ellis-Chadwick 2019). The RACE framework can be used to review digital marketing activities and to develop how the company interacts with potential and existing customers throughout the lifecycle (Chaffey & Ellis-Chadwick 2019). Chaffey & Ellis-Chadwick (2019) emphasize the importance of integrating digital and traditional marketing in the RACE framework, as for instance traditional mass-media can be effective for creating awareness, and customers may prefer in-person interaction when deciding on the purchase. Based on figure 2 the importance of paid media is highest in the beginning of the customer lifecycle, whereas the role of owned media increases in the later stages. It can also be argued that having a website that effectively converts leads and customers is critical for guiding potential customers through the lifecycle stages. Furthermore, in figure 2 the value provided by the customer interaction increases significantly in each lifecycle stage, suggesting that companies should allocate more resources in personalizing interactions later in the customer lifecycle.

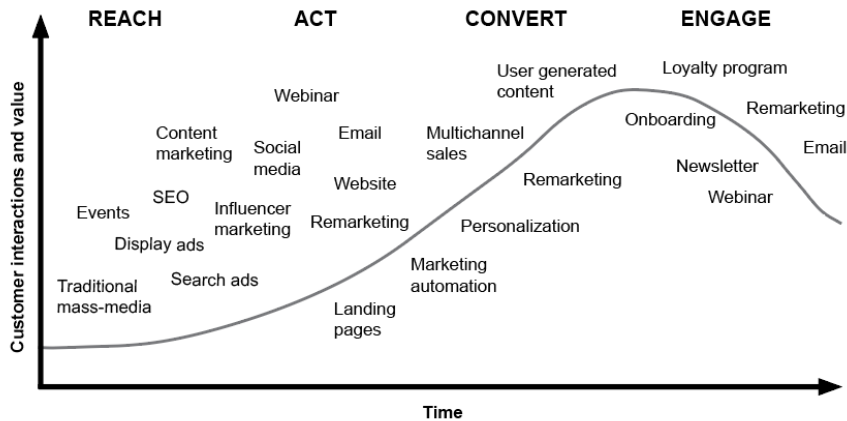


Figure 2. Marketing interactions throughout the customer lifecycle (Adapted from Chaffey & Ellis-Chadwick 2019).

Figure 2 shows that digital marketing activities that are well-suited for the Reach stage are for instance search engine optimization, digital advertisement, and content marketing. Essentially comprising marketing activities that have the potential to reach large audiences whose individuals are still unknown to the company. According to Chaffey & Ellis-Chadwick (2019), the objective of digital marketing activities in this first stage is typically to drive traffic to the company’s website and social media pages. Where the Reach stage is about creating awareness, the Act stage is about engaging with the reached audience (Chaffey & Ellis-Chadwick 2019). Chaffey & Ellis-Chadwick (2019) describe that the engagement takes place on the company’s website or social media. Figure 2 also includes for instance landing pages, remarketing and marketing automation to relevant digital marketing activities in the Act stage. The primary goal in this stage is often lead conversion, meaning that a stranger indicates an interest or purchase-intent to the company (Chaffey & Ellis-Chadwick 2019). Lead conversion is typically managed by identifying the visitor and acquiring marketing permission through forms on the website (Chaffey & Ellis-Chadwick 2019). The third stage, Convert, aims to achieve conversions such as leads and sales (Chaffey & Ellis-Chadwick 2019). In other words, this is the stage where a potential customer becomes a customer. Figure 2 lists personalization, remarketing and user generated content as important marketing activities. Engage is the fourth and final stage in the RACE framework. The aim is to develop long-lasting customer relationships and achieving retention goals (Chaffey & Ellis-

Chadwick 2019). Onboarding, customer loyalty programs, personalization and re-marketing are some of the important marketing activities in the final stage.

#### 2.1.4 B2B marketing

The importance of knowing and understanding the company's customers is a recurring theme in marketing literature. This is evident also throughout the reviewed literature in this thesis. Kotler & Armstrong (2020) state that customers are the most important part of the company's marketing environment. They mention that there are five different customer categories that a company might target: business to consumers (B2C), business to business (B2B), business to governments, business to resellers, and international business. The company should aim to engage and create valuable customer relationships with the target customers (Kotler & Armstrong 2020). Therefore, suggesting that the customer category should be considered also in digital marketing strategy development. Kotler & Armstrong (2020) state that B2B and B2C are similar in that it is people who make buying-decisions to satisfy a need, but there are also significant differences between the two. The authors highlight the structure of the market and buying unit, and the decision-making process as the key differentiators. Owusu et al. (2021) and Hall (2020) point out the same distinctions. Owusu et al. (2021) state that B2B generally has a lower number of both sellers and buyers compared to B2C. However, the average size per purchase is typically bigger in the B2B context (Owusu et al. 2021). Moreover, B2B customer relationships tend to be more personal, and the buying unit often includes several professionals. According to Kotler & Armstrong (2020), people in the B2B buying unit can have the following roles: decision-maker, buyer, influencer, gatekeeper, and user. Kotler & Armstrong (2020) describes that the B2B buying process consists of eight steps, as illustrated in figure 3, and continues that each step should be considered in the company's marketing.



Figure 3. B2B buying process (Adapted from Kotler & Armstrong 2020).

Hall (2020) elaborates that the number of stakeholders in the B2B buying process is in fact increasing and so is the length of the buying process. As buying units are becoming more demanding, and decision-making processes more complex, Hall (2020) argues that it calls for new approaches in B2B digital marketing. For instance, B2B buyers today spend more time on online research before contacting the seller, and thus the role of providing informative content has increased. Hall (2020) continues that B2B digital marketing can add value to the company and influence the B2B buying process through relevant customer data, content marketing, search engine marketing and lead generation.

## **2.2 Digital marketing strategy**

Chaffey & Ellis-Chadwick (2019) state that digital marketing strategy guides a company's digital marketing activities. The digital marketing strategy's aim should be to support overall business goals and integrating digital marketing activities with other marketing activities (Chaffey & Ellis-Chadwick 2019). Chaffey & Ellis-Chadwick (2019) describe digital marketing strategy as a channel marketing strategy, which emphasizes the importance of integrating digital marketing with traditional marketing. Additionally, the digital marketing strategy should extend beyond communications strategy and account for its impacts on the overall marketing mix (Chaffey & Ellis-Chadwick 2019). Visser et al. (2021) and Kingsnorth (2019) agree on the importance of integrating the digital marketing strategy with the overall marketing strategy. Kingsnorth (2019) states that a digital marketing strategy will not be effective if it is developed separately from business and marketing strategies. Visser et al. (2021) point out that marketing strategy principles have remained the same despite the digital transformation, although digital marketing has become increasingly important within marketing strategy. Kingsnorth (2019) notes that it is important to understand marketing principles before developing a digital marketing strategy. Figure 4 presents the internal and external influences that should be considered when developing a digital marketing strategy. It shows that digital marketing strategy should support the overall marketing strategy as well as business objectives and strategy. Additionally, the digital marketing strategy should be adapted to external influences like competitors, target markets and emerging opportunities and threats.



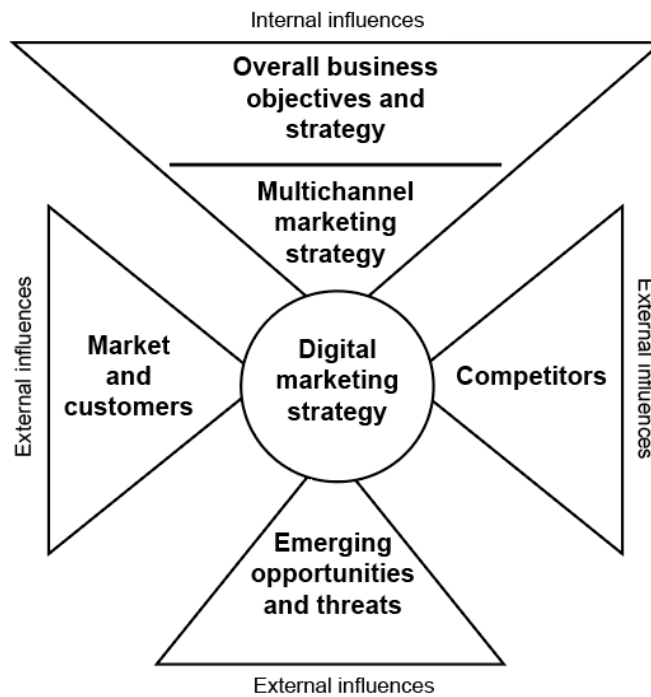


Figure 4. Internal and external influences on digital marketing strategy (Adapted from Chaffey & Ellis-Chadwick 2019).

### 2.2.1 Marketing mix

The marketing mix, or 4Ps of marketing, is arguably one of the most established frameworks for developing marketing strategy (Chaffey & Ellis-Chadwick 2019, Visser et al. 2021, Kingsnorth 2019). Throughout the years the original framework consisting of Product, Price, Place and Promotion, developed by McCarthy in 1960, has been both argued and extended (Chaffey & Ellis-Chadwick 2019). Even so, the 4Ps remain as an essential and wide-spread tool in marketing strategy development (Chaffey & Ellis-Chadwick 2019, Visser et al. 2021). The extension of 4Ps to 7Ps adds People, Process and Physical evidence to the marketing mix (Chaffey & Ellis-Chadwick 2019). This chapter, however, focuses on the original 4Ps. Visser et al. (2021) summarizes that the idea behind the marketing mix is to offer a framework for mixing its four or seven elements to provide a compelling offering to target customers. Chaffey & Ellis-Chadwick (2019), Visser et al. (2021) and Kingsnorth (2019) agree that the marketing mix is relevant in digital marketing as it affects and can be applied to all elements in the marketing mix.

