

MC305(a): DIGITAL MARKETING AND E-COMMERCE (DSE)

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(NAAC Accredited "A" Grade University)

**INTERNATIONAL CENTRE FOR DISTANCE EDUCATION AND OPEN
LEARNING**

HIMACHAL PRADESH UNIVERSITY, SHIMLA.

MC305(a): DIGITAL MARKETING AND E-COMMERCE (DSE)

Max. Marks 80

Internal Assessment 20

Note: There will be Ten (10) questions in all spreading into Five Units consisting of two questions from each unit. The candidate will require to attempt one question from each unit. Each question will carry Sixteen (16) marks

Course Objective: To develop an understanding of digital marketing and formulate plan and strategies related to digital marketing.

Course Contents:

Unit I

Introduction to Digital Marketing: Evolution of digital Marketing, Traditional vs Digital Marketing, Digital Marketing Channels, Digital Marketing Plan, Digital Marketing Strategy, Digital Marketing Application and Benefits, Digital Marketing in India.

Unit II

The Consumer and Digital Marketing: Consumer Behaviour on internet, Impact of Digital Technology on Consumer Behaviour, Attributes of online buying behavior, Marketing Intelligence from user's online data understanding consumer demands, brand building on web.

Unit III

Social Media Marketing: Social Networking, Objectives of Social Media Strategy , Building social media strategy, Types of Social media marketing , Facebook marketing , LinkedIn marketing, Instagram marketing , You tube Marketing, Twitter Marketing,

Unit IV

Emerging Platforms of digital marketing: E-mail marketing, Mobile marketing, Video Marketing, Artificial intelligence and virtual Reality in Digital Marketing.

Unit V

Introduction to E-Commerce: Meaning of electronic commerce, business applications of e-commerce, comparison with traditional commerce.

Business Models in E-Commerce-e-shops, e-procurement, e-auctions, value chain integrators, information brokerage, telecommunication, collaboration platforms, etc.; Electronic payment system;

E-Banking-Concept, operations, online fund transfer-RTGC, ATM, etc.,

Course outcome

After learning of the course, the students will be able:

- To know about E-Commerce in context to Digital Marketing
- To understand about different modes of digital marketing with their influences.
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References:

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Lesson-1

DIGITAL MARKETING

Structure

- 1.0 Learning Objectives
- 1.1 History of Digital Marketing
- 1.2 Evolution of Digital Marketing – The Timeline
- 1.3 Introduction to Digital Marketing:
- 1.4 Traditional Marketing Vs Digital Marketing
- 1.5 Types of Digital Marketing Channels
- 1.6 Summary
- 1.7 Glossary
- 1.8 Self-Check Exercise
- 1.9 Answers to Self-Check Exercise
- 1.10 Terminal Questions
- 1.11 Answers to Terminal Questions
- 1.12 Suggested Readings

1.0 Learning Objectives

After studying this lesson, you should be able to:

- History of Digital Marketing
- Evolution of Digital Marketing – The Timeline
- Introduction to Digital Marketing:
- Traditional Marketing Vs Digital Marketing
- Types of Digital Marketing Channels

1.1 History of Digital Marketing

The term Digital Marketing was first used in the 1990s. The digital age took off with the coming of the internet and the development of the Web 1.0 platform. The Web 1.0 platform allowed users to find the information they wanted but did not allow them to share this information over the web. Up until then, marketers worldwide were still unsure of the digital platform. They were not sure if their strategies would work since the internet had not yet seen widespread deployment.

In 1993, the first clickable banner went live, after which HotWired purchased a few banner ads for their advertising. This marked the beginning of the transition to the digital era of marketing. Because of this gradual shift, the year 1994 saw new technologies enter the digital marketplace. The very same year, Yahoo was launched.

Also known as "Jerry's Guide to the World Wide Web" after its founder Jerry Yang, Yahoo received close to 1 million hits within the first year. This prompted wholesale changes in the digital marketing

space, with companies optimizing their websites to pull in higher search engine rankings. 1996 saw the launch of a couple of more search engines and tools like HotBot, LookSmart, and Alexa.

1998 saw the birth of Google. Microsoft launched the MSN search engine and Yahoo brought to the market Yahoo web search. Two years later, the internet bubble burst and all the smaller search engines were either left behind or wiped out leaving more space for the giants in the business. The digital marketing world saw its first steep surge in 2006 when search engine traffic was reported to have grown to about 6.4 billion in a single month. Not one to get left behind, Microsoft put MSN on the backburner and launched Live Search to compete with Google and Yahoo.

Then came Web 2.0, where people became more active participants rather than remain passive users. Web 2.0 allowed users to interact with other users and businesses. Labels like 'super information highway' began to be applied to the internet. As a result, information flow volumes – including channels utilized by digital marketers- increased manifold, and by 2004, internet advertising and marketing in the US alone brought in around \$2.9 billion.

Soon, social networking sites began to emerge. MySpace was the first social networking site to arrive, soon followed by Facebook. Many companies realized all these fresh new sites that were popping up were beginning to open new doors of opportunities to market their products and brands. It opened fresh avenues for business and signaled the beginning of a new chapter to business. With new resources, they needed new approaches to promote their brands & capitalize on the social networking platform.

The cookie was another important milestone in the digital marketing industry. Advertisers had begun to look for other ways to capitalize on the fledgling technology. One such technique was to track common browsing habits and usage patterns of frequent users of the internet so as to tailor promotions and marketing collateral to their tastes. The first cookie was designed to record user-habits. The use of the cookie has changed over the years, and cookies today are coded to offer marketers a variety of ways to collect literal user data.

Products marketed digitally are now available to customers at all times. Statistics collected by the Marketingtechblog for 2014 show that posting on social media is the top online activity in the US. The average American spends 37 minutes a day on social media. 99% of digital marketers use Facebook to market, 97% use Twitter, 69% use Pinterest and 59% use Instagram. 70% of B2C marketers have acquired customers through Facebook. 67% of Twitter users are far more likely to buy from brands that they follow on Twitter. 83.8% of luxury brands have a presence on Pinterest. The top three social networking sites used by marketers are LinkedIn, Twitter, and Facebook.

1.2 Evolution of Digital Marketing – The Timeline

The 90s

Archie, the first search engine, debuted in the early 1990s, heralding the birth of search. SEO, or Search Engine Optimization, quickly followed.

The first clickable web-ad banners were introduced in 1994. The first identifiable social media site was launched in 1997, with 3.5 million users. In the 1990s, a slew of websites still in use was found, including Google and Yahoo's web search, both of which debuted in 1998.

The Millennial Generation

A massive economic bubble grew in the new millennium. However, the bubble's peak and burst between 2000 and 2002 harmed many businesses. Many new sites were launched in the 2000s as the economy recovered from the boom, including the beginnings of LinkedIn in 2002, Myspace and WordPress in 2003, and Facebook in 2004. In the early 2000s, mobile text messaging marketing became increasingly popular.

The Mobile Era

The latter half of the decade saw increased marketing and sales, with Amazon's e-commerce sales surpassing \$10 billion. Over the next few years, mobile app culture expanded with the introduction of WhatsApp, Instagram, and Snapchat to the digital world.

The Present

Today, 65% of an individual's digital media time is spent on a mobile device. The digital advertising industry is now valued at around \$200 billion, with Google Ad Words accounting for 96% of the company's revenue. With an estimated 3.1 billion online users, social networking has led the digital marketing revolution. The rise of bloggers and Instagram has resulted in a \$1 billion industry for influencers, which are anticipated to grow. Digital marketing is expected to grow in the coming years, with many new developments and changes in this exciting industry.

1.3 Introduction to Digital Marketing:

Today's time of Internet has opened the gateway of tremendous digital marketing opportunities for businesses. By utilizing different channels of digital marketing, businesses cannot just share their product and services online; additionally, they can gain clients for their business, entice them and can convert them to boost their business profits. The speed and straightforwardness with which the digital media transmits data and support a business is astonishing.

The world is super-connected nowadays and all things considered, marketing and advertising are no more the same as they once were. This is particularly valid because of the ascent of online networking, which has changed how organizations speak with potential and existing customers. Essentially, it is an aggregate term, which is utilized where advertising and marketing meet web innovation and different types of online media platforms.

1.4 Traditional Marketing Vs Digital Marketing:

The debate continues as to whether digital marketing is overpowering and surpassing traditional marketing or not. Many think that for the most part, digital marketing has taken over and traditional marketing barely exists, if at all. Recent occurrences such as the magazine giant, Newsweek switching to totally digital publications cause ripples throughout the marketing arena. Over the last year or so traditional marketing had fallen nearly 160% while in the same time frame expenses for digital marketing increased over 14%.

Traditional Marketing:

- The traditional way of marketing lets businesses market their products or administrations on print media, radio and TV commercials, bill boards, business cards, and in numerous other comparable ways where Internet or web-based social networking sites were not utilized for promoting.

- However, traditional promoting approaches had constrained client reachability and extent of driving clients' purchasing conduct. In addition, traditional marketing methods were not quantifiable too.
- There are many facets of traditional marketing and examples might include tangible items such as business cards, print ads in newspapers or magazines. It can also include posters, commercials on TV and radio, billboards and brochures. Traditional marketing is anything except digital means to brand your product or logo.
- Another overlooked means of traditional marketing is when people find a particular business through a referral or a network and eventually you build a rapport with them.
- Because of its longevity, people are accustomed to traditional marketing. Finding ads in magazines and newspapers, or reading billboards are still familiar activities and people still do them all the time. ▪ Most of the time, traditional marketing is reaching only a local audience even though it is not limited to one.
- There are some aspects where traditional marketing wins over the online advertising battle, which include Target Local Audience, Materials are for keeps, more personal and Simpler process.
- One of the primary disadvantages of traditional marketing is that the results are not easily measured, and in many cases cannot be measured at all.
- In most cases, traditional marketing is also more costly than digital marketing. And perhaps the biggest disadvantage today is that traditional marketing is static which means there is no way to interact with the audience. It's more like you are throwing information in front of people and hoping that they decide to take action.



Digital Marketing:

Digital Marketing can be understood as a well-targeted, conversion-oriented, quantifiable, and interactive marketing of products or services by utilizing digital innovation to achieve the customers, and transform them into clients in a sustainable fashion. The whole concept and functionalities of Digital Marketing are more competent, effective, result-oriented and measurable, which make it very different from traditional marketing.



Digital or online marketing is the marketing mode of the global village. It is only obvious that the era of the internet will have its influence in every realm of life.

- The world of digital marketing continues to evolve and as long as technology continues to advance, digital marketing will as well.
- Examples of digital marketing include things like websites, social media mentions, YouTube videos, and banner ads. Specifically, digital marketing is similar to traditional advertising, but using digital devices.
- However, digital marketing is considered a form of inbound marketing and its goal is for people to find you. Businesses put content (or ads) out for individuals to find.
- People may conduct an organic online search, a paid search, find your business on a social network or by reading content that has been published online such as a blog or an article. The more they see you or your content, the more familiar they will become with your brand and they will eventually develop a trust and a rapport with you through this online presence.
- One benefit to using digital marketing is that the results are much easier to measure; and another is that a digital campaign can reach an infinite audience. It is also possible to tailor a digital campaign to reach a local audience but it can also be used on the web and reach the entire globe when appropriate.
- Digital marketing is also a very interactive means of reaching an audience since it makes use of social outlets. There can be plenty of direct contact between the audience and the business which means that the business can get some very valuable consumer feedback.
- Benefits of Digital Marketing over Traditional Marketing include reduced cost, real time result, brand Development, non-intrusive, higher exposure, higher engagement, Quicker publicity, non-interruptive, Good for All Stages Of Fields, Easy analytics and Strategy Refinement.
- One of the disadvantages to using digital media marketing strategies is that it can take some time to realize measurable success.

Differences between Traditional Marketing & Digital Marketing:

Traditional Marketing	Digital Marketing
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Communication is unidirectional in traditional marketing, which means, an organization communicates about its services with its audiences.	Communication is bidirectional in Digital Marketing as businesses can communicate with customers and customers can ask queries or make suggestions to businesses as well.
Medium of communication in traditional marketing is generally phone calls, emails, and letters.	Medium of communication is more powerful and involves social media websites, chats, apps and Email.
Campaign in Traditional marketing takes more time as designing, preparing, and launching are involved.	Digital marketing campaigns can be developed quite rapidly and with digital tools, channelizing Digital Marketing campaigns is easier.
It is best for reaching local audience.	It is very effective for reaching global audiences.
It is almost impossible to measure the effectiveness of a traditional marketing campaign.	Digital Marketing lets you measure the effectiveness of a digital marketing campaign through analytics.

1.5 Types of Digital Marketing Channels

As noted above, marketing was traditionally done through print (newspapers and magazines) and broadcast ads (TV and radio). These channels still exist and are used today. Digital marketing channels have evolved and continue to do so. The following are eight of the most common digital avenues that companies can take to boost their marketing efforts. Keep in mind that some companies may use multiple channels in their efforts.

- **Website Marketing**
 A website is the centrepiece of all digital marketing activities. It is a very powerful channel on its own, but it's also the medium needed to execute a variety of online marketing campaigns. A website should represent a brand, product, and service in a clear and memorable way. It should be fast, mobile-friendly, and easy to use.
- **Pay-Per-Click Advertising**
 Pay-per-click (PPC) advertising enables marketers to reach internet users on a number of digital platforms through paid ads. Marketers can set up PPC campaigns on Google, Bing, LinkedIn, Twitter, Pinterest, and Facebook and show their ads to people searching on terms related to products or services.
 These campaigns can segment users based on their demographic characteristics (such as age or gender), or even target their particular interests or location. The most popular platforms for PPC are Google Ads and Facebook Ads.
- **Content Marketing**
 The goal of content marketing is to reach potential customers through the use of content that interests them. Content is usually published on a website and then promoted through social media, email marketing, search engine optimization, or even pay-per-click campaigns. The tools of content marketing include blogs, ebooks, online courses, infographics, podcasts, and webinars.
- **Email Marketing**

Email marketing is still one of the most effective digital marketing channels. Many people confuse email marketing with spam email messages, but that's not what email marketing is about. This type of marketing allows companies to reach potential customers and anyone else interested in their brands and products.

Many digital marketers use all other digital marketing channels to add leads to their email lists. Then, using email marketing, they create customer acquisition funnels to turn those leads into customers.

- **Social Media Marketing**

The primary goals of a social media marketing campaign are to build brand awareness and establish social trust. As you go deeper into social media marketing, you can use it to obtain leads and as a direct marketing or sales channel. Promoted posts and tweets are two examples of social media marketing.

- **Affiliate Marketing**

Affiliate marketing is one of the oldest forms of marketing, and the internet has given it new life. With affiliate marketing, influencers promote other people's products and get a commission every time a sale is made or a lead is introduced. Many well-known companies including Amazon have affiliate programs that pay out millions of dollars per month to websites that sell their products.

- **Video Marketing**

YouTube is one of the most popular search engines in the world. A lot of internet users turn to YouTube before making a buying decision, to learn something, to read a review, or just to relax.

Marketers can use any of several video marketing platforms, including Facebook Videos, Instagram, and TikTok, to run a video marketing campaign. Companies find the most success with video by integrating it with SEO, content marketing, and broader social media marketing campaigns.

- **SMS Messaging**

Companies and nonprofit organizations also use text messages (formally known as SMS, or short message service) to send information about their latest promotions or give opportunities to willing customers. Political candidates running for office also use SMS campaigns to spread positive information about their platforms. As technology has advanced, many text-to-give campaigns also allow customers to directly pay or give via a simple text message.

1.6 Summary

Digital marketing is the most appropriate job opportunity for learning as much as possible about the Internet's relationship with the economy's growth. Furthermore, the digital marketing industry gives access to the functioning of different industries, from cosmetics to pharma, sports to gaming, automobiles to housing, and much more.

1.7 Glossary

- **Digital Marketing:**

Digital Marketing can be understood as a well-targeted, conversion-oriented, quantifiable, and interactive marketing of products or services by utilizing digital innovation to achieve the customers, and transform them into clients in a sustainable fashion.

- **Content Marketing**

The goal of content marketing is to reach potential customers through the use of content that interests them.

- **Pay-Per-Click Advertising**

Pay-per-click (PPC) advertising enables marketers to reach internet users on a number of digital platforms through paid ads.

1.8 Self-Check Exercise

1. What is Digital Marketing
2. Define Social Media Marketing
3. What is Content Marketing

1.9 Answers to Self-Check Exercise

1. For answer refer to section 1.3
2. For answer refer to section 1.5
3. For answer refer to section 1.5

1.10 Terminal Questions

1. Discuss about the Evolution of Digital Marketing over time.
2. Write down the Difference between Traditional Marketing and Digital Marketing.
3. Discuss Various Digital Marketing Channels available in detail.

1.11 Answers to Terminal Questions

1. For answer refer to section 1.2
2. For answer refer to section 1.4
3. For answer refer to section 1.5

1.12 Suggested Readings

- BARONE, A. (n.d.). *Digital Marketing Overview: Types, Challenges, and Required Skills*. Retrieved from Investopedia: <https://www.investopedia.com/terms/d/digital-marketing.asp>
- *Benefits of Digital Marketing*. (n.d.). Retrieved from EDUCBA: <https://www.educba.com/benefits-of-digital-marketing/ED>
- Christina Newberry, A. W. (n.d.). *How to Create a Social Media Marketing Strategy in 9 Easy Steps (Free Template)*. Retrieved from Hootsuite: <https://blog.hootsuite.com/how-to-create-a-social-media-marketing-plan/>
- *Digital Marketing Strategy: 11 Essential Must Know Marketing Strategies*. (n.d.). Retrieved from Adobe Experience Cloud Team: <https://business.adobe.com/blog/basics/digital-marketing-strategy#:~:text=What%20is%20a%20definition%20of,a%20combination%20of%20marketi>

LESSON – 2

DIGITAL MARKETING -II

Structure

- 2.0** Learning Objectives
- 2.1** Digital Marketing Plan
- 2.2** Digital marketing strategy
 - 2.2.1** Types of digital marketing strategy
- 2.3** Applications of digital marketing
- 2.4** Benefits of Digital Marketing
- 2.5** Summary
- 2.6** Glossary
- 2.7** Self-Check Exercise
- 2.8** Answers to Self-Check Exercise
- 2.9** Terminal Questions
- 2.10** Answers to Terminal Questions
- 2.11** Suggested Readings

2.0 Learning Objectives

After studying this lesson, you should be able to:

- Digital Marketing Plan
- Digital marketing strategy
- Types of digital marketing strategy
- Applications of digital marketing
- Benefits of Digital Marketing

2.1 Digital Marketing Plan

A digital marketing plan is a document in which you strategically map out your digital marketing objectives, as well the actions you'll take to achieve those objectives.

A clear plan helps you determine the most effective strategies for your business and then put those strategies into action. A digital marketing plan helps you organize your initiatives so that you're continually connecting with your audience, engaging them, and driving them to action. With a digital marketing business plan, you think ahead, coordinate among departments, and integrate your digital marketing for greater impact.

The following are the essential steps in developing a digital marketing plan:

➤ **Define your digital marketing goals and business objectives**

Clear, measurable, and attainable digital marketing plan objectives help you define exactly what you want to achieve and measure. Be clear and concise when you set these goals. You should also include specific numbers and timeframes to benchmark your progress.

For example, avoid goals that state you will update your **lead generation system**, boost conversion rates, or improve **digital customer experience**. Those are a bit too vague. You can't measure your results and it's not apparent what steps you should take to reach that goal.

➤ **Define audience segmentation and buyer personas**

A key reason **why digital marketing is important** is because it allows you to target your audience with great precision.

For any digital marketing campaign to be successful, you need to know who you're targeting. Segmenting your audience and then **building buyer personas** for each of those segments can provide you with insights about what types of marketing will be most effective.

Start by defining the different segments in your target audience. From there, begin building out the personas of your ideal customer within each segment. Here are **9 great examples of personas** to get started.

Your buyer persona information will vary depending on whether you're B2B or B2C and the price of your product/service. Some demographic and additional information you may want to include is:

- Age range
- Income
- Job title
- Location
- Priorities
- Goals
- Challenges
- Interests
- Social media platforms
- Industry
- Pain points
- Products/features desired

➤ **Conduct a competitive analysis and determine market share**

If you want your marketing efforts to be effective, you need to know who you're up against. A **competitive analysis** allows you to identify your competitors, **calculate your market share**, and determine the marketing strategies they employ.

When doing your competitive analysis, consider the following types of things:

- Which audience segments are they targeting?
- What digital marketing channels are your competitors using?
- Where are they strongest?
- Where are they weakest?

- What portion of their traffic is earned/owned/paid?
- What's their positioning in the market?
- What's their claimed differentiation?
- What type of messaging and specific language do they use?
- What is their tonality and brand personality?

➤ **Conduct a SWOT analysis**

SWOT analysis (strengths, weaknesses, opportunities, and threats) is the counterpart to a competitive landscape analysis. It offers a framework to analyze your business against other forces in your market. Use this process to identify what's working, spot potential **organic growth opportunities**, and prepare for external threats.

Start by analyzing the strengths of your company. What are your primary advantages over your competition? Which things do you do particularly well? What unique resources do you have at your disposal?

Next, look at your weaknesses. What elements of your business aren't working particularly well? What things keep you from making sales? Where do you fall short of your competitors?

The third step is to look closely at the opportunities available to your company. Are there any market trends you can take advantage of? Can you utilize new technology that your competitors can't? Is there an under-served segment in your audience?

Finally, identify any potential threats to your business. Could a competitor steal market share? Are there any obstacles blocking **business growth**? Are there potential financial issues on the horizon?

➤ **Calculate your digital marketing plan budget**

The next step in creating the best digital marketing plan for your brand is to calculate your budget. The budget will define how much you have available to spend on digital marketing activities, as well as guide you toward specific channels, strategies, and tactics.

The amount you budget for digital marketing will vary based on a number of factors, including:

- Revenue
- Position within the industry
- Previous results
- Goals
- Location
- Profitability of a strategy, tactic, or campaign

➤ **Define your digital marketing channels**

Before you **develop a content strategy**, you'll need to define the primary **digital marketing channels** you'll be using. Your choice of channels needs to take into account your audience, goals, and budget.

For example, say your goal is to **drive 30% more targeted traffic** to your website. One way to do that is through PPC ads, which can give you an immediate boost. However, Google Adwords can also be expensive.

To improve ROI, turn to more cost-effective channels, like SEO and content marketing. These channels take longer to produce results but also deliver a far lower acquisition cost, giving you more bang for your buck. Plus, SEO and content marketing results compound over time, setting you up for longer-term sustainable success.

➤ **Develop your digital marketing strategies and tactics**

After defining your channels, you need to develop the digital marketing tactics and strategies you'll use within those channels.

For example, if you're going to focus on search engine optimization, you need to determine the keywords you're going to target and how you're going to target them. You may decide to create a comprehensive **content hub**, online courses, **SEO topic clusters**, or a series of online tools. Or you may decide to provide more detailed, superior how-to information, or to deliver insights on upcoming trends, or to deliver content featuring celebrities.

➤ **Create a marketing calendar**

A marketing calendar allows you to map out exactly when you'll implement your digital marketing campaigns and initiatives. It also creates accountability, ensuring that you hit deadlines and effectively execute the plan throughout the year. A calendar also helps ensure that you are consistently reaching each of your various audience segments throughout the year.

➤ **Measure the results and KPIs of your digital marketing plan**

The final step in creating a digital marketing plan and strategy is to measure your results through the definition of metrics and key performance indicators (KPIs). You need to compare the outcomes of your marketing efforts to the baseline as well as original goals. If the results are underwhelming, adjust and optimize, and then measure again.

2.2 Digital marketing strategy.

Marketing strategy vs. marketing tactics.

The term digital marketing strategy often is confused with other related concepts — a true marketing strategy is a comprehensive gameplan that outlines how you'll reach your target audience and

convert them into paying customers. It serves as a blueprint that guides you toward your organization's unique marketing goals.

Marketing tactics are the specific actions you'll take to implement your marketing strategy. These may include:

Writing blog posts

Responding to customers on social media

Sending emails

Designing advertisements.

2.2.1 Types of digital marketing strategy.

There are many digital marketing strategies out there. Some deliver better results than others, so we'll examine the 11 most effective digital marketing strategies used in our current industry.

1. Inbound marketing.

Inbound marketing refers to the whole ecosystem of strategies, tools, and tactics that a marketer uses to convert a website visitor into a paying customer. It includes:

Content marketing

Email marketing

Lead nurturing

SEO

Marketing automation

Website optimization

Website analytics.

Inbound marketing is an overall approach to attracting, qualifying, nurturing, and delighting customers and prospects. It is not a one-off or something that is deployed quickly or temporarily; rather, it is focused on a long-term relationship with customers.

2. Content marketing.

Content marketing is focused on answering people's questions and truly helping them through content rather than interrupting them with unsolicited promotions. It includes content such as blog posts, landing pages, videos, podcasts, infographics, white papers, eBooks, case studies, and more.

In most cases, content marketing has several goals. You may use it to:

Increase brand awareness

Improve brand loyalty

Educate your target audience

Convert and nurture leads.

Savvy marketers create content that's ideal for multiple user personas in all stages of the sales funnel. For example, a user who is unaware of your brand and found your website through organic search needs different content than a prospect who is almost ready to buy. You'll need to understand your buyers' journeys and come up with unique content that addresses their needs every step of the way.

3. **ABM.**

Account based marketing (ABM) is a powerful B2B marketing strategy that targets specific accounts you select. It's intended to help sales and marketing teams move prospects through the sales funnel quickly. With ABM, you target the accounts that are most important to you. Why use account-based marketing?

Personalization. ABM does not take a generic approach to marketing. Instead, it creates personalized messaging for target accounts. You use what you know about your customer and tailor your campaign to meet their particular needs.

Collaboration. With ABM, sales and marketing teams work together to identify key accounts and design personalized campaigns for them. ABM encourages teamwork as teams focus on moving accounts through the sales pipeline.

4. **SEO.**

Search engine optimization (SEO) is the process of optimizing your website and your content in order to achieve higher rankings in search engines and increase the amount of organic traffic to your site. It involves a variety of tactics, like:

Creating high-quality content

Optimizing content around keywords and user needs

Incorporating meta information

Ensuring your website is optimized for search engines.

Ultimately, SEO strives to bring in the right visitors organically to drive more leads and sales.

5. **Social media marketing.**

Social media marketing uses social media platforms like Facebook, Twitter, LinkedIn, and Instagram to:

Promote your content, products or services

Build brand awareness and visibility

Gain fans or followers

Engage current and prospective customers

Drive traffic to your website.

It requires an ongoing advertising spend and, most of the time, a website landing page designed specifically for users from that ad spend. As soon as your advertising spend ends, the website traffic, likes, and followers end as well.

6. **Email marketing.**

Email marketing is the practice of sending promotional and informational emails to build relationships with your audience, convert prospects into buyers, and turn one-time buyers into loyal fans of your brand.

These emails may discuss exclusive deals, promote website content, upcoming sales, or general messages on the behalf of your business.

7. **PPC advertising.**

Pay-per-click advertising or PPC is a strategy in which you (the advertiser) pay every time a user clicks on one of your online ads. It's often done through Google Ads, Bing Ads, or other search engines, and it can be an effective way to reach people who are searching for terms related to your business.

However, costs can range from relatively inexpensive, to thousands of dollars per month, depending on the size and scope of your campaign. And, when a campaign is discontinued, the traffic generated by that campaign is also discontinued.

When users click on pay-per-click ads, they are directed to dedicated landing pages that encourage them to take a certain action:

- Make a purchase
- Complete a form
- Download a report, or similar.

8. Video marketing.

Video used to promote your products, services, and brand may include product demos, interviews with thought leaders in your industry, customer testimonials, or how-to videos.

You can add videos to your website, PPC landing pages, or social media outlets to encourage more conversions and sales.

KPIs may include:

Engagement. Time spent watching the video.

View count. How many times it was watched.

Click-through rate. How many users clicked through to the website.

Conversion rate. Number of leads, prospects, or customers content generates.

9. Online (and in-person) events.

There's nothing like an event to create buzz around a product. Of course, trade shows have always been a thing, most notably the International CES tech show. But Apple redefined such events for an online audience with its series of high-profile iPhone and Mac launches throughout the 2010s and into the 2020s, often watched by up to 1.8 million people.

It's unlikely you'll reach such engagement levels, but there are nevertheless lessons to learn, whether you're using an event to launch a product, service, or new business.

10. Chatbot and live chat marketing.

Chatbots and messaging apps have become more common in the past decade and are now seen as a valuable marketing, as well as customer service, tool. Some 1.4 billion people who use messaging apps are happy to speak with chatbots[1]. Brands use chatbots to:

- Deal with customer complaints
- Answer questions about products
- Promote live events

11. Earned media.

Put simply, earned media is coverage of your business, products or events written by a third party and which you have not paid for. In digital marketing, it's best described as PR which you outreach to the media. When the content is picked-up by a publication and written up for their own site, that's earned media.

