Chapter 1
An Introduction to Digital Marketing

Have you experimented with digital marketing driven by guilt, pressure, or an overeager boss? Have you found your efforts disjointed—frustrating—hit-or-miss? Given the sheer volume of information available on digital marketing, just finding where to start can be challenging. And even when you get started, how do you proceed in a way that ensures you are not wasting your time, effort, or budget?

This book provides you with a framework for applying your digital marketing skills in a structured and iterative fashion. You have now taken the first step towards digital marketing mastery, and pretty soon you will be able to use these skills to produce measurable results and ultimately, a return on investment. What more could you ask for?

What Makes This Book Different?

Not only is this book a fountain of knowledge, jam-packed with all the information you need to start your digital marketing journey, but our practical approach to learning will help you to grasp the key concepts and provide you with the skills required to excel in the digital industry.

Furthermore, this book follows a structured methodology underpinned by DMI’s 3i principles. These principles are the framework required for effective digital marketing and they illustrate the need for a totally different approach to traditional marketing.

This methodology is described throughout the 10 chapters of this book, each of which covers one specific channel in the digital marketing repertoire. At the end of each chapter you will be given a specific action plan, and by working through these plans you can create a comprehensive, structured, and successful digital marketing strategy.
Successful digital campaigns share a range of characteristics, but campaigns that fail all have one thing in common: They don’t acknowledge the empowered and informed consumer.

People Power

It is tempting to describe the evolution of the Internet in terms of names such as Facebook, Lycos, Google, eBay, PayPal, Amazon, Apple, Samsung, Netflix, and Yahoo!, as if the whole story of the web is the story of brands, companies, and technologies. The true evolution of the Internet is chronicled by the story of the empowered individual. You and I own the Internet, and the evolution of the Internet is our story.

The shift from Yahoo! to Google 10 years ago was not a result of Google’s marketing—as users we made the leap because we gained more control over how we searched for information. The e-commerce site eBay allowed us to sell anything to anyone for any price at any time. Facebook allowed us to stay in touch with people all over the world whenever and however we like. All the great leaps forward in digital technologies have been characterized by one thing—they have given you and me more control over our lives.

The Internet is fundamentally different from all other communication channels because we can learn so much about our customers. We can identify their habits, their technologies, and their preferences. The freedom that the web offers has fundamentally altered the company/customer relationship, upending it and putting the empowered customer in the driver’s seat.

With these advances in communication and web technology, the walls have fallen not only between a company and its customer but between fellow customers, who can publicly share their experiences—the good, the bad, and the ugly!

Market Research versus Market Reality

The primary challenge for any business, no matter how large or small, is quite simple—how to get its product or service into the hands of the customer.

How the company will achieve this is informed by market research, gut instinct, polls, surveys, and research about existing habits and activities. However, when conducting market research, especially surveys, we need to take one key factor into account—people lie!

The Internet enables us to learn from market reality by looking at what people actually do online. We can use social listening tools to research customers’ activities and
preferences based on their online habits and to complement our market research, as shown in Figure 1.1. By accessing this market reality, our product is better targeted and our chances of a successful go-to-market strategy are greater.

**Let’s Make This Real!**

Let’s imagine that you run a crèche—a nursery school—in New York and you wish to create an online presence for your customers to locate you and engage with you—and with each other. It may be tempting to call this website Crecheworld.com.

However, a simple check using Google’s Keyword Planner tool would show that in the past six months the number of unique searches for *crèche* in New York City was dwarfed by searches for *childcare* by a factor of 10! So you may think of your business as a crèche, but your customers call it childcare.

Even this early in the website planning process we have gone to the customers, looked at what they are actually doing, and changed our product appropriately. Market reality provides a sounder basis than market research for making crucial business decisions such as website naming.

Similar listening tools exist for all digital channels, and in each section of this book you will be introduced to the most effective tools for understanding your customers’ actual online activities.