Kingsnorth (2019) describes the Product element as a physical product or service proposition. Both Kingsnorth (2019) and Chaffey & Ellis-Chadwick (2019) point out that customer need and demand is critical for developing appropriate products. Chaffey & Ellis-Chadwick (2019) add that product decisions, including product development and communications, should be made based on market and customer research. Kingsnorth (2019) argues that the main application of digital marketing in the Product element is to consider if a product can be sold online or customized to be more compelling digitally. According to Chaffey & Ellis-Chadwick (2019) there are a wide range of possibilities for applying digital technology and digital marketing to the product element. Chaffey & Ellis-Chadwick (2019) suggests dividing the product into the core product and extended product to assess possible product variations for digital channels.

Pricing is the second element in the marketing mix (Chaffey & Ellis-Chadwick 2019, Visser et al. 2021, Kingsnorth 2019). Kingsnorth (2019) states that the Pricing element essentially is about setting a viable price for a product that customers are willing to pay. Chaffey & Ellis-Chadwick (2019) elaborate that Pricing refers to pricing policy and setting prices for products and services. Chaffey & Ellis-Chadwick (2019) continue that the internet and digital channels have led to increased pricing transparency, meaning that prices tend to be more accessible than before. Pricing transparency and increased competition causes pressure to lower prices (Chaffey & Ellis-Chadwick 2019). Chaffey & Ellis-Chadwick (2019) and Kingsnorth (2019) also mention that lower overheads in some sectors can enable or drive lowering prices further. Internet and digital channels can also allow new or alternative pricing models like for instance dynamic pricing (Chaffey & Ellis-Chadwick 2019).

Place determines how and where a company's products are distributed to customers (Kingsnorth 2019, Chaffey & Ellis-Chadwick 2019). In offline marketing this refers to brick and mortar stores and how products are displayed and distributed (Kingsnorth 2019). Chaffey & Ellis-Chadwick (2019) add that the aim of Place in offline marketing is to manage distribution and availability of products. Kingsnorth (2019) argues that the same variables apply in digital marketing, except that Place comprises the company's online presence, including company websites and search engine marketing. Chaffey & Ellis-Chadwick (2019) expand that the internet allows new places of purchase that can

be either controlled by the company, intermediaries or even the buyer. Additionally, Chaffey & Ellis-Chadwick (2019) recommend that channel conflicts caused by digital channels should be considered and managed carefully. Such conflicts can for example be caused by undermining existing distribution partners by selling directly to customers online (Chaffey & Ellis-Chadwick 2019).

Promotion defines how a company communicates about itself and its products to various target audiences (Chaffey & Ellis-Chadwick 2019). Kingsnorth (2019) states that promotion is what people tend to perceive as marketing, i.e., marketing communications. Chaffey & Ellis-Chadwick (2019) argue that the way people and companies communicate has changed due to digital transformation. Digital marketing offers new digital channels to distribute communications and enables more touchpoints for interaction (Chaffey & Ellis-Chadwick 2019). Chaffey & Ellis-Chadwick (2019) add that the Promotion element is often included in a communications strategy featuring segmentation, positioning and integration of communication channels. Chaffey & Ellis-Chadwick (2019) suggest that a company should assess how digital marketing and digital channels can be applied in the communication strategy and how it can support different stages in the customer lifecycle.

### **2.2.2 SOSTAC framework**

PR Smith's SOSTAC is an established planning framework that can be applied to a range of long- and short-term planning purposes and strategy development (Chaffey & Smith 2017). Chaffey & Smith (2017), recommend applying SOSTAC to digital marketing strategy development and states that it is a popular framework among marketing professionals (Chaffey & Smith 2017, Chaffey & Ellis-Chadwick 2019). SOSTAC consists of Situation analysis, Objective, Strategy, Tactics, Actions, and Control (Chaffey & Ellis-Chadwick 2019, Chaffey & Smith 2017 and Smith & Zook 2019). SOSTAC is also referred to by Mankad (2020), although the author presents a simplified modification consisting only of Opportunity, Strategy and Action. Visser et al. (2021), provide a framework for digital marketing planning that is equally comprehensive as the SOSTAC framework. It consists of Analysis, Objectives and KPI's, Strategy, Action plan, Evaluation, and review (2021). Similarly, Hall's (2017) framework for digital

marketing strategy development features six steps: goal setting, strategic analysis, strategic options development, evaluating strategic options, implementation and analysis and review. This chapter introduces the original SOSTAC planning framework for marketing strategy development, as it is arguably the most comprehensive framework of the mentioned ones. It contains all primary components also mentioned in the other frameworks. Additionally, the purpose for describing the SOSTAC framework is simply to emphasize the various elements to consider in digital marketing strategy development.

Chaffey & Ellis-Chadwick (2019) argue that there is a need for both long- and short-term strategies in digital marketing. Long-term strategy is needed to implement bigger structural changes within digital marketing, whereas the rapidly changing digital landscape calls for shorter and more agile strategy periods (Chaffey & Ellis-Chadwick 2019). SOSTAC's emphasis on review and iteration makes it a versatile framework suitable for short- and long-term strategy development (Chaffey & Smith 2017). Furthermore, SOSTAC can serve the purpose of both marketing strategy and marketing plan. Marketing planning, according to Chaffey & Ellis-Chadwick (2019), is the process of coordinating and adopting marketing strategy development activities. Chaffey & Smith (2017) point out that a digital marketing plan should be constantly reviewed and improved. Figure 5 presents the eight SOSTAC elements as a cyclical framework that emphasizes continuous improvement.

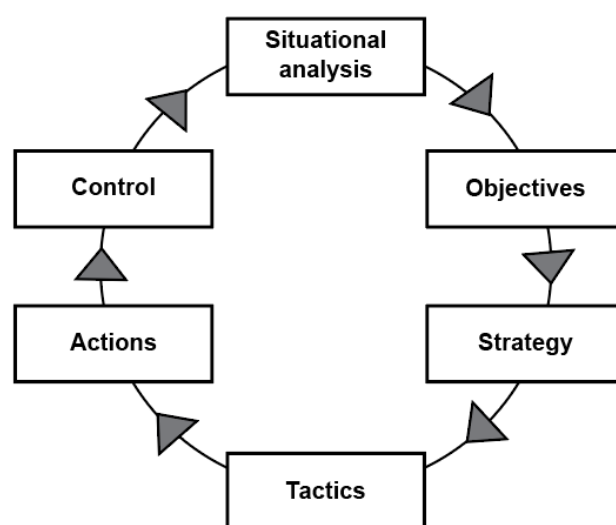


Figure 5. SOSTAC planning framework (Adapted from PR Smith 2022).

Conducting a situational analysis is the first element in the SOSTAC framework (Smith & Zook 2019). In a digital marketing context, the situational analysis includes a thorough analysis of the organization's digital business environment and situation (Smith & Zook 2019). Smith & Zook (2019) continue that a digital marketing situational analysis should review customers, competitors, partners, competencies, current performance, and market trends. Objectives, which is the second element, determines what the organization is trying to achieve with the digital marketing strategy (Smith & Zook 2019). The popular SMART framework can be used to define specific, measurable, achievable, realistic, and time-related objectives (Smith & Zook 2019). The third element of SOSTAC, strategy, describes how the defined objectives will be achieved and offers a framework for the tactical activities defined in the following tactics element (Smith & Zook 2019). The digital marketing strategy should be defined based on how the objectives can be achieved while accounting for the situational analysis and available resources (Smith & Zook 2019). Tactics are the tools used to implement the strategy (Chaffey & Smith 2017). In digital marketing the aim of tactics is to find the optimal digital marketing mix for the company's context and objectives (Chaffey & Smith 2017). Actions, on the other hand, describes the activities that are implemented using selected tactics to achieve digital marketing objectives (Chaffey & Smith 2017). Chaffey & Smith (2017) argue that each tactic should ideally have a specific action plan. Control is the last element in the SOSTAC framework (Chaffey & Smith 2017). It specifies the metrics and system for measuring and monitoring the defined objectives (Chaffey & Smith 2017). In digital marketing the controls provide performance data of implemented digital marketing activities that can be analyzed to conclude if objectives are achieved (Chaffey & Smith 2017). Chaffey & Smith (2017) highlight the cyclical nature of SOSTAC by concluding that the control system should be reviewed and considered in the next situational analysis iteration.

### **2.2.3 Strategy development pitfalls**

A study conducted by Ascend2 (2018) found that marketing professionals view increasing customer engagement (49 %), improving result measurability (47 %), and increasing customer acquisition (46 %), as the three most challenging aspects of succeeding with digital marketing strategy. The same study shows that lead generation (64 %), customer

acquisition (55 %) and customer engagement (49 %) are perceived as the top three strategic digital marketing priorities. In other words, two of the top three priorities are also perceived as the biggest challenges. In their study, Lee et al. (2014), identified four primary challenges facing digital marketing strategy: use of customer data, evaluating the success of digital marketing, lack of knowledge in data analytics, and social media's increasing role in branding. The study on digital marketing capabilities by Herhausen et al. (2020) support this by identifying capabilities gaps in several areas related to data analytics and technology, but also in digital selling tools, multichannel capabilities, and mobile technologies. Herhausen et al. (2020) summarize that they found both practice gaps and knowledge gaps in their study, indicating a gap between current and ideal marketing activities and digital transformation. Kingsnorth (2019) argues that common challenges in digital marketing strategy development are caused by a lack of support for technology adoption, missing knowledge and experience in digital marketing activities and strategy, limited resources i.e. both time and money, difficulty to assess the return on investment (ROI) of digital marketing, changing business priorities and business environment, and compliancy with new or changing regulations. Chaffey & Ellis-Chadwick (2019) similarly point out budgeting and measuring results as common digital marketing strategy challenges, but also adds lacking objectives, unclear responsibilities, failure to systematize and integrate digital marketing, to the list. Chaffey & Ellis-Chadwick (2019) conclude that developing a planned and structured digital marketing strategy is key to avoiding these challenges.