Examples of earned media include:

- Tactical PR, such as newsjacking topical events
- Traditional press releases on company news
- Infographics based on survey data

- Creative asset such as an interactive

2.3 Applications of digital marketing

For established multichannel organizations, digital media offer a range of opportunities for marketing products and services across the purchase cycle that companies need to review as part of their digital strategy. Consider the example of a low-cost airline. Digital media and technologies can be used as follows:

- **Advertising medium**
Display ads on publisher sites or social media networks can be used to create awareness of brands and demands for products or services.
- **Direct-response medium**
Targeted search advertising media enables companies to drive visits to a site when consumers show intent to purchase, such as searching for a flight to a destination.
- **Platform for sales transactions**
Online flight booking is now the most common method for booking flights, both for consumers and business travellers.
- **Lead-generation method**
For booking business flights, tools can be provided that help identify and follow up corporate flight purchases. Distribution channel, such as for distributing digital media products. Today, airlines sell more insurance services than previously, for example.
- **Customer service mechanism**
For example, customers may 'self-serve' more cost-effectively by reviewing frequently asked questions.
- **Relationship-building medium**
Here a company can interact with its customers to better understand their needs and publicise relevant products and offers. For example, easyJet™ uses its email newsletter and tailored alerts about special deals to encourage repeat flight bookings.

2.4 Benefits of Digital Marketing

1. Better Reach than Traditional Marketing

The demand for digital marketing is first rooted in the fact that it covers a massive target audience in a short period, way beyond the scope of traditional marketing, and carries comparatively less investment.

Even a small-scale industry can instill a positive image of its brand on a global level. But besides global reach, digital marketing also improves local visibility much more easily.

For example, Mathew bought costly ad spaces for 2 years to promote his telecom services. At the same time, David hired a web developer and an SEO writer to market his services through website traffic. As a result, David got more customers outside of his physical proximity, unlike Mathew, who hardly saw any difference in his business.

2. Better Targeting

Targeting people with traditional marketing methods is way too difficult. Traditional methods go everywhere within proximity of small magnitude. But that does not help to identify the impression it puts on the target audience.

Digital marketing helps you set up the people you want as your consumers based on age, gender, occupation, interests, hobbies, or other criteria. For example, suppose you want to attract millennial customers for your product. In that case, you can advertise yourself selectively on websites that are made to attract a youth audience.

3. More Accurate Sales Funnel

A sales funnel is a helpful tool for understanding how potential and existing customers make decisions at each level of purchasing. This can eventually help improve the customer journey and turn window shoppers into real buyers.

An online sales funnel creates better leads since the study of consumer behavior becomes much more predictable and systematic under the scrutiny of technology.

4. Review and Change Strategies Anytime

We can track the effectiveness of digital marketing strategies via analytics. Measuring the influence of marketing on the internet helps obtain a better understanding of consumer behavior, according to which the marketer adapts with accurate or precise changes.

Digital marketing strategies include PPC (Pay-Per-Click) Advertising, SEO (Search Engine Optimization)/ Website marketing, social media marketing, video marketing, etc.

These strategies are subject to changes at any given point in time. But we cannot attain the same while applying traditional marketing methods. For instance, you can modify the content marketing format or improve webpage presentation anytime, but you cannot undo the costs you pay for ad spaces aimed at serving at least a year.

5. Better Brand Credibility

Digital marketing ends up rewarding brand credibility more than **traditional marketing**. The premier reason lies in making online interaction as attractive as possible.

Secondly, your aim to improve the numbers in online traffic eventually increases rank in organic search engine result pages. If you're coming out as the top link after being searched on Google or Bing, you will certainly leave a better impression of brand credibility on stakeholders.

6. High-in-demand Job Skills

In 2020, LinkedIn listed the digital marketing specialist role among the top ten most in-demand jobs, with 8,60,000 jobs. The average salary for a rookie in India's digital marketing industry is around 2.5 lakhs per annum, as calculated by **PayScale**. The salaries can go as high as rupees 19.5 lakhs per annum or more than a lakh per month with managerial experience.

7. An Inclusive Industry for Skill Development and General Learning

Irrespective of academic background, any student can learn digital marketing, and the platforms to learn the skills are incredibly diverse and large. Digitally, you can learn about the digital marketing course available on Udemy, LinkedIn, Coursera, etc.

Digital marketing is also the perfect choice of career to explore insights into every industry since brands exist irrespective of genre. Where there is a brand, there needs a digital marketer for its growth.

8. Flexible Job Opportunity

Digital marketing is a unique opportunity available from a full-time basis to an internship level. Overall, the demand for digital marketing keeps growing because of an increasing number of brands and flexible opportunities.

Also, you can start your digital marketing journey even with zero experience by applying for an internship in a small-scale firm. Internshala is the leading source of opportunities in India today.

2.5 Summary

Digital marketing is the most appropriate job opportunity for learning as much as possible about the Internet's relationship with the economy's growth. Furthermore, the digital marketing industry gives access to the functioning of different industries, from cosmetics to pharma, sports to gaming, automobiles to housing, and much more.

2.6 Glossary

- **SEO.**
Search engine optimization (SEO) is the process of optimizing your website and your content in order to achieve higher rankings in search engines and increase the amount of organic traffic to your site.
- **ABM.**
Account based marketing (ABM) is a powerful B2B marketing strategy that targets specific accounts you select. It's intended to help sales and marketing teams move prospects through the sales funnel quickly.
- **Digital Marketing Plan**
A digital marketing plan is a document in which you strategically map out your digital marketing objectives, as well the actions you'll take to achieve those objectives.

2.7 Self-Check Exercise

1. Define Digital Marketing Plan
2. Define Digital Marketing Strategy

2.8 Answers to Self-Check Exercise

1. For answer refer to section 2.1
2. For answer refer to section 2.2

2.9 Terminal Questions

1. What is Digital Marketing Plan. Write down the steps included in Digital Marketing Plan.
2. What is Digital Marketing Strategy. Define Types of Digital Marketing Strategies
3. What are the Digital Marketing Applications.
4. What are the Benefits of Digital Marketing.

2.10 Answers to Terminal Questions

1. For answer refer to section 2.1
2. For answer refer to section 2.2,2.2.1
3. For answer refer to section 2.3
4. For answer refer to section 2.4

2.11 Suggested Readings

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LESSON- 3

DIGITAL MARKETING IN INDIA

Structure

- 3.0 Learning objectives
- 3.1 Growth of the Digital Marketing Industry in India
 - 3.1.1 Current Scenario of Digital Marketing Industry in India Statistics
 - 3.1.2 Best Digital Marketing Agencies in India
 - 3.1.3 Future of Digital Marketing in India
- 3.2 Summary
- 3.3 Glossary
- 3.4 Self-Check Exercise
- 3.5 Answers to Self-Check Exercise
- 3.6 Terminal Questions
- 3.7 Answers to Terminal Questions
- 3.8 Suggested Readings

3.0 learning Objectives

After studying this lesson, you should be able to:

- Growth of the Digital Marketing Industry in India

3.1 Growth of the Digital Marketing Industry in India

The growth in digital marketing trends in India is making a very substantial impact on marketing and advertisement.

The big picture of the Digital Marketing industry in India cannot be complete if a short preview of the past digital marketing statistics is not made.

Going back to history, the International Journal of Advanced Research Foundation reveals the following stats on digital marketing in India-

Between **1971 and 1972**, The ARPANET is used to arrange a sale between students at the Stanford Artificial Intelligence Laboratory and the Massachusetts Institute of Technology, the earliest example of electronics or digital commerce.

- **1979**: Michael Aldrich demonstrates the first online shopping system.
- **1981**: Thomson Holidays UK is the first business-to-business online shopping system to be installed.
- **1996**: India MART B2B marketplace was established in India.
- **2007**: Flipkart was established in India. Every E-marketing or commercial enterprise uses majorly digital means for their marketing purposes.

In **2011**, the digital marketing industry in India report statistics revealed that advertising via mobile phones and tablets was **200% lower** than in the following years. During this year, the net worth was \$2 billion.

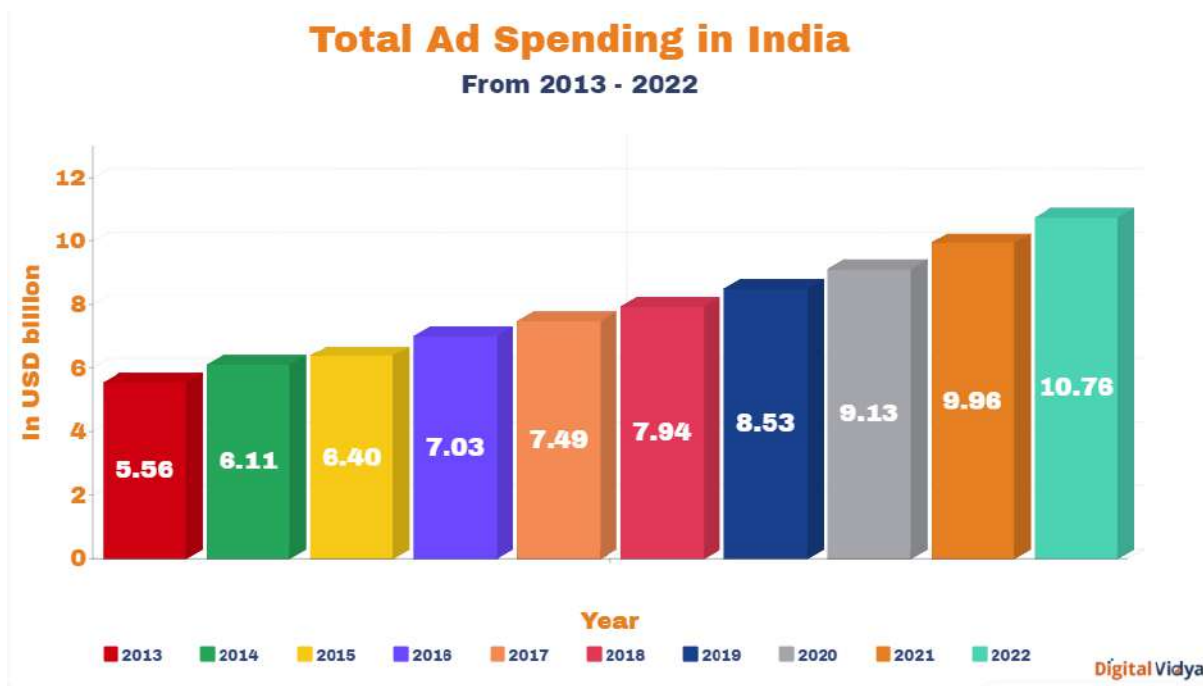
The growth was geometric, as it rose to **\$6 billion** in 2014. In 2022 Indian advertising market reached \$11 billion and is expected to rise more and reach \$14 billion by 2024.

The competitive growth demands more improvement in career work, and professionals are being added to the field.

The total investment increase from 2012 to 2022 was 1.5 billion dollars over the preceding years. There has been impressive growth up till this present moment.

The digital marketing in India PPT report by the International Journal of Advanced Research Foundation revealed that India had seen a golden period in the Internet sector between 2012 to 2022.

With incredible growth opportunities and secular growth adoption for E-Commerce, Internet Advertising, Social Media, Search, Online Content, and Services relating to digital marketing.



Today, the digital marketing industry in India is growing at its peak and is still continuous. Many factors are responsible for this growth.

The use of communication tools has dramatically changed in the year past—no one ever thought to have a credible deal online.

3.1.1 Current Scenario of Digital Marketing Industry in India Statistics

Digital marketing is one of the most important aspects of any business today. It allows businesses to connect with potential and current customers through various digital channels, such as social media, email, and search engines. In India, digital marketing is overgrowing, with the Indian **digital marketing industry in 2025** expected to be worth **\$160 billion**, suggests a Goldman Sachs report.

The current scenario is fascinating. A growing number of businesses and entrepreneurs are recognizing the potential of digital marketing and using it to grow their businesses. The number of digital marketing agencies in India is also increasing as more businesses seek expert help to create and execute effective digital marketing campaigns. By 2023, the number of dynamic Indian web clients will be around 666 million. As a result of lockdowns in India's online business industry, Global Data predicts that the market will reach **7 trillion rupees by 2023**.

Through the COVID crisis, marketers and advertisers on digital platforms have seen an increase in investment. Today, even the world's largest companies are rethinking their marketing budgets to focus more on digital. The Indian e-commerce market is projected to reach Rs 7 trillion by 2023 due to the pandemic and multiple lockdowns, which suggests that digital marketing is booming. This growth not only positively impacts businesses but also improves people's lives.

How much time do Indians spend online?

According to the Ericsson ConsumerLab report, Indians now spend an average of **3.4 hours per day online**—this is in addition to students or employees who may spend up to another 3 hours for online classes or work. To be specific, smartphone users said they spent 5 hours and 24 minutes every day on their devices.

During the pandemic, as many as **46% of users** engaged with e-learning platforms. Internet browsing (about 89 minutes a day) and watching short or long video content (about 92 minutes a week) were two practical uses of time. Around **10% of the online time** was also used for voice calls. In India, more people seem to use smartphones than laptops or PCs to access the internet. **52% of surveyed users** said they preferred smartphones. Many factors could decide that, including the ownership of a laptop and access to a wired broadband service. This has also meant that 4 in every 5 smartphone users are interested in buying ready for 5G in 2021 and beyond. There is also a strong connection with mobile service providers such as Airtel, Reliance Jio, and Vi. Every seventh smartphone user thinks their current service provider for prepaid or postpaid connectivity is the market leader in most areas, according to the Ericsson ConsumerLab poll.

Furthermore, more than **58% of respondents** in the ConsumerLab survey thought their selected mobile provider would be the industry leader for 5G services. Shopping is increasingly conducted online, with a worldwide trend to do so.

3.1.2 Best Digital Marketing Agencies in India

Some of the Best Digital Marketing Agencies are:

- **Webchutney**

India's leading digital marketing agency. Webchutney has announced key movements within executive leadership across New Delhi and Mumbai. The move signifies a clear mandate to accelerate growth by forging stronger ties with partners and clients while streamlining vertical units and fortifying operational efficiency. The agency has grown to over 200 people across New Delhi, Mumbai, and Bangalore, with a diverse client portfolio ranging from startups to Fortune 50 companies within 13 years of establishment. Webchutney was Ranked India's number-one digital agency in 2008, 2009 & 2011. Their services include online advertising, Website Designing, Mobile Marketing, SEO, Analytics, Application Development, and Social Media.

Some of their clients are Airtel, Flipkart, Pepsi, Coca-Cola, Bacardi, Red Bull, PepsiCo, Mastercard, and Microsoft, to name a few.

- **Pinstorm**

Pinstorm is a digital advertising firm headquartered in Mumbai, India, with offices in New Delhi, Bangalore, Singapore, Kuala Lumpur, Zurich, and Santa Clara within 13 years of establishment. It's a world where not just desktops and mobile phones but TV programs, billboards, and newspapers are going digital. The world where industrial-era practices of command-and-control or even Kotler-type 4P approaches don't cut it anymore. The world that demands a different kind of business and brand thinking.

At Pinstorm, they offer an entirely new approach to building your brand in this digital age. An approach is driven by a different philosophy – where they believe innovating on the product offering can be far more impactful than innovating in TV commercials.

- **OBBSERV**

Obbserv is a leading technology-driven digital marketing and web assets development company co-founded by an IIT Delhi Alumnus having 5+ years of experience. The team of Obbserv consists of 30+ talented members, some of whom are tech geeks, creative designers, innovative storytellers, and genius strategists. From offering cost-effective marketing strategies to giving trackable and quantifiable results of increased rankings, traffic, and conversions, Obbserv's result-oriented approach is both its strength and motivation.

Some of the prominent clients Obbserv has worked with include but are not limited to the **International Finance Corporation (World Bank), IIM – Ahmedabad, Indian Institute of Crafts and Design, Limeroad, etc.**

- **Gozoop**

Gozoop was established in 2010. Gozoop is not a run-of-the-mill digital agency. Besides the apparent services like social media consultancy, lead generation, viral campaigns, and SEO/SEM services, Gozoop puts in a lot of effort in R&D and creating innovative services and solutions. One of Gozoop's first in-house products, Zozolo.com, deals with social commerce

and loyalty solutions. Gozoop has a mobile division as well that develops mobile apps. Gozoop services are now viral throughout India.

- **Avignyata Inc.**

Avignyata means omnipresent. They are a company striving to take the services of **websites, mobile applications, social media marketing campaigns, and search campaigns and manage online reputation** to all parts of India.

Avignyata is involved in fulfilling the mandate of the rise in social media marketing in India. They are one of the pioneers and leading digital marketing industries in Mumbai, with skilled professionals with marketing insights. Their objective is to develop a virtual ubiquity for the brands, incorporate all the areas that positively impact the brand, help clients analyze their online outreach, and promote them as a Social Media entity.

- **Windchimes Communications Pvt . Ltd.**

Windchimes is a global-award-winning digital media agency redefining conventional marketing from one-way brand speaks to building a dialogue.

We provide the entire bouquet of digital services, including Social Media, Web & Mobile Development, Design, Video & Publishing solutions, Social media advertising, SEO, PPC & Display, and Educational Workshops.

- **Antz Media**

They focus on internet-based management of products and services. The company is located in Kochi. they provide the following services: Online brand management, designing solutions, and multi-level marketing: They provide all these services to the following companies and brands: Melathil, Ayu: Care, Heal Wellness Solutions, Oberon, Euro Agencies, IAAI, Deeksha, Precision Solutions, Food Circle, Coral Designer Tiles

- **BC Web Wise**

This company has worked hard with a perfect number of clients. They deal with all aspects of internet media solutions and other advertising and promotional need of clients. They produce the following services: internet media solutions, websites, internet advertising, e-newsletters, mobile marketing, online research, and content management. Their services have cut across the following company or brands:

Hindustan Unilever, Microsoft, ITC, Kellogg's Chocos, ABN Amro, Yahoo (India and Singapore), M ONE, MindShare, WNS, Madison, Kingfisher Airlines, PCS Technology, Ruchi, Crest Communications, Indian Institute of Interior Design, Zydus Cadilla, Peerless, BPL, Johnson n Johnson, HP Gas, Star TV, Garnier, Maruti, Crossword, Orange, etc.

Digital Marketing Trends

- What are digital marketing trends in India? This is a question that businesses, both small and large, are trying to answer. After all, the digital space is constantly evolving, and what worked last year may not work this year.
- One of the digital marketing trends that we see in India is a move toward personalization. Consumers are becoming increasingly accustomed to seeing personalized content, whether in the form of recommendations from friends on social media or ads relevant to their interests.

As a result, businesses are investing more in personalization technologies such as marketing automation and data management platforms.

3.1.3 Future of Digital Marketing in India

Digital marketing in India is still in its nascent stage, with most businesses yet to fully understand and leverage the potential of digital channels for their marketing efforts.

However, with the rapid growth of the digital economy and an increasing number of internet and mobile users, we can expect digital marketing in India to play a much more significant role in the future.

As businesses become more digital-savvy and consumers get more comfortable with digital channels, we will see a further increase in the adoption of digital marketing techniques such as personalization, video content, programmatic advertising, etc.

This will lead to a more competitive digital landscape where businesses must continuously innovate and invest in new technologies and strategies to stay ahead of the curve.

So, what does the future hold for digital marketing in India? We can only wait and see how this rapidly evolving industry will take shape in the years to come.

But one thing is for sure, digital marketing is here to stay and will only get bigger and better.

To be ready for future scope digital marketing demands, businesses, as well as professionals, need to be ready for the following trends-

➤ **Customization:**

One of the trends that are here to stay is customization. As consumers become increasingly accustomed to seeing personalized content, businesses must invest in personalization technologies to remain competitive.

➤ **Customer Segmentation and Targeting:**

With the increasing data availability, businesses will need to focus on customer segmentation and targeting to deliver more relevant and targeted content. Precise customer targeting is a digital marketing technique that involves identifying and targeting specific customers with personalized messages. This helps create a more efficient and effective marketing campaign by ensuring that people receive the right message at the right time.

➤ **Increasing demand for AI:**

As businesses strive to remain competitive, the demand for AI-powered digital marketing tools and solutions will only increase.

➤ **NFTs, Cryptocurrencies, and Virtual Reality:**

To maintain a competitive edge, businesses must investigate novel technologies like NFTs, cryptocurrencies, and virtual reality.

➤ **Conversational Marketing:**

Conversational marketing will become more important as consumers increasingly expect brands to be available 24/7.

➤ **Storytelling:**

Storytelling will continue to be an essential digital marketing industry tactic as it helps businesses connect with their customers more resoundingly.

Overall, the suitability of the digital marketing industry in India in 2022 is growing daily. Businesses that have not yet started their digital marketing journey should do so as soon as possible to stay ahead of the competition. And those who are already on the digital marketing industry bandwagon should keep up with the latest trends and technologies to stay ahead of the curve.

3.2 Summary

The digital marketing industry in India is still in its initial phase. Most companies are still thinking about adapting to the medium, while top companies have already started exploring the importance of digital marketing. Smaller cities in India are giving birth to digital marketing agencies. Corporate organizations will be glad to spread the good news about their product to the entire large population. This can be achieved while literacy education is more intensified in the country & people take up online advertising in India. That is, literacy in the English language and another foreign language, literacy in the use of computers, and more digital marketing awareness by learning digital marketing. You can become a successful digital marketer by enrolling in digital marketing courses in SEO, SEM, PPC, etc.

3.3 Glossary

- **Webchutney**

India's leading digital marketing agency. Webchutney has announced key movements within executive leadership across New Delhi and Mumbai.

- **Pinstorm**

Pinstorm is a digital advertising firm headquartered in Mumbai, India, with offices in New Delhi, Bangalore, Singapore, Kuala Lumpur, Zurich, and Santa Clara within 13 years of establishment.

3.4 Self-Check Exercise

1. List out the Best Digital Marketing Agencies in India.

3.5 Answers to Self-Check Exercise

1. For answer refer to section 3.1.2

3.6 Terminal Questions

1. What is Current Scenario of Digital Marketing in India.

3.7 Answers to Terminal Questions

1. For answer refer to section 3.1,3.1.1

3.8 Suggested Readings

- BARONE, A. (n.d.). *Digital Marketing Overview: Types, Challenges, and Required Skills*. Retrieved from Investopedia: <https://www.investopedia.com/terms/d/digital-marketing.asp>
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LESSON 4

THE CONSUMER AND DIGITAL MARKETING

Structure

- 4.0 Learning Objectives
- 4.1 Introduction
- 4.2 Consumer Behaviour
- 4.3 Consumers Of Digital Marketing
- 4.4 Online Consumer Behaviour
- 4.5 Impact of Digital Marketing and Ecommerce on Consumer Behaviour
- 4.6 Summary
- 4.7 Glossary
- 4.8 Self-Check Exercise
- 4.9 Answers to Self-Check Exercise
- 4.10 Terminal Questions
- 4.11 Answers to Terminal Questions
- 4.12 Suggested Readings

4.0 Learning Objectives

After studying this lesson, you should be able to:

- Consumer Behaviour
- Impact of Digital Marketing and Ecommerce on Consumer Behaviour

4.1 Introduction

Digital marketing has undoubtedly pushed marketers all around the world to change the way they approach marketing. Not only that, but the evolution of marketing tools has affected how consumers behave and make decisions.

Digital marketing is the area of marketing that promotes goods and services using the Internet and other online-based digital technology like desktop and mobile computers and other digital media and platforms. The way brands and companies use technology for marketing has altered as a result of its development in the 1990s and 2000s.

Digital marketing campaigns have increased as a result of the integration of digital platforms into marketing strategies and daily life and the rise in the use of digital devices by consumers in place of physical stores. These campaigns often combine search engine optimisation (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, campaign marketing, data-driven marketing, e-commerce marketing, social media marketing, and social media advertising.

Consumer: A person or entity that buys products or services for their own use or consumption is referred to as a consumer. Consumers are essential to the economy because their desire for products and services fuels economic growth. Customers base their purchases on a range of considerations, such as cost, value, brand reputation, convenience, and personal preferences. Online evaluations, suggestions from friends and family, and marketing messaging could all have an impact. Businesses that want to succeed in the marketplace must have a solid understanding of

consumer behaviour and preferences since it enables them to better focus their marketing efforts, products, and services to their target market.

4.2 Consumer Behaviour

Consumer behaviour primarily refers to the buying habits and decision-making processes of consumers. These are people that are searching for goods and services for their own use.

Businesses all throughout the world value information on consumer behaviour. This is a result of their ongoing efforts to improve both the shopping experience and, ultimately, their sales numbers.

They can comprehend consumer expectations in the market by studying consumer behaviour. Additionally, it helps them to make adjustments that will allow customers to make wiser purchasing choices.

Information on what customers buy, where they buy it, and when they believe it is included in the study. Additionally, it displays details about their intentions, purchasing patterns, and other things.

What does History tell us about Changing Consumer Behaviour?

Every discovery and technological advancement in human history has improved society. Even though people have been using printing for at least 5,000 years, Johannes Gutenberg's development of the printing press in the 1500s marked a permanent shift in consumer behaviour. Manufacturers were given the ability to reach thousands of individuals through the modest newspaper. Newspaper advertisements were used by manufacturers of the time to sway and alter consumer behaviour. Newspapers' success is further demonstrated by the fact that they continue to alter consumer behaviour to this day.

The same thing happened when commercial radio first appeared in the 1910s and 1920s. Despite being a government monopoly at the time, radio stations found businesses willing to pay for the right to broadcast their commercials.

Similar holds true for TV and movies, which completely changed the way we influence consumers. Consumer behaviour was significantly influenced by watching movie stars and other famous people utilising or doing certain actions.

And in the modern-day, digital marketing—previously known as Internet marketing—does the same thing. However, unlike anything previously observed through newspapers, radio, TV, and movies, internet marketing is altering consumer behaviour. Or even offline media like hoardings and displays that are placed along roadsides.

4.3 CONSUMERS OF DIGITAL MARKETING

Consumers of digital marketing refer to the individuals or groups of people who are the target audience for digital marketing campaigns. The demographics, interests, and habits of these consumers can differ greatly; thus, it is crucial for organisations to comprehend their target audience in order to develop successful digital marketing strategies.

A wide spectrum of consumers is targeted by digital marketing, including:

1. **Business-to-business (B2B) consumers:** These are the companies that buy goods or services from other companies. Strategies including email marketing, social media marketing,

and content marketing are frequently used while dealing with B2B consumers in an effort to make strong connections with eminent decision-makers in the targeted company.

2. **Business-to-consumer (B2C) consumers:** These are those customers who buy goods or services for their own usage. Search engine marketing, social media marketing, email marketing, and content marketing are just a few examples of the many different types of digital marketing tactics that may be used to reach B2C consumers.
3. **Millennials and Generation Z:** These younger generations actively use digital platforms, such as social media, and are usually the target of digital marketing initiatives that place an emphasis on social responsibility and authenticity.
4. **Elderly consumers:** Although they may lack the younger generations' computer proficiency, older consumers still make up a sizeable section of the population and may be responsive to personalised and convenient digital marketing tactics.
5. **Busy professionals:** Many consumers who lead hectic lives or work long hours like the convenience of online buying and prefer time-saving personalized marketing experience.
6. **Tech savvy consumer:** Consumers who are at ease with technology and have a solid grasp of how digital platforms operate are more inclined to interact with digital marketing.
7. **Rural consumer:** Customers in rural locations may have less access to physical establishments and rely more heavily on internet buying.
8. **Budget-conscious consumers:** Digital marketing is a popular choice for customers who are concerned about their finances since it can give them access to discounts and promotions that they might not otherwise be aware of.
9. **Global consumers:** The internet has made it feasible for firms to engage with customers worldwide, and digital marketing can be a successful strategy for doing so.
10. **Niche audiences:** Certain groups of people may be the focus of some businesses, such as gamers, pet owners, and outdoor lovers. These audiences may be reached through digital marketing using techniques like influencer marketing, community outreach, and targeted advertising.

Businesses must be aware of the requirements, audience in order to effectively communicate with the what resonates most with the target audience, this examining consumer data, and testing various strategies over time.

4.4 Online Consumer Behaviour

Online consumer behaviour is the process of how consumers make decisions to purchase products in ecommerce.

The behaviours themselves — such as identifying a problem or deciding to make a purchase — are based on ever-evolving expectations and needs. And while needs look different for every shopper, the new expectations that currently drive online consumer behaviour are entrenched in commonality.

Expectations like product availability, delivery transparency, affordable shipping, and more recently, a convenient buying journey all affect how consumers make decisions to buy items online (and whether or not they'll remain loyal customers once they've made a purchase).

How COVID-19 transformed online shopping behaviour

When the COVID-19 pandemic hit, a remarkable and unprecedented shift occurred in ecommerce. Many brick-and-mortar stores were forced to close, and consumers were placed under stay-at-home orders.

Subsequently, consumers placed exceptional and unpredictable demand on the ecommerce marketplace to provide the products they previously purchased in person. In 2020, 84% of consumers shopped online more than before.

Initially, online stores struggled to meet this incredible demand. Products sold out at record pace, stock dwindled or disappeared altogether, and fast shipping and delivery lagged.

Eventually, ecommerce stores began to fall into step with this new, heightened demand. But along with that heightened demand for products, there was also a transformation in consumer expectations for what the online shopping experience should include.

These new expectations created different trends in online consumer behaviors. Even as brick-and-mortar stores began to reopen their doors, a large majority of consumers continued to utilize ecommerce to make purchases.

Consumers discovered positive components to online shopping that they enjoyed that weren't available in the traditional offline shopping experience. These positive online shopping experiences further encouraged new trends in consumer behaviours to take a steadfast hold.

Five online consumer behaviours and shopping trends

So, what new behaviour and shopping trends have emerged as a result of the COVID-19 pandemic?

A recent research study by Linnworks identified five significant ecommerce trends that help drive online consumer behaviour. And while these trends materialize at various points in the customer buying journey, they all have one constituent in common — convenience.

The key to success in ecommerce is understanding these new trends and adopting business strategies to meet the current expectations of a convenient buying journey.

1. Convenience is a top priority.

According to Linnworks' study, 76% of consumers value convenience as one of their top priorities. (And 78% of consumers now value convenience more than they did before COVID restrictions.)