You may ask—does that mean that market research is redundant? Of course not. We have differentiated between these two activities in order to highlight the extent of the shift to consumer control. A smart approach is to combine the best of both of these activities into a single cohesive strategy, using one to validate and support the other.
What Are the 3i Principles?

The 3i Principles—Initiate, Iterate, and Integrate—form the foundation for all DMI Methodologies and are key to any successful marketing strategy.

Principle 1: Initiate

Our greatest challenge as marketers is shutting up! Digital truly is for dummies, in the sense that every question you may have about budget, resources, strategy, and channels is answered by the consumer—if only we would listen!

The initiate principle of digital marketing states that the customer is the starting and finishing point for all digital activities. The answer to all questions is “let the customer decide.”

Many people are too quick to jump into managing digital channels. They set up blogs, websites, and social media profiles and start publishing nonspecific content about themselves, their companies, and their products. They fail to realize that digital channels are not broadcast channels in the traditional sense of the term.

In fact, they are interaction channels that facilitate a two-way conversation. By taking the time to find out what your customers are doing online, your digital activities will become radically more effective.

Your customers are speaking online. Are you listening?

Principle 2: Iterate

Within minutes of publishing an ad, we can see what the click-through rates, response rates, and conversion rates are. More importantly, the content or design of the ad can be changed a limitless number of times in response to user actions. This ability to publish, track response, and tweak accordingly is the greatest strength of the Internet and produces the second of our 3i principles—iterate.

This principle emphasizes the importance of tweaking a digital marketing campaign in response to user interaction. Each digital marketing channel is most effective when you apply an iterative process, and the more iterations of the campaign you apply, the more effective each becomes.

There are some key implications of this iterative process.

To begin with, the first published idea is not necessarily the best. The mythical advertising mogul who devises a killer campaign is a thing of the past. Why? Because
your customers are better at describing what they want than any advertiser is. Remain open to what your customers are doing in their interactions with your campaign and be prepared to change it. Your campaign can, and will, improve over its lifetime.

Next, the length of the iteration depends on the channel. For example, if you send a weekly email newsletter you will review open rates and click-through rates within a day or two of sending your newsletter. You will then apply those insights to your next campaign in terms of what did and did not resonate with customers. So your iterative loop for your specific email marketing campaign will typically be a week long.

**Principle 3: Integrate**

Integration as a principle is crucial to effective digital marketing. It works at three levels:

1. **Integrate your efforts across digital channels.** Integration across digital channels is about using information gleaned through one channel to improve the effectiveness of another digital channel. It can be as simple as sharing information learned through search engine optimization with your email marketing team. Take our crèche versus childcare example: When including New York parents in an email marketing campaign for a crèche, using keywords like childcare will help to improve your open rates. Thus, sharing insights learned through one channel can drastically improve the effectiveness of another.

2. **Integrate your digital and traditional marketing efforts.** Integration of digital and traditional marketing involves using information gathered from your digital marketing efforts and integrating it into your traditional marketing strategy. For example, when writing the script for a radio ad you should use the same keywords that resonate with customers using search engines. Any opportunity to learn from your customers can be shared across all channels to improve the effectiveness of all of your communications and marketing campaigns.

3. **Integrate your reporting sources.** Companies who engage with digital marketing obtain an abundance of data about their customers. However, it is important to gather data in a way that allows you to make good business decisions. An integrated view of your customers is a good place to start. Luckily, a lot of the work can be done for you by using a tool such as Google Analytics. For example, this tool can provide you with detailed information on the source of the traffic coming to your website. What percentage of your site visitors come from email versus paid search advertising? Which visitors convert more quickly? Where should you be increasing your digital budget and where should you be reducing it? Making business decisions based on the true value of your digital marketing is a crucial step in implementing and justifying your digital marketing strategy.

So let’s take the leap together! Let’s discover what digital channels can do for us, and—more importantly—for our customers.