## **2.3 Summary**

This chapter reviewed literature related to digital marketing and digital marketing strategy development. Digital marketing is about coordinating and using digital media, data and technology to achieve marketing objectives (Chaffey & Ellis-Chadwick 2019). Chaffey & Ellis-Chadwick (2019), Visser et al. (2021) and Das (2021) state that digital marketing enables companies to interact with customers online. Managing these interactions, however, can be challenging (Chaffey & Ellis-Chadwick 2019). This chapter presented a range of concepts and frameworks that can be applied to support digital marketing strategy development. Some of them have been incorporated either directly or adapted into the digital marketing strategy development process and action

research conducted in this thesis. The three main digital media types i.e. owned, paid and earned media are embedded into the structure of the action research cycles. Furthermore, the RACE framework is used by the author to identify the case company's digital marketing touchpoints in different stages of the customer lifecycle. On the other hand, the presented SOSTAC framework is not incorporated in its entirety, but some of its elements are considered throughout the author's digital marketing strategy development process. This is due to the experimental approach of action research. The rest of the reviewed literature in this chapter further contribute to a better understanding of digital marketing strategy development for the author. Reflecting on the reviewed literature enables the author to make more informed decisions in the action research process.

### 3 METHOD

This thesis applies an action research study to answer the research questions. Saunders et al. (2019) define action research as a research methodology that explicitly aims to solve a practical issue in an organizational setting. Coghlan & Shani (2018) elaborate that action research differs from other research methodologies in that it contributes to practice instead of theory. The objective of action research is to develop a clearly defined issue within the organization through a collaborative and iterative process (Saunders et al. 2019). Coghlan & Shani (2018) emphasize that the issue to be solved through action research must provide value to the organization. Action research is characterized by the active role of the researcher (Coghlan & Shani 2018). Both Saunders et al. (2019) and Coghlan & Shani (2018) describe research, action, and participation as key components of action research. Therefore, Coghlan & Shani (2018) state that the researcher must be in a position in the organization that enables sufficient access to conduct the action research. Furthermore, transparency and common understanding between researcher and organization about the objectives and research process is essential in action research (Coghlan & Shani 2018). Saunders et al. (2019) and Coghlan & Shani (2018) agree that the structure of action research is cyclical and iterative. The cycles consisting of problem diagnosis, planning action, implementation, and evaluation, should contribute to the aim of the next cycle, as illustrated in figure 6. The purpose of this cyclical process is to allow the researcher to progress from understanding the problem to solving the issue iteratively (Saunders et al. 2019).



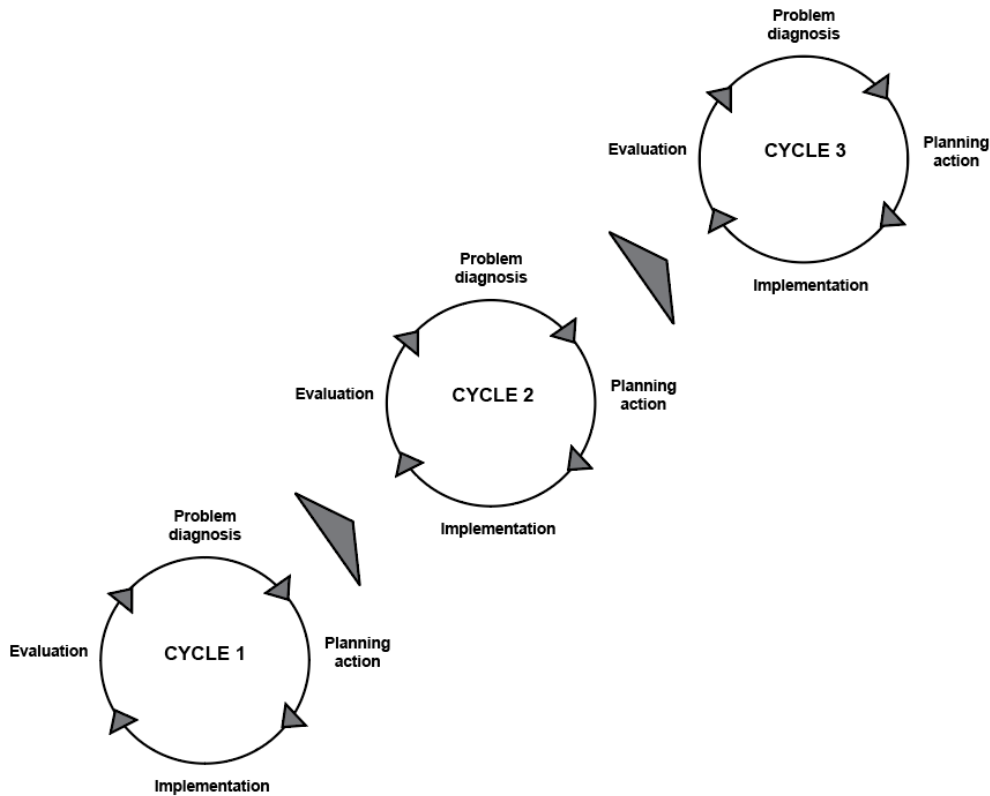


Figure 6. Action research cycles (Adapted from Saunders et al. 2019).

Action research was chosen as the research methodology of this thesis due to its suitability in solving actual issues facing organizations, as discussed above. The research objective i.e., developing a digital marketing strategy for the case company is arguably an eligible problem to be solved through action research. It is a clearly defined problem that would provide immediate value to the case company. Moreover, the author's position as marketing manager in the case company ensures appropriate access to conduct the study according to the mentioned key components of action research. The author has an active role in both planning and executing the company's digital marketing strategy, as well as access to engage others in the evaluation process. Additionally, the case company's lack of a previous digital marketing strategy provides an intriguing starting point for an iterative strategy development process.

### 3.1 Data collection

The structure of this action research includes six action research cycles that were implemented in logical succession aiming towards the research objective. The action research process of this thesis began in May 2021 with the start of the first cycle and ended in November 2021 with the sixth and final cycle. In addition to planning, implementing, and evaluating actions, the cycles serve as primary data collection method. Table 1 illustrates the structure and period of the action research cycles in this thesis. The purpose of this structure is for each cycle to contribute to a more wholesome digital marketing strategy that applies elements of earlier described marketing strategy concepts, such as paid, owned, and earned media, the RACE framework, and SOSTAC. Cycle 1 aims to establish a situational analysis of the case company’s current marketing activities, identifying development areas and objectives for the strategy development to come. In Cycle 2 the emphasis is on implementing marketing processes and technologies that are essential for implementing and monitoring marketing activities. Cycles 3-5 are implemented simultaneously but viewed as separate cycles for structural purposes. During these cycles marketing activities are implemented and measured across the three main digital media types as introduced by Chaffey & Ellis-Chadwick (2019). Cycle 6 focuses on a more comprehensive analysis of the actions of previous cycles as well as optimizing marketing activities with the aim of improving performance.

Table 1. Action research process and structure of cycles.

May-June 2021	July 2021	August-September 2021	October-November 2021
<b>Cycle 1:</b> Planning and goal setting	<b>Cycle 2:</b> Building the foundation	<b>Cycle 3:</b> Owned media	<b>Cycle 6:</b> Analysis and optimization
		<b>Cycle 4:</b> Paid media	
		<b>Cycle 5:</b> Earned media	

Coghlan & Shani (2018) argue that reflection is what connects action and research in action research, and that keeping a reflective journal is essential to the process. The

reflective journal's purpose is to document the researcher's actions and observations throughout the research process (Coghlan & Shani 2018). In this action research the author's reflective journal was created as an online word document structured so that each research cycle had its own chapter. The reflective journal was used to describe and reflect on the process, actions, and outcomes of each cycle. Documenting in the reflective journal was a continuous exercise throughout the action research process. Brief informal notes were added weekly during an ongoing cycle, and at the end of a cycle the author reviewed and edited the notes into a 400–900-word summary.

### 3.2 Data analysis

The author's reflective journal was used as the primary data source for the data analysis in this action research. Table 2 presents the data analysis table used for analyzing the actions, the author's reflections, feedback from the management group, and identified pitfalls and learning experiences. This data analysis process was conducted separately for each action research cycle. After each cycle the author analyzed the cycle summary in the reflective journal and evaluated the actions and outcomes by compiling the data according to table 2. When evaluating the actions, the author relied on the following questions: What was done? Why was it done? How was it done? What were the outcomes? The author's reflections and feedback from the management group were then added to the table. Lastly, the author included the pitfalls and learning experiences encountered during the cycle to the table based on the action outcomes, author's reflections, and management group feedback. The data analysis tables for each cycle are presented in chapter 4 together with condensed versions of the reflective journal's cycle summaries.

Table 2. Data analysis process for the action research cycles.

Cycle	What was done?	Why was it done?	How was it done?	What were the outcomes?
Cycle 1	Action 1			
	Action 2			
	...			
The author's reflections				
Management review				
Pitfalls and learning experiences				

### 3.3 Trustworthiness

The emphasis of subjective data collection and analysis is worth considering when assessing the trustworthiness of this action research. This is, however, typical to action research and is therefore arguably not diminishing the trustworthiness of the study, but it should be noted as a characteristic of the used research methodology. Coghlan & Shani (2018) point out that traditional data collection and analysis methods do not apply to action research. They state that action research is more about driving organizational change than objective data collection (Coghlan & Shani 2018). On the other hand, Coghlan & Shani (2018) and Perry & Gummesson (2004) note that the legitimacy of action research is criticized by some researchers. Perry & Gummesson (2004) suggest that action research can be applicable in a marketing context, but that there are implications to consider. They point out that the subjective characteristic of action research can be problematic in a marketing context where external factors like customers and the business environment play an important role (Perry & Gummesson 2004). The author of this thesis argues that this is tackled by incorporating digital marketing strategy frameworks into the action research cycles. Involving members of the management group and including measurable digital marketing results into the evaluation process further contributes to more informed decisions. Ultimately, it is the difference between the starting point and ending point of the case company's digital marketing strategy that determines the success of this action research and its objective.