One of the primary things consumers find convenient is the ability to browse an online store and check out as a guest. In addition, the fewer forms consumers have to complete — the more convenient and better they find their overall customer buying journey (and the more likely they are to return).

2. Easy access across all devices

81% of online shoppers seek a seamless transfer between devices throughout a buying journey. In fact, the expectation is now that consumers can begin a buying journey on one device, such as a desktop, and end on another, like their mobile device — without interruption.

This cross-device experience is also expected to include checkouts with personal details already completed on whichever device customers finalize their buying journey (even if they filled in these details on a different device).

3. Access to omnichannel shopping

With access to multiple technology options, consumers are engaged in an ‘always-on’ shopping experience. 70% of consumers now shop while multitasking (for example, while scrolling social media platforms). And they’ve come to expect that their favorite brands are on the same channels where they spend the majority of their time.

This maximizes convenience by ensuring they never have to leave their favorite and trusted platforms during the buying process. For retailers, this includes implementing an omnichannel model by focusing on various marketplaces where consumers spend their time and, more specifically, selling on social channels such as Facebook and Instagram.

4. **Effortless payment**

When retailers are considering tips to keep up with consumer expectations and behaviors, it’s essential to focus on every aspect of the customer experience.

Consumers seek convenience throughout the entire buying journey. As a part of that end-to-end buying convenience, they look to discover ecommerce online shops that have easy-to-setup payment gateways that also accept popular payment methods — such as “buy now, pay later.”

The simplicity of payment options drives 89% of consumers to make purchasing decisions more quickly. And 84% of consumers purchase larger ticket items with offered effortless and flexible payment options.

5. **Fast and reliable delivery**

95% of consumers feel that fast delivery options are a must-have factor when shopping online. That’s why ShipBob offers fast 2-day shipping and has a dispersed network of logistics centres to split inventory across to help reduce shipping costs, speed up delivery times, and meet customer expectations.

Shipping transparency is also highly expected of online retailers. In fact, 72% of consumers have abandoned their purchases over a lack of shipping transparency on ecommerce sites.

4.5 **Impact of Digital Marketing and Ecommerce on Consumer Behaviour**

- **Access to global marketplaces**

Digital marketing has provided consumers access to products from markets around the world unless importing goods is prohibited in your nation. With just a mouse click or a touch of your smartphone screen, it’s now simple to buy practically anything from any country or continent. VPN services may even help you to access geo-restricted content when it is inaccessible in your area.

As a result, more consumers are choosing expensive or uncommon imported goods that weren’t previously widely accessible. So, people now desire imported goods and, in many cases, the sophisticated tastes that come with spending a lot of money on items from elsewhere.

- **Real-time research into products**

When we examine how consumers conduct product research before purchasing, we may see another major shift in consumer behaviour. Increasing numbers of people now conduct online research into the benefits and drawbacks of everything through blogs, reviews on e-Commerce portals, manufacturer websites, and social media, regardless of whether it’s a cheap bar of soap or an expensive electronic device. Not even thirty years ago did people engage in this behaviour.

At least 80% of consumers read blogs and product evaluations during the initial stage of their purchasing process, according to studies and research conducted by digital marketing

companies. Simple decision-making while obtaining the most value for money is the aim of this type of research.

Therefore, no manufacturer can afford to ignore the impact of digital marketing on consumers. They know that a product won't do well in the market if it receives bad or unfavourable reviews. In order to sway consumer behaviour by tipping the scales in their favour, they create products that will unavoidably receive positive and favourable ratings.

- **Shopping baskets anywhere, anytime**

Customers now have the opportunity to use internet shopping to purchase a variety of goods from multiple suppliers, thanks to digital marketing. They have dozens of online stores where you can use coupons to get anything you want for less money or with significant discounts.

As a result, there is less steadfast devotion to a particular brand or retailer.

A consumer is well-informed about available options and costs thanks to email marketing, Facebook posts, tweets on Twitter, Instagram, and Pinterest ads, and pop-up adverts on the Internet. Such targeted adverts that are based on a user's browsing history are abundant thanks to Google AdSense.

There are so many online retailers to choose from that both buyers and sellers are spoiled for choice. Sincere and great reviews from affiliate marketers, who are primarily bloggers and digital marketers, influence consumers and direct them to make immediate purchases through affiliate links.

The Facebook Marketplace, Facebook pages, and online marketplaces like Etsy and Shopify are being used by retailers and artisans of all stripes to sell their goods concurrently. As a result, a customer has access to many channels for making the same purchase.

- **Discount mindset grows**

Consumers used to search for bargains in the past. Online retailers are in a race to give discounts on practically every product due to digital marketing courses and rising awareness of cheaper goods accessible elsewhere. For example, stores like Walmart, Target, and Giant, to mention a few, advertise discounts on particular days for particular products or give printed or online coupons.

Every price listed online already includes a tiny reduction, as shoppers on Amazon, eBay, and other websites will discover. In the past, a customer would have to bargain with business owners or salespeople to get a few dollars off the sticker price. Compare this situation to those earlier.

- **FOMO through email marketing**

Consumers may stay updated and connected with their preferred suppliers even when they are travelling abroad, thanks to email marketing, a crucial component of digital marketing.

They can learn about things like new releases and price reductions without physically going to a store. They discover that such material is instead readily sent to their email.

Customers no longer have to worry about missing an offer, a deal, or a new release. They can immediately place orders as an alternative. Customers can easily purchase by clicking on an interactive link provided through email marketing.

- **Customer loyalty is rare**

To keep customers' loyalty, the majority of online retailers give large discounts and freebies. It is more challenging than ever for any offline, brick-and-mortar business to develop a devoted consumer base. Because of this, merchants offer loyalty points for each dollar that customers

spend. These points can be redeemed for cash when paying bills for upcoming purchases. Then there are offers for cashback.

Amazon Prime is one such traditional illustration of a loyalty programme. Customers may access a number of services through Amazon Prime for a nominal annual fee, including free and speedier shipping, priority service when purchasing certain items, free music and movies, and much more. Consumer behaviour has changed as a result. All consumers desire value adds in addition to their purchases.

- **Credit and monthly instalments support purchases**

The purchase habits themselves are a key component of digital marketing and influence customer behaviour. Prior to the invention of credit cards, customers could not make purchases on credit or enjoy the luxury of deferring payment. This situation has been permanently altered by digital marketing.

Retailers are compelled to make purchasing easier by providing Equal Monthly Instalments (EMIs) and other amenities due to the drive to please customers online. In rare cases, merchants provide EMI plans and interest-free credit. These persuade customers to make an expensive purchase right away rather than delaying it.

- **Surveys and pennies for every thought**

Any person might be asked if they would have invested time in searching for and completing internet surveys a few years ago. The response would have undoubtedly been a resounding “no.”

All consumer companies are now engaged in fierce competition to outdo one another by developing and releasing cutting-edge items and utilising marketing technology due to digital marketing. Customer feedback is necessary for this. As a result, they have consumer-focused online surveys made using quiz software. Because market research firms reward their efforts with money or free shopping coupons from leading brands, consumers are more than happy to take part in online surveys or write product reviews.

4.6 Summary

The impact of Digital Marketing has been unprecedented on consumers as well as businesses. We are no longer strangers to the immense utility of leveraging digital channels to convey our messages most effectively. In this article, we will discuss the impact of digital marketing on consumers over time. The market scenario has gone through a momentous change with the proliferation of several digital channels. That includes websites, blogs, social media, and different applications. Every digital medium today is a platform for businesses to connect with consumers and provide more value to them.

4.7 Glossary

- **Consumer Behaviour**

Consumer behaviour primarily refers to the buying habits and decision-making processes of consumers. These are people that are searching for goods and services for their own use.

- **Online Consumer Behaviour**

Online consumer behaviour is the process of how consumers make decisions to purchase products in ecommerce.

- **Business-to-business (B2B) consumers:**

These are the companies that buy goods or services from other companies.

- **Business-to-consumer (B2C) consumers:**

These are those customers who buy goods or services for their own usage.

4.8 Self-Check Exercise

1. Define consumer Behaviour.
2. Define Online Consumer Behaviour.
3. Define Business to Business(B2B) Consumers.

4.9 Answers to Self-Check Exercise

1. For answer refer to section 4.2
2. For answer refer to section 4.4
3. For answer refer to section 4.3

4.10 Terminal Questions

1. Who are the Consumers of Digital Marketing
2. What is Impact of Digital Technology on Consumer Behaviour

4.11 Answers to Terminal Questions

1. For answer refer to section 4.3
2. For answer refer to section 4.5

4.12 Suggested Readings

- Wenzl, M. (n.d.). *Understanding Online Consumer Behaviors for a Better Customer Journey*. Retrieved from ShipBob: <https://www.shipbob.com/blog/online-consumer-behavior/>
- HAYES, A. (n.d.). *Social Media Marketing (SMM): What It Is, How It Works, Pros and Cons*. Retrieved from Investopedia: <https://www.investopedia.com/terms/s/social-media-marketing-smm.asp>
- Christina Newberry, A. W. (n.d.). *How to Create a Social Media Marketing Strategy in 9 Easy Steps (Free Template)*. Retrieved from Hootsuite: <https://blog.hootsuite.com/how-to-create-a-social-media-marketing-plan/>

LESSON -5

THE CONSUMER AND DIGITAL MARKETING -II

Structure

- 5.0 Learning Objectives
- 5.1 Attributes Of Online Buying Behaviour
- 5.2 Online Consumer Data or User Data
- 5.3 The Importance of Data Analytics in E-Commerce
- 5.4 Marketing Intelligence from user's online data understanding consumer demands.
 - 5.4.1 Advantages of Market Intelligence
 - 5.4.2 Importance of Market Intelligence
- 5.5 Summary
- 5.6 Glossary
- 5.7 Self-Check Exercise
- 5.8 Answers to Self-Check Exercise
- 5.9 Terminal Questions
- 5.10 Answers to Terminal Questions
- 5.11 Suggested Readings

5.0 Learning Objectives

After studying this lesson, you should be able to:

- Attributes Of Online Buying Behaviour
- Online Consumer Data or User Data
- The Importance of Data Analytics in E-Commerce
- Marketing Intelligence from user's online data understanding consumer demands.

5.1 ATTRIBUTES OF ONLINE BUYING BEHAVIOR

The uncontrollable (external and internal) elements that influence both traditional and online consumer behaviour has not changed. Yet, traditional and online marketers do not always employ the same methods to sway their clients' purchasing decisions.

The attributes of online buying behaviour have been categorised as functionality, psychological and content.

Additionally, out of the three categories, there are five subcategories:

- Usability,
- Interaction
- Trust,
- Aesthetics,
- Marketing Mix

Each of which includes a number of additional components.

1. Functionality attribute: Usability and interactivity are two components of the functionality elements, which are used to improve the online experience for customers by providing them with a well-functioning, quick-loading, easy-to-explore website.

- **Usability:** Online customer comfort, site speed and navigation, information architecture, the ordering and payment procedure, findability and accessibility, and search tools and processes are some elements that should be taken into account when evaluating usability.
- **Interactivity:** In this context, interaction encompasses more than just interacting with business staff; it also includes customization, post-purchase customer support, and network effects to online users.

2. Psychological attribute: The psychological aspects that depend on credibility and integrity to gain customers' trust in safe transactions are the security of customer data, and guaranteed return policies.

The psychological elements play key role in assisting online clients who are u e unsure about the vendor or unfamiliar with online transactions to get past their concerns about fraud and scepticism about the legitimacy of the website and seller. In order to drive visitors to browse and engage with them online, the websites must project credibility and integrity. Policies surrounding the usage of consumer data by online merchants and the existence of product return procedures are further elements that could influence client trust. Similarly, it is important to take into account various product risks, such as those related to the social, financial and performance risks.

3. Content attribute: Finally, the content considerations focus on the cutting-edge aspects of online presentation while dealing with aesthetics (design, presentation quality, design components, style/atmosphere) and the marketing mix (communication, product, price, promotion, fulfilment, and characteristics). These elements have a direct, significant impact on the web experience, reflecting its nature and/or impact on the purchasing process.

- **Aesthetics:** Aesthetics embrace the artistic and creative elements of the online presentation, aiming at pleasing appearance or effect. These components convey the website's environment, which is crucial for attracting online customers by persuading visitors to stop, look around, and maybe engage with the website. Website design, style, and environment play a significant role in how users interact with websites and make purchasing decisions.
- **The marketing mix:** The marketing mix's various components are still crucial to the online purchasing experience, but this discussion will focus on communication and fulfilment.
 - ✓ **Communication:** The quality of the information offered about the company's products, the clarity of the purchasing requirements, and the delivery terms are all aspects of communication. The lack of direct touch with the product can be somewhat made up for by providing detailed information on the website about the product, lowering the uncertainties of online shoppers. For instance, giving 360° view of the product, colour description, material description, shelf life of the product and many more.
 - ✓ **Fulfilment:** Digital goods (music, software, e-books, etc.) that can be conveniently supplied online are the only exception to fulfilment with website experience. Nevertheless, for all other products available online, order fulfilment and product delivery do not take place simultaneously with the online order. Customers' inclination to place orders and, more crucially, return to the website is directly impacted by how online suppliers handle orders and deliveries. The fulfilment process also includes a variety of payment choices, quick delivery, flexible delivery options, and order tracking, all of which are commonly highlighted.

5.2 Online consumer data or user data

Customer Data

Customer data stands for all information that online store customers provide when interacting with the online store website. Either through a mobile application, surveys, social media channels or marketing campaigns - in many steps the customer leaves information about oneself that may be valuable for the online store.

Types of Customer Data :

- **Personal Data**
this is data related to basic information necessary to make a purchase. They can be divided into two categories: Personal Data (PII) containing information such as the customer's first and last name, address or credit card details, and non-PII data related to cookies, device ID and the general location.
- **Behavioural Data**
this covers transaction data, user interaction with various store functionalities and device information. This information helps to analyze the dependencies and buying habits that customers reveal when shopping online.
- **Engagement Data**
refers to any user interactions with the store, browsing the offered products and likes on social channels. This customer data provides valuable insight into the performance of your store's marketing strategy.
- **Customer Feedback Data**
this includes customer reviews and opinions about the store and products, as well as the results of various types of surveys.

What type of data does eCommerce use?

eCommerce businesses use all types of customer data available to make appropriate business moves. All of them are particularly beneficial in helping brands stay competitive. They help eCommerce businesses identify challenges, find new opportunities and refine existing strategies.

Why collect customer data?

Collecting customer data in eCommerce allows a company to enhance a customer's shopping experience, making the customer more satisfied and increasing the company's revenue. In short, it benefits both the business and the consumer.

Benefits

The benefits of collecting customer information are vast. One benefit of having this data is that it allows businesses to give shoppers a more personalized shopping experience by understanding their likes and dislikes. In addition, businesses can learn from their past mistakes from customer data and make their business better for future customers.

Drawbacks

There are some drawbacks when it comes to collecting customer data. For one, consumers have a fear of releasing any information about themselves to businesses. This can make it difficult to collect customer data in some cases. In addition, eCommerce sites must be able to handle this information appropriately and assure consumers that their information is secure.

How do eCommerce businesses collect customer data?

There are many different ways in which your online store can collect customer data. But, it is important that eCommerce businesses responsibly collect customer data. Here are some ways in which to obtain customer information:

Offer incentives: A business may offer a discount to consumers who share their information.

Explain the benefits: Ask the consumer to take a survey to receive more personalized recommendations. The consumer is more likely to take the survey because they know it will benefit them.

Give them the power to opt-out: Many businesses allow users to opt out of email subscriptions and give them control over their information so that users will feel more comfortable sharing it.

How does the eCommerce industry use customer data?

Customer data opens up new opportunities for eCommerce businesses. It is used by eCommerce stores to make better decisions in increasing revenue, offer more efficient customer support responses, and conduct targeted promotions and marketing campaigns.

- Analyzing customer data helps in predicting trends or the next best-selling product.
- Customer Data in eCommerce helps businesses come up with innovative pricing strategies for every product rather than simply relying on competitors' prices.
- Most importantly analyzing customer data helps in forecasting product demands. With historical data one can make accurate demand forecasts, eliminating the risk of overstocking or understocking.
- eCommerce brands can accelerate conversions by offering better personalization experiences based on customer data collected.
- Analyzing customer data or big data allows eCommerce businesses to optimize their customer service and offer enhanced shopping experiences leading to better customer satisfaction and retention.
- Ultimately, eCommerce businesses collect customer data and use them to generate more sales. Analyzing customer data gets almost all answers for all eCommerce business problems.

5.3 The Importance of Data Analytics in E-Commerce

Data analytics has become increasingly important in today's e-commerce landscape. With the massive amounts of data generated by online transactions, businesses can gain valuable insights into customer behaviour and preferences, as well as identify trends and opportunities for growth. In this article, we'll explore the importance of data analytics in e-commerce and how businesses can leverage it to improve their performance.

1. Personalized customer experience

Data analytics can help businesses better understand their customers' behaviour, preferences, and needs. With this information, they can personalize their marketing messages, recommend products and services, and create a more engaging customer experience. For example, businesses can use data to send personalized emails, offer targeted promotions, and create tailored product recommendations.

2. Improved inventory management

Data analytics can also help businesses optimize their inventory management. By analyzing sales data, businesses can identify which products are selling well and which ones are not. This allows them to make more informed decisions about their inventory levels, reducing the risk of stockouts or overstocking.

3. Better pricing strategies

Data analytics can also help businesses develop better pricing strategies. By analyzing sales data, businesses can identify which products are most profitable and adjust their pricing accordingly. They can also use data to analyze the pricing strategies of their competitors and make informed decisions about their own pricing.

4. Enhanced marketing campaigns

Data analytics can also help businesses optimize their marketing campaigns. By analyzing customer behavior data, businesses can identify the most effective marketing channels, messages, and tactics. They can also use data to track the performance of their campaigns and make data-driven decisions about future campaigns.

5. Improved decision-making

Finally, data analytics can help businesses make better decisions. By analyzing data from various sources, businesses can gain a holistic view of their performance and identify areas for improvement. This allows them to make informed decisions about their marketing, inventory, pricing, and other key areas of their business.

5.4 Marketing Intelligence from user's online data understanding consumer demands.

Market Intelligence: Definition

Market intelligence is defined as the information or data that is derived by an organization from the market it operates in or wants to operate in, to help determine market segmentation, market

penetration, market opportunity, and existing market metrics. Market intelligence is a vital aspect to understand the state of the market, as well as helps collect competitor intelligence which in turn aids towards becoming profitable.

For example, A company wants to understand who is the right target audience for a mobile phone they are launching soon. A profile survey can help the company to shortlist its target audience based on the type of mobile device they are launching. For instance, if the colors of the phone are bold and its features are set in a manner to market it as a gaming mobile device, a survey will shortlist participants who prefer gaming, are in a younger age group and people who fall in a specific income range. Such information helps the company to focus its efforts on the right people thus saving costs and efforts.

Market intelligence is closely associated with market research and can be explained in three simple parts as follows:

- **Competitor Intelligence** – Competitor intelligence can be explained as the collection of data about your competitor using ethical methods such as government databases and public records. For example, Japanese automotive companies were able to capture the US markets and even dominate them using competitor intelligence. Understanding the need for high quality, fuel-efficient cars led them to strategize and penetrate the US market successfully.
- **Product Intelligence** – Product intelligence is gathering data related to competitor products or similar products in the market. For example, A telecommunications company needs to monitor the prices of competitive mobile phones in the same segment. A price drop in the competitor product can mean the company is introducing a new model in the market. Understanding such information can enable a company to strategically launch their models at the right time and price.
- **Market understanding** – Market understanding is knowing the market share of your company, trends in the market, the size of the market and which is your target market. Understanding the demand in the market, and customer wants can help a company tremendously to increase their revenues and market share. For example, A comprehensive market research can give valuable insights to a brand, for instance, the target market is age 20-40, upper-middle-class family and the trend in the market is for Crossfit training to get fit and healthy. A particular gym can use this information and provide services specific to this requirement enabling them to penetrate the market much faster than the usual gyms.

Businesses can use web data in the following ways to gather marketing intelligence:

1. **Web analytics:** By examining website traffic and user behaviour on their website, companies may understand more about customer behaviour. For example, they can identify which pages are most popular and how long people stay on the site. By using this data, the website can be made more user-friendly and optimised.
2. **Monitoring social media:** By keeping an eye on discussions and interactions on social media, businesses can learn more about the preferences and requirements of their customers. It is possible to use social media data to spot trends, assess consumer opinion of a company, and find interaction possibilities.

3. **Customer relationship management (CRM):** Businesses can develop marketing efforts and provide their customers with personalized experiences gathering and analysing data on customer behaviour and preferences.
4. **Online surveys and feedback:** By gathering client feedback through online surveys companies can discover more about the requirements and preferences of their target market and utilise this knowledge to enhance their goods and services.
5. **Predictive analytics:** Businesses may predict consumer behaviour and preferences by analysing massive data sets using machine learning algorithms. This allows them to predict customer needs and customise marketing initiatives accordingly.
6. **Search engine optimisation (SEO):** By examining search engine data, businesses can learn what words and phrases customers are using to look for their goods and services, which they may apply to optimize their website and content. It will help their website to show up in search results of google, whenever someone uses any specific word or phrase.
7. **Email marketing analytics:** By looking at email marketing statistics, companies may learn more about metrics like open rates, click-through rates, and other metrics that can help them better understand the preferences and behaviour of their customers.

5.4.1 Advantages of Market Intelligence

Market intelligence not only helps companies to distinguish their brand from its competitors but also helps in providing valuable information to stay in the game and excel at it. Following are some of the benefits that market intelligence provides.

- **Holistic view of the market** – Understanding the market completely can lead a company to success in no time. Market intelligence is gathering data in real time from the market and further understanding the customers, trends, behaviours, etc, thus enabling a company to stay competitive and meet market demands.
- **Customer retention** – No matter how old a customer is to a company, they are always being monitored and attacked by the competition. Understanding when the customer is dissatisfied and the reasons behind it can prevent loss of customers. Market intelligence can help you analyze and give you insights into the areas of improvements that are needed by the customers and thus help you retain them and understand customer lifetime value.
- **Improve sales process** – Businesses having a variety of products and a large number of customers often face an issue, i.e. which product to target to which groups? Market intelligence helps you to determine market segmentation, thus allowing the company to understand which product will succeed with which group of people.
- **Boost process efficiency** – Market intelligence helps businesses to boost overall efficiency and productivity by identifying gaps, giving actionable insights to devise crucial strategies and provides an organization with real time data and analytics.
- **Gives a competitive advantage** – First mover advantage or the launch of a product at the perfect time is a well heard off statement in a lot of business conversation. These are possible only by using market intelligence. Market intelligence helps you keep a watch on the competition, the upcoming trends, and gives a complete picture of the market, which allows a company to penetrate the market or capture the market share by launching a product or a new feature at the right time thus giving them a competitive advantage.

5.4.2 Importance of Market Intelligence

Market intelligence is vital to the success of any organization, being the foundation on which all marketing is based. Effective use of market intelligence involves the collection of data, analysis and end use of the information. Market intelligence helps you to become customer-centric, understand the market demands and consumer opinions, collect real-time relevant data, boost your upselling opportunities, reduce risks, capture higher market shares and gives you a competitive advantage. These benefits are crucial to the success of any business and hence market intelligence is one of the most crucial elements in executing effective plans for the prosperity of any business.

Following are a few points, to understand why market intelligence is crucial to any business.

- **To understand your position in the market** – Collecting market intelligence through surveys allows you to understand the market in-depth. It will give you insights into what the competitors are doing, what is the market demand and who will be your target audience and many more. Analyzing this information will enable a company to evaluate its position in the market and make strategies accordingly.
- **To evaluate your product** – Conducting marketing intelligence surveys will give you actionable insights on the product trends in the market, the demand for specific features and product specification currently in demand. Such information helps you to evaluate your product and make wise business decisions accordingly.
- **To know your target audience** – Gathering market intelligence will allow a company to understand the needs of the audience and using surveys, businesses can shortlist their target audience for specific products/services.
- **To conduct competitor analysis** – Market intelligence is a vast field. Conducting surveys to gather intelligence about your competitors is vital in today's business environment. Using such information, businesses can modify their products as per the need, understand competitor's failures or successes, and devise strategies based on the competitor's position

5.5 Summary

In conclusion, data analytics is becoming increasingly important in e-commerce. By leveraging data, businesses can gain valuable insights into customer behavior, preferences, and trends, as well as optimize their inventory management, pricing strategies, marketing campaigns, and decision-making. As e-commerce continues to grow, data analytics will become an essential tool for businesses looking to succeed in this competitive landscape.

Market intelligence is vital to the success of any organization, being the foundation on which all marketing is based. Effective use of market intelligence involves the collection of data, analysis and end use of the information. Market intelligence helps you to become customer-centric, understand the market demands and consumer opinions, collect real-time relevant data, boost your upselling opportunities, reduce risks, capture higher market shares and gives you a competitive advantage.

5.6 Glossary

- **Functionality attribute:**
Usability and interactivity are two components of the functionality elements, which are used to improve the online experience for customers by providing them with a well-functioning, quick-loading, easy-to-explore website.
- **Psychological attribute:**
The psychological aspects that depend on credibility and integrity to gain customers' trust in safe transactions are the security of customer data, and guaranteed return policies.
- **Aesthetics:**
Aesthetics embrace the artistic and creative elements of the online presentation, aiming at pleasing appearance or effect.
- **Customer Data**
Customer data stands for all information that online store customers provide when interacting with the online store website.

5.7 Self-Check Exercise

1. What is consumer data.
2. Write down the advantages of Market Intelligence.

5.8 Answers to Self-Check Exercise

1. For answer refer to section 5.2
2. For answer refer to section 5.4.1

5.9 Terminal Questions

1. What are the attributes of Online Buying Behaviour.
2. Write down the importance of Data Analytics in E-commerce.
3. How businesses can use Web Data to gather Marketing Intelligence.

5.10 Answers to Terminal Questions

1. For answer refer to section 5.1
2. For answer refer to section 5.3
3. For answer refer to section 5.4

5.11 Suggested Readings

- Wenzl, M. (n.d.). *Understanding Online Consumer Behaviors for a Better Customer Journey*. Retrieved from ShipBob: <https://www.shipbob.com/blog/online-consumer-behavior/>
- HAYES, A. (n.d.). *Social Media Marketing (SMM): What It Is, How It Works, Pros and Cons*. Retrieved from Investopedia: <https://www.investopedia.com/terms/s/social-media-marketing-smm.asp>
- Christina Newberry, A. W. (n.d.). *How to Create a Social Media Marketing Strategy in 9 Easy Steps (Free Template)*. Retrieved from Hootsuite: <https://blog.hootsuite.com/how-to-create-a-social-media-marketing-plan/>

LESSON – 6

BRAND BUILDING ON WEB

Structure

- 6.0 Learning objectives
- 6.1 Introduction
- 6.2 What does brand building involve?
- 6.3 Brand elements
- 6.4 Strategies to build brand on web
- 6.5 Benefits of Developing a Strong Brand
- 6.6 Summary
- 6.7 Glossary
- 6.8 Self-Check Exercise
- 6.9 Answers to Self-Check Exercise
- 6.10 Terminal Questions
- 6.11 Answer to Terminal Questions
- 6.12 Suggested Readings

6.0 Learning Objectives

After studying this lesson, you should be able to:

- Brand elements
- Strategies to build brand on web

6.1 Introduction

Brand

A brand is a set of visual assets, stylistic choices, and other resources that combine to form a cohesive image. A brand is more than a logo, name, or slogan. It could include almost anything that contributes to your company's reputation — like the tone used in your messaging or the dress code for your employees. The various ways you're perceived by the public *is* your brand.

A strong brand image helps differentiate your business from the competition. If you can establish a positive impression among your audience, attracting leads and retaining existing customers will become easier over time. This could lead to organic marketing as loyal customers feel inclined to advocate for your brand.

6.2 What does brand building involve?

Branding tactics typically fall into one of three categories — brand strategy, brand identity, and brand marketing. While these overlap, there are also important distinctions between them. All three are needed to develop a powerful brand image.

1. Brand strategy

Brand strategy determines what you want the brand to look like at a high level, prioritizes goals, and plans accordingly. Consistency is fundamental to a strong brand so it's especially important to create a clear plan before addressing the fundamentals.

Consider if you want the brand to have a professional and authoritative tone, or a casual and conversational tone. Determine what demographics you want to target. Clarifying these types of factors will help you in the initial steps toward building your brand.

2. Brand identity

Your brand identity is how you want to put basic concepts to practice. This involves concrete tasks like deciding on colors, brand messaging, and more. These should all tie together so audiences can recognize your brand in different contexts and on different channels.

3. Brand marketing

Marketing your brand is about how you use your strategy and identity to generate the best outcome for the business. Brand marketing focuses on questions like what social media platform to target or how to allocate advertising budgets. This should be handled by marketers who understand how to create messaging and run campaigns.

6.3 Brand Elements

Different brand elements make up all the brand's features. This includes not only **the visual side (colors, image, text)** but also what distinguishes it from the similar brands – **the components that make your brand unique**.

well-crafted brand elements attract more customers and thus increase sales, which is what business is all about. In addition, such branding elements ensure that the company is a professional workplace and motivate your employees.

Following are the seven most important types of brand elements.

1. Brand's essence

The essential part of a brand is **what it represents, i.e. its mission, values, and goals**. Many people mistakenly think that they are only useful for marketing purposes, to present on a website or to boost the brand image and awareness. In fact, they are mainly used by employees of a given company as a guide during the decision-making process to ensure that they appropriately represent the brand.