## 4 RESULTS

This chapter presents summaries of the six action research cycles that were included in the action research process. The summaries describe the actions conducted in each cycle and their outcomes. In addition to the written summaries the chapter includes tables that present the data analysis results for each action research cycle. Table 12 in chapter 4.7 summarizes the actions of each action research cycle as well as the identified main pitfalls and learning experiences based on the data analysis.

### 4.1 Cycle 1: Planning and goal setting

The objective for the first research cycle was to establish a starting point and initial assumptions for the marketing strategy development process to come. In practice this entailed discovering the case company's expectations for the new digital marketing strategy, analyzing previous and current marketing activities, determining marketing objectives and formulating an action plan to achieve them. Reflecting on these actions in relation to the SOSTAC planning framework, the result could be described as a modified SOSTAC marketing strategy. Most of the SOSTAC elements were covered, although not as thoroughly as recommended by Smith & Zook (2019) and Chaffey & Smith (2017) due to the experimental approach and structure of action research, as described by Saunders et al. (2019) and Coghlan & Shani (2018).

The first action was to identify key development areas in the case company's digital marketing strategy based on the author's own observations and discussions with the management group. Four primary development areas were defined: 1. Increasing awareness in digital channels, 2. Systematizing marketing and content creation processes, 3. Developing lead generation and management, 4. Brand management and brand identity. The development areas were assessed in a management group meeting and boiled down to a main marketing objective of generating 200 sales qualified leads (SQL) in the following 18 months. Prioritizing lead generation influenced the marketing framework proposal that was created by the author and presented to the management group with an action plan for the following months. The marketing framework, figure 7, outlines the initial strategies and actions to be included in the digital marketing strategy to improve

lead generation. The idea was to leverage organic and paid social media and search engine marketing to drive visitors to the company website and encourage SQL conversion through relevant content and incorporated lead generation forms. Once a new SQL is approved by marketing, the lead will be directed to a salesperson for processing. Table 3 presents the data analysis process and results of this action research cycle.

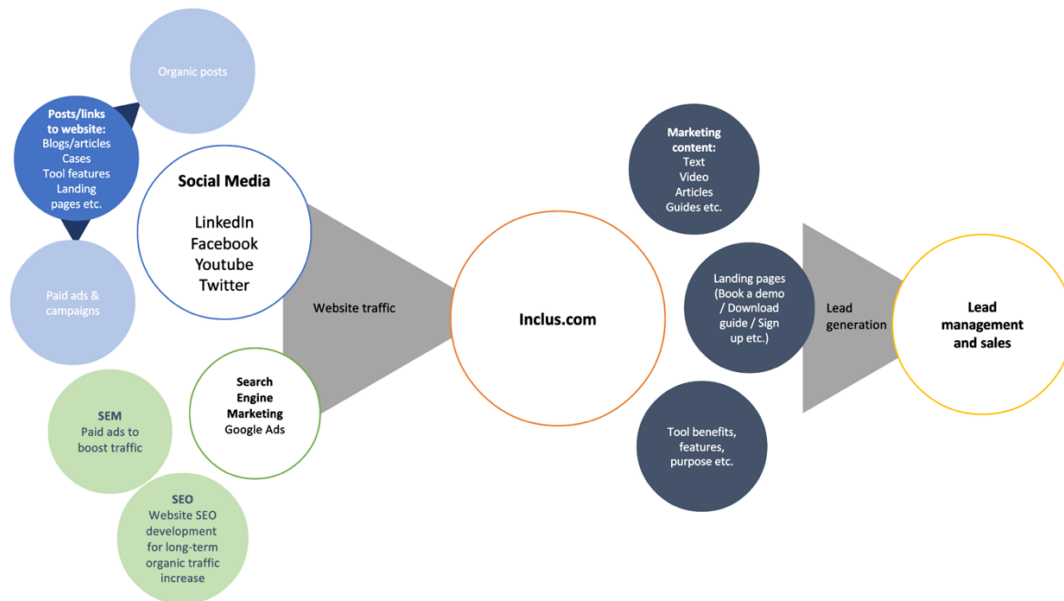


Figure 7. The case company's updated marketing strategy framework.

Table 3. Data analysis of Cycle 1: Planning and goal setting.

Cycle	What was done?	Why was it done?	How was it done?	What were the outcomes?
Cycle 1	Conducted situational analysis.	To establish an understanding of existing digital marketing activities.	The author interviewed colleagues about previous marketing activities and the business environment. Documentation and files related to marketing were also reviewed by the author.	The author listed the case company's current digital marketing channels, tools, and activities.
	Identified key development areas.	To help decision-making and prioritization in the digital strategy development process.	Discussing digital marketing priorities with the management group and the company's consultant.	The author documented the following key development areas: 1. Increasing awareness in digital channels, 2. Systematizing marketing and content creation processes, 3. Developing lead generation and management, 4. Brand management and brand identity.
	Defined objectives.	To further narrow down the focus of the digital marketing strategy development process, and to ensure alignment with overall business objectives.	Discussed and decided in the management group meeting based on the author's presented situational analysis and key development areas.	It was determined that the main objective of the marketing function would be to generate 200 SQLs in the following 18 months. SQLs are reported monthly to the management group.
	Defined strategic framework and key channels.	To visualize and communicate on a strategic level which main digital marketing channels and activities to include in the strategy development process.	Created by the author based on digital marketing literature and previous experience. The framework was presented and validated in a management group meeting.	A visual presentation of the case company's updated digital marketing framework, featuring customer touchpoints, key channels, and activities.
	Created preliminary action plan.	To determine the digital marketing actions for the first months of the digital marketing strategy development process.	The action plan was created by the author and added to the case company's project management software. The action plan was validated in a management group meeting.	A detailed action plan that consisted of action name, description, channel, deadline, responsible person, and status for marketing-related actions for the following three months.
The author's reflections	The author found it useful and necessary to spend enough time on the situational analysis. Involving members of the management group was important for getting a better understanding of the company's situation and expectations. It also helped to motivate marketing-related decisions and investment proposals when the management group were aware of the digital marketing strategy process. The author found it challenging to define objectives this early in the process, as there were no historical data to base the objectives on. Likewise, the identified development areas were simply too many and too broad to be tackled effectively at the same time with the company's resources. In hindsight it would have been better to prioritize the development areas more and make the prioritized development areas more specific.			
Management review	The actions were presented and evaluated in the company's monthly management group meeting. For the most part the response to the author's digital marketing strategy documents was positive. The management group found that it would be beneficial to focus on one specific objective, which after a discussion then led to defining the SQL objective. This also ensured alignment with other business objectives.			
Pitfalls and learning experiences	<ul style="list-style-type: none"> <li>• Prioritize development areas</li> <li>• Being realistic when considering resources</li> <li>• Align marketing objectives with business strategy</li> <li>• Communicate internally and involve management</li> </ul>			

## 4.2 Cycle 2: Building the foundation

In the second cycle the emphasis was on enabling the marketing strategy framework and actions defined in the previous cycle. Firstly, appropriate digital marketing controls were established by listing relevant key performance indicators (KPI) in an excel

spreadsheet. The selected KPIs would be monitored and reported to the management group monthly. Table 4 shows the most relevant KPIs for the case company.

Table 4. List of the case company's monitored key performance indicators.

KPI	Source
Website users	Google Analytics
Sales qualified leads	Marketing automation system ActiveCampaign
Source of website users (organic search/paid search/referral/direct/social)	Google Analytics
Google ads impressions	Google Ads
Social media followers	LinkedIn, Facebook, Twitter
Social media impressions	LinkedIn, Facebook, Twitter
Website bounce rate	Google Analytics
Pages viewed per session	Google Analytics
Average session duration	Google Analytics
Social ads click-through-rate	LinkedIn
Paid search click-through-rate	Google Ads
Return-on-ad-spend	ActiveCampaign and Pipedrive CRM

Another key action in the second cycle was to draw detailed process descriptions for marketing processes. This exercise helped the author to identify possible bottlenecks, but also made it easier to communicate the new processes to the management group. Process descriptions were created for both marketing content production and lead management. Once completed, the focus was turned to content marketing. Buyer personas, i.e. caricatures of ideal customers, were identified and documented as a joint effort. This was followed by a process for gathering content topic ideas through the author's own brainstorming and organizing a content ideation workshop.

Digital marketing activities require appropriate tools and technologies. The author identified a need for implementing a marketing automation system to enable identifying and managing leads. ActiveCampaign was selected as the case company's new marketing automation system and was then implemented with the process described in figure 8. Key in this process was to ensure a functioning integration with case company's website and creating automations that support the defined lead management process. For instance, sending automatic notifications of new SQLs and monitoring their website behavior was made possible with the marketing automation system. Table 5 presents the data analysis process and results of this action research cycle.



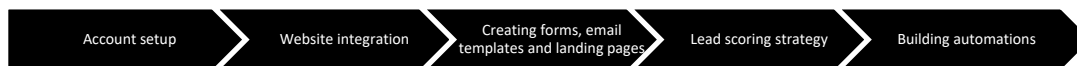


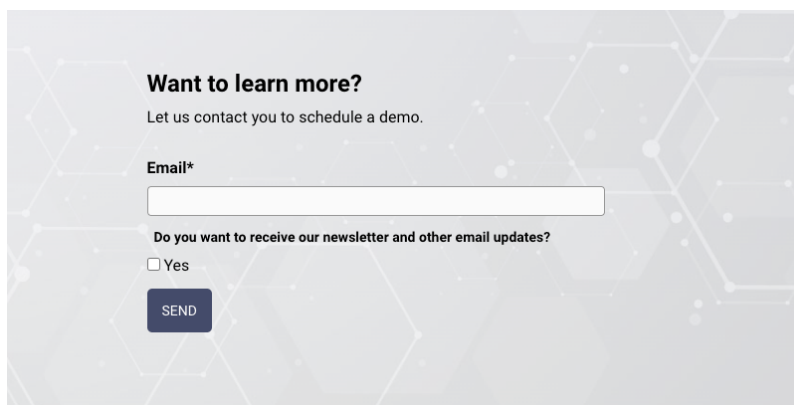
Figure 8. The case company's marketing automation system implementation process.

Table 5. Data analysis of Cycle 2: Building the foundation.

Cycle	What was done?	Why was it done?	How was it done?	What were the outcomes?
Cycle 2	Defined controls and KPIs.	To be able to monitor the performance of digital marketing actions.	The author listed relevant controls and KPIs based on digital marketing literature and accessible metrics.	A list of numerical controls and rates that allow monitoring the case company's digital marketing activities and channels.
	Created process descriptions for content creation and lead generation.	To communicate the new marketing-related processes to the management group and help identifying potential bottlenecks in the processes.	The author created detailed visual process descriptions in the same location as the case company's other process descriptions. The process descriptions were presented to the management group.	Detailed visual process descriptions for the following marketing processes: 1. Marketing content creation process, 2. Lead management process.
	Created buyer personas and content plan.	To identify the case company's key audience and plan marketing content that they will find interesting.	The buyer personas were created as a joint effort by the company's CEO and the author. The content plan included a company-wide brainstorming sessions and was then iterated by the author.	A document with three buyer personas that represent the case company's typical customers. The long list of content ideas was added to a content calendar. Sadly, most of the ideas were left undone during this action research.
	Implemented marketing automation system and processes.	To support lead conversion and lead management.	The author researched marketing automation systems and implemented the chosen system independently supported by provided onboarding materials.	The system was integrated with the company website, with some limitations, and automations were set-up according to the case company's process description for lead management.
The author's reflections	Describing relevant marketing processes was beneficial for communicating the developments to the management group and identifying possible bottlenecks in the processes. The actions related to content marketing (i.e. creating buyer personas and a content calendar) were not a success and should be revisited in the future developments. The challenges were that the buyer personas were not systematically used, instead they were created and then to some extent forgotten. Furthermore, while the company managed to generate a long list of content ideas, it would have been better to start with a few top priority content pieces based on the buyer personas and keywords. Admittedly, content marketing was a challenge throughout the action research process. In many ways these challenges can be explained by lacking resources and failure to prioritize. The new marketing automation system was implemented successfully, although some integration challenges made it difficult to with certainty monitor the customer lifecycle of generated SQLs.			
Management review	In the management group meeting it was discussed that the marketing process descriptions helped others to understand the marketing function more easily. It was also noted that involving colleagues in the content ideation phase was important but implementing the ideas should have been prioritized more.			
Pitfalls and learning experiences	<ul style="list-style-type: none"> <li>• Ensure that marketing technology solutions integrate with each other</li> <li>• Create a content plan that considers buyer personas, primary search engine keywords and customer lifecycle</li> <li>• Assess and remove bottlenecks from marketing processes</li> </ul>			

### 4.3 Cycle 3: Owned media

Case company's owned media comprises the company website and social media pages on LinkedIn, Facebook and Twitter. The website is the place where marketing content like blog posts and case studies are published, as well as capturing leads. Social media, on the other hand, is used to communicate short-formed messages, and more importantly to promote marketing content that has been published on the website. This cycle focused on developing the case company's owned media production and distribution. Actions related to the website revolved around producing new case studies, blog posts and landing pages for lead generation. The process for generating SQLs is to encourage visitors to sign up for a demo meeting with a salesperson. Therefore, much thought was put into increasing the number of contact forms, like figure 9, on the website.



The image shows a lead generation form with a light gray background and a subtle geometric pattern. The form contains the following elements: a heading 'Want to learn more?', a sub-heading 'Let us contact you to schedule a demo.', a text input field labeled 'Email\*', a checkbox labeled 'Do you want to receive our newsletter and other email updates?' with 'Yes' as an option, and a dark blue 'SEND' button.

Figure 9. Lead generation form for scheduling demo meeting.

During the cycle it became evident that content production easily becomes a challenge when the team is small, and resources limited. The company was unable to keep up the intended publishing volume despite having a list of good content ideas and a content production process in place. The author identified that the main issue was in fact the author's lack of knowledge in the content subjects. Additionally, persons possessing the topical knowledge were too occupied with their primary responsibilities. In the end, two customer cases and two blog posts were published. On the other hand, social media actions were more successful as the author was not entirely dependent on the newly published content pieces but was also able to promote previously created content as well as earned media. Figure 10 illustrates a sample social media post that promotes a blog post

published on the company website. The author published eight social media posts during the two-month cycle, matching the combined volume of social media posts in the previous six months. Based on engagement rate the best performing social media post was a promotion of a new customer case. On the other hand, recruitment posts and earned media promotions got the most impressions. Table 6 presents the data analysis process and results of this action research cycle.



Figure 10. Social media post promoting a blog post published on company website.

Table 6. Data analysis of Cycle 3: Owned media.

Cycle	What was done?	Why was it done?	How was it done?	What were the outcomes?
Cycle 3	Improved lead generation on company website.	To generate more SQLs from the company website.	The author reviewed and replaced existing lead generation forms with forms that were created with and integrated with the marketing automation system. The thought was to have at least one call to action on every page.	The new and improved lead generation strategy was implemented and resulted in 8 SQLs during the two-month cycle, compared to none in the months prior.
	Identified most important owned media channels.	To validate assumptions about which channels should be prioritized.	The author implemented marketing activities broadly in available owned media channels and compared their results.	LinkedIn was identified as the most important owned media channel together with the company website.
	Used owned media channels to distribute owned, paid and earned media.	To make the most out of the owned media channels by cross-using them with paid and earned media.	The author promoted earned and paid media in the company's social media and where applicable on the company website.	Promoting earned media on the case company's social media substituted for the lack of internally created marketing content.
The author's reflections	This cycle resulted in better lead generation capabilities on the company website. It was also identified that LinkedIn was the most important social media channel. Promoting company web pages in social media posts served well as a tactic to direct new visitors to the website. Resource and prioritization challenges in terms of internal marketing content production proved difficult to manage. Promoting earned media in the company's social media posts substituted for the lack of own content.			
Management review	The management group evaluated that the improved lead generation process was a success and had potential for further development. The challenge with owned media content production was recognized as an issue that needs to be solved, but no resources were added or actions taken at this point.			
Pitfalls and learning experiences	<ul style="list-style-type: none"> <li>• Prioritizing owned media content creation is challenging</li> <li>• Critically evaluating resources is important</li> </ul>			

#### 4.4 Cycle 4: Paid media

Figure 2 suggested that paid media can be suitable for the first stages in the customer lifecycle and RACE framework. This was the author's motivation for incorporating paid media into the marketing actions. Increasing the case company's awareness was one of the identified development areas in the first cycle. The case company had no paid media activities prior to this cycle. Paid media actions were implemented in two stages. LinkedIn ads were implemented in August and Google ads were added to the paid media repertory in September. A monthly media budget of 1000 euros was allocated for paid media actions.

LinkedIn ads were used to drive traffic to the company website with ads that are targeted to audiences that match the case company's buyer personas. The audience for the

first LinkedIn ad was determined based on the users' country, job seniority, company size and having risk management as an interest. The first ad proved that ads on LinkedIn is an easy way to distribute your message to a large relevant audience. However, later experiments showed that more specific audiences and messages tend to give better results in terms of clicks and click-through-rates, despite having smaller outreach. Figure 11 shows the best performing ad during the cycle. It was targeted to LinkedIn users with specific job titles, and the ad directly encouraged booking a remote product demonstration.

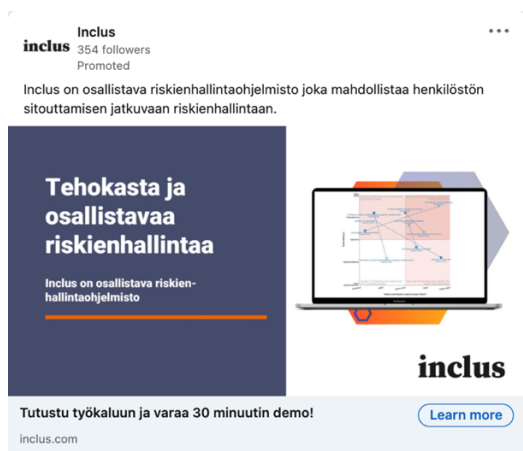


Figure 11. Best performing LinkedIn ad during the cycle.

Google ads were implemented in September to drive more visitors to the company website through Google's search engine. The Google search ads increased website traffic significantly even if the website's search engine optimization had been arguably neglected. In addition to effectively generating website traffic, Google ads helped to identify the best performing keywords. This information was later used for prioritizing website content creation and development. The first month's results indicated that the case company operates in a narrow market with relatively low search volumes, which resulted in that generic keywords performed the best. Table 7 shows that the ad group containing generic risk management keywords generated the most website traffic in September. It is worth noting that the campaign was only active in Finland, which explains the low impression and click volume of the two ad groups with the lowest impact on generated website traffic. Table 8 presents the data analysis process and results of this action research cycle.

Table 7. Google Ads ad group performance in September 2021.

Ad group	Cost	Impressions	Clicks	Click-through-rate
Generic risk management	252,12 euro	5468	296	5,41 %
Enterprise risk management	90,16 euro	2887	108	3,74 %
Project risk management	11,53 euro	255	15	5,88 %
Risk management software	10,98 euro	425	15	3,53 %

Table 8. Data analysis of Cycle 4: Paid media.