- **Brand mission and goals**

Every brand exists not only to sell products or services and generate profits, but also to fulfill its pre-established goals. Defining the goals will make the company's work and its contribution to both the audience and the global market meaningful.

Brand mission, on the other hand, is its commitment to its vision of the future. Every brand has to build its influence. Creating the brand mission and setting plans for future activities will enable your brand to maintain and develop its reputation in the right direction.

- **Brand values and vision**

A brand vision is the image a brand should have in the future. It is a visualization of what the brand will look like and how it will affect the audience and the industry within a few years. The vision provides direction for the brand and what it intends to be.

Brand values determine how a brand behaves on the market. They are often overused on websites to impress the target audience. Forming a connection with the clients is important, but it is not the main function of brand values.

2. Brand positioning

It consists of all aspects that affect the brand position on the market. The status of a brand is often among the reasons for choosing one brand over another. It is shaped by understanding the target audience, what they are already getting from competitors and how the brand is supposed to provide them with something different.

- **Target audience**

Every company and brand need an audience and customers to prosper. Everything a brand does has an impact on its clients and influences their final purchasing decisions. The better you understand your audience, what a brand means to them, the better you can align and position your brand on the market. In order to meet your customers' needs, you have to establish who they are and what they are looking for.

- **Competition**

Every brand has competitors that offer similar products, services or values to the consumers. To position yourself as a leader on the market, you need to have the customers' attention. Establish who your competitors are, how they run their companies, what they offer and how they are perceived.

- **Brand positioning direction**

Once you know your target audience and competition, you can create a brand positioning strategy. It is a clear summary that sets the direction for further branding and its subsequent brand elements.

3. Brand personalization

We live in the times of humanlike brands. Brands have learned to appeal to who their audience is as a person and to adapt to what attracts them. **A brand personality is a set of elements, such as archetype, language and brand voice.** They show how a brand intends to resonate with customers, from the way of communication to the personality traits.

- **Brand archetypes**

The twelve archetypes, introduced by psychiatrist Carl Jung, are a way of categorizing personality. On their basis, you can assess the personality of your target audience and develop your brand in that direction.

Brand archetypes are currently one of the most important branding elements.

- **Brand language**

Adapting the language your brand uses to communicate with its target audience is very important in branding. You should use formal forms if your goal is to attract industry experts,

and if your target group consists mostly of ordinary people, the way you communicate with them should be casual and easy to understand.

- **Brand voice**

Tone of the brand voice is as important in the branding process as brand communication. It is a tool that enables the brand to express itself better through its every component – from communication to visual elements.

4. Brand communication

Every brand has something to convey to its clients. However, you still need to know the most effective ways of getting that message across to your target audience. **This is where communication strategy comes in handy.**

Appropriate communication is part of the marketing strategy and an important branding element. It should be established with the most important elements of your business in mind – **brand name, slogan, message and history.**

- **Brand name**

Brand name is among the most important brand elements. It is the first thing customers learn about a brand so it should pique their interest. The brand name should be related to the industry in which the brand operates, easy to remember, catchy and evoke positive emotions.

- **Brand slogan**

Slogan should be a catchy and memorable sentence that defines a brand and resonates with its consumers. An effective slogan has a huge impact on the position of the brand on the market, and thus, the success of the business.

- **Brand message and story**

A brand's core message represents what it wants to convey to its audience. However, the main message is not everything – you cannot repeat the same words everywhere, in all communication channels. You should therefore create a set of key messages that will influence the consumers' perception of the brand and become the guiding tool for brand communication.

5. Brand identity – visual design

Brand identity elements are **the most recognizable branding elements**. Customers use them to define a strong brand. They appear in all marketing materials and are an integral part of the brand that shape its impact on audience perception. Brand identity elements are primarily its **visual identity** – logo, color scheme and typography.

- **Brand's logo**

The concept of logo is the easiest to understand when it comes to the branding elements. It has even become synonymous with the word brand. **A logo, like a brand name or slogan, is the most memorable element of brand identity**, so without it the business basically does not exist. Logo design is one of the most complex skills as it should create a lasting impression in just a few seconds. Good logos should be visible on everything they are put on, regardless of location and size.

- **Typography**

Typography is a brand element that also has a big impact on brand identity. There are many fonts and typefaces that have their own unique characteristics with which you can create a specific brand image. Poorly selected typography can destroy the brand identity because fonts are one of the most important logo design elements.

- **Color scheme**

Colors play a very important role in our lives. You need to understand the impact they can have on perception so you can tailor your color palette to the emotions and feelings your brand wants to evoke. **The color scheme is the most influential and one of the most effective tools among brand elements.**

Specific colors will be more memorable and instantly associated with a brand that uses them. However, they do not always have to be vivid colors. The brand colors palette is present in marketing materials, in the logo and on the website.

Images, graphics, photos

Images and graphics can also be considered as recognizable elements of a brand identity. **They can capture mood, tone, emotion, style or ideas.** They fulfill their functions properly only when the styles of images and graphics show the features of the strategy.

Graphics should be as expressive and unique as possible because it is easier for the audience to remember experiences and impressions. Brand colors also come into play here. Images need to follow a color scheme to keep the elements consistent.

6. Brand presence – meaning

This concept describes the way in which a brand **is visible and connects with the audience both online and in the real world.** Each brand element associated with its market presence must combine strategy and expression. A brand should have a website, be present on social media and visible through its content and advertising. These elements, when optimized, guarantee the success of a business. The way your headquarters look also matters, especially if it is a place where customers are received and served.

- **Website**

The website is a presentation of the brand. It contains all information about it, its products and services. It gives the clients the opportunity to contact you directly or even make a purchase, or place an order. The appearance, color palette, and each image are very important because the page must be consistent with all other brand elements. It should be intuitive to operate and have a simple shopping path with calls to action.

The website must be **user-friendly** and create a positive experience. Content is also extremely important. Create it using brand language that is relevant to your audience. Do not forget about SEO activities, as they translate directly into reaching a larger number of potential customers.

In addition to a website, creating a marketing one pager can be a strategic way to improve brand presence as it presents a brief outline of a company's products or services.

- **Social media**

Facebook, Instagram and Twitter are the most popular social media platforms, and having accounts on each of them is in every brands' best interest. Many people around the world scroll through their feeds every day, which makes it the easiest way to reach a lot of potential clients.

Social media is the most effective way to show people the personality of your brand and increase brand awareness by publishing engaging content. It is also one of the most important marketing channels for business as it allows you to use both buzz marketing and paid advertising.

- **Content and advertisement**

By knowing your target audience, you can create relevant content as well as advertisements and, as a result, make effective marketing decisions. The right messages will help you establish contacts and increase brand awareness. You should create content that engages your customers and enables them to understand and remember your brand better. A good advertisement, paired with an appropriate communication channel, will encourage them to buy your products or services.

- **Physical headquarters, shop, location**

Currently, most companies operate online, however, there are still a lot of those that operate from shops and offices. That is why it is worth choosing the right location and taking care of the company store or headquarters, especially if you intend to receive and serve customers there because the place also represents the brand. When you come to a restaurant, you pay attention to its location, surroundings, appearance, cleanliness and atmosphere.

7. Products and services

The products and services you offer are also very important brand elements. The purchasing decision depends on factors such as product quality, appearance, packaging, or smell and taste if you offer food products, which are all elements that should be taken into consideration during the branding process.

- **Taste and smell**

The taste and smell of products is very important for food brands and restaurants. It is the same with the fragrance of cosmetics and cleaning products, which consumers tend to associate with a given brand. The products should smell nice, and so should your store.

- **Product packaging**

Product packaging is yet another very important brand element. Many people base their purchase decision on the packaging itself, and not on the product. Packaging must not only contain all the most important information about its contents, but also be consistent with the brand color palette, name, logo or even a slogan. It is also an important part of the brand identity elements, which, together with the smell and taste, create a complete image of the product.

6.4 Strategies to Build Brand on Web

Building a strong brand identity is an extensive process beyond creating a brand name and logo. In this section, we'll go over the ten necessary steps to build a brand.

1. Define the Business Goals and Values

Before starting the brand-building process, define the business goals and values. This will help you understand the company's greater purpose and the necessary measures to fulfill it. Although there is no fixed format, the following can help you define your business's goals and values:

- **Vision statement.** Briefly describe the company's purpose and long-term goals in two to three sentences.
- **Mission statement.** Explain how the products impact customers and the steps required to achieve the vision.
- **Values statement.** Define the principles and code of ethics all employees should follow in daily operations.

The Coca-Cola Company's **purpose summary** states its vision to produce brands people love, build a sustainable business, and create a better-shared future for its stakeholders and shareholders.

2. Research Your Brand's Target Audience

Researching the target market lets businesses understand their potential customers and the marketing strategy that appeals to them.

One of the best ways to conduct market research is by defining a **user persona**, a fictional representation of your ideal customer.

Here's how to create one:

1. If you have existing customers, analyze their demographics, such as age range, location, and gender. But if you're a new small business owner, select a specific market group within a niche. For example, look for consumers who love vintage collections instead of targeting fashion buyers in general.
2. Research similar brands and study their customers.
3. Conduct user studies, interviews, and surveys to understand customers' needs, interests, pain points, and behaviour patterns.
4. After gathering enough information, create a buyer persona based on the common characteristics found during the research process.
5. Go the extra mile by making multiple personas to see how each subgroup fits different products.

3. Analyze the Competition

Keeping track of competitors is crucial to finding market gaps and exploring new opportunities. It also lets you draw inspiration from their successes and avoid potential failures.

To conduct competitor research, follow these steps:

1. Type in your niche on Google and list all businesses that appear on the search results. Alternatively, use competitor analysis tools like **Similarweb**.
2. Analyze their products or services, pricing structure, locations, and promotion strategies.
3. Conduct a **SWOT** analysis to determine their strengths, weaknesses, threats, and opportunities.
4. Explore review sites, social media platforms, and forums like **Reddit** to find the competitors' main issues.
5. Based on the findings, develop better products or services and solve those issues to win over the market.

4. Determine the Brand Positioning

Brand positioning is the process that helps a business differentiate itself from competitors, establishing a unique value proposition.

Start by figuring out key features and benefits that other companies do not offer, such as:

- **Affordable prices.** Cost-effective products can attract more customers. However, they often mean lower profit margins and product quality.
- **Innovative products.** Instead of charging low prices, create innovative and unique products. While it might take years of research and development, having few to no competitors gives companies more freedom when setting prices.
- **Excellent service.** Provide 24/7 customer support to answer user queries and solve their problems. In addition, offer after-sales service to maintain good relationships with clients, prompting them to become loyal customers.
- **Enjoyable user experience.** Create a seamless experience throughout the entire user journey. For instance, software companies can develop a user-friendly interface, cross-platform compatibility, and clear **information architecture**.
- **Premium goods.** High-end consumers tend to value quality over affordability. To target this market, highlight the product quality by showing the production process, explaining the materials used, and presenting the key benefits.

After that, write a brand positioning statement that outlines the target market and how specific products or services can fulfill their needs. This document acts as a brand style guide to keep internal stakeholders aligned on the same objectives.

5. Build Effective Branding Communication

A clear and effective communication strategy helps businesses convey messages and resonate their values with buyers. Start with a memorable business name, a catchy slogan, and a compelling story.

Come Up with a Business Name

If you do not already have one, **create a business name** that people will easily remember. Here are some tips:

- **The name should be relevant to your business.** For instance, when people hear Papa Ron's Pizza, they instantly associate it with a pizza restaurant.

- **Blend two words into one.** For example, Netflix combines the terms “internet” and “flicks,” a synonym for “movie.”
- **Use acronyms to shorten longer names.** Most people are familiar with BBC, yet they might not know it stands for British Broadcasting Corporation.
- **Take notes from folklore, literature, or foreign languages.** In Greek mythology, Nike is the goddess of victory, which inspired the popular shoe brand.
- **Use domain name generators.** When making a website, use domain name generators to find available domains that reflect the brand name. This is crucial to help customers locate your business site more quickly.

Write a Catchy Slogan

A slogan communicates a brand’s purpose in a concise yet memorable way. Follow these steps when creating one:

1. Brainstorm a list of phrases related to your industry and niche. Do not hesitate to use powerful words to emphasize the brand’s message and invoke emotion.
2. Take notes from the competitors or use an online slogan generator to help with the process. Make sure to keep the slogan short and straightforward.
3. After compiling the list, create an internal poll with relevant team members to narrow down the options. Then, pick the top three choices.
4. Perform A/B testing on the company’s website, social media platforms, and other marketing materials to see which slogan option performs the best.

Tell Compelling Brand Stories

Good narratives can spark emotional reactions from the target audience, helping companies increase brand awareness and engagement.

You can tell your brand’s story through blog posts, video advertisements, or social media posts. The following ideas will help with the process:

- **Provide a background story.** Telling stories about the founders or the company’s humble beginnings can make the brand more relatable to the audience.
- **Share the challenges.** Present the struggles of building your own brand and what you did to overcome them.
- **Aim for the greater good.** Identify an issue within your industry and build marketing campaigns around it. For instance, Toms Shoes resonated with customers and became a household name by giving away a pair of shoes for each one sold.

6. Design the Brand’s Visual Identity

Another way to define brand identity is through visual elements, including logos, color palettes, and fonts.

Apply the following tips when creating visuals for a brand identity:

- **Create a memorable brand logo.** A unique brand logo helps companies build brand awareness, capture the audience’s attention, and make an excellent first impression. To save time on logo creation, consider **Hostinger’s AI logo generator**.

- **Choose a suitable website color scheme.** Studies suggest that colors boost brand recognition by 80% and influence 85% of consumers' buying decisions. Stick with web-safe color combinations to keep a consistent look across all major browsers.
- **Determine the typography.** Fonts can make the difference between an attractive and an unappealing design. We recommend browsing through **Google Fonts'** free options to pick the right one.
- **Match the brand's personality.** Use visual elements that represent your brand personality. For instance, an organic food company might implement a green color palette or use a picture of fresh vegetables in the logo.
- **Learn from competitors.** Take notes from other companies within the same industry, identify their visual identities' weaknesses, and develop a better concept.
- **Create brand guidelines.** A brand guideline sets the standards and rules for how employees and business partners should display a brand's logo, visual identity, and typography. This document helps maintain uniformity and consistency across all marketing channels.

7. Branding the Company's Website

Every business needs a website to establish a solid online presence and credibility, which are crucial for bringing in more leads.

Thankfully, making a website does not have to be complicated or expensive. There are various user-friendly site builders like Hostinger Website Builder and **CMS** platforms like **WordPress**. Many of these platforms come with an easy setup and customizable templates, speeding up the creation process.

For best results, a business site should have the following content:

- **Homepage.** To make a good first impression, the homepage should immediately tell visitors about your company and its products or services.
- **About page.** Describe the company's mission, brand story, target customers, and positioning statement. Display each team member's name, background, role, and photo to build an emotional connection with customers.
- **Product or service page.** Explain the product or service's pricing structure, key features, and unique selling points.
- **Landing page.** **Creating a landing page** helps businesses convert users to perform specific actions, including signing up for a free trial, subscribing to a newsletter, and making a purchase.
- **Testimonials.** Provide social proof by displaying positive reviews from past and existing customers. This strategy increases customer trust, encouraging them to buy your products.

Once ready, apply the following tips when designing the website:

- **Be consistent.** Place the company name and brand logo throughout the site. Implementing consistent color palettes can also help visitors remember your brand identity easier.

- **Keep it clutter-free.** Avoid distracting elements that might sway the customer's attention. Instead, use a simple layout, readable fonts, and concise copy to maintain focus on your business, products, and services.
- **Consider user experience.** A clear navigation system and a built-in search engine help visitors quickly locate relevant content, ensuring an enjoyable browsing experience.
- **Optimize the pages.** After creating the website, the next step is promoting it. Implement **search engine optimization (SEO)** best practices to boost its rankings and drive more organic traffic.

8. Implement Content Marketing to Build Authority

After building a website, nurture relationships with readers by creating informative blog posts. This content type lets businesses showcase their expertise and authority on a topic.

Start by conducting keyword research to identify the target audience's pain points using tools like Google Keyword Planner. Simply enter your business niche or industry, and the tool will display a list of keyword ideas along with their search volume.

After deciding on a topic, consider making one of the following pieces:

- **Ultimate guides.** Create comprehensive and detailed tutorials so readers do not have to read competing articles.
- **Industry reports.** Reports, studies, and other fact-driven articles are valuable for readers and help you generate backlinks.
- **Case studies.** Tell the success stories of past and existing clients to convince potential buyers.
- **Find a Unique Brand Voice**
- With millions of blog posts published daily, a brand personality will give you a competitive advantage. It lets companies shape the audience's perception of the brand and persuade them to convert through written content.
- One of the best ways to establish a brand personality is by finding a distinctive brand voice.
- When deciding on a brand voice, consider the target audience. Use a professional tone when writing for a business-minded audience. In contrast, injecting some personality and wit into your writing might be more appealing to casual readers.

9. Integrate the Brand Effectively Across Other Marketing Channels

Social media, email, and search engine marketing are other effective marketing channels for promoting a business.

- **Social Media Marketing**
Due to their popularity, social platforms like **Twitter**, **Facebook**, and **Instagram** provide a great starting point for building brand awareness and customer interaction. There are many ways to market through social media. For example, you can create entertaining and relatable posts, reply to followers' comments, engage in popular topics, and partner with influencers.
- **Email Marketing**
Creating email newsletters is an excellent way to build connections with potential leads, share company updates, and promote a product.

To start an email marketing campaign, sign up for services like Sendinblue or Drip. Then, convince users to subscribe by offering incentives like free eBooks or coupon codes. When sending newsletters, use catchy subject lines to increase the **email open rate**. Compelling copy and a clear CTA also help encourage recipients to perform the desired action.

- **Search Engine Marketing (SEM)**

Although it's mostly free of cost, building organic traffic through SEO is a long-term process. To speed up the process, consider buying ad space on the search engine results pages (SERPs).

The most popular paid advertising model is pay-per-click (PPC), where advertisers pay the publisher for every click their online ads receive. Sign up for advertising networks like **Google Ads** and display ads and attract more visitors.

10. Maintain Brand Reputation

After starting a brand, maintaining its reputation is crucial in helping the business thrive. To maintain brand reputation, consider the following tips:

- **Deliver excellent service.** Satisfied users are more likely to become brand advocates. In fact, **72% of consumers** share a positive user experience with at least six people.
- **Monitor brand mentions.** Google your business regularly to find good and bad reviews of your brand on other sites and discussion forums. Tools like **Agile CRM** help monitor brand mentions on social media.
- **Address negative comments adequately.** Quickly respond to negative comments. Contact the unhappy customer, provide solutions, and offer compensation to restore their trust.
- **Improve employee satisfaction.** Unhappy employees may express their dissatisfaction on social media. To prevent this, ask for their feedback consistently to create a better work environment.
- **Gather social proof.** Encourage past and existing clients to leave positive testimonials on **popular review sites**. This is important, as **nine out of 10 consumers** read online reviews before making a purchase.

6.5 Benefits of Developing a Strong Brand

Dedicating time, effort, and resources to developing a brand may seem unnecessary for new business owners. If that's your case, let's take a look at how a strong branding process can help a business succeed:

- **Provide a clear guideline.** Brand identity helps business owners determine the company's vision and goals upfront, providing a clear path to success.
- **Boost credibility.** Most people consider established brands more credible and reliable, prompting them to make purchases.
- **Increase recognition and exposure.** Customers tend to recommend brands they like to their friends and families. Free word-of-mouth marketing increases a company's reach and potential leads.

- **Attract ideal customers.** It's easier to attract customers when they relate to the brand's values and mission statement.
- **Get repeat sales.** Providing a unique selling proposition can help businesses acquire returning customers.
- **Increase revenue.** Good brand-building efforts increase sales and revenue. In fact, **46% of US consumers** spend more on businesses they trust.

6.6 Summary

Designing an entire brand is crucial to establish your business in the market. Since the brand-building process entails a lot of time and investment, it's important to prepare accordingly. To build a successful brand strategy, apply the following best practices:

1. Define the business purpose, goals, and values.
2. Conduct research to understand the target audience and competitors. Then, offer unique selling points to establish a strong market positioning.
3. Create a strong brand image and identity through a memorable name, logo, catchy slogans, compelling stories, and consistent visual design.
4. Promote the brand using various marketing channels, including websites, social media platforms, and email. Drive traffic to your website through search engine optimization strategies and paid advertising.
5. Maintain brand reputation by answering negative reviews and compensating unsatisfied customers.

6.7 Glossary

- **Brand**
A brand is a set of visual assets, stylistic choices, and other resources that combine to form a cohesive image. A brand is more than a logo, name, or slogan. It could include almost anything that contributes to your company's reputation — like the tone used in your messaging or the dress code for your employees.
- **Brand strategy**
Brand strategy determines what you want the brand to look like at a high level, prioritizes goals, and plans accordingly.
- **Typography**
Typography is a brand element that also has a big impact on brand identity. There are many fonts and typefaces that have their own unique characteristics with which you can create a specific brand image.

6.8 Self-Check Exercise

1. What is Brand Name
2. Define Brand Strategy
3. What does brand building involve?

6.9 Answers to Self-Check Exercise

1. For answer refer to section 6.3
2. For answer refer to section 6.2
3. For answer refer to section 6.2

6.10 Terminal Questions

1. What are the Elements of Brand.
2. Write down the Strategies to Build Brand on Web.
3. What are the Benefits of Developing a Strong Brand.

6.11 Answers to Terminal Questions

1. For answer refer to section 6.3
2. For answer refer to section 6.4
3. For answer refer to section 6.5

6.12 Suggested Readings

- Wenzl, M. (n.d.). *Understanding Online Consumer Behaviors for a Better Customer Journey*. Retrieved from ShipBob: <https://www.shipbob.com/blog/online-consumer-behavior/>
- HAYES, A. (n.d.). *Social Media Marketing (SMM): What It Is, How It Works, Pros and Cons*. Retrieved from Investopedia: <https://www.investopedia.com/terms/s/social-media-marketing-smm.asp>
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LESSON – 7

SOCIAL MEDIA MARKETING

Structure

- 7.0** Learning Objectives
- 7.1** Social Media Marketing (SMM)
- 7.2** Why Is Social Media Marketing So Powerful?
- 7.3** How Social Media Marketing Works
- 7.4** Social Networking
 - 7.4.1** Major Social Networking Platforms
 - 7.4.2** Advantages and Disadvantages of Social Networking
- 7.5** Social Media Marketing Tools
- 7.6** Summary
- 7.7** Glossary
- 7.8** Self-Check Exercise
- 7.9** Answers to Self-Check Exercise
- 7.10** Terminal Questions
- 7.11** Answer to Terminal Questions
- 7.12** Suggested Readings

7.0 Learning Objectives

After studying this lesson, you should be able to:

- Social Media Marketing (SMM)
- Social Networking
- Social Media Marketing Tools

7.1 Social Media Marketing (SMM)

Social media marketing, or SMM, is a form of internet marketing that involves creating and sharing content on social media networks in order to achieve your marketing and branding goals.

Social media marketing includes activities like posting text and image updates, videos, and other content that drives audience engagement, as well as paid social media advertising.

The goal of SMM is to produce content that users will share with their social network to help a company increase brand exposure and broaden customer reach.

- One of the key components of SMM is social media optimization (SMO). Like search engine optimization (SEO), SMO is a strategy for drawing new and unique visitors to a website. SMO can be done two ways: adding social media links to content, such as RSS feeds and sharing buttons - or promoting activity through social media by updating statuses or tweets, or blog posts.
- SMM helps a company get direct feedback from customers (and potential customers) while making the company seem more personable. The interactive parts of social media give customers the opportunity to ask questions or voice complaints and feel they are being heard. This aspect of SMM is called social customer relationship management (social CRM).

- SMM became more common with the increased popularity of websites such as Twitter, Facebook, Myspace, LinkedIn, and YouTube. In response, the Federal Trade Commission (FTC) has updated its rules to include SMM. If a company or its advertising agency provides a blogger or other online commenter with free products or other incentives to generate positive buzz for a product, the online comments will be treated legally as endorsements. Both the blogger and the company will be held responsible for ensuring that the incentives are clearly and conspicuously disclosed, and that the blogger's posts contain no misleading or unsubstantiated statements and otherwise complies with the FTC's rules concerning unfair or deceptive advertising.

Social media marketing (SMM) refers to techniques that target social networks and applications to spread brand awareness or promote particular products. Social media marketing campaigns usually centre around:

- Establishing a social media presence on major platforms
- Creating shareable content and advertorials
- Cultivating customer feedback throughout the campaign through surveys and contests.

Social media marketing is perceived as a more targeted type of advertising and is therefore believed to be very effective in creating brand awareness.

7.2 Why Is Social Media Marketing So Powerful?

The power of social media marketing (SMM) is driven by the unparalleled capacity of social media in three core marketing areas: connection, interaction, and customer data.

- **Connection:** Not only does social media enable businesses to connect with customers in ways that were previously impossible, but there is also an extraordinary range of avenues to connect with target audiences—from content platforms (like YouTube) and social sites (like Facebook) to microblogging services (like Twitter).
- **Interaction:** The dynamic nature of the interaction on social media—whether direct communication or passive “liking”—enables businesses to leverage free advertising opportunities from eWOM (electronic word-of-mouth) recommendations between existing and potential customers. Not only is the positive contagion effect from eWOM a valuable driver of consumer decisions, but the fact that these interactions happen on the social network makes them measurable. For example, businesses can measure their “social equity”—a term for the return on investment (ROI) from their social media marketing (SMM) campaigns.
- **Customer Data:** A well-designed social media marketing (SMM) plan delivers another invaluable resource to boost marketing outcomes: customer data. Rather than being overwhelmed by the 3Vs of big data (volume, variety, and velocity), SMM tools have the capacity not only to extract customer data but also to turn this gold into actionable market analysis—or even to use the data to crowdsource new strategies.

7.3 How Social Media Marketing Works

As platforms like Facebook, Twitter, and Instagram took off, social media transformed not only the way we connect with one another but also the way businesses are able to influence consumer

behaviour—from promoting content that drives engagement to the extracting of geographic, demographic, and personal information that makes messaging resonate with users.

SMM Action Plan

The more targeted your social media marketing (SMM) strategy is, the more effective it will be. Hootsuite, a leading software provider in the social media management space, recommends the following action plan to build an SMM campaign that has an execution framework as well as performance metrics:

Align SMM goals to clear business objectives

- Learn your target customer (age, location, income, job title, industry, interests)
- Conduct a competitive analysis of your competition (successes and failures)
- Audit your current SMM (successes and failures)
- Create a calendar for SMM content delivery
- Create best-in-class content
- Track performance and adjust SMM strategy as needed

Customer Relationship Management (CRM)

Compared to traditional marketing, social media marketing has several distinct advantages, including the fact that SMM has two kinds of interaction that enables targeted customer relationship management (CRM) tools: both customer-to-customer and firm-to-customer. In other words, while traditional marketing tracks customer value primarily by capturing purchase activity, SMM can track customer value both directly (through purchases) and indirectly (through product referrals).

Shareable Content

Businesses can also convert the amplified interconnectedness of SMM into the creation of "sticky" content, the marketing term for attractive content that engages customers at first glance, gets them to purchase products, and then makes them want to share the content. This kind of word-of-mouth advertising not only reaches an otherwise inaccessible audience but also carries the implicit endorsement of someone the recipient knows and trusts—which makes the creation of shareable content one of the most important ways that social media marketing drives growth.

Earned Media

Social media marketing (SMM) is also the most efficient way for a business to reap the benefits of another kind of earned media (a term for brand exposure from any method other than paid advertising): customer-created product reviews and recommendations.

Viral Marketing

Another SMM strategy that relies on the audience to generate the message is viral marketing, a sales technique that attempts to trigger the rapid spread of word-of-mouth product information. Once a marketing message is being shared with the general public far beyond the original target audience, it is considered viral—a very simple and inexpensive way to promote sales.⁵

Customer Segmentation

Because customer segmentation is much more refined on social media marketing (SMM) than on traditional marketing channels, companies can ensure they focus their marketing resources on their exact target audiences.

Tracking Metrics

According to Sprout Social, the most important social media marketing (SMM) metrics to track are focused on the customer: engagement (likes, comments, shares, clicks); impressions (how many times a post shows up); reach/virality (how many unique views an SMM post has); share of voice (how far a brand reaches in the online sphere); referrals (how a user lands on a site); and conversions (when a user makes a purchase on a site). However, another very important metric is focused on the business: response rate/time (how often and how fast the business responds to customer messages).

When a business is trying to determine which metrics to track in the sea of data that social media generates, the rule is always to align each business goal to a relevant metric. If your business goal is to grow conversions from an SMM campaign by 15% within three months, then use a social media analytics tool that measures the effectiveness of your campaign against that specific target.

7.4 Social Networking

Social networking refers to using internet-based social media sites to stay connected with friends, family, colleagues, or customers. Social networking can have a social purpose, a business purpose, or both through sites like Facebook, Twitter, Instagram, and Pinterest.

Social networking is also a significant opportunity for marketers seeking to engage customers. Facebook remains the largest and most popular social network, with 2 billion people using the platform daily, as of Feb 1, 2023.¹ Other popular platforms in the U.S. are Instagram, Twitter, WhatsApp, THow Social Networking Works

Social networking involves the development and maintenance of personal and business relationships using technology. This is done through the use of social networking sites, such as Facebook, Instagram, and Twitter.

These sites allow people and corporations to connect with one another so they can develop relationships and share information, ideas, and messages.