Cycle	What was done?	Why was it done?	How was it done?	What were the outcomes?
Cycle 4: Paid media	LinkedIn Ads implemented.	To leverage the company's most important social media channel and generate awareness among relevant target audiences.	The author made an investment proposal for a monthly ad budget, after which he implemented a series of ads that included an image, text description, and link to certain web pages on the company website.	LinkedIn ads were undoubtedly an effective way to reach new audiences with a relatively small investment.
	Google Ads implemented.	To drive traffic to the company website from relevant Google search queries.	The author listed relevant keywords and planned the ad campaigns together with an external resource, who was then responsible for creating the campaigns and optimizing the ads.	The Google Ads increased website traffic significantly despite lacking search engine optimization efforts on the website.
	Analyzed and improved ad performance.	To experiment with different ads and ultimately trying to achieve more website traffic and SQLs.	The author experimented with different LinkedIn ads throughout the cycle. Typically, one version of an ad was active for two weeks after which changes were made either to the target audience or the ad design or copy. Google Ads, on the other hand, were optimized by the company's external resource who mostly monitored the results and made changes based on suggestions presented in the Google Ads admin view.	The performance of both LinkedIn ads and Google Ads improved during the cycle. Unfortunately, due to challenges in setting up data analytics integrations between marketing automation system, the website, and paid ads, the author was unable to confirm from which channel the generated SQLs came.
The author's reflections	The author found it easy to get started with paid ads on LinkedIn and Google. LinkedIn offered a cost-efficient medium for distributing highly targeted ads to new audiences. Likewise, setting up Google Ads was a straightforward process especially with assistance from an external resource. These paid media tools came by default with the essential digital marketing data analytics, but advanced data analytics turned out to be a challenge. Due to integration challenges between company website, marketing automation system, and social media pages, the author was unable with certainty to monitor the customer lifecycle of SQLs.			
Management review	The management group were satisfied with the first results of the paid media actions, and the allocated monthly media budget of 1000 euros was considered reasonable. It was, however, noted that it would be important to be able to monitor the customer lifecycles with more certainty, as it would allow the company to allocate the media budget more purposefully.			
Pitfalls and learning experiences	<ul style="list-style-type: none"> <li>• Paid media can be effective for generating awareness</li> <li>• Basic data analytics come almost by default, but keeping track of individual visitors throughout the customer lifecycle is challenging</li> <li>• Improving paid media performance requires continuous analysis and optimization</li> </ul>			

## 4.5 Cycle 5: Earned media

The case company's earned media primarily consists of third-party published interviews and articles related to the case company. Owned and paid media were prioritized before earned media in this action research, but the case company still got significant exposure

from earned media during this cycle. Most of the case company's earned media opportunities can be attributed to the CEO's network and public profile. New opportunities are evaluated collaboratively based on how suitable the publication and topic are to the case company. When possible, the case company amplifies the outreach of earned media by promoting it in owned channels. In practice this means sharing the earned media piece on social media.

Earned media proved to be a valuable addition to the company's social media activities, as one of the shared earned media articles was in fact the best performing social media post during the cycle based on reactions and impressions when excluding recruitment-related posts, see figure 12. The results of shared earned media in social media alone suggests that there is untapped potential in earned media. Taking a more strategic and proactive approach to earned media instead of waiting on opportunities and interview requests could have a significant impact in increasing awareness for the case company. Table 9 presents the data analysis process and results of this action research cycle.

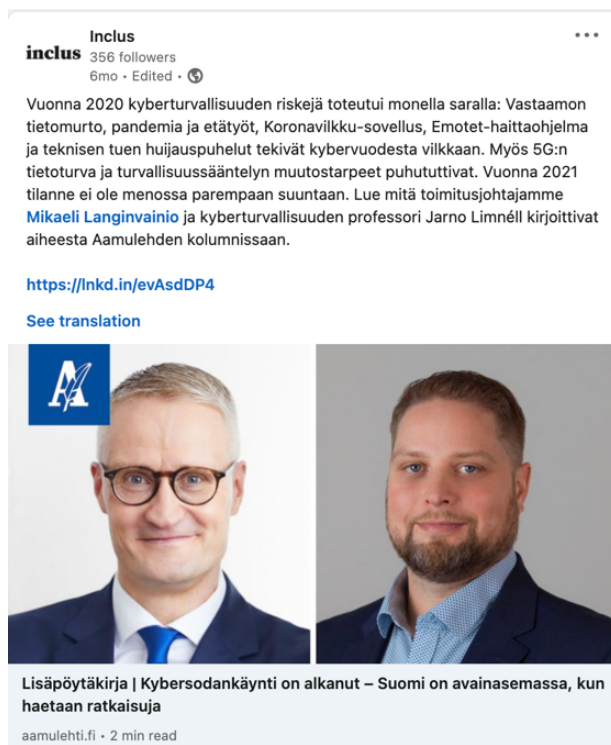


Figure 12. Social media post promoting an earned media article.

Table 9. Data analysis of Cycle 5: Earned media.

Cycle	What was done?	Why was it done?	How was it done?	What were the outcomes?
Cycle 5: Earned media	Promoted earned media in owned channels.	To maximize the awareness created by earned media.	Earned media opportunities (mostly interviews with media outlets), were discussed and evaluated by the CEO and the author. Once an approved earned media piece was published the author made a social media post with an external link to access the article.	The promoted earned media pieces generated significant awareness to the company's social media pages. Additionally, these promotions were typically more efficient to create compared to internally produced marketing content.
	Analyzed the metrics of earned media posts on social media – best performing social media posts.	To get a better understanding of the performance of earned media, and if earned media should be prioritized in the future.	The author analyzed the social media metrics of posts that promoted earned media and compared the results with other types of posts.	Earned media proved to be a social media post type that the company's audience found the most interesting, both in terms of impressions and engagement metrics (likes and shares).
The author's reflections	The case company had a number of good earned media actions during the cycle. Mostly these opportunities were interview requests from Finnish media outlets. Currently, the company's earned media actions are considered when the opportunities arise. However, the positive results of sharing earned media on the case company's social media pages suggest that having a more proactive and strategic approach to earned media could be highly beneficial. Not to mention the awareness generated by the original publication.			
Management review	In the management group the results of earned media social media posts were presented and discussed. It was noted that the company continues to take part when earned media opportunities arise, but that it would be useful in the future to reach out with article ideas to publications with relevant audiences.			
Pitfalls and learning experiences	<ul style="list-style-type: none"> <li>• Earned media can generate significant awareness and engagement when shared on social media</li> <li>• Earned media partners and channels should match the company's profile</li> <li>• Having a proactive and strategic approach to earned media can help to identify and seize opportunities</li> </ul>			

## 4.6 Cycle 6: Analysis and optimization

The sixth and final research cycle had three objectives in a two-month period from October to November 2021. Firstly, analyzing the overall outcomes of the research cycles. Secondly, optimizing owned and paid media actions for improved performance. Thirdly, developing an improved digital marketing strategy based on lessons learned from the action research and its results. Table 10 summarizes actual monthly marketing metrics gathered during the action research process and one month prior.



Table 10. Summary of the case company's marketing metrics.

Metric	4/2021	5/2021	6/2021	7/2021	8/2021	9/2021	10/2021	11/2021
Website visitors	515	599	610	471	679	1328	1293	1128
Sales qualified leads (SQL)					4	4	4	8
Google ads impressions						9380	9530	7000
Google ads clicks						434	480	375
Google ads click-through-rate (CTR)						4,6 %	5,0 %	5,3 %
Google ads spend						365 euro	364 euro	303 euro
LinkedIn followers	195	196	209	220	238	268	279	281
LinkedIn organic impressions	934	69	1749	1246	3334	2420	809	612
LinkedIn paid impressions					20879	13670	18238	10925
LinkedIn paid clicks					109	80	113	102
Paid LinkedIn click-through-rate (CTR)					0,52 %	0,58 %	0,61 %	0,93 %
LinkedIn ad spend					700 euro	545 euro	715 euro	744 euro
Total media spend					700 euro	910 euro	1079 euro	1047 euro

Table 10 shows that the case company experienced a significant increase in monthly website visitors during this action research. Much of this increase is due to paid media actions. This supports the assumption that paid media is effective in the early stages of the customer lifecycle. Successfully generating the first sales qualified leads was another positive result of the action research. 15 of the 20 SQLs were generated as inbound leads via the company website. The remaining 5 SQLs came from an email outreach campaign that took place in November. Two inbound leads eventually became closed deals with a combined value of 12000 euros. Compared to the total media spend of 3736 euro it means a return-on-ad-spend (ROAS) of 321 %. It is, however, difficult to draw conclusions from this as the volumes are low and the data set is limited to four months. The results also indicate that the optimizations made to paid media actions in cycle 6 improved the performance of both Google ads and LinkedIn ads. This conclusion is derived from the increased click-through-rates. The optimizations were small by

nature, mostly focusing on changing texts and images in the ads, and in LinkedIn narrowing the audience. November's paid LinkedIn results shows that more targeted ads can perform well in terms of clicks and CTR despite having significantly less impressions. The results also reveal that the organic impressions decreased in the last cycle. This is partly explained by time-constraints as the author mostly focused on optimizing the paid media actions as well as the mentioned email campaign during the cycle. Neither were there as many earned media pieces to share in October and November as in the previous months. It could be argued that neglecting any of the three digital media types will translate into decreasing results. Cross-using digital marketing content in multiple digital medias appears to be important for improving digital marketing results, as was also highlighted by Chaffey & Ellis-Chadwick (2019). For instance, promoting earned media in owned channels, and improving the outreach of owned media with paid media.

At the end of cycle 6 the author reviewed the marketing strategy documents created in cycle 1 and extended on the strategy development work by creating additional documents. Firstly, a customer lifecycle document aligned with the RACE framework was created to illustrate the case company's touchpoints with customers in different stages of the lifecycle. Secondly, a list of the most relevant and top performing keywords was created to support search engine optimization and content marketing. Thirdly, a content plan with an extensive content backlog was created to ease owned media prioritization. Lastly, a marketing annual plan was created to support the planning of all owned, paid and earned media actions in the coming year. The annual plan is intended to offer an overview of the case company's marketing actions, but also to ensure balance and cross-use between owned, paid and earned media. Table 11 presents the data analysis process and results of this action research cycle.