- **For Family and Friends**

Family members and friends can reconnect and remain connected through personal social networking sites like Facebook. They can share photos and status updates on every day or important life events. People can also connect with unknown individuals who share the same interests, goals, or experiences. Individuals can find each other through groups, lists, and hashtags—an indexing function that groups topics.

- **For Marketers**

Marketers commonly use social networking to increase brand recognition and encourage brand loyalty. Social media marketing helps promote a brand's voice and content. It can help make a company more accessible and prominent to new and existing customers.

For example, a frequent Twitter user may learn about a company for the first time through a news feed and decide to buy a product or service. The more exposed people are to a company's brand, the greater the company's chances of finding and retaining new customers.

Marketers use social networking to improve conversion rates. Building a following provides access to and interaction with new, recent, and longtime customers. Sharing blog posts, images, videos, or comments on social media allows followers to react and engage, visit a company's website, and become customers.

7.4.1 Major Social Networking Platforms

- **Facebook**

Facebook is a social network that allows users to connect with people, businesses, and organizations. They can post updates and respond to the posts of others. They can share photographs and links to online content. Users can chat live and upload and share videos. Users can also communicate directly with each other via Facebook Messenger. They can join groups with similar interests and be notified of friends' activities and pages they elect to follow.

Facebook was designed to be open and social. However, while the platform encourages publicly available content, it also has privacy controls that can restrict access to, for instance, friends.

Facebook was created in 2004 by Mark Zuckerberg while he went to Harvard University. Today, it is owned by Meta Platforms (of which Zuckerberg is CEO). Facebook is the world's largest social network, with about 2 billion daily active users.

- **Instagram**

Instagram is a social network that focuses on sharing visual media like photos and videos. It's similar to Facebook in that users create a profile and have a news feed. It allows them to upload media that can be edited with filters and organized by hashtags and geographical tagging. Posts can be shared publicly or with followers.

Users can browse other users' content, view trending content, and follow others. Additionally, they can add the content others upload to their personal feed. Over time, Instagram has added new features, such as Instagram Stories, Instagram Reels, and access to shopping. Instagram has its own direct messaging feature. In addition, Facebook Messenger has been incorporated by Instagram so users can direct message Facebook contacts while on Instagram.

- **Twitter**

Twitter (now X Corp, but its brand remains the same) is a social network that allows people to communicate with short messages called tweets. The social platform limits tweets to 280 characters. Users post tweets that may be useful, interesting, or even inflammatory for readers.

Tweeting is sometimes referred to as microblogging. It's distinguished by users' ability to scan and distribute content quickly, conveniently, and efficiently. This may account for its popularity with those who want (or need) to get lots of messages out to the world and those who want to follow these social or newsy types.

Twitter is used by professional and citizen journalists, politicians, celebrities, marketers, and more. It was founded in 2006 by Jack Dorsey, Noah Glass, Biz Stone, and Evan Williams. It is owned by X Holdings, one of Elon Musk's holding companies.

- **Pinterest**

Pinterest is a social networking site that promotes image saving and sharing using a virtual pinboard. It's an innovative platform that facilitates cataloging and organizing meaningful information for individuals.

With Pinterest, account holders find images by browsing the web or Pinterest itself. They then pin (or save) those images to an online pinboard. Multiple pinboards can be set up and organized based on a topic.

Once they've created and built their boards to catalog ideas and interests, users can access them whenever they want. Clicking on the image reveals related information.

7.4.2 Advantages and Disadvantages of Social Networking

Social networking can affect individuals and corporations positively and negatively. That's why it's important to weigh the advantages and disadvantages of using these social media sites before getting too heavily involved.

Advantages

- Social networking allows individuals to make and stay in contact with family and friends that distance and lost connections would otherwise prohibit.
- People can also connect with unknown individuals who share the same interests and develop new relationships.
- Social networking also allows companies to connect with new and existing clients.
- Companies can create, promote, and increase brand awareness through social media.
- Companies can capitalize on customer reviews and comments promoting products, services, and brands. The more customers post about a company, the more valuable the brand authority can become. This can lead to greater sales and a higher ranking by search engines.
- Social networking can help establish a brand as legitimate, credible, and trustworthy.
- Companies may use social networking to demonstrate the quality of their customer service and enrich their relationships with consumers. For example, if a customer complains about a product or service on Twitter, the company may address the issue immediately, apologize, and take action to make it right.

Disadvantages

- Social networking can facilitate the spread of misinformation about individuals and companies.
- Due to its online nature, falsehoods can spread like wildfire. This became increasingly prevalent after 2012. One study found that misinformation is 70% more likely than factual information to be shared on Twitter.
- The detrimental impact of misinformation can create a virtual headache for a company's public relations (PR) department.
- The anonymous aspect of newfound personal relationships requires caution.
- Building and maintaining a company profile takes hours each week. Costs add up quickly.
- Businesses need many followers before a social media marketing campaign starts generating a positive return on investment (ROI). For example, submitting a post to 15 followers does not have the same effect as submitting the post to 15,000 followers.

7.5 Social Media Marketing Tools:

In today's world, social media is one of the best ways for your business to stand out in its field and to reach a wider audience. Having an active presence on all major social networks, from Facebook to LinkedIn and beyond, is a necessity for any brand that wants to become an industry leader while engaging with its potential and current customers in new ways. However, social media can be overwhelming if you don't have the proper knowledge or tools. Whether it's to create or repurpose content, to find the best way to engage with your online community or to create a comprehensive posting schedule, having the right social media management tools is crucial to your success. Here are few of the best social media management tools currently available and how they can help you make the most of your social presence.

- **HootSuite**

Whether you are a user handling multiple accounts, or an agency that handles hundreds, HootSuite makes it easy. It's easy to add accounts, easy to schedule posts across all major platforms and easy to add account managers. In addition, the company also has a robust training platform that teaches not just the tools, but how to think about social marketing as a whole.

- **Hubspot**

While there are a lot of tools out there that let you monitor and publish to social accounts, we recommend platforms such as Hubspot where you can not only monitor and publish but also get closed-loop reporting data. That means you're not just seeing what channels drive the most engagement, but you can track further down the funnel to see what posts and channels drive actual leads and sales.

- **MeetEdgar**

There are countless tools that post for you and schedule posts but what about a system that re-shares evergreen posts? MeetEdgar is the one because it has the biggest impact on traffic by automatically re-sharing your evergreen content.

- **TweetDeck**

TweetDeck has been around a long time now, and there's a reason for that: It's one of the best and best-priced (what can beat free?) ways out there to be a part of the Twittersphere. The multi-columned layout makes it easy to follow several conversations at once, and scheduling content is a snap. Twitter moves so fast, but TweetDeck makes it doable and even enjoyable.

- **IFTTT**

IFTTT, or "If This Then That," is a great automation tool that can help you save a lot of time on trying to manage social media platforms, apps and websites. The tool can link these services together based on a trigger and an action. Based on the trigger you create, it will start an action. For example, if you publish a blog (the trigger), then IFTTT will automate and create a tweet (the action).

- **Buffer**

I'm a fan of Buffer. It lets you schedule and manage social media posts across all of the most widely used channels, and you can individually customize each post for all of the different platforms it gets posted to. Buffer also shares your content at the best possible times throughout the day and tracks links so that you can see what content gets the most traction.

- **Sprout Social**

Our digital team utilizes Sprout Social for its social media management, which allows the team members to monitor clients' social media mentions, engage with brand advocates, schedule content in advance, and utilize reporting tools to inform future strategies. As our

hotel clients' guests view social media as a virtual concierge, we find it essential to have a tool to streamline real-time communication.

- **Canva**

What you can do with Canva: design presentations, social media graphics, and a heap of other things with thousands of beautiful layouts. It has everything you need for catching designs. Millions of stock photographs, vectors and illustrations. You can also upload your own visuals. Canva has preset filters and advanced photo editing tools to modify pictures. It gives you the possibility to use icons, shapes and elements, thousands of them. Hundreds of fonts perfect for every design are also ready to go and accessible within Canva.

- **Adobe Post**

Adobe Post was created to give you a powerful tool to differentiate among the competitors and engage your followers with eye-catching posts. Create stunning social graphics in seconds with it. Get started quickly with handcrafted remixable design templates made for social sharing. Resize your text - beautiful typography will be automatically applied on-the-fly. Transform your text and photo into professional-looking graphics with a single tap. 1

- **Bundle Post**

The tool is paid, but has a free 30-day trial period. Bundle Post is a content curation tool that aggregates and schedules social media content efficiently. Search, edit and schedule with a browser plugin or social media dashboard, then add hashtags. Keep your audience engaged and get results.

- **Babbly**

Babbly is an awesome platform of quality content owners. It works as simple as follows: give a share - get a share. Share others content to get shares to your content. Share to multiple networks at once by just one click. Pause & play your content. Control when your content is visible to others on Babbly. Control when your content goes live. Schedule your posts. Schedule when your posts go live on babbly and your social media. The tool helps you in reaching the target audience at the right time. Relax and don't worry about flooding your follower base again. Auto spread shares to your social networks to go out in timed intervals

- **Feedly**

Organize, read, and share all the content that matters to you and your team at a single place. Don't miss a beat from any of the publications you trust. Dive deeper by following blogs from the latest movers, shakers, and thinkers. Follow any one on the web. See new videos from the YouTube channels you follow. Monitor news about your company, your product, your craft, and your competitors by plugging in Google Alerts. Crunch through more content in less time by organizing your feeds into easy-to-read collections. Secure access to private content from your company's internal portals, content management systems, and SaaS applications. Let the web work for you by arranging the content you rely on into easy-to-read collections. And do much more with Feedly.

7.6 Summary

Social media marketing has become one of the pillars of a successful digital marketing strategy, and one that every business needs in order to maximize online visibility. Social media marketing, or SMM, is a form of internet marketing that involves creating and sharing content on social media networks in order to achieve your marketing and branding goals.

Social media marketing includes activities like posting text and image updates, videos, and other content that drives audience engagement, as well as paid social media advertising. In today's world, social media is one of the best ways for your business to stand out in its field and to reach a wider audience. Having an active presence on all major social networks, from Facebook to LinkedIn and beyond, is a necessity for any brand that wants to become an industry leader while engaging with its potential and current customers in new ways.

7.7 Glossary

- **Social Media Marketing (SMM)**

Social media marketing, or SMM, is a form of internet marketing that involves creating and sharing content on social media networks in order to achieve your marketing and branding goals.

- **Social Networking**

Social networking refers to using internet-based social media sites to stay connected with friends, family, colleagues, or customers.

- **HootSuite**

Whether you are a user handling multiple accounts, or an agency that handles hundreds, HootSuite makes it easy. It's easy to add accounts, easy to schedule posts across all major platforms and easy to add account managers.

7.8 Self-Check Exercise

1. What is Social Media Marketing.
2. Why Social Media Marketing is so powerful.
3. What is Social Networking.

7.9 Answers to Self-Check Exercise

1. For answer refer to section 7.1
2. For answer refer to section 7.2
3. For answer refer to section 7.4

7.10 Terminal Questions

1. What is Social Networking. What are the advantage and disadvantages of Social Networking.
2. Write down various Social Media Marketing Tools.

7.11 Answers to Terminal Questions

1. For answer refer to section 7.4,7.4.2
2. For answer refer to section 7.5

7.12 Suggested Readings

- HAYES, A. (n.d.). *Social Media Marketing (SMM): What It Is, How It Works, Pros and Cons*. Retrieved from Investopedia: <https://www.investopedia.com/terms/s/social-media-marketing-smm.asp>
- Christina Newberry, A. W. (n.d.). *How to Create a Social Media Marketing Strategy in 9 Easy Steps (Free Template)*. Retrieved from Hootsuite: <https://blog.hootsuite.com/how-to-create-a-social-media-marketing-plan/>
- KENTON, W. (n.d.). *What Is Social Networking?* Retrieved from Investopdia : <https://www.investopedia.com/terms/s/social-networking.as>

LESSON- 8

SOCIAL MEDIA MARKETING STRATEGY

Structure

- 8.0 Learning Objectives
- 8.1 Introduction
- 8.2 Importance of Social Media Marketing
- 8.3 Objectives of Social Media Strategy
- 8.4 Creating social media marketing strategy
- 8.5 Summary
- 8.6 Glossary
- 8.7 Self-Check Exercise
- 8.8 Answers to Self-Check Exercise
- 8.9 Terminal Questions
- 8.10 Answers to Terminal Questions
- 8.11 Suggested Readings

8.0 Learning Objectives

After studying this lesson, you should be able to:

- Importance of Social Media Marketing
- Objectives of Social Media Strategy
- Creating social media marketing strategy

8.1 Introduction

A social media strategy is a document outlining your social media goals, the tactics you will use to achieve them and the metrics you will track to measure your progress.

Your social media marketing strategy should also list all of your existing and planned social media accounts along with goals specific to each platform you're active on. These goals should align with your business's larger digital marketing strategy.

Finally, a good social media plan should define the roles and responsibilities within your team and outline your reporting cadence.

8.2 Importance of Social Media Marketing

Social media has become an integral part of our daily lives, with over 3.6 billion people using social media worldwide. From sharing photos and videos to engaging with friends and family, social media has transformed the way we communicate and connect with each other. But social media is not just a platform for personal communication anymore; it has become a powerful tool for businesses to reach and engage with their target audience. In today's digital landscape, social media marketing has become an essential component of any successful marketing strategy.

Here are some of the reasons why social media marketing is so important in today's digital landscape:

1. Increased Brand Awareness

Social media is one of the most effective ways to increase brand awareness and reach a wider audience. By creating and sharing valuable content, businesses can attract and engage with potential customers who may not have heard of them before. Social media also allows businesses to showcase their brand personality, share their values, and build a community of loyal followers who can help spread the word about their products or services.

2. Improved Customer Engagement

Social media provides businesses with a direct line of communication with their customers. By engaging with followers through comments, messages, and posts, businesses can build a deeper connection with their audience and better understand their needs and preferences. This feedback can be used to improve products and services and provide a more personalized experience for customers.

3. Increased Website Traffic and Conversions

Social media can be a powerful driver of website traffic and conversions. By sharing links to blog posts, product pages, and landing pages on social media, businesses can attract potential customers to their website and encourage them to take action. Social media advertising can also be used to target specific audiences and drive traffic to landing pages with a clear call-to-action.

4. Improved Search Engine Rankings

Social media can also have a positive impact on search engine rankings. By sharing high-quality content that is relevant and valuable to their target audience, businesses can attract inbound links and improve their website's authority and credibility. This can lead to improved search engine rankings and increased visibility for their brand.

5. Cost-Effective Marketing

Compared to traditional forms of advertising such as television, radio, or print, social media marketing is a cost-effective way for businesses to reach their target audience. Many social media platforms offer advertising options that are highly targeted and customizable, allowing businesses to reach their ideal customer without wasting money on ineffective advertising.

6. Improved Customer Loyalty and Retention

Social media can also be used to improve customer loyalty and retention. By providing excellent customer service and engaging with customers through social media, businesses can build a loyal following of customers who are more likely to make repeat purchases and recommend their products or services to others.

social media marketing has become an essential component of any successful marketing strategy in today's digital landscape. By using social media to increase brand awareness, engage with customers, drive website traffic and conversions, improve search engine rankings, and build customer loyalty, businesses can stay competitive and reach their marketing goals. Whether you're

a small business owner or a large corporation, social media marketing should be a key part of your overall marketing strategy.

8.3 Objectives of Social Media Strategy

Social media objectives are goals that marketing leaders set to improve the outcomes of their social media strategies. Setting defined targets enables the marketing team to track their progress towards these objectives and discover which areas of their social media strategy need improvement. The process of establishing social media objectives enables the marketing team to create detailed strategies and evaluate how well those plans accomplish the organization's marketing objectives.

Let's discuss about the objectives of social media strategy:

- 1. Increase brand recognition:** Increasing brand awareness among members of your target audiences may be one objective of your social media strategy. Social media platforms can be a fantastic way to promote brand-related material that gr consumers' attention because so many people use them on a daily basis. Company executives can increase public knowledge of their brand simply by becoming active on social media. Among the advantages of increasing brand awareness are:
 - shortening the sales process
 - increasing market share
 - improving brand positioning in its sector
- 2. Boost online social networks:** Creating new online social networks or growing current ones should be another objective for your social media strategy. Building online communities is a terrific method to interact with present or potential clients. People with similar interests can interact with one another in these groups. The number of brand supporters for a business can be increased by creating online community spaces. For instance, when devoted customers engage with your business online, they could recommend your goods and special offers to people in their social networks, so extending the reach of your brand's online community.
- 3. Strengthen relationships to build loyal customers:** social media is frequently used by businesses to engage in new consumer interactions or to strengthen existing ones Consider making it a goal to use social media to foster relationships. Try addressing one or more of these key performance indicators (KPIs) to measure the quality of the connections you make on social media:
 - **Interaction quality:** Consider things like the amount of interaction you experience with your content, such as the number of times readers share them or leave comments. This can aid in post quality evaluation.
 - **Increased interaction:** Make plans to increase the frequency with which your target audiences engage with you. Consider the tactics that work best to boost the shares, comments, and other interactions that your social media profile receives.
 - **Publication performance:** Look at pieces that receive more comments than you might have anticipated. Set goals to help you identify these posts so you can examine them and incorporate these posting strategies into your social media strategy more frequently.

- **Engagement of brand ambassadors or influencers:** Set a goal to increase the number of influencers or brand ambassadors who share content from your social media profiles.
4. **Acquire insight into customer feedback:** You may get customer feedback by using social media. You should read what clients have to say about a company's goods or services online. You can employ this feedback to find out what aspects of your company people prefer or where you can make improvements. You may increase the effectiveness of obtaining and analysing customer reviews by implementing particular KPIs to measure consumer feedback. Following are some Metrics for client feedback.
 - **Brand reputation:** Evaluate what consumers are saying about the brand and the company as a whole. Create a plan to sort through customer comments, pick out the information that reflects the opinions of your target market, and gather the data.
 - **Changes in reputation:** In addition to identifying your target audiences' feelings about your brand currently, also develop a method of tracking changes in the brand over time. For instance, research how implementing a particular marketing strategy enhances engagement and brand recognition over a specified period of time.
 - **Reputation score:** Your reputation score takes into account both the business overall favourable and negative ratings, comparing them to the size of your community. You can learn more about the company's general reputation in its target market by using this metric.
 5. **Generate new leads:** social media may assist you in generating new leads for the company in addition to turning leads into clients. In order to engage with people in your target market, you must expand your marketing outreach in order to generate new leads. You can potentially increase the number of sales conversions when you generate new leads, which broadens your market. Examine your social media plan for obtaining new followers and look at other ways to increase your reach to achieve this goal.
 6. **Convert leads into customers:** Sales generation is a common objective of social media marketing tactics. This entails converting leads into paying clients. To increase lead to sale conversion rates and boost revenue for the company, this may be one of your social media strategy's objectives. Review your approach for persuading clients to make purchases from your company using your social media profile as you work towards this goal. Think about where, when, and how you distribute promotional materials, for instance. Think about how simple it is for customers to access your social media profiles to learn more about making purchases from your company.
 7. **Boosting website traffic:** social media, especially when combined with an effective content marketing plan, may be a major driver of website traffic. Businesses may get more visitors and improve their search engine results by promoting blog articles and other website content on social media.
 8. **Establishing thought leadership:** By offering insightful material and ideas on social media, an organisation or person can become recognised as a thought leader in a certain field or area of expertise.

8.4 Creating social media marketing strategy

Step 1. Choose goals that align to business objectives

- **Set S.M.A.R.T. goals**

The first step to creating a winning social media strategy is to establish clear objectives and goals. Without goals, you have no way to measure success and return on investment (ROI). Each of your social media marketing goals should be SMART: **s**pecific, **m**easurable, **a**ttainable, **r**elevant and **t**ime-bound.

- **Track meaningful metrics**

Vanity metrics like number of followers and likes are easy to track, but it's hard to prove their real value. Instead, focus on things like engagement, click-through, and conversion rates. you may want to track different goals for different social media networks, or even different uses for each network.

For example, if you use LinkedIn to drive traffic to your website, you would measure click-throughs. If Instagram is for brand awareness, you might track the number of Instagram Story views. And if you advertise on Facebook, cost-per-click (CPC) is a common success metric.

Business objective	Social media goal	Metric(s)
Grow the brand	Awareness <i>(these metrics illuminate your current and potential audience)</i>	Followers, shares, etc.
Turn customers into advocates	Engagement <i>(these metrics show how audiences are interacting with your content)</i>	Comments, likes, @mentions, etc.
Drive leads and sales	Conversions <i>(these metrics demonstrate the effectiveness of your social engagement)</i>	Website clicks, email signups, etc.
Improve customer retention	Consumer <i>(these metrics reflect how active customers think and feel about your brand)</i>	Testimonials, social media sentiment, average response time (for social customer service/support) etc.

Step 2. Learn everything you can about your audience

Get to know your fans, followers, and customers as real people with real wants and needs, and you will know how to target and engage them on social media.

When it comes to your ideal customer, you should know things like:

- Age
- Location
- Average income
- Typical job title or industry
- Interests etc.

Social media analytics can also provide a ton of valuable information about who your followers are, where they live, and how they interact with your brand on social media. These insights allow you to refine your strategy and better target your audience.

Step 3. Get to know your competition

Odds are your competitors are already using social media, and that means you can learn from what they're doing.

- **Conduct a competitive analysis**

A competitive analysis allows you to understand who the competition is and what they're doing well (and not so well). You'll get a good sense of what's expected in your industry, which will help you set social media targets of your own.

Maybe one of your competitors is dominant on Facebook, for example, but has put little effort into Twitter or Instagram. You might want to focus on the social media platforms where your audience is underserved, rather than trying to win fans away from a dominant player.

- **Use social media listening**

Social listening is another way to keep an eye on your competitors.

Do searches of the competition's company name, account handles, and other relevant keywords on social media. Find out what they're sharing and what other people are saying about them. If they're using influencer marketing, how much engagement do those campaigns earn them?

Step 4. Do a social media audit

If you're already using social media, take stock of your efforts so far. Ask yourself the following questions:

- What's working, and what's not?
- Who is engaging with you?
- What are your most valuable partnerships?
- Which networks does your target audience use?
- How does your social media presence compare to the competition?

Once you collect that information, you'll be ready to start thinking about ways to improve.

Your audit should give you a clear picture of what purpose each of your social accounts serves. If the purpose of an account isn't clear, think about whether it's worth keeping.

To help you decide, ask yourself the following questions:

- Is my audience here?
- If so, how are they using this platform?
- Can I use this account to help achieve my goals?

Look for impostor accounts

During the audit, you may discover fake accounts using your business name or the names of your products.

These imposters can be harmful to your brand—never mind that they're capturing followers that should be yours.

You may want to get your accounts verified too to ensure your fans know they are dealing with the real you.

Here's how to get verified on:

- Facebook

- Twitter
- Instagram
- TikTok

Step 5. Set up accounts and improve profiles

Decide which networks to use

As you decide which social networks to use, you will also need to define your strategy for each.

Benefit Cosmetics' social media manager, Angela Purcaro, told eMarketer: "For our makeup tutorials ... we're all about Snapchat and Instagram Stories. Twitter, on the other hand, is designated for customer service."

Set up your profiles

Once you've decided which networks to focus on, it's time to create your profiles. Or improve existing ones so they align with your strategy.

Make sure you fill out all profile fields

Include keywords people would use to search for your business

Use consistent branding (logos, images, etc.) across networks so your profiles are easily recognizable

Step 6. Find inspiration

While it's important that your brand be unique, you can still draw inspiration from other businesses that are great on social.

"I consider it my job to stay active on social: to know what's trending, which campaigns are winning, what's new with the platforms, who's going above and beyond," says Amanda. "This might be the most fun step for you, or the hardest one, but it's just as crucial as the rest of them."

- **Social media success stories**

You can usually find these on the business section of the social network's website

Award-winning accounts and campaigns

You could also check out the winners of The Facebook Awards or The Shorty Awards for examples of brands that are at the top of their social media game.

our favorite brands on social media

Who do you enjoy following on social media? What do they do that compels people to engage and share their content?

National Geographic, for example, is one of the best on Instagram, combining stunning visuals with compelling captions.

- **Ask your followers**

Consumers can also offer social media inspiration.

What are your target customers talking about online? What can you learn about their wants and needs?

If you have existing social channels, you could also ask your followers what they want from you. Just make sure that you follow through and deliver what they ask for.

Step 7. Create a social media content calendar

Sharing great content is essential, of course, but it's equally important to have a plan in place for when you'll share content to get the maximum impact.

Your social media content calendar also needs to account for the time you spend interacting with the audience (although you need to allow for some spontaneous engagement as well).

- **Set your posting schedule**

Your social media content calendar lists the dates and times at which you will publish types of content on each channel. It's the perfect place to plan all of your social media activities—from images, link sharing, and re-shares of user-generated content to blog posts and videos. It includes both your day-to-day posting and content for social media campaigns.

Your calendar also ensures your posts are spaced out appropriately and published at the best times to post.

- **Determine the right content mix**

Make sure your content strategy and calendar reflect the mission statement you've assigned to each social profile, so that everything you post is working to support your business goals.

you might decide that:

- 50% of content will drive traffic back to your website
- 25% of content will be curated from other sources
- 20% of content will support lead-generation goals (newsletter sign-ups, ebook downloads, etc.)
- 5% of content will be about your company culture
- Placing these different post types in your content calendar will ensure you maintain the right mix.
- If you're starting from scratch and you're not sure what types of content to post, try **the 80-20 rule**:
 - 80% of your posts should inform, educate, or entertain your audience
 - 20% can directly promote your brand.
- You could also try the **social media content marketing rule of thirds**:
 - One-third of your content promotes your business, converts readers, and generates profit.
 - One-third of your content shares ideas and stories from thought leaders in your industry or like-minded businesses.
 - One-third of your content is personal interactions with your audience
- don't post too much or too little.
- If you're starting a social media marketing strategy from scratch, you may not have figured out how often to post to each network for maximum engagement yet.
- Post too frequently and you risk annoying your audience. But, if you post too little, you risk looking like you're not worth following.
- Start with these posting frequency recommendations:
 - Instagram (feed): 3-7 times per week
 - Facebook: 1-2 times per day
 - Twitter: 1-5 times per day
 - LinkedIn: 1-5 times per day

Step 8. Create compelling content

Remember those mission statements you created for each channel in Step 5? Well, it's time to go a bit deeper, a.k.a. provide some examples of the type of content you'll post to fulfill your mission on each network.

is last point especially will help you avoid any tension when your colleagues want to know why you haven't posted their case study/whitepaper/blog post to TikTok yet. *It's not in the strategy, Linda!*

Ideally, you will generate content types that are both suited to the network and the purpose you've set out for that network.

For example, you wouldn't want to waste time posting brand awareness tweets if you've designated Twitter for primarily customer support. And you wouldn't want to post super polished corporate video ads to TikTok, as users expect to see short, unpolished videos on that platform.

It might take some testing over time to figure out which type of content works best on which type of network, so prepare to update this section frequently.

Step 9. Track performance and make adjustments

Your social media marketing strategy is a hugely important document for your business, and you can't assume you'll get it exactly right on the first try. As you start to implement your plan and track your results, you may find that some strategies don't work as well as you'd anticipated, while others are working even better than expected.

- **Look at performance metrics**

In addition to the analytics within each social network, you can use UTM parameters to track social visitors as they move through your website, so you can see exactly which social posts drive the most traffic to your website.

- **Re-evaluate, test, and do it all again**

Once this data starts coming in, use it to re-evaluate your strategy regularly. You can also use this information to test different posts, social marketing campaigns, and strategies against one another. Constant testing allows you to understand what works and what doesn't, so you can refine your social media marketing strategy in real time.

You'll want to check the performance of all your channels at least once a week and get to know the basics of social media reporting so you can track your growth over time.

8.5 Summary

social media marketing has become an essential component of any successful marketing strategy in today's digital landscape. By using social media to increase brand awareness, engage with customers, drive website traffic and conversions, improve search engine rankings, and build customer loyalty, businesses can stay competitive and reach their marketing goals. Whether you're a small business owner or a large corporation, social media marketing should be a key part of your overall marketing strategy.

8.6 Glossary

- **Social Media Strategy**

A social media strategy is a document outlining your social media goals, the tactics you will use to achieve them and the metrics you will track to measure your progress.

- **Brand reputation:**

Evaluate what consumers are saying about the brand and the company as a whole. Create a plan to sort through customer comments, pick out the information that reflects the opinions of your target market, and gather the data.