Table 11. Data analysis of Cycle 6: Analysis and optimization.

Cycle	What was done?	Why was it done?	How was it done?	What were the outcomes?
Cycle 6: Analysis and optimization	Optimized paid media performance	To further increase awareness and SQLs generated by paid media actions	The author continued to experiment with different versions of LinkedIn ads, and the external resource continued improving Google Ads.	The performance of both LinkedIn ads and Google Ads improved monthly throughout the action research process. The performance was evaluated primarily based on the click-through-rates (CTR) of the ads.
	Analyzed marketing metrics and calculated return-on-ad-spend	To get an overall understanding of the results of the actions made during the action research process.	The author reviewed and compared the monthly marketing controls and KPIs for the entire action research process.	The company's digital marketing metrics improved significantly during the action research. The monthly website visitors doubled, and the company went from having no SQLs to steadily generating a few every month. Additionally, two SQLs ended up becoming customers, which resulted in a return-on-ad-spend of 321 % for the action research process.
	Reviewed marketing strategy and created keyword list, content plan, and marketing annual calendar	To reflect on the strategic assumptions done in the first action research cycles and to develop initial strategy documents by adding new relevant documents.	The author reviewed the documents he had created in the beginning of this action research and created missing documents that had been identified as potentially helpful in the case company's future digital marketing strategy developments.	The initial strategy documents were revised and the new documents (keyword list, content plan, marketing annual calendar) were added. Together these documents support the company's future digital marketing strategy developments.
The author's reflections	The author found that the actions throughout the action research process improved the company's digital marketing results significantly. The monthly website traffic doubled, an improved lead generation process was implemented, and a range of owned, paid and earned media actions were implemented. The results show that digital marketing strategy development should be a continuous effort and that there always is room for optimization. Even if the digital marketing metrics were positive, the author recognizes that several challenges were encountered. The most critical challenges were related to not having enough resources. This was particularly the case in producing marketing content. The scope of the actions during this process was also too broad for one person to manage effectively. In hindsight the strategy development process would have benefitted from more prioritization and a more realistic evaluation of available resources. Additionally, data analytics could have been used more in deciding the optimization actions and allocating the media budget more purposefully.			
Management review	The management group considered the digital marketing strategy process as a success. The SQL objective was reached every month during the action research process. The company hopes to see further improvements in systematic marketing content production and being able to forecast SQL and revenue generation for marketing resource allocations with more certainty. This would allow scaling the marketing actions.			
Pitfalls and learning experiences	<ul style="list-style-type: none"> <li>• It can be challenging to effectively manage all three digital media types simultaneously – succeeding requires appropriate resources and prioritizing the most relevant marketing actions</li> <li>• Decisions related to digital marketing actions should be based on digital marketing metrics and data analytics</li> <li>• Cross-using owned, paid and earned media improves the performance of each media type and digital marketing actions as a whole</li> </ul>			

## **4.7 Summary of results**

Table 12 summarizes the actions, pitfalls and learning experiences of each action research cycle. The actions described in table 12 represent the most significant actions made by the author during a specific cycle. Mentioned actions, their outcomes and the pitfalls and learning experiences are covered in the cycle summaries in chapters 4.1 to 4.6 and the included data analysis tables. The main pitfalls and learning experiences are discussed further in chapter 5.

Table 12. Summary of actions, pitfalls and learning experiences.

May-June 2021	July 2021	August-September 2021		October-November 2021
<p><b>Cycle 1:</b> Planning and goal setting</p> <p><b>Actions</b></p> <ul style="list-style-type: none"> <li>• Conducted situational analysis</li> <li>• Identified key development areas</li> <li>• Defined objectives</li> <li>• Defined strategic framework and key channels</li> <li>• Created preliminary action plan</li> </ul> <p><b>Pitfalls and learning experiences</b></p> <ul style="list-style-type: none"> <li>• Prioritize development areas</li> <li>• Be realistic when considering resources</li> <li>• Align marketing objectives with business strategy</li> <li>• Communicate internally and involve management</li> </ul>	<p><b>Cycle 2:</b> Building the foundation</p> <p><b>Actions</b></p> <ul style="list-style-type: none"> <li>• Defined controls and KPIs</li> <li>• Created process descriptions for content creation and lead generation</li> <li>• Created buyer personas and content plan</li> <li>• Implemented marketing automation system and processes</li> </ul> <p><b>Pitfalls and learning experiences</b></p> <ul style="list-style-type: none"> <li>• Ensure that marketing technology solutions integrate with each other</li> <li>• Create a content plan that considers buyer personas, primary search engine keywords and customer lifecycle</li> <li>• Assess and remove bottlenecks from marketing processes</li> </ul>	<p><b>Cycle 3: Owned media</b></p> <p><b>Actions</b></p> <ul style="list-style-type: none"> <li>• Improved lead generation on company website</li> <li>• Identified most important owned media channels</li> <li>• Used owned media channels to distribute owned, paid and earned media</li> </ul> <p><b>Pitfalls and learning experiences</b></p> <ul style="list-style-type: none"> <li>• Prioritizing owned media content creation is challenging</li> <li>• Critically evaluating resources is important</li> </ul>	<p><b>Cycle 4: Paid media</b></p> <p><b>Actions</b></p> <ul style="list-style-type: none"> <li>• LinkedIn ads implemented</li> <li>• Google Ads implemented</li> <li>• Analyzed and improved ad performance</li> </ul> <p><b>Pitfalls and learning experiences</b></p> <ul style="list-style-type: none"> <li>• Paid media can be effective for generating awareness</li> <li>• Basic data analytics come almost by default, but keeping track of individual visitors throughout the customer lifecycle is challenging</li> <li>• Improving paid media performance requires continuous analysis and optimization</li> </ul>	<p><b>Cycle 6:</b> Analysis and optimization</p> <p><b>Actions</b></p> <ul style="list-style-type: none"> <li>• Optimized paid media performance</li> <li>• Analyzed marketing metrics and calculated return-on-ad-spend</li> <li>• Reviewed marketing strategy and created keyword list, content plan, and marketing annual calendar</li> </ul> <p><b>Pitfalls and learning experiences</b></p> <ul style="list-style-type: none"> <li>• It can be challenging to effectively manage all three digital media types simultaneously – succeeding requires appropriate resources and prioritizing the most relevant marketing actions</li> <li>• Decisions related to digital marketing actions should be based on digital marketing metrics and data analytics</li> <li>• Cross-using owned, paid and earned media improves the performance of each media type and digital marketing actions as a whole</li> </ul>
		<p><b>Cycle 5: Earned media</b></p> <p><b>Actions</b></p> <ul style="list-style-type: none"> <li>• Promoted earned media in owned channels</li> <li>• Analyzed the metrics of earned media posts on social media – best performing social media posts</li> </ul> <p><b>Pitfalls and learning experiences</b></p> <ul style="list-style-type: none"> <li>• Earned media can generate significant awareness and engagement when shared on social media</li> <li>• Earned media partners and channels should match the company’s profile</li> <li>• Having a proactive and strategic approach to earned media can help to identify and seize opportunities</li> </ul>		

## 5 DISCUSSION

The objective of this action research was to develop a digital marketing strategy for the case company. Additionally, the author reflected on the main pitfalls and learning experiences that were encountered during the digital marketing strategy development process. Therefore, the main research question was: What are the main possible pitfalls to avoid when developing a digital marketing strategy for a small B2B company? Reflecting on how applicable action research is for developing a digital marketing strategy was also part of the study.

The action research results presented in the previous chapter show that the author succeeded in developing a digital marketing strategy for the case company. It is, however, worth considering Chaffey's & Ellis-Chadwick's (2019) notion about the challenge of assessing, adopting, and integrating digital marketing activities that are relevant to the company. The time constraint of this action research arguably meant that the author was not able to explore all possibly relevant digital marketing activities during the process, and it is likely that some potential activities and channels were left undiscovered. Therefore, the digital marketing strategy developed during this action research should be viewed more as a baseline for further development. Evidently, the case company's digital marketing transformed significantly during the action research. New objectives, processes, tools, and digital channels were adopted in a relatively short time. The marketing metrics indicate that the actions had a positive impact especially when comparing the starting point with the last cycle's results. The case company's monthly website traffic doubled, and the lead generation process was successfully established.

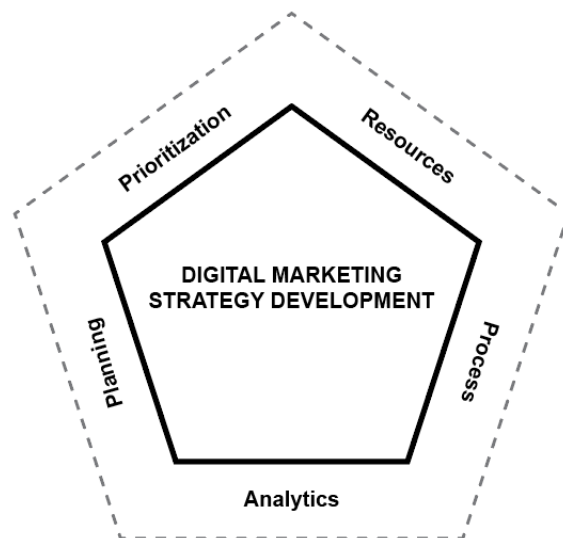
The pitfalls to avoid and learning experiences introduced in the previous chapter are based on the author's subjective reflections from the digital marketing strategy development process. These pitfalls and learning experiences are summarized in table 13. It shows that the author encountered multiple pitfalls and learning experiences in each action research cycle. The mentioned pitfalls and learning experiences contribute to answering the main research question. Considering them when developing a digital marketing strategy can help to avoid or mitigate pitfalls in different stages of the digital marketing strategy development process.

Table 13. Main pitfalls and learning experiences.

Cycle	Pitfalls and learning experiences
Cycle 1: Planning and goal setting	<ul style="list-style-type: none"> <li>• Prioritize development areas</li> <li>• Be realistic when considering resources</li> <li>• Align marketing objectives with business strategy</li> <li>• Communicate internally and involve management</li> </ul>
Cycle 2: Building foundations	<ul style="list-style-type: none"> <li>• Ensure that marketing technology solutions integrate with each other</li> <li>• Create a content plan that considers buyer personas, primary search engine keywords and customer lifecycle</li> <li>• Assess and remove bottlenecks from marketing processes</li> </ul>
Cycle 3: Owned media	<ul style="list-style-type: none"> <li>• Prioritizing owned media content creation is challenging</li> <li>• Critically evaluating resources is important</li> </ul>
Cycle 4: Paid media	<ul style="list-style-type: none"> <li>• Paid media can be effective for generating awareness</li> <li>• Basic data analytics come almost by default, but keeping track of individual visitors throughout the customer lifecycle is challenging</li> <li>• Improving paid media performance requires continuous analysis and optimization</li> </ul>
Cycle 5: Earned media	<ul style="list-style-type: none"> <li>• Earned media can generate significant awareness and engagement when shared on social media</li> <li>• Earned media partners and channels should match the company's profile</li> <li>• Having a proactive and strategic approach to earned media can help to identify and seize opportunities</li> </ul>
Cycle 6: Analysis and optimization	<ul style="list-style-type: none"> <li>• It can be challenging to effectively manage all three digital media types simultaneously – succeeding requires appropriate resources and prioritizing the most relevant marketing actions</li> <li>• Decisions related to digital marketing actions should be based on digital marketing metrics and data analytics</li> <li>• Cross-using owned, paid and earned media improves the performance of each media type and digital marketing actions as a whole</li> </ul>

To further summarize the pitfalls and learning experiences listed in table 13 the author defined the following five categories to which they can be divided: Prioritization, Resources, Planning, Process, Analytics. The five pitfall categories are presented in figure 13. Based on personal reflections and the action research results, the author argues that the main pitfalls to avoid in digital marketing strategy development can be attributed to these five pitfall categories. Therefore, they should be considered when developing a digital marketing strategy. Prioritization and Resources are arguably to some extent related, as less available marketing resources, whether monetary budget or personnel, typically means that more prioritization is required. As determined in the literature chapter, companies should aim to prioritize digital marketing actions that are the most relevant

and effective to the company. Available marketing resources should be evaluated realistically to avoid resource-related pitfalls. Planning is an integral part of digital marketing strategy development. Long-term strategy documents should be complemented with detailed short-term action plans for coordinating digital marketing actions and documenting their outcomes. Process determines how marketing actions are implemented. The aim should be to remove bottlenecks from both marketing production and the customer lifecycle. Moreover, having the right marketing tools appropriately implemented is also part of this. Lastly, analytics is an essential part of digital marketing strategy development. Digital marketing performance should be monitored and analyzed, allowing for more informed decisions and optimization of digital marketing actions.



*Figure 13. The five pitfall categories of digital marketing strategy development.*

From the case company's context, the main pitfall identified by the author in the digital marketing strategy development process was related to having limited resources for owned media actions. Despite extensive planning and an attempt to coordinate owned media actions, the case company failed to keep up with set deadlines for publishing new marketing content. The aim was to involve members of the management group in a co-creation process to allow systematic content creation and distribution. Content creation was often left neglected due to other priorities and the busy schedules of the assigned content creators. The case company aims to solve this in the future with a more realistic content plan in terms of publishing frequency and prioritizing content ideas more



strategically based on identified primary keywords. Cross-using other media types more effectively is also part of the solution. Another answer would be to partly outsource content creation activities, but with the case company's marketing budget this is not currently an option. Chaffey & Ellis-Chadwick (2019) and Kingsnorth (2019) mention limited resources as one of the common challenges in digital marketing. Arguably this action research shows that time can be a more critical resource than the monetary budget in digital marketing. The case company had a relatively low budget for paid media actions but was still able to generate significant awareness and website traffic. Visser et al. (2021) and Das (2021) support this by stating that digital marketing can be more cost-efficient than traditional marketing. Studies suggest that a lack of knowledge in data analytics and technologies as well as measuring digital marketing actions are common pitfalls in digital marketing strategy development (Leeflang et al. 2014, Herhausen et al. 2020). The author found that establishing a basic level of data analytics, digital marketing measurability, and adopting new marketing technology was relatively easy, and sufficient at this point for the case company. However, the author recognizes that achieving an advanced level within these domains will require better capabilities in the future. For example, reliably tracking individual website visitors throughout the customer lifecycle requires further developments, but it would give a better understanding of the performance of each digital marketing channel and action. This would make it easier for the company to calculate conversions between customer lifecycle stages and ultimately return on marketing investment.

Action research was arguably an appropriate method for developing a digital marketing strategy for the case company. It helped structure the digital marketing strategy development and digital marketing actions. The research cycles served their purpose and contributed to the research objective. The author's position in the company and involving the case company's management group were essential to the action research. Incorporating digital marketing frameworks into the action research cycles proved to be critical and tackled some of the implications pointed out by Perry & Gummesson (2004). Dividing owned, paid and earned media into their own research cycles helped to evaluate the performance of each media type, but also made it easier to get an overview of the digital marketing actions. Paid media was effective for reaching new audiences and generating awareness, which is aligned with Chaffey's & Ellis-Chadwick's (2019)

suggestions. Owned media was the most challenging media type to systematically manage due to limited resources, even though it was identified as an integral part of the case company's digital marketing strategy. Earned media was not a top priority but showed potential in its outreach. The author found that the synergies of cross-using the three media types were significant and should be considered in future development. The importance of integrating the three media types is also emphasized by Chaffey & Ellis-Chadwick (2019).

## **5.1 Conclusions and further studies**

The conducted action research and the identified main pitfalls and learning experiences can serve as a practical framework for developing a digital marketing strategy and avoiding pitfalls in different stages of the marketing strategy development process. Arguably the main findings of this research are related to developing a digital marketing strategy for a company with no previous marketing strategy in place. As a result of this action research the author managed to successfully develop a digital marketing strategy for the case company. The monitored marketing metrics show that the marketing actions significantly increased the company's marketing performance. During the action research process the case company's website traffic doubled and a new lead generation process was established. Furthermore, a range of plans, processes and actions related to digital marketing were developed. The developed digital marketing strategy can be viewed as a baseline that should be continuously developed in the future. Based on the author's reflections the main pitfalls to avoid in digital marketing strategy development relate to the following five pitfall categories: Prioritization, Resources, Planning, Process, and Analytics. The pitfalls in digital marketing strategy development based on the author's reflections can be avoided by prioritizing the most relevant marketing actions, realistically assessing resources, creating and following action plans, removing bottlenecks from digital marketing processes, and basing digital marketing decisions on digital marketing metrics.

Action research proved to be a suitable methodology for developing the digital marketing strategy, especially when incorporating digital marketing frameworks to the action research cycles. Further research could be conducted in optimizing the performance of

specific digital marketing actions using action research, as this research focused on digital marketing strategy development. It would for instance be interesting to see how a company's owned, paid or earned media performance would improve if that was the sole focus throughout an entire action research process. Furthermore, the identified five pitfall categories could be reviewed and studied more using both qualitative and quantitative research methods. Studying the pitfall categories' impact on digital marketing performance and elaborating more on how to avoid them could be interesting perspectives to study further.

## REFERENCES

- Chaffey, D. and Ellis-Chadwick, F., 2019, *Digital Marketing*, 7th edn., Pearson.
- Chaffey, D. and Smith, P., 2017, *Digital Marketing Excellence*, 5th edn, Routledge, Abingdon.
- Coghlan, D. and Shani, A., 2018, *Conducting Action Research for Business and Management Students*, 1st edn. SAGE Publications. London.
- Das, A., 2020, *Applications of Digital Marketing*, 1st edn., BPB Publications, New Delhi.
- Hall, S., 2020, *B2B Digital Marketing Strategy*. 1st edn. Kogan Page, London.
- Herhausen, D., Miočević, D., Morgan, R. and Kleijnen, M., 2020, *The digital marketing capabilities gap*, *Industrial Marketing Management*, Vol 90, p. 276-290.
- Kingsnorth, S., 2019, *Digital Marketing Strategy*, 2nd edn., Kogan Page, London.
- Kotler, P. and Armstrong, G., 2020, *Principles of Marketing, Global Edition*, 18th edn., Pearson, Harlow.
- Leeflang, P., Verhoef, P., Dahlström, P. and Freundt, T., 2014, *Challenges and solutions for marketing in a digital era*, *European Management Journal*, Vol 32, p. 1-12.
- Mankad, D., 2020, *Understanding Digital Marketing*, 1st edn., BPB Publications, New Delhi.
- Owusu, R., Hinson, R., Adeola, O. and Oguji, N., 2021, *Business-to-Business Marketing*, 1st edn., Routledge, Florida.

Perry, C. and Gummesson, E., 2004, *Action research in marketing*, European Journal of Marketing, Vol. 38 No. 3/4, p. 310-320.

Saunders, M., Thornhill, A. and Lewis, P., 2019, *Research Methods for Business Students*, 8th edn. Pearson, Harlow

Smith, P. and Zook, Z., 2019, *Marketing Communications*, 7th edn., Kogan Page, London.

*SOSTAC Official Site*, 2022, PR Smith. Available: <https://prsmith.org/sostac/> Accessed: 13.3.2022

Visser, M., Sikkenga, B. and Berry, M., 2021, *Digital Marketing Fundamentals*, 2nd edn., Noordhoff Groningen, Utrecht.

*2019 Digital Marketing Strategies Survey*, 2018, Ascend2. Available: <http://ascend2.com/wp-content/uploads/2018/10/Ascend2-2019-Digital-Marketing-Strategies-Report-181005.pdf> Accessed: 20.1.2022.