8.7 Self-Check Exercise

1. Define Social Media Strategy.
2. Write down the Importance of Social Media Marketing.

8.8 Answers to Self-Check Exercise

1. For answer refer to section 8.1
2. For answer refer to section 8.2

8.9 Terminal Questions

1. What are the Objectives of Social Media Strategy.
2. How to build a Social Media Marketing Strategy.

8.10 Answers to Terminal Questions

1. For answer refer to section 8.3
2. For answer refer to section 8.4

8.11 Suggested Readings

- HAYES, A. (n.d.). *Social Media Marketing (SMM): What It Is, How It Works, Pros and Cons*. Retrieved from Investopedia: <https://www.investopedia.com/terms/s/social-media-marketing-smm.asp>
- Christina Newberry, A. W. (n.d.). *How to Create a Social Media Marketing Strategy in 9 Easy Steps (Free Template)*. Retrieved from Hootsuite: <https://blog.hootsuite.com/how-to-create-a-social-media-marketing-plan/>

LESSON -9

FACEBOOK MARKETING

Structure

- 9.0** Learning Objectives
- 9.1** Introduction
- 9.2** How to Set up Facebook for Business
- 9.3** Why is Facebook good for marketing
- 9.4** Benefits of Facebook Marketing
- 9.5** Formats of Facebook Marketing
- 9.6** How to Create an Effective Facebook Marketing Strategy
- 9.7** Facebook Marketing Tips
- 9.8** Facebook marketing tools
- 9.9** Summary
- 9.10** Glossary
- 9.11** Self-Check Exercise
- 9.12** Answers to Self-Check Exercise
- 9.13** Terminal Questions
- 9.14** Answer to Terminal Questions
- 9.15** Suggested Readings

9.0 Learning Objectives

After studying this lesson, you should be able to:

- How to Set up Facebook for Business
- Why is Facebook good for marketing
- Benefits of Facebook Marketing
- Formats of Facebook Marketing
- How to Create an Effective Facebook Marketing Strategy
- Facebook Marketing Tips
- Facebook marketing tools

9.1 Introduction

Facebook marketing is a platform that offers a variety of highly targeted paid advertisements and organic posts, allowing brands to put their products and services in front of the massive audience. Over the last decade, Facebook has shifted from the most prominent social medium on the internet into one of the biggest marketplaces.

Facebook Marketing

Facebook is undoubtedly the most popular social media platform available with many advantages associated with it. It is primarily a social networking site; however, it can be used as a handy tool for promoting and advertising a business. We can use Facebook to promote a brand, market a company, or create awareness about a service or a product. Success with this form of marketing requires more than a fan page and a few friends. When used effectively, Facebook marketing can

provide a business with exciting benefits and results. Facebook marketing can enable businessmen to greatly improve their brand awareness and reach out to a wider audience.

Facebook marketing tactics can include:

- Organic text, photo, or video content
- Paid, or “boosted,” text, photo, or video content
- Facebook Stories and Reels
- Facebook ads
- Facebook Groups
- Contests and giveaways
- Facebook Messenger chatbots or auto-responders
- Influencer marketing campaigns

9.2 How to Set up Facebook for Business

For those working with a limited or zero budget: **You can do Facebook marketing completely for free.**

Optionally, you can accelerate your growth with paid services, like Facebook ads, boosted content, or influencer/partnership campaigns.

Let’s start at the beginning: Your business’ Facebook Page. Whether you only do this and share organic content, or follow the rest of the tips in this article, you need to have a Page.

Create a Facebook Business Page

1. Sign in to Facebook with your personal account. Your personal information won’t show on your Page, but you can also create a new Facebook account with a work email address if you prefer.
2. Open the menu (the nine dots on the right side) and click **Create**, then **Page**.
3. To create your Page, enter:
 - a) **Name:** Your business name
 - b) **Category:** Start typing to see the available options. For example, “retail” or “restaurant.”
 - c) **Description:** A sentence or two describing what your business does. You can edit this later.
4. Congrats! Your Page is live. Click **Edit Page Info** to add more to your About section, add a website URL, and more. I’ll cover exactly how to optimize your new Page later in this article.

Get verified on Facebook (optional)

Verified Pages mean Facebook has checked to ensure the person or brand is who they say they are. It communicates trust (which is important since 72% of people say they distrust Facebook).

Technically, getting verified is as simple as filling out a form. But really, Facebook only verifies profiles and Pages belonging to businesses or well-known public figures.

It can be difficult to get a personal profile verified, but it’s quite easy for businesses of all sizes, especially if you have a physical location. The key is ensuring your proof of identity links are independent, non-promotional content from high-quality sources.

Open a Facebook ads account (optional)

It’s a good idea to set up a Facebook ads account even if you don’t plan to use it right away.

Once you have a business Page set up, go to Facebook Ads Manager (now part of Meta Business Suite). You can add an existing Facebook ads account or follow the prompts to create a new one.

Now you can start an automated campaign, create your own campaign from scratch, or promote (“boost”) existing Page content.

9.3 Why is Facebook good for marketing?

- Has global coverage
- Offers highly targeted paid ads
- Makes organic reach possible
- Allows integrations with other marketing channels

Digital marketing offers a variety of channels for building communication with the audience: social media, emails, messengers, search engines, SMS, web push notifications, etc.

- **Has global coverage.** Over 1,5 billion users visit Facebook daily. About 2,3 billion — every month. More than 7 million active companies create ads for this massive audience.
- **Offers highly targeted paid ads.** With Facebook Ads, you can tailor your promotions to a specific audience based on gender, age, location, job, interests — any demographical or behavioral data, which users willingly share with Facebook.
- **Makes organic reach possible.** If you don’t have resources to utilize Facebook Ads, build relationships organically by sharing materials that bring value to people on your Facebook page. Your posts will show up in the newsfeed, though the high level of competition will make it harder to build an audience naturally.
- **Allows integrations with other marketing channels.** Facebook marketing is not a single isolated system. You can combine it with other marketing channels, like email marketing, mobile marketing, search engine marketing, and Facebook Messenger ads, to develop a promotion mix that will increase your brand outreach.

9.4 Benefits of Facebook Marketing

- Precise targeting
- Increased website traffic
- Variety of ad formats
- Customer support
- Positive impact on SEO
- **Precise targeting.** You already know that Facebook allows users to deeply segment their audience but let’s take a closer look at the options available. Within demographic targeting, you can select an audience with a particular income, education level, life events, relationship status, or job. You can look for customers, taking into account their interests, such as their preferred entertainment, sports, hobbies, and shopping habits. Also, you can reach clients based on purchase behaviours, intent, device usage, etc.
- **Increased website traffic.** With this platform, you can drive your audience directly to your website. Moreover, these people will be higher quality leads than users who land on your site organically because they already know your company. Hence, you have more credibility in their minds. Encourage your followers to visit your site to find out more about your products.

Besides, when linking to a site, Facebook generates a full-size image if your site page has one. So, it will attract many users' attention and help you boost website traffic.

- **Variety of ad formats.** Facebook provides businesses with excellent opportunities that allow them to showcase their products from the best angles. Ads on this platform include both text and visual formats. You can boost your post by turning it into an ad, produce stories to show your behind-the-scenes, make a slideshow of your new collection, use carousel ads to demonstrate up to 10 products linking to the corresponding pages, etc.
- **Customer support.** A lot of people prefer to connect with a brand via social media. Phone calls have become a thing of the past. Create a chatbot for Facebook Messenger to communicate with users based on their popular queries — keywords. They can include “price,” “delivery,” “payment options,” “purchase,” “book,” etc. You only need to develop a scenario based on users' FAQs and write the answers. Your chatbot will imitate the real conversation. As a result, your support team will have time for more complicated issues and you can automate routine tasks.
- **Positive impact on SEO.** Some marketers claim that social media influences search rankings. It's believed that robots take into account your data in the About section while ranking. Moreover, your social media engagement contributes a lot. Shares, likes, and comments tell Google that people are interested in your brand and engage with it. Although there is no exact proof, it isn't superfluous either.

9.5 Formats of Facebook Marketing

- Video ad
- Image ads
- Carousel ads
- Collection ad
- Slideshow ads
- Lead generation ads

Facebook is not only a social media leader but also a fast-growing company due to half a million new accounts created per day. As time goes by, Facebook developers come up with new formats of ads to meet modern requirements of Facebook Ads funnel building, optimizing the time-proven ads. Here's a list of Facebook marketing formats:

- **Video ad**
It is an excellent way to demonstrate the features of your product in action. Facebook allows using different types of video to meet specific goals: short videos and GIFs to quickly capture attention on a go, or In-Stream videos for a longer TV-like watching.
- **Image ads**
In case your budget is too tight to make a video, image ad is a good idea for creating a high-quality ad fast and easy. This format will help you raise brand awareness and drive people to your website.
- **Carousel ads**

This format allows showcasing up to ten images or videos inside a single advertisement — each with a link to a specific product page. It provides a vast field for creativity and interactivity since you can feature one product in detail, or a few different products, or tell a story, separated by those carousel cards.

➤ **Collection ad**

It is like a small catalog of your products right in a post on the Facebook feed. A Collection ad consists of one original video or image and four smaller pictures below in the form of a grid.

➤ **Slideshow ads**

It is a video-like format that displays well even if the speed of the internet connection is low. You can create such an ad using a variety of stock images, some handy tools for video editing, and even music.

➤ **Lead generation ads**

This format was developed to assist in generating leads, especially regarding mobile users. When a user taps on the image in such an advertisement, a subscription form shows up right in the ad, making a few taps enough to opt-in to your newsletters.

9.6 How to Create an Effective Facebook Marketing Strategy

- Set your goals
- Define your target audience
- Choose content formats and schedule posts
- Boost your post with Facebook Ads
- Make use of Facebook tools
- Measure your effectiveness

Step 1. Set your goals

It all starts with goal establishment. Regardless of your business type, the general goals are the same for each company. Facebook offers opportunities to reach the following goals:

- generating leads;
- nurturing and qualifying your leads;
- driving traffic to a website;
- increasing conversions and sales;
- improving customer support;
- raising brand awareness;
- boosting customer engagement;
- recruitment.

Your goal predetermines the techniques, posts, and ad formats that you will use to achieve it. You can break down your goal into small intermediate objectives. Thus, achieving each of them will make you closer to reaching your big goal. Lastly, create a list of KPIs, that you will use to measure the effectiveness of each technique.

Step 2. Define your target audience

Analyzing your target audience is a high priority task since it will predetermine the techniques, ad formats, and your tone of voice. Firstly, we recommend that you answer the following questions:

- Is your product for men or women?

- How old are your customers?
- What are their most common jobs?
- What problem do they have in common?
- Why should they use your product?
- What outcomes do they want to achieve with it?

To collect and store all of the data about your target audience, and make the entire process more effective, create a customer profile. It should include their location, age, gender, job position, and income level information. Read our blog post to find out how to create a customer profile.

Another source of information about your audience is Facebook Audience Insights. With this tool, you'll get information about people connected to your page, people from your custom audience, and people on Facebook. You can get to know what your existing audience likes, where your customers live and the language they speak, monitor their past purchasing activities, devices they use, etc.

Step 3. Choose content formats and schedule posts

Now that you've defined your audience and established your goals, it's time to think over a content strategy that will help you achieve them. A content marketing strategy means that you should create a step-by-step plan which includes types and formats of content that you will produce. Remember that the more content you create, the higher your conversions will be. Using a diversity of formats, consistent publishing, and communicating with customers will skyrocket your user engagement level.

You should also take into account using the **correct content mix**. Promotional content itself won't help you build trusting relationships with your audience. Besides, Facebook can penalize overly-pushy marketers for their salesy promotions. So, mix educational, informative, entertaining, and promotional content. If you manage to provide high-quality and relevant content, customers will be happy to learn more about your product.

To produce engaging content, you'll probably need a content maker. This is a person responsible for creativity. This specialist knows which content formats will help you best achieve your goals. Utilize images, text posts, videos, stories, and links in your strategy. When using images, keep in mind that they should be professional and high resolution. Stay away from using stock images. Videos tend to attract and engage users in the most. Take into account that a majority of users watch videos with the sound turned off, so make sure it conveys your idea even without audio. Using text, stick to 3 sentences. Your task is to use them to your advantage: to attract, provide value, and drive action. When adding a link to your website, pay special attention to the image.

The last important issue is the consistency and frequency of publishing posts. We recommend that you produce 5 posts a week. This way, you don't bombard customers with your publications and will manage to craft high-quality content without brutal deadlines. For this purpose, use a **content calendar**. With its help, you'll have a clear picture of your content marketing strategy. Take care of all the marketing channels that you use, align each goal with a content format, and distribute them across all the channels.

So, to create an effective content marketing calendar, include the following information:

- all the channels you use;
- the types of content you use;
- the date and time of publishing;

- the topic of your post;
- URL;
- the image link;
- the status of the post.

Luckily, Facebook provides an opportunity to schedule posts and set up auto-publishing. So, there's no need to worry about any human mistakes.

To schedule a post, go to Publishing Tools.

There, you can choose the necessary options for your post. Click the drop-down menu next to the "Publish" button, and select the date and time.

Step 4. Boost your post with Facebook Ads

Facebook is an excellent advertising platform. It allows brands to reach wide audiences, provides a variety of targeting options, tools for successful outreach, and relatively cheap pricing. It is based on a bidding strategy. You choose the timing, ad placement, and target audience.

To start creating your ad, go to the "Ad Center" and click "Create Ad."

The interface of the ad center is intuitive and pretty simple, so it won't cause you any trouble. Creating an ad takes 6 steps. Follow this detailed guide to creating your ad.

Step 5. Make use of Facebook tools

Facebook provides much more value than you may expect. There's plenty of useful tools that can make your work with this channel more effective and lucrative. Check out a list of several of the tools below.

- **Facebook Messenger**

It is an app created to stay close with your customers via text messages, video, and voice communications. With this app, you can keep your audience engaged, provide them with personalized experiences, and deliver support.

SendPulse's chatbot builder allows you to create a chatbot for Facebook Messenger. It will help you deliver personalized messages to your clients, bulk messages, and auto-reply flows. A flow imitates live conversation with a client. Delegate your routine tasks such as handling orders and bookings, answering FAQs, and providing important information, to a chatbot. You can develop a flow based on the buttons your customers click. Make use of text, images, product cards, galleries, files, lists, and other formats. The message will be sent after a user types the keyword you used when creating a bot, for example, "price," "delivery," "purchase," "refund," etc.

To create a Facebook Messenger chatbot, follow these 3 simple steps:

- Connect your Facebook profile to your SendPulse account.
- Select a Facebook page.
- Create a widget to collect followers.

- **Click-to-Messenger Ads**

With this type of ad, you can not only increase your CTR and conversions but let customers interact with your brand via Facebook Messenger. Click-to-Messenger ads mean that you drive users to Messenger instead of a landing page.

This is a great tool that helps companies immediately convert users into leads. A well-designed chatbot is kind of a sales funnel. If you manage to develop it wisely by nurturing leads, you'll get tons of new customers.

Creating a click-to-messenger ad is the same as creating any ad. The only difference is that you need to choose the goal "Get more messages."

- **Pages to Watch**

With this tool, you can analyze your competitors' performance and their follower engagement. You can monitor total page likes, publication frequency, and growth rates. This information will motivate you to improve and develop. You can analyze the strategy of your competitors and understand what they are doing better.

To see your competitors, go to the "Insights" section, scroll down, and you'll see the "Pages to Watch" section. Add your competitor's pages and check out their activities.

- **Invite Engaged Users**

Some people may check out your posts from time to time, like, or share them without being your fan. You can manually invite them to follow your brand. This way, you'll be able to communicate with engaged users and turn them into leads with a well-designed strategy.

Step 6. Measure your effectiveness

Your strategy won't work on its own. Its efficiency primarily depends on how well your audience interacts with your brand. Monitoring their engagement will help you have a clear picture of the techniques that work best for you, and those which scare away your followers.

Luckily, you don't need any third-party services to track your effectiveness since Facebook offers its own tool called **Insights**. You'll get to know which formats work best and if your content mix was created correctly. You can check out page views, post engagement, story reach, actions on page, analyze your followers, and much more valuable data.

9.7 Facebook Marketing Tips

- Choose the best timing
- Promote your Facebook page on other channels
- Use a relevant URL for your page
- Add a CTA button
- Support customers via a Facebook Messenger bot
- Use a Facebook pixel
- Create lookalike audiences

There are many hacks that will help you make your Facebook marketing strategy more efficient. In this section, we're going to share several tips.

- **Choose the best timing.** Marketers are always interested in the optimal timing for their publications. Certainly, there's no one-size-fits-all approach, but you can find valuable data in Facebook Insights. Here you'll find information on when your followers are online. You can also check the performance of any post and find out the best timing. Also, you get to know when your audience is most active. In addition, you can experiment and post different types of content both at peak and non-peak times to find the optimal timing.
- **Promote your Facebook page on other channels.** To bring traffic to your page, you should make sure that as many of your potential customers as possible know about it. You are definitely present on other digital marketing channels, so why should you miss this

opportunity? If you're in email marketing, add a Facebook button to each of your campaigns so that users can easily follow the link. If you're active on Instagram, you can add a link to your Facebook page right to your bio. If you have a blog, make it possible for readers to share articles with their friends on Facebook.

- **Use a relevant URL for your page.** This element may not seem as important as it is. By relevant URL, we mean using your brand name. This way, you can easily share your link on other channels, it will be easy to recognize and remember, and look more professional. The most important benefit is that your URL will contain your keyword so you'll boost your SEO strategy, and your page will be more searchable on Google.
- **Add a CTA button.** This easy-to-perform technique will help you increase conversions, boost engagement, and drive traffic to any page. Everything depends on your goal. Look through your page and think of an action an average user may want to take after viewing it. It can be "Contact Us," "Sign up," "Book now," "Shop now," "Follow," "Call now," etc. To add a CTA, click "+Add a Button" under your cover page.
- **Support customers via a Facebook Messenger bot.** Customers expect brands to answer them immediately. Doing this manually is a daunting task. Create a chatbot that will provide the answers to FAQ, help customers order, discover delivery issues, and simply find out more about your brand. With SendPulse, you can create a chatbot for Facebook Messenger without any technical skills. You only need to develop conversational logic with the help of keywords.
- **Use a Facebook pixel.** This is an analytics tool that provides you with more insights into customers' activities. With a Facebook pixel, you can build highly-targeted ads for your future campaigns. Besides, you can track the effectiveness of your ads. After a user buys something or takes any other action, it will be reported. So, you can get to know whether your ads bring the necessary results, and then you can reach this client with the help of Custom Audience.
- **Create lookalike audiences.** This is a great way to reach new audiences on Facebook. These are people who know nothing about your brand but could become your clients since they are similar to your current customers.

9.8 5 Facebook marketing tools

1. Hootsuite

With Hootsuite, you can manage all of your Facebook marketing activities from one place. We hate marketing cliches, but it really is your, excuse us, *one-stop shop* for all things Facebook marketing.

Use Hootsuite to:

- Schedule all of your Facebook posts in advance
- Identify the best times to post (when your unique audience is active online and most likely to engage with your content)
- Review your performance and easily generate comprehensive reports
- Answer comments and private messages
- Boost posts
- Easily track what people are saying about you online.
- Manage your Facebook Pages alongside all your other social profiles on Instagram, TikTok, LinkedIn, Twitter, YouTube, Pinterest, and LinkedIn.

2. Heyday

Leverage AI to save money and provide top-notch customer service 24/7. Facebook Messenger chatbots can act as an interactive FAQ, as well as connect your customers to live agents for more complex requests. And, they can even suggest and sell products right from Messenger.

Ecommerce retailer Bestseller's chatbot, powered by Heyday, automated up to 90% of their simple customer conversations in both English and French.

But more importantly, its smart programming understood Quebecois French terms—a rare and important feature for the Quebec-based company. They'd already found the generic French translations used by other apps unsuitable.

3. **Chute**

User-generated content is awesome for 2 reasons:

People are 2.4 times more likely to view it

You don't have to create it

Chute simplifies the often-daunting task of finding relevant content based on topic, location, or more. Save what you find into an organized content library you can access from Hootsuite Composer.

It also makes it easy to properly obtain usage rights and permission for legal compliance.

4. **Reputology**

Reviews are one of the most important aspects of your Facebook business Page (and elsewhere). Reputology tracks incoming reviews and allows you to respond inside Hootsuite.

5. **Facebook Ads Library**

Sometimes a little inspiration is all you need. Facebook Ads Library is a searchable database of all the ads currently running on Facebook.

You can filter by location, type of ad, and keywords.

Get ideas for your next campaign, identify trending phrases or graphics, and check up on what your competitors are doing.

9.9 **Summary**

Facebook is a social networking service provider. It lets you invite and connect with friends, send messages and pictures, like and comment or share them. Facebook has seen outstanding growth since its inception and is poised to maintain its dominance in social networking.

9.10 **Glossary**

- **Facebook Marketing**

Facebook marketing is a platform that offers a variety of highly targeted paid advertisements and organic posts, allowing brands to put their products and services in front of the massive audience.

- **Carousel ads**

This format allows showcasing up to ten images or videos inside a single advertisement — each with a link to a specific product page.

- **Heyday**

Leverage AI to save money and provide top-notch customer service 24/7. Facebook Messenger chatbots can act as an interactive FAQ, as well as connect your customers to live agents for more complex requests.

9.11 **Self-Check Exercise**

1. What is Facebook Marketing.

2. Write down how to set up Facebook for Business.
3. Why is Facebook good for Marketing.

9.12 Answers to Self-Check Exercise

1. For answer refer to section 9.1
2. For answer refer to section 9.2
3. For answer refer to section 9.3

9.13 Terminal Questions

1. What are the Benefits of Facebook Marketing.
2. Discuss the Formats of Facebook Marketing.
3. Discuss how to Create an Effective Facebook Marketing Strategy.
4. What are the Facebook Marketing Tools. Write down in detail.

9.14 Answers to Terminal Questions

1. For answer refer to section 9.4
2. For answer refer to section 9.5
3. For answer refer to section 9.6
4. For answer refer to section 9.8

9.15 Suggested Readings

- *Facebook Marketing*. (n.d.). Retrieved from SendPulse:
<https://sendpulse.com/support/glossary/facebook-marketing>

LESSON -10

LINKEDIN MARKETING

Structure

- 10.0** Learning Objectives
- 10.1** Introduction
- 10.2** Benefits of LinkedIn
- 10.3** How to set up a business LinkedIn page
- 10.4** How to Use LinkedIn
- 10.5** Steps to Create a Successful LinkedIn Marketing Strategy
- 10.6** Summary
- 10.7** Glossary
- 10.8** Self-Check Exercise
- 10.9** Answers to Self-Check Exercise
- 10.10** Terminal Questions
- 10.11** Answers to Terminal Questions
- 10.12** Suggested Readings

10.0 Learning Objectives

After studying this lesson, you should be able to:

- Benefits of LinkedIn
- How to set up a business LinkedIn page
- How to Use LinkedIn
- Steps to Create a Successful LinkedIn Marketing Strategy

10.1 Introduction

Today, LinkedIn is an engaging social media network where users can interact, share views, connect digitally, and boost their professional profiles. On top of that, LinkedIn has more than 774 million members spanning over 200 countries and territories around the globe.

LinkedIn serves as a powerful social media platform for connecting with professionals and businesses, boosting brand identity, and engaging in business-to-business marketing to promote goods and services. It should be part of any comprehensive social media strategy.

LinkedIn marketing refers to the process of utilizing LinkedIn to promote an individual or business to attract attention to their profile. Businesses can establish their own company pages and subpages (e.g., for specific products) on the platform and use it to:

- Build brand awareness
- Share content to drive traffic to a business website or blog
- Make new business connections or nurture existing business relationships

These techniques can be used to bring greater attention to the business and, ideally, for lead generation. If you want to take advantage of these benefits, the first step is to set up a LinkedIn business profile.

LinkedIn also offers additional functionality you can take advantage of, like LinkedIn Boosting, LinkedIn ads, and Showcase Pages. The following sections provide greater details about these LinkedIn marketing components.

10.2 Benefits of LinkedIn

LinkedIn offers a massive opportunity for thought leaders and businesses to grow their networks and raise their profiles. The platform already boasts 774-plus million users and is growing—a trend that’s expected to continue.

Here are some of the unique benefits this professional platform offers.

- **Thought leadership**

LinkedIn is business- and career-focused. This makes it ideally suited for displaying credentials that can bolster a person’s or company’s reputation as a thought leader (e.g., university degrees, professional certifications, company awards). This lays the basis for reputation-based thought leadership. You’re not just an anonymous persona, but have credentials on display for all to see. You can make the most of this by posting value-added content and comments on the platform. For example, say you run a logistics company. You might post an FAQ video from your CEO, answering common questions about the field. This will help solidify that “expert” reputation.
- **Connect to the right target audience**

Many businesses already used LinkedIn, making it ideal for B2B connections—something other social networks can’t offer. You can further use LinkedIn to connect with relevant professionals and companies in your niche. For example, say you’re in the financial services industry. You can ensure you connect with the right demographic by following and connecting with other companies in the field and joining groups for financial services topics. This allows you to cut through the “noise” and focus on connections that will have the most value to your business. You won’t have to worry about wasting time on irrelevant networking.
- **Brand awareness**

Your brand is what helps set your business apart from other competitors in the field. It encompasses elements like your mission statement, core values, and business goals. It’s what makes you stand out. You can highlight your brand on LinkedIn to raise awareness and show others how you stand out from the crowd. There are many ways to do this, from sharing unique content about your brand to running LinkedIn ads. For example, say you manage a virtual assistant firm catering to the U.S. market. Your unique selling proposition is that your virtual assistants are all based in the U.S. and are native English speakers. You might run a LinkedIn ad highlighting these points.
- **Increase product and service awareness**

In addition to raising your brand’s profile, you might also raise awareness about specific services or products your business offers. LinkedIn is especially valuable for this if you specialize in B2B products or services.

For example, say you provide accounting software to small- and medium-sized enterprises. You could use LinkedIn to share information about your products. You can extend reach by joining groups targeting SMEs and running relevant ads.

10.3 How to set up a business LinkedIn page

Ready to tap into the power of LinkedIn for your business? The first step is to set up a LinkedIn business page. Here's a step-by-step guide.

1. Go to LinkedIn Pages

A business page on LinkedIn is different from an individual user page. It provides company-specific information. Creating a page is free. However, you'll need a company email and name.

To create your page, here are a few steps. First, go to your LinkedIn page. At the top right, click "Work." Next, scroll down to "Create a Company Page." If you don't have a LinkedIn account, you can set one up for free. You will then be the page's automatic administrator (you can later designate others in your organization as admins too).

2. the relevant category for your business

You will then be asked to select your business category. Options include:

Small business of less than 200 employees

Medium to large business of 200+ employees

Educational institution

Showcase page (use this only if you already have an existing company/business page and this will serve as a subpage for that page)

3. Fill out page details

With this done, you'll be asked to complete the specific page details for your business/company page. Prepare to provide the following information:

- **Business name:** Use your business name as it appears on your marketing materials (how it's known to customers) to ensure easy brand recognition.
- **URL:** Decide what you want the publicly displayed URL for your LinkedIn business page to be. Logically, it probably makes sense to have it reflect your company name, making it easy to remember.
- **Website:** Provide a link to your business website (make sure it's correct). This will appear on your page and can be a great way to drive traffic to your platform and generate leads.
- **Company size:** Designate the number of employees. This allows people to quickly see how large your company is.
- **Company type:** This is where you designate the legal entity (e.g., sole proprietorship, corporation, limited liability company, etc.). Make sure to choose the option that reflects your legal status.

Note that you'll also be asked to select a business industry for your company page.

Options include:

- Consulting
- Transportation
- Marketing services
- Advertising

- Textiles
- Health care
- Biotechnology
- Computer games
- Finance
- Banking
- Automotive
- Luxury goods
- Telecommunications
- Computer software

4. Add company logo and tagline

With the logistical details settled, you can go on to add your company logo and tagline. It's important to include these elements, as they're strong reflections of your brand. They're what helps make it memorable and recognizable.

For example, consider a strong brand like McDonald's. The company is renowned not only for its logo (the golden arches) but also for its tagline, "I'm Lovin' It." You immediately associate these elements with the brand.

5. Provide more business details

LinkedIn then gives you the chance to add a few more unique business details that can help localize your page and provide potential consumers with greater clarity about what you offer.

Take advantage and add as much detail as you can. Ensure that anybody who visits your company page has a comprehensive, correct snapshot of who you are and what you offer.

Here are some points to include:

- **Company description:** This is a great place to provide your elevator pitch. Briefly state what your company does and what makes it special.
- **Location:** Other companies in other locations may share your company's name or have a similar-sounding name. Designate a location to avoid confusion and help localize your page.
- **Hashtag:** Adding a hashtag allows you to highlight key terms relevant to your company. If you have a hashtag you already use on other social media platforms, add it here, ensuring cohesive branding across platforms.
- **Cover photo:** Add a cover photo to make your page more visually appealing. This should reflect your brand. Company pages use everything from team pictures to images of their products for cover photos.
- **Buttons:** You also have the option to add call-to-action buttons to drive people from your LinkedIn page to your business. CTA options include messages like "Visit website," "Sign up," "Learn more," and "Contact us." Take advantage of this opportunity to spur the page visitor to action.

10.4 How to Use LinkedIn

- Customize your public Profile URL.
- Add a LinkedIn background photo to your Profile.
- Add, remove, and rearrange sections of your Profile.

- Optimize your LinkedIn Profile for the search engines.
- Add a ProFinder Badge to your Profile.
- Take advantage of the blog and website links on your LinkedIn Profile.
- Check your Network Updates (or share your own).
- Be identifiable.
- Check out who's viewed your LinkedIn Profile.
- Design all aspects of your LinkedIn page.

1. Customize your public Profile URL.

Make your Profile look more professional, and easier to share, by customizing your LinkedIn public Profile URL. Instead of a URL with confusing numbers at the end, it will look nice and clean like this:

<http://www.linkedin.com/in/amandazantalwiener>.

You can do this by clicking View Profile and then clicking Edit Public Profile and URL. Here you can change your URL to anything you'd like — such as your first and last name or business name — assuming it hasn't already been taken by another LinkedIn user.

2. Add a LinkedIn background photo to your Profile.

Give your LinkedIn Profile a little bit more personality by adding an on-brand background photo. Although one is automatically provided to you, you can update it to showcase your personal brand, special interests, or catch the eyes of hiring managers and recruiters.

LinkedIn recommends a background photo size of 1584 x 396 pixels, and it must be a JPG, PNG, or GIF file under 8MB.



3. Add, remove, and rearrange sections of your Profile.

You can edit and reorder sections of your LinkedIn Profile to highlight specific pieces of information in any way you see fit. When you're in edit mode, simply hover your mouse over the double-sided arrow in each section. Your mouse will turn into a four-arrow icon, at which point you can click, drag, and drop to another position on your Profile.

4. Optimize your LinkedIn Profile for the search engines.

Search engine optimization (SEO) isn't limited to blogging — you can also optimize your Profile to get discovered by people searching LinkedIn for key terms you want to be found for. You can add

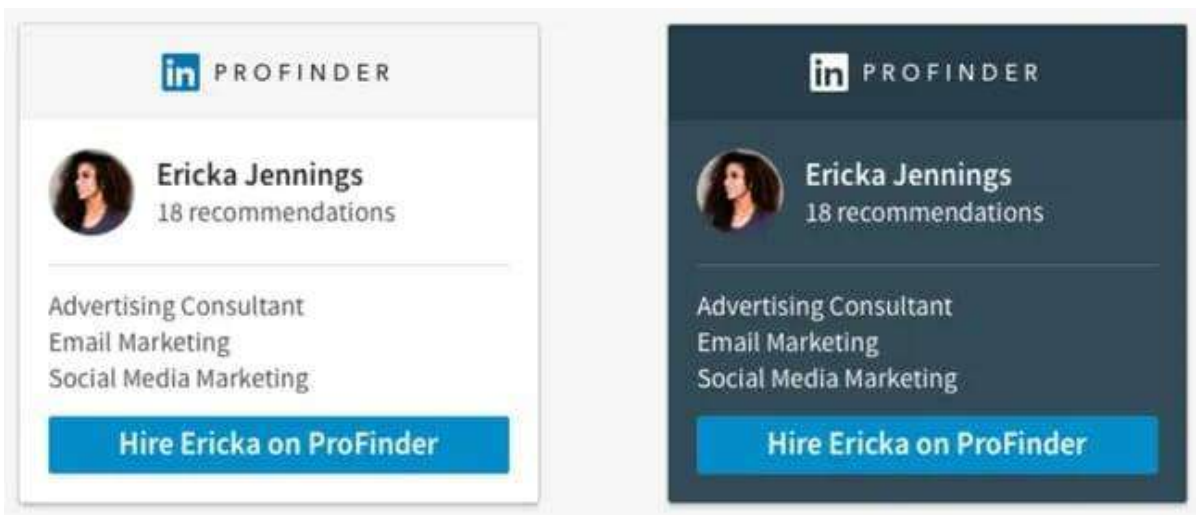
these keywords to various sections of your Profile, such as your headline, your summary, or your work experience.

Download a free SEO starter pack to learn everything you need to know about optimizing your business' content.

5. Add a ProFinder Badge to your Profile.

You might consider adding a ProFinder Badge, which is used to identify freelancers within LinkedIn's ProFinder. This service matches contractors with project managers who are seeking help. Freelancers can display a ProFinder badge on their Profiles to show prospective clients their skills, expertise, and recommendations.

LinkedIn offers two badge themes for you to choose from:



6. Take advantage of the blog and website links on your LinkedIn Profile.

You can add portfolio links and social networks to your LinkedIn page. Links to your content and business information can also be added to your Profile to increase clicks. This feature allows you to draw greater attention to specific areas of your page to drive traffic elsewhere.

For example, if you produced a podcast, you can share links to your episodes on LinkedIn (e.g. SoundCloud tracks) to promote your work.

7. Check your Network Updates (or share your own).

Found on your LinkedIn homepage, Network Updates are essentially LinkedIn's version of the Facebook News Feed. Check this feed periodically for a quick snapshot of what your connections, customers, competitors, and others are up to and sharing. You can also share updates of your own, such as details about your products or services and noteworthy content your business has created and published.

You may choose to sign up for email notifications or sort by "Top Updates" and "Recent Updates" to filter your feed in any way you choose.

8. Be identifiable.

Your LinkedIn connections should recognize your Profile the moment they look at it. A great way to make your Profile easily identifiable is by ensuring your Profile's name, headline, and other simple identifiers are easy to see.

Note: You should always have your Public Profile setting enabled as well, to be visible and identifiable for your audience.

9. Check out who's viewed your LinkedIn Profile.

Learn a little about your audience members, potential leads, and customers who are viewing your Profile and marketing content that you're sharing on LinkedIn.

How? With the Who Viewed Your Profile feature.

This tool, which is accessible in the main navigation via the Profile drop down, enables you to identify the exact people who have visited your page. You can see how you stack up against the Profile views for your connections, other businesses like yours, and more.

10. Design all aspects of your LinkedIn page.

The design of LinkedIn pages has changed a lot over the years. Make sure yours is set up correctly and optimized for the latest layout, featuring a compelling and high-quality banner image.

10.5 Steps to Create a Successful LinkedIn Marketing Strategy

1. Define Your Goals

The type of content you publish and the approach you use to distribute it on LinkedIn depends on your final objective. That is why it is crucial to outline your goals at the onset of your LinkedIn marketing strategy.

Typically, you may want to target one or more of the following goals:

- Build brand awareness
- Generate qualified leads
- Strengthen brand reputation
- Engage with your target audience
- Sell your product or service

2. Understand Your Audience

Once you have a clear idea of your marketing goals, it is time to define your target audience. That's a prerequisite for developing a solid LinkedIn marketing strategy.

You can outline your audience on the basis of different parameters such as job title, geographic location, industry, etc.

Let's say your goal is to sell an eBook on influencer marketing for brands. In this case, your target audience may consist of marketing professionals. They may have job titles such as "social media manager," "social media executive," etc.

3. Create a Captivating Company Page

Your LinkedIn Company Page is one of the biggest assets of your LinkedIn marketing strategy. It is one of the first interactions your target audience is going to have with your personal brand.

As such, it should help them learn everything they want to know about your business. This includes your information about your products/services, employees, and headquarters etc. Make sure you provide your company logo, website URL, industry, company size, and other details. Adding these details builds your company's credibility and can indirectly help make your LinkedIn marketing stronger.

4. Optimize Your Company Page

Just like your website, you should also optimize your LinkedIn Company Page for search. In fact, it is an integral part of your LinkedIn marketing strategy.

A well-optimized Company Page will help you gain increased visibility in search results, both on and off LinkedIn. This makes it easier for people to learn about your company using search engines as well as LinkedIn.

5. Analyze Competitors' Company Pages

To amplify your LinkedIn marketing, you need to know how you fare up against your competitors.

LinkedIn provides a feature called "Companies to track" that reveals a list of companies similar to yours. It also gives you access to a few key metrics.

These include the total number of followers, follower growth, and social media engagement. Evaluating these pages can help you understand how your own Company Page fares in comparison.

6. Promote Your Company Page

Creating a compelling Company Page is of no use unless you can attract followers and grow your audience. In addition to optimizing your Company Page for search, you should also encourage people to follow it.

Increasing your visibility is crucial to creating a successful LinkedIn marketing strategy and lead generation.

This ensures that all of your updates show up in their LinkedIn Feed which, in turn, increases the reach of your content. In addition, a high follower count also reinforces the credibility of your company.

The easiest way to do this is to ask all your employees and colleagues to become followers of your Company Page.

You should also add a "Follow" button in your email signature and newsletters as well as on your blog and website.

This allows your subscribers and website visitors to become followers with a single click.

Additionally, you can invite your existing customers and collaborators to follow your Company Page.

7. Create Relevant and Engaging Content

Attracting a significant number of followers to your Company Page is a difficult task. However, achieving a high follower count doesn't mark the end of your LinkedIn strategy.

Retaining your audience and engaging with them is a challenge in its own right. The only way to achieve this is by publishing and sharing meaningful content that will resonate with your audience.

The quality of your content can make or break your LinkedIn marketing efforts. Publishing content on LinkedIn requires a thorough understanding of why people spend their time on the platform.

8. Use Images and Videos

It's crucial to maximize audience engagement on your LinkedIn updates for your LinkedIn strategy to be successful.

One of the best ways to grab the attention of your audience is to use images and videos. This should be done in addition to text-based articles.

In fact, according to LinkedIn, images lead to a 2x higher comment rate and LinkedIn videos are 5x more likely to start a conversation.

In addition to images and videos, you can also upload SlideShare presentations and PDFs to make your content more attractive.

LinkedIn now allows you to upload videos directly onto the platform. It is likely that LinkedIn will prioritize their native videos over links from other platforms.

You can make the most of this feature by uploading videos directly to the platform rather than sharing YouTube links.

LinkedIn recommends that you create short 1-2 minute videos with proper subtitles. Make sure the videos are authentic and reflect the vision of your brand in an appropriate manner. Despite being easy to implement, many marketers overlook this LinkedIn strategy. If you want to get ahead of your competitors, you need to leverage this strategy.

9. Create a Content Calendar

Consistency is the key to retain your audience and keep them hooked to your LinkedIn Company Page. It's an essential element of any successful LinkedIn strategy.

If you publish engaging content on a regular basis, it helps build a sense of anticipation among your followers. It results in higher levels of engagement and further increases the reach of your content.

This can help you attract more followers and grow your audience on LinkedIn. LinkedIn recommends that you post daily in order to retain your connection with your audience.

Because of that, and in order to maintain consistency, I recommended that you create a calendar for your content as part of your LinkedIn strategy.

Establish a timeline for content publishing along with the types of content that you will create.

10. Automate Your Outreach

To grow your LinkedIn profile, you need to create more relevant connections during the initial stages. For this, you need to do a lot of outreach.

However, manual outreach can be challenging and time consuming. That's why automating your outreach is a great idea.

Dux-Soup LinkedIn Automation makes it easy for you to automate these prospecting stages so that you can focus your efforts on the more important stages. This can help improve your engagement and drive more sales.

11. Get Help from Your Workforce

Your employees and colleagues can be immensely helpful in growing your audience and increasing your reach on LinkedIn. Therefore, it is imperative that you make them an essential part of your LinkedIn strategy.

In addition to following your Company Page, you can also encourage them to like and share your updates. Make sure you notify them whenever you post an important update on your Company Page.

You should also ask them to fill out all of the necessary details on their personal LinkedIn profiles. Make sure they mention your company as their employer and provide a link to your Company Page.

12. Track Website Traffic

When you share content about your brand on LinkedIn, you might also add links to your website or blog. Many people might find your content interesting and may visit your website to check it out.

However, it's very likely that they may not end up on your landing page and fill out the form. As a result, you will lose those leads. But, if you track your website traffic, you might be able to tap into this audience as well.

10.6 Summary

Today, LinkedIn is an engaging social media network where users can interact, share views, connect digitally, and boost their professional profiles. On top of that, LinkedIn has more than 774 million members spanning over 200 countries and territories around the globe.

LinkedIn serves as a powerful social media platform for connecting with professionals and businesses, boosting brand identity, and engaging in business-to-business marketing to promote goods and services. It should be part of any comprehensive social media strategy.

10.7 Glossary

- **Location**

Other companies in other locations may share your company's name or have a similar-sounding name. Designate a location to avoid confusion and help localize your page.

- **Hashtag**

Adding a hashtag allows you to highlight key terms relevant to your company. If you have a hashtag, you already use on other social media platforms, add it here, ensuring cohesive branding across platforms.

- **LinkedIn Marketing**

LinkedIn marketing refers to the process of utilizing LinkedIn to promote an individual or business to attract attention to their profile.

10.8 Self-Check Exercise

1. What is LinkedIn Marketing.
2. What are the benefits of LinkedIn.

10.9 Answers to Self-Check Exercise

1. For answer refer to section 10.1
2. for answer refer to section 10.2

10.10 Terminal Questions

1. What is LinkedIn Marketing. How to set up a Business LinkedIn Page.
2. How to Use LinkedIn.
3. What are the various steps to creating a Successful LinkedIn Marketing Strategy.

10.11 Answers to Terminal Questions

1. For answer refer to section 10.1, 10.3
2. For answer refer to section 10.4
3. For answer refer to section 10.5

10.12 Suggested Readings

- *What Is LinkedIn Marketing? Strategy & Tips for Your Business in 2023.* (n.d.). Retrieved from upwork: <https://www.upwork.com/resources/linkedin-marketing>

LESSON- 11

INSTAGRAM MARKETING & YOUTUBE MARKETING

Structure

- 11.0 Learning Objectives
- 11.1 Introduction
- 11.2 Benefits of Instagram for Business
- 11.3 Instagram Marketing Strategy
- 11.4 YouTube Marketing
- 11.5 Benefits of YouTube Marketing
- 11.6 How to Create a YouTube Marketing Strategy
- 11.7 Top 5 YouTube Marketing Tools
- 11.8 Summary
- 11.9 Glossary
- 11.10 Self-Check Exercise
- 11.11 Answers to Self-Check Exercise
- 11.12 Terminal Questions
- 11.13 Answer to Terminal Questions
- 11.14 Suggested Readings

11.0 Learning Objectives

After studying this lesson, you should be able to:

- Benefits of Instagram for Business
- Instagram Marketing Strategy
- YouTube Marketing
- Benefits of YouTube Marketing
- How to Create a YouTube Marketing Strategy
- Top 5 YouTube Marketing Tools

11.1 Introduction

Instagram is the perfect channel to reach an enormous audience – over 1 billion active users monthly. On average, users spend 53 minutes per day on Instagram, which makes this platform the second most visited social network after Facebook.

Instagram facilitates maintaining your relationships with customers and prospects. People enjoy being connected with brands through this network – 90% of users follow at least one company on Instagram.

Another point to consider is Instagram's selling acceleration opportunities. According to Facebook research in 2019, 65% of people polled visited a brand's website or app after seeing it on Instagram. 46% of interviewees purchased from a brand online or offline.

Instagram marketing is a type of social media marketing, which involves promoting a brand on Instagram. This social media platform helps brands connect with an enormous audience, increase brand awareness, and boost sales.

Instagram marketing strategies include:

- **Organic content:** Photo, video, or carousel posts, Reels, Stories
- **Paid content:** Instagram ads, including Stories ads, Shopping ads, and more
- Influencer marketing
- **Shopping tools:** Shop tab, Product tags and catalog, Live shopping, Instagram Checkout, Shopping ads

11.2 Benefits of Instagram for Business

- Brand strengthening
- Improved engagement
- Enlarged sales
- Audience growth opportunities

Over the past few years, Instagram has evolved from being a place for flexing wealth or achievements to a helpful platform for business purposes. There are four ways Instagram can affect your business positively.

➤ **Brand strengthening**

Instagram marketing works wonders for brand awareness. 83% of users confess that this social network helps them discover new products or services. Better yet, people show more trust in the brands presented on Instagram.

74% of users consider brands with Instagram accounts relevant and 78% perceive them as popular. In contrast, brands that do not have an Instagram account are likely to be avoided by potential customers.

➤ **Improved engagement**

Social networks are one of the best channels to maintain relationships with customers. They allow you to get feedback from your audience through likes or comments, engage them with captivating content, notify them about special offers, and more.

In turn, Instagram works for customer engagement even better than other social platforms. Usually, a photo on Instagram gets 23% more engagement than a post on Facebook, though the latter platform has twofold more active users.

➤ **Enlarged sales**

We already know that the Instagram audience makes purchases willingly. This buying audience is gigantic – 11% of social media users in the US shop on Instagram.

Knowing this peculiarity, Instagram lets businesses make the most of their platform.

Instagram offers a robust set of tools that allow users to shop right from Instagram. Among them are links in Instagram Stories, shopping tags, ads, and more. Consider reading the full list on the Instagram website.

➤ **Audience growth opportunities**

Instagram boosts your business's reach by letting you define your target audience precisely. This opportunity is available on Instagram ads manager thanks to its targeting options. With them, you can pinpoint the most suitable audience according to demographic data, interests, behavior, and more.

Better yet, Instagram ads manager provides you with robust retargeting options. Targeting and retargeting coupled allows you to not only drive

more qualified Instagram leads but also nudge leads from other channels down the sales funnel effectively.

The Instagram analytics tool allows you to measure your ad performance. You can track outreach, total campaign spending, the number of purchases, cost per purchase, conversions, and more.

11.3 Instagram Marketing Strategy

- Set your goals
- Define your target audience
- Analyze your competitors
- Get a business account
- Design your content
- Build a consistent aesthetic
- Configure an editorial calendar
- Grow your follower base
- Turn followers into customers

Every marketing channel needs a well-designed strategy to drive amazing results for your business. To build a strategy for Instagram marketing, follow our step-by-step instructions.

1. Set your goals

Start crafting your Instagram marketing strategy by setting goals. Goals will underlie everything you do on Instagram, from defining your content formats to using advertisement mechanics. Popular objectives brands try to leverage through Instagram are increasing brand awareness, reputation management, building a community, sales acceleration, getting customer and market insights, and more.

Your goals should correlate with your business needs. If your financial results are more or less good there is probably no need to boost sales through Instagram. Try focusing on getting customers or market insight instead.

2. Define your target audience

Determining your audience is an essential step; miss it, and all your efforts to achieve business goals will fall flat. A pro tip here is to craft a buyer persona. Learn who your typical customer is, their age, gender, occupation, location, income level, and so on. The better you know your customers, the better results you will get.

A major mistake to avoid here is crafting a make-believe persona. Use a data-driven approach instead of guesswork. To get information about your potential customers, you can explore Instagram hashtags related to your business. For instance, if you are marketing an event agency, you can examine #eventplanner, #events, or #eventstyling.

3. Analyze your competitors

To get your head around Instagram marketing, research your competitors' profiles. Find out who they are, what kind of content they post, how they interact with their audience and other brands or influencers. You can also research your rivals' branded hashtags to get a hint of how popular they are.

Try to focus not only on successful tactics but also spot the things your competitors might be missing. This will help you come up with effective and unusual tactics for your brand promotion. Imagine that you are marketing a psychologist's practice through Instagram.

4. Get a business account

Instagram offers its users two types of accounts: personal and business. The latter gives you a lot more benefits and opportunities. For instance, you can track your performance in real time, learn more about your followers' behavior, add information about your company, and more.

Follow our precise step-by-step guide to switch to a business account, and then return here for some non-technical marketing tips on setting up your profile. Here they are:

- **Create a perfect bio.** Make a 150-character description of your business, focusing on why it stands out.
- **Optimize your profile photo.** It should be recognizable and reflect your business. You may opt for a logo, but remember that Instagram shows it as a 110 x 110-pixel photo.
- **Link to your website.** This is crucial for lead generation – your profile description is the only place, apart from Stories, where you can add a link.
- **Use business options.** You can add a category, contact information, and CTAs in business mode. Do not neglect this opportunity to get in touch with customers.

5. Design your content

Content is king anywhere on social media, and especially on Instagram – users are finicky both for visual and text parts of it. So, the platform provides a wide variety of content formats and opportunities to win the audience.

Start by thinking up the main theme and the message you want to deliver. You may opt for showcasing your products, focusing on your company's culture, or entertaining your customers.

The next step is to decide which content formats to use to leverage your goals. You can make use of static pictures, galleries, short videos, or longer video formats with IGTV. Bear in mind that images receive 27.55% more likes than videos, but both of them gain almost the same amounts of comments. However, it might not work for you the same way, so play around different formats and monitor engagement statistics.

6. Build a consistent aesthetic

No matter what type of content you choose, keep it beautiful, eye-catching, and high-quality. To get your head around the best visual style, we've picked some statistics on popular Instagram images:

Light tones generate 24% more likes than dark ones;

Blueish images get 29% more likes than the red ones;

Users like pictures with a high level of texture 79% more.

Avoid using this data thoughtlessly; remember your visuals should correlate with your brand personality. You can stick to your brand colors and guidelines – it will make you recognizable from platform to platform.

7. Configure an editorial calendar

An essential condition of your Instagram success is delivering content consistently. Your audience expects you to post updates regularly. To keep the pace without going insane, create an editorial calendar.

For higher efficiency, keep your calendar in special post scheduling services. They allow you to not only be aware of what and when to post but also keep the visuals, posts, and hashtags on hand. Better yet, these tools automate your posting, provide useful insights on the posting time, help obtain in-depth analytics, and more.

8. Grow your follower base

Make time to grow your audience and keep them engaged. One organic way to do so is by following relevant influencers. For instance, if you market kitchen supplies, it's a good idea to follow food bloggers, kitchen interior designers, and so on. Remember to engage with their content – like their posts, leave meaningful comments, share their stories.

Another option is to use hashtags, which help you reach your target audience, attract followers, and boost your engagement rate. Be careful here – not all hashtags are useful for your business. The most popular ones are used in millions of posts. So, you'd better go for niche hashtags. You can find them on your followers', competitors', and market leaders' accounts.

9. Turn followers into customers

An increase in vanity metrics, such as likes and comments, is good, but it doesn't affect your sales directly. So, take care of converting your followers into customers. Publish promotional posts, showcase your new products, run teasers, offer deals and discounts. Remember to include calls to action in your promotional posts. Although you can't add a link to your CTA in the publication, you can always encourage subscribers to tap the link in your bio.

You can create a link page for your Instagram bio with the help of Send Pulse drag and drop landing page builder. It provides the options to create your page from scratch or use a pre-designed template and design it to your liking. You don't need any technical skills and much time — it will take your 15 minutes to create a responsive page. Add buttons, links, useful resources, subscription widgets, and integrate with a payment system to convert leads into customers. The service is completely free.

11.4 YouTube Marketing

YouTube marketing is the process of promoting your brand, product or service on YouTube. Primarily, there are three ways marketers use YouTube:

- **Create original videos:** YouTube is primarily a video hosting platform. Publishing high-quality videos is key to succeeding on the platform.
- **Partner with influencers:** There's a reason brands spent over \$600 million on YouTube influencer marketing in 2021. The platform is an excellent place to work with creators and build credibility in your niche.
- **Run video ads:** 70% of consumers say they've bought a product after seeing it on YouTube. Running ads on the platform can deliver high returns for your brand.

11.5 Benefits of YouTube Marketing

The platform can serve as one of the most effective marketing channels. Optimizing keywords in titles and creating tutorials, commentary, product reviews, Q&A, and video listicles allow businesses to achieve higher exposure and reach new audiences. Brands can't predict who and when will access their videos. If the content contains the necessary keywords in the title and description, all

people who look for information might stumble upon a certain video, stay on the channel, and buy the product it advertises. Besides, adding watermarks and company logos to videos enables businesses to improve brand awareness.

YouTube marketing has tons of benefits for the business. Below are a few reasons investing in YouTube.

- **Reach a large audience**

YouTube has an incredibly large, active user base. Publishing quality content consistently and partnering with influential creators in your niche can get you massive exposure and traffic.

- **Improve search visibility**

While YouTube is a big enough search engine on its own, it's also great for boosting your visibility on Google. A significant number of Search Engine Results Pages (SERPs) now include video carousels, and more than 94% of those videos are from YouTube.

Conducting keyword research on Google and YouTube lets you choose the right topics, match search intent, and optimize your videos to rank higher on both search engines.

- **Increase brand awareness**

YouTube is a great place for generating brand awareness. According to Google, 90% of people around the world use YouTube to explore new brands and products.

Publishing content like product reviews, how-to videos, explainers and video ads can help you spread the word about your business. Additionally, using tactics like visual branding and brand voice consistency can help your audience connect with and remember your brand.

- **Build trust and credibility**

YouTube is the most trusted social media platform for finding and purchasing products. If you're looking to build credibility around your brand, YouTube is a great place to start.

Video testimonials, brand storytelling, visual tutorials, hands-on reviews and live demos are just a few ways you can shed light on how your product can solve problems. Partnering with creators in your niche can also help you build trust with potential customers.

- **Drive sales and traffic**

YouTube marketing can positively impact your bottom line. In fact, 81% of marketers say video has directly increased sales for their business.

With YouTube's shopping features like cards, end screens, channel stores and tagged products, marketers have tons of opportunity to sell products both internally and externally through the platform.

Generate leads

YouTube is also an effective lead generation tool. Along with using features like **lead form ads**, you can share webinar promos and online course trailers to encourage people to sign up.

Additionally, you can add links to landing pages and lead magnets in your video descriptions. Share your videos on other platforms like social media or websites to get more exposure.

- **Make extra revenue**

YouTube can boost your existing marketing strategy, but it can also become an additional revenue stream on its own for your business.

11.6 How to Create a YouTube Marketing Strategy

- Create a channel on YouTube
- Research your target audience
- Conduct competitive analysis
- Create videos based on the YouTube algorithm
- Start uploading content to your channel
- Provide all the necessary information on your channel
- Promote your videos
- Consider influencer marketing
- Measure your success

YouTube provides businesses with countless opportunities. With its massive base of users, companies can effectively promote their products. Let's find out how to create a YouTube marketing strategy and implement it for your brand.

1. **Create a channel on YouTube.** To create a channel, you can make use of your regular Google account. However, you'll be the only person who can log in. If you need an account that allows several users to access it simultaneously, you should start a brand account. With its help, you can start several channels on YouTube.
2. **Research your target audience.** Before creating videos, you need to analyze your YouTube demographics. Explore your target audience's location, age, and viewing preferences to meet users' needs. Based on your target audience's wants and needs; you'll be able to create helpful content. Gather all the essential information about the videos people like to watch the most. In case you already have a business account on YouTube, explore its analytics. It will give you more insights into your audience's preferences. Analyze the comments, ask questions, or create a poll to discover more about your subscribers' interests and wishes.
3. **Conduct competitive analysis.** YouTube is a large platform with many business accounts worldwide, and the competition is high. By analyzing your business rivals, you have a chance to determine the opportunities your channel has. First, identify your 3-5 most successful competitors. To do it, you can leverage keyword tools to see which brands have the highest ranking based on keywords related to your industry. Pay attention to their metrics, titles, descriptions, and comments under videos to find helpful information and inspiration. Second, you should determine your competitors' strengths and weaknesses, and a SWOT analysis will help you do it.
4. **Create videos based on the YouTube algorithm.** YouTube has its own ranking algorithm. If you want to rank high, you should create recognizable thumbnails (your videos' snapshots), optimize your titles and descriptions, and use keywords. It will help you have priority over other channels and videos as well as obtain more views. To write a strong title, include the appropriate keywords. Open YouTube Analytics to find these words and phrases, and add them to your titles. Make sure to use the keywords at the beginning. Apart from that, write a title that includes 60 or fewer characters. You should use the most critical keywords in your

description to write a summary of your video. To motivate users to take the desired action, add CTAs in the form of a card, end screen, watermark, or bumper ad. Finally, encourage people to like, comment, subscribe, and share.

5. **Start uploading content to your channel.** Create a schedule to upload your videos on time. This way, viewers will know when the new video is coming up. Ensure to choose the day and time with the highest level of engagement and views. If you've already uploaded some videos, you can check the analytics to define the most appropriate date for uploading new videos.
6. **Provide all the necessary information on your channel.** To simplify the search, you need to optimize your channel. There are several steps you should consider to enable users to find you faster. Firstly, complete your profile. Make sure to fill in the channel description, upload your logo, and make use of channel art. Besides, you can also add your other channels or resources subscribers might find helpful. Secondly, make sure that your channel contains links to your website and social media profiles. Thirdly, create a trailer for your YouTube channel to introduce your company to viewers and educate them about your product. Communicate your brand statement and explain to users why they should subscribe to your channel.
7. **Promote your videos.** Your videos can gain exposure if their titles include relevant keywords. Consider creating accounts on different social media with quality and interesting videos. It will drive more attention and encourage word-of-mouth promotion. There are many different effective ways to inform your subscribers about new content on your channel. With SendPulse, you can create a list of subscribers and schedule an email send-out notifying users about new company videos.
8. **Consider influencer marketing.** Opinion leaders have a vast number of followers who might be interested in your product. It's always a good idea to contact influencers who work in the same niche and are ready to promote your company and products. You can offer them to cooperate since 49% of customers trust the recommendations of influencers.
9. **Measure your success.** Once you upload your first video, it's necessary to track your progress. This way, you'll be aware of your accolades and failures. YouTube Analytics will simplify this process. Open it to see the changes in the number of subscribers, audience demographics, traffic sources, and device reports. The information you receive will help your channel move forward. By knowing more about your viewers, you'll be able to improve your content and meet their needs.

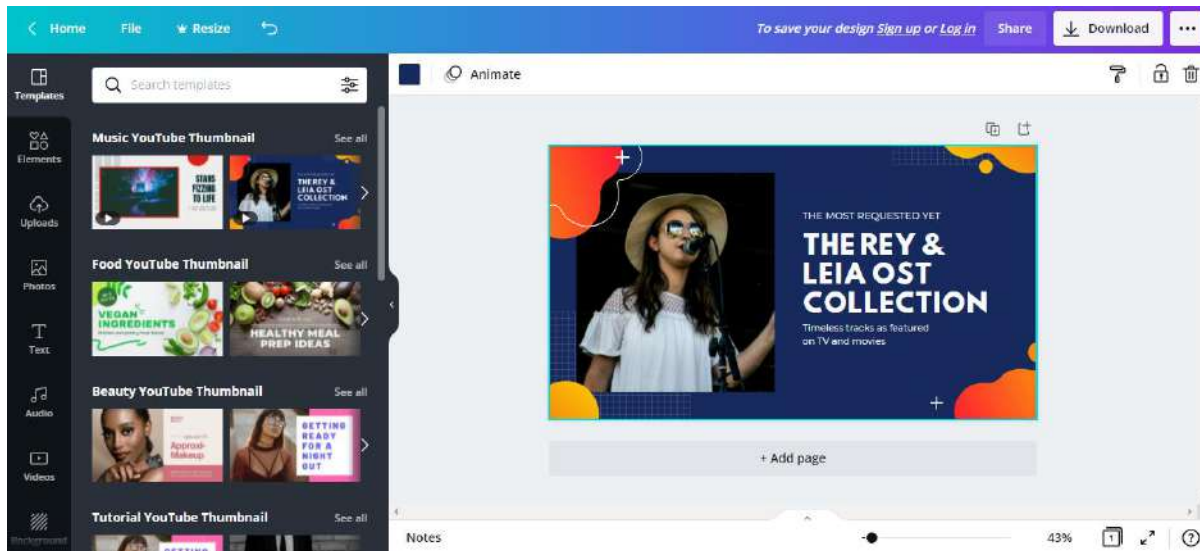
11.7 Top 5 YouTube Marketing Tools

If you aim to develop a great channel and gain subscribers and views, you should leverage several useful tools.

Canva

To attract more subscribers, you need to create YouTube thumbnails and feature images that stand out. Canva is one of the most suitable platforms to help you with this. With its drag-and-drop editor, you can design any image you wish and win new customers. It has a great variety of templates that can help you create a new video for your YouTube channel.

Take a look at Canva's editor for creating different types of YouTube thumbnails.



Keyword Tool

YouTube works on the same principle as Google and ranks videos based on keywords, titles, and descriptions. That's why you need an appropriate tool. Keyword Tool helps optimize videos and make them rank higher. As a result, the number of views and the popularity of your channel grows significantly.

You can see the keywords you can use for videos on your YouTube channel.

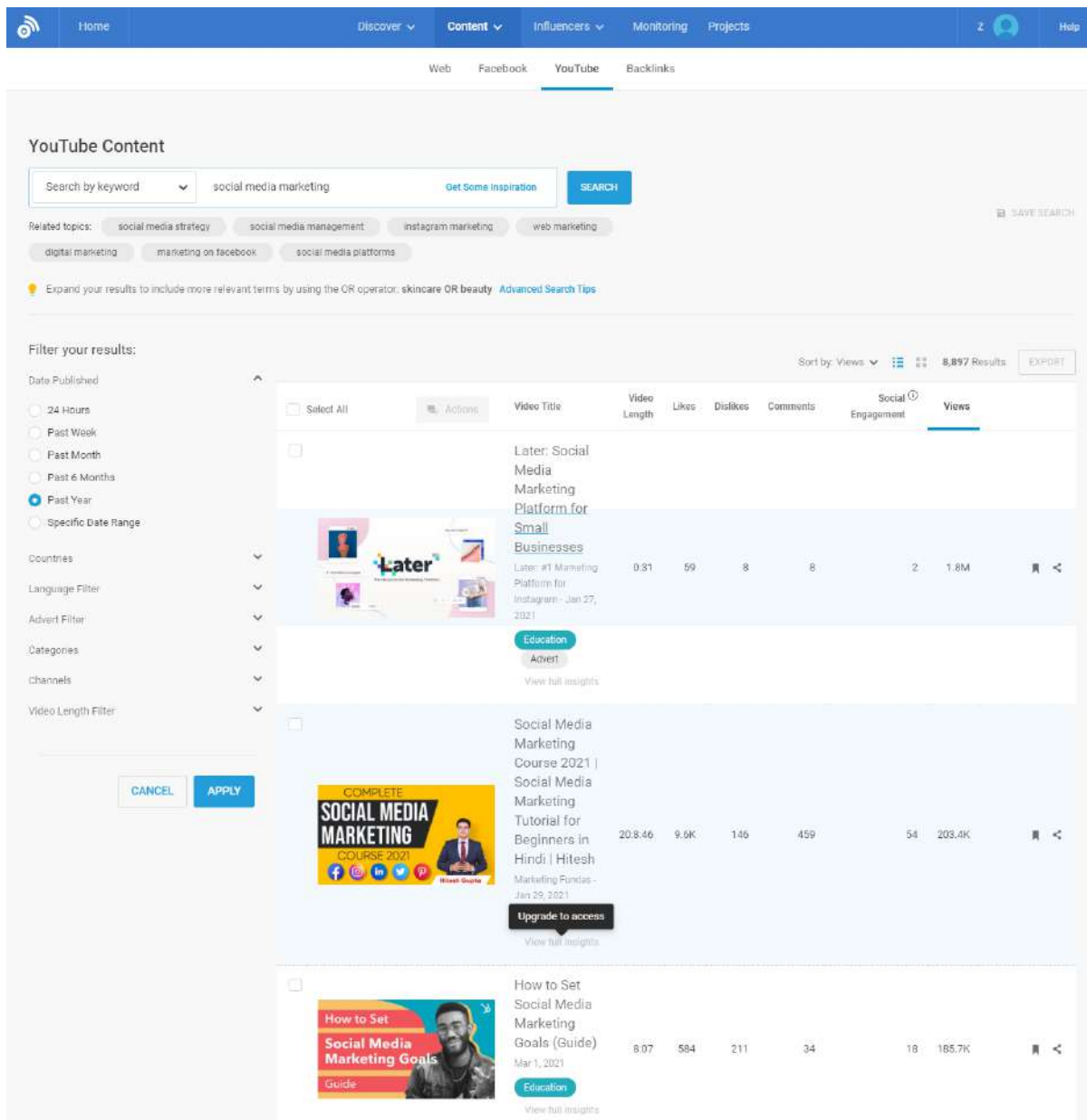
The image shows the Keyword Tool website interface. At the top, there is a navigation bar with 'Keyword Tool Pro For YouTube', 'API Access', 'Contact', and 'Login'. Below this, there are tabs for different search engines: Google, YouTube, Bing, Amazon, eBay, Play Store, Instagram, and Twitter. A search bar contains the word 'instagram' and a dropdown menu shows 'United States / English'. Below the search bar, there are filters for 'Filter Results' and 'Negative Keywords'. The main content area shows 'Keyword Suggestions' for 'instagram', with options for 'Questions', 'Prepositions', and 'Hashtags'. A 'Sort by' dropdown is set to 'Keywords - ascending'. A message states 'Search for "instagram" found 536 unique keywords'. Below this, there is a promotional banner for 'Keyword Tool Pro'. A table lists keywords with columns for 'Keywords', 'Search Volume', 'Trend', 'CPC (USD)', and 'Competition'. The table includes entries for 'instagram reels', 'instagram live', 'instagram followers', 'instagram dean', and 'instagram models'. A 'Copy / Export all' button is located at the bottom right of the table.

Keywords	Search Volume	Trend	CPC (USD)	Competition
instagram reels	11,000	100%	1.00	100%
instagram live	11,000	100%	1.00	100%
instagram followers	49,800	-33%	\$2.45	82 (High)
instagram dean	11,000	100%	1.00	100%
instagram models	11,000	100%	1.00	100%

Buzz Sumo

Buzz Sumo is a great YouTube marketing tool that helps create quality content and develop more ideas and useful videos that will provide viewers with value. Apart from a great content strategy, you'll also be able to find influencers who can effectively promote your YouTube channel or company. After uploading videos, Buzz Sumo will help you monitor the performance of your content.

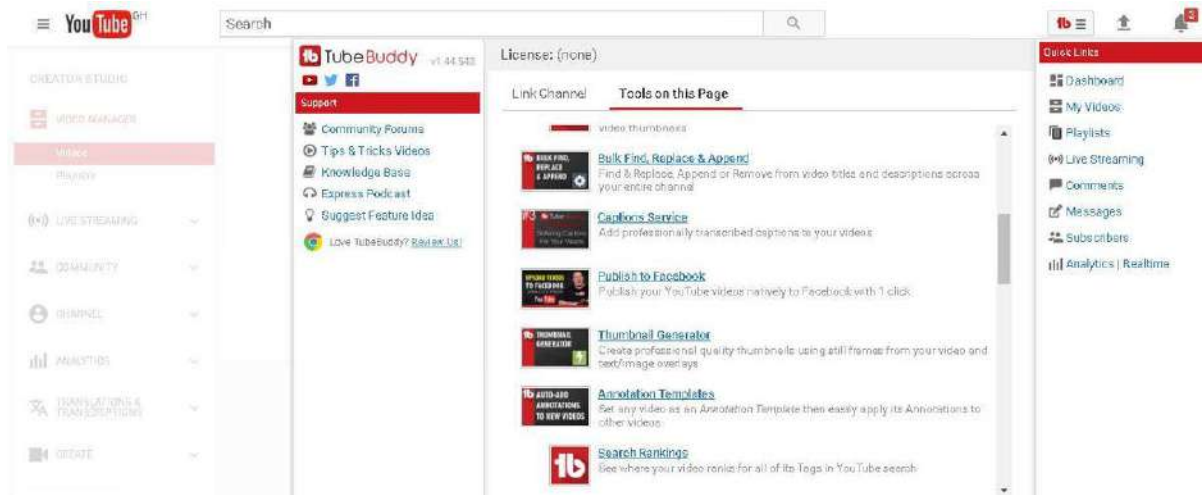
Below you can see how to search for content topics using relevant keywords and analyze the results.



Tube Buddy

This browser extension helps you optimize your content quickly by keyword search, A/B testing, templates, and comment filters. Its video SEO tools enable you to translate your video title and

description into other languages to increase the number of viewers. Tube Buddy's Keyword Explorer allows you to use the right keywords and rank higher in search results. Moreover, this browser extension also has a video A/B test feature to test your titles, tags, descriptions, and thumbnails.

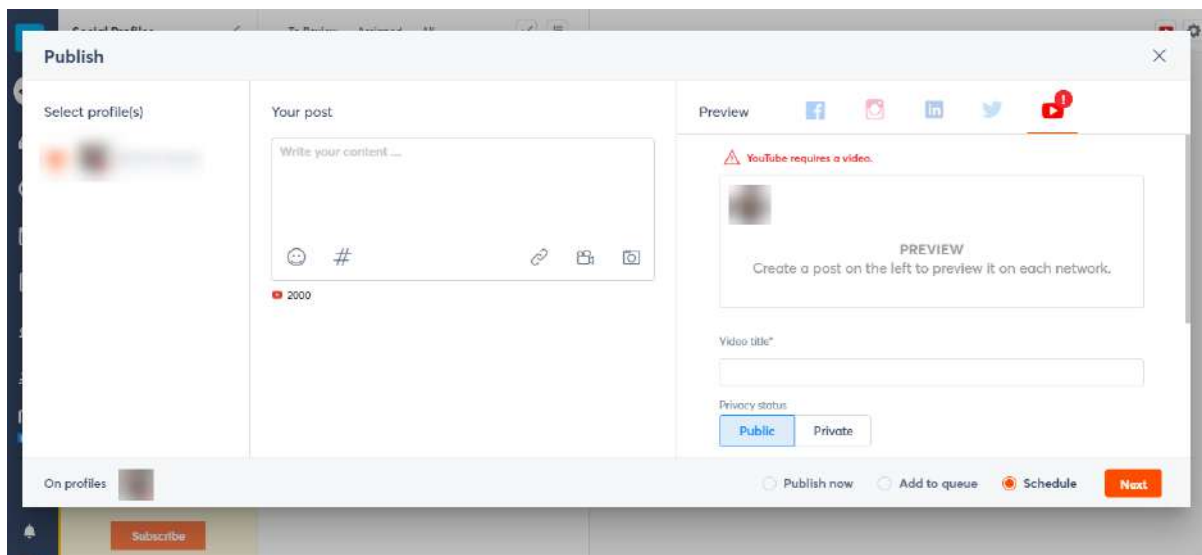


Source: [Hongkiat](#)

Agora pulse

Agora pulse allows you to communicate with people from multiple YouTube accounts. That's why there's no need to constantly switch accounts and check whether there are new notifications. You can also manage comments under your videos, and if you notice spam or inappropriate comments, you can ban them automatically. Agora pulse also lets people track the reaction of social media users to your videos and schedule your publications.

Here you can see what the process of publishing or scheduling content for your YouTube channel with Agora pulse looks like.



11.8 Summary

Instagram marketing is a type of social media marketing, which involves promoting a brand on Instagram. This social media platform helps brands connect with an enormous audience,

increase brand awareness, and boost sales. platform can serve as one of the most effective marketing channels. Optimizing keywords in titles and creating tutorials, commentary, product reviews, Q&A, and video listicles allow businesses to achieve higher exposure and reach new audiences. Brands can't predict who and when will access their videos. If the content contains the necessary keywords in the title and description, all people who look for information might stumble upon a certain video, stay on the channel, and buy the product it advertises. Besides, adding watermarks and company logos to videos enables businesses to improve brand awareness.

11.9 Glossary

- **Organic content:** Photo, video, or carousel posts, Reels, Stories
- **Paid content:** Instagram ads, including Stories ads, Shopping ads, and more
- Influencer marketing
- **Shopping tools:** Shop tab, Product tags and catalog, Live shopping, Instagram Checkout, Shopping ads

11.10 Self-Check Exercise

1. What is Instagram Marketing.
2. What is YouTube Marketing.
3. Write down the Benefits of Instagram for Business.

11.11 Answers to Self-Check Exercise

1. For answer refer to section 11.1
2. For answer refer to section 11.4
3. For answer refer to section 11.2

11.12 Terminal Questions

1. How to Built an Instagram Marketing Strategy.
2. What are the benefits of YouTube Marketing.
3. How to Create a YouTube Marketing Strategy.
4. Discuss in detail various Tools of YouTube Marketing.

11.13 Answers to Terminal Questions

1. For answer refer to section 11.3
2. For answer refer to section 11.5
3. For answer refer to section 11.6
4. For answer refer to section 11.7

11.14 Suggested Readings

- *Instagram Marketing*. (n.d.). Retrieved from SendPulse: <https://sendpulse.com/support/glossary/instagram-marketing>.
- Sheikh, M. (n.d.). *YouTube marketing: A complete guide for your brand*. Retrieved from sproutsocial: <https://sproutsocial.com/insights/youtube-marketing/>

LESSON -12

TWITTER MARKETING

Structure

- 12.0** Learning Objectives
- 12.1** Introduction
- 12.2** How to Increase Followers on Twitter?
- 12.3** What is Hash Tag?
- 12.4** Tools to Integrate Twitter on Your Blog or Website
- 12.5** Twitter Automation Tools
- 12.6** Twitter marketing options
- 12.7** Twitter marketing strategy:
- 12.8** Key Twitter features for Marketing
- 12.9** Twitter Influencer Marketing
- 12.10** Summary
- 12.11** Glossary
- 12.12** Self-Check Exercise
- 12.13** Answers to Self-Check Exercise
- 12.14** Terminal Questions
- 12.15** Answer to Self-Check Exercise
- 12.16** Suggested Readings

12.0 Learning Objectives

After studying this lesson, you should be able to:

- Twitter Marketing
- How to Increase Followers on Twitter?
- What is Hash Tag?
- Tools to Integrate Twitter on Your Blog or Website
- Twitter Automation Tools
- Twitter marketing options
- Twitter marketing strategy:
- Key Twitter features for Marketing
- Twitter Influencer Marketing

12.1 Introduction

Twitter started out as a place for people to share their every thought. Now it's turned into a powerful marketing platform that lets brands connect with their audience. Boasting 217 million monetizable users per day, it's easy to see why companies keep using Twitter after all of this time. But it's no longer enough to send out the occasional Tweet about a trending topic. Brands need to be more intentional with their Twitter marketing so they can stand out and keep their audience engaged.

Twitter:

Twitter is another social networking platform that allows registered users to read and write 140-character messages called 'tweets'. It is available across all devices such as cell phones, desktops, laptops, and tablets.

History of Twitter

Jack Dorsey, an undergraduate student at New York University, introduced the idea of an individual using a message service to communicate with a small group. Twitter was launched as an SMS-based communication platform. Initially it was known as "twtr". On March 21, 2006, Jack Dorsey sent the first ever tweet: "just setting up my twtr".

Twitter Marketing

Twitter marketing is the process of promoting your brand and its products or services through Twitter. It involves a well-established social media marketing strategy to create and publish content on the platform. When you market on Twitter, you need to publish the right Tweets at the right time to attract the right audience.

It doesn't stop with posting content. Twitter marketing requires a plan to engage and interact with your audience. Twitter is a conversation-based network, so it's important to create a two-way conversation with followers by replying to Tweets or direct messages.

Twitter marketing is a powerful tool for companies of every size and structure to reach out to new customers, promote their brand, and connect with the rest of the companies. Users can find out if customers are talking about them, and the business can accordingly respond. Tweets create another instance for the business that shows up in the search engine results. Twitter serves as a solid foundation for your business to branch out into other social sites. Twitter is a great platform for projecting what your company is doing and accessing a large audience, where your Tweets can promote products and events.

12.2 How to Increase Followers on Twitter?

- Grow your community by adding a follow button in your website and promote your username.
- Get noticed with hash tags like #smallbiz etc.
- Engage with your followers by collecting feedback to build a better business.
- Sync your email contacts with Twitter.
- Keep your bio updated with the events or the business campaign you are running.
- Embed your best tweets and tweet to people every day.
- You can promote your twitter account on any printed material, e.g., business cards.
- Follow people who follow you.
- Make sure you are engaging with your customers on twitter and not to your product.

12.3 What is Hash Tag?

The symbol hash tag (#) is used to mark keywords in a tweet. It was originally created by Twitter users. This symbol helps them to categorize the tweets and show them easily when people search for them. Hash tags can occur anywhere in a tweet – middle, end, or at the beginning. If you tweet with a hash tag on a public account, anyone who does a search for that hash tag will find you. A hash tag is a way for people to search for tweets having a common topic.

Sponsored Tweets and Hash Tags

Sponsored tweets are advertising platforms that connect companies with tweeters. Sponsored tweets allow brands to tap into a Twitter user's followers to reach out to new customers. By giving companies access to your twitter stream, tweeters are compensated for each advertisement they accept. The only thing tweeters need to do is to write a tweet based on some simple guidelines provided by the advertiser. Sponsored Hash Tags place the tag of a customer's choice among the list of trending topics that users see when they access the social network through the web.

12.4 Tools to Integrate Twitter on Your Blog or Website

- Add the twitter widget to your site's sidebar as it's a great way to show your latest tweets on your website.
- Choose from 40 different well-designed twitter buttons to quickly create a badge to promote your account.
- TwitThis is a little button that can be placed in your HTML file or in your blog to allow your readers to quickly and easily share what they are reading with their twitter followers.
- Chirrup is another solution for pulling Twitter comments across any platform. It allows you to display all the references from Twitter on a given webpage.
- Aweber has an excellent feature for any newsletter marketer. Newsletter delivery service has actually created a way to convert RSS to email to tweet.
- Twitterfeed is a pioneer of website and Twitter integration which allows you to automatically insert tweets into your Twitter from any RSS feed.

12.5 Twitter Automation Tools

Following are some of the twitter automation tools that make your profile look like an announcement board.

- Twitterfeed is a service that allows you to set up RSS from your blog or website.
- Social Oomph is a tool to create an automated direct message for new followers.
- Tweet Old Post is a great plugin which allows you to connect a Twitter account with your blog and regularly tweet posts to your followers.
- Hootsuite is a free tool that you can use if you have fewer than five social profiles to manage. It offers an option to schedule updates to specific social media accounts.
- Visibili is a free service that lets you create a custom sharing bar that goes with any links to share through their service.
- Twitter Showdown is a tool that provides valuable insights on follower to-following ratio, level of Tweet engagement, tweet timing, and how two accounts compare.

12.6 Twitter marketing options

For companies and individuals looking to sell their goods, services, or personal brands, Twitter offers a variety of marketing opportunities.

The following are some Twitter marketing options:

1. **Create Business Account:** Businesses should have their identity to Twitter with special professional account. It allows to use all the professional features for business requirement that are provided by the platform. Moreover, the professional look of the account gives confidence to its audience to interact with it.

2. **Promoted Accounts:** Businesses can pay to promote specific Twitter accounts to a wider audience. They can be targeted to people who are perhaps interested, in the company because they appear in the "Who to Follow section.
3. **Promoted Tweets:** Businesses can pay to have their normal tweets seen by more people by using promoted tweets. They can be targeted based on interests, geography, and other factors and show up in users' timelines and search results.
4. **Promoted Trends:** Businesses can pay to have certain hashtags seen by more people by using promoted trends. They are targetable based on interests, location, and other variables and show up at the top of the list of hot topics on Twitter.
5. **Twitter Ads:** Businesses can use Twitter Ads to advertise their goods, services, or brand in a variety of ad forms. These consist of Promoted Tweets, Promoted Accounts, Promoted Trends, and additional formats like Twitter Cards that permit companies to tweet rich media, such as photographs and videos.
6. **Influencer marketing:** Companies can collaborate with Twitter influencers to market their goods or services to the influencer's followers. This may involve paid tweets, evaluations of products, or other kinds of partnerships.
7. **Twitter Chats:** Twitter Chats are discussions that occur on the social media platform around a particular hashtag. To interact with their audience and promote their brand, businesses can take part in or host Twitter Chats.
8. **Twitter Analytics:** Twitter Analytics is a tool that offers information on how well your Twitter account and tweets are performing. It offers information on demographics, engagement, and other indicators that companies may use to fine-tune their Twitter marketing plans.

Businesses may expand their audience, interact with their followers, and advertise their brand on Twitter by utilising these Twitter marketing tools.

12.7 Twitter marketing strategy:

1. Audit your Twitter account

If you already have an existing Twitter profile, the first thing to do is to run a Twitter audit. Take stock of what's working and what isn't working by doing an in-depth review of your **Twitter analytics**. **Twitter analytics tools** help by allowing you to analyze:

- Hashtag performance
- Individual Tweet performance
- Individual Twitter audience

Knowing which Tweets are performing the best will give you an idea of the type of content that your audience is most interested in seeing. You can use this information to create a strategy to give your audience what they're looking for in your content. This will ultimately allow you to maximize the reach and engagement you get on your Tweets.

One way to audit your Twitter profile is to look over your analytics manually from your **Twitter Analytics dashboard**. Here's the step-by-step process to access this dashboard:

When you're logged in, click on the "More" button from the left-hand panel of your Twitter dashboard.

Expand the "Creator Studio" option and select "Analytics." This will open the Twitter Analytics dashboard.

From here, find "Tweet Highlights" and select "View all Tweet activity". This will open a graph of all the impressions you earned for your Tweets within any given time period.

Below the graph, you can see the impressions, engagements and engagement rates for each Tweet. Click on "Top Tweets" to see your best-performing Tweets. Check out the performance of your promoted Tweets by clicking on the "Promoted" tab.

2. Find your Twitter voice

Audiences on Twitter are looking for brands that Tweet authentically and stay true to their voice. It can be easy to jump on the latest trends to appeal to the masses on Twitter. But don't do this at the expense of losing your brand voice. Your Twitter presence can be more playful and casual than LinkedIn or Facebook. However, it should still be authentic and consistent with your brand voice as a whole.

Innocent Drinks has nailed its brand voice on Twitter. Going through the brand's feed, you can immediately see the brand's persona shine through. The brand voice is fun, friendly, honest and approachable. It sometimes comes across as somewhat naïve, or you could say "innocent"—just like the brand.

3. Use Twitter hashtags and trends

Hashtags are a great way to expose your brand to new audiences who may be interested in what you have to say. They're particularly effective for connecting your brand with what's happening on Twitter. In fact, hashtags can increase message association by 18% and brand awareness by 8%. What's more, is that brands saw a 3% lift in purchase intent by using hashtags to connect their brand with what's happening on Twitter.

Some brands create hashtags for a specific campaign and use them in relevant Tweets. They may even encourage their audience to share Tweets with that hashtag.

One excellent example is the #RebuildTheWorld hashtag campaign from LEGO. LEGO used the campaign to inspire people to unleash their creativity. Additionally, it helped to showcase the virtually endless possibilities that LEGO play offers.

4. Utilize Twitter ads

Using paid ads on Twitter is a great way to reach your audience in a more direct way than waiting for organic reach. Promoted Tweets can expand your reach more quickly.

They allow people to discover your profile, even if they don't follow your brand or hashtags.

When you use a promoted Tweet, your Tweets show up on the timelines of people who share interests with your audience.

You pay a monthly fee as long as you want the promoted Tweet to stay up. Users can interact with promoted Tweets in the same way they interact with organic content. The only difference is that promoted Tweets are labeled, so users transparently know it's a paid ad.

5. Find out when to Tweet

At the same time, Twitter moves so fast that something you Tweeted 30 minutes ago may very well be invisible to your followers. This makes it crucial to post at a time when your

followers are most likely to see and engage with your Tweet. This would allow the **Twitter algorithm** to prioritize your Tweets and display them to an even bigger audience.

6. Schedule Tweets ahead of time

The right Tweet posted at the right time has the potential to generate massive engagement and virality. But you can't possibly wait for your audience to be active every time you send out a Tweet.

Intentionally scheduling your Tweets ahead of time makes publishing more efficient. Knowing the right time to Tweet makes scheduling a consistent flow of Tweets much more manageable. It's important to be as consistent as possible on Twitter. Best practices recommend Tweeting at least once per day.

Some brands Tweet up to 15 times per day to stay in front of their audience. Best practices can differ across industries. It depends on your resources and social media strategy to determine how frequently you can create and publish new content on Twitter.

7. Engage with your Twitter followers

Twitter is all about creating a two-way channel of communication with your audience. It's important to create content that encourages your audience to engage with your Tweets. A lot of businesses use Twitter as a way to field support questions.

Meanwhile, you need to make sure that you're engaging with people who are Tweeting about your brand individually. If someone mentions your brand or responds to a Tweet, make sure you're responding to their message in a timely fashion.

It's a good idea to have a dedicated community manager handle these requests. This will help prevent responses from falling through the cracks.

Another way to create engagement with your followers is to ask questions. You can do this by creating a survey on Twitter directly or just asking a question and Retweeting people's responses.

8. Set measurable Twitter goals

Your Twitter marketing strategy needs measurable goals that will keep your plan on track. Instead of publishing Tweets and hoping for the best, set goals and objectives for Twitter. These goals should help your business meet its overall marketing goals. Goals for Twitter can include:

- Building an engaged following to increase brand awareness

- Generating leads by directing traffic to an offer or email list

- Increasing traffic to your website by posting links to blog content

- Building brand loyalty by providing excellent customer service on Twitter

- Networking with influencers and industry thought leaders to create more connections

12.8 Key Twitter features for Marketing

Marketing on Twitter is more than just hitting send on the occasional Tweet. The social network boasts many tools and features that help you get the most out of your Twitter marketing campaigns.

1. Twitter Trends

Twitter creates fast buzz around various topics, and when a particular topic, word, phrase, or hashtag gets popular, this is known as a 'trending topic' or 'trend.'

Twitter trends are useful for marketers to get a feel for what topics or conversations are happening on the platform and help you to understand your audience's interests.

2. Twitter Circle

Everyone wants to be part of the in-crowd, and Twitter Circle is your opportunity to create a small audience of your choice and Tweet exclusively to that group (up to 150 participants.) Only folks in your Twitter Circle can see the content and interact with those specific tweets. For marketers, your Circle could be a select group of key brands and influencers. You could utilize the feature to position your brand as a thought leader or share industry knowledge relevant to your audience.

3. Twitter Communities

Social media is all about building your brand, building your audience, and building your community. So, it makes sense that Twitter Communities are a fantastic feature for marketing on Twitter.

Like Discord, Facebook Groups, or even Slack, Twitter Communities allows you to start or join groups of like-minded accounts and curate content relevant to shared interests.

4. Twitter Spaces

Available on iOS, Twitter Spaces is the platform's version of a live audio chat room (kinda like Clubhouse). Users can host or participate in audio conversations hosted in 'Spaces' with some pretty cool benefits for brands and businesses.

For example, Spaces are an ideal location to hold Q&As, AMAs, or fireside chats in real-time with an active, engaged audience. Additionally, Spaces can help establish your brand as a thought leader if you hold industry-specific conversations and gatherings.

5. Twitter Lists

Opening your Twitter feed can feel like walking into a huge, noisy party with a million conversations happening at once. There's so much going on that it's hard to focus on any one topic.

That's why Twitter Lists are a helpful tool for zeroing in on the conversations that actually matter to your business. These lists are curated feeds from selected accounts, which allow you to tune in to relevant discussions or influential people.

You can make as many lists as you want on Twitter (well, up to a thousand... if you hit that limit, it's time to log off!). And unlike the main feed, which is ordered through Twitter's secret algorithm, tweets in your lists are arranged chronologically, which makes it easier to follow evolving issues and current events.

12.9 Twitter Influencer Marketing

Twitter influencer marketing is the process of utilising well-known Twitter users (also known as influencers) to advertise goods, services, or companies. Due to customers' propensity to believe suggestions from individuals they know and follow-on social media, influencer marketing has become a more and more popular method of advertising in recent years.

Influencers on Twitter often have a sizable fan base and communicate with their audience frequently. Brands can collaborate with these influencers to produce sponsored content that advertises their goods or services in the form of tweets, videos, or images. Twitter influencer

marketing offers firms the chance to connect with a specialty or industry-specific audience that is already interested in them. Furthermore, Influencers are moreover frequently seen as credible authorities in their industry, which can help to increase brand credibility and increase sales.

But it's critical for marketers to pick the appropriate influencers for their campaigns and to make sure sponsored material is identified as such. In influencer marketing, transparency is essential since consumers are more aware of sponsored material than ever before and are more inclined to interact with it. In conclusion, Twitter influencer marketing has the potential to be a very successful strategy for brands to connect with their target demographic and increase recognition and customer retention.

Therefore, you can follow a few steps if you wish to work with a Twitter influencer

- Find potential influencers by searching for Twitter individuals active in your business or niche that have a sizable following. Use BuzzSumo or Followerwonk to locate influencers who are appropriate for your brand.
- Establish a connection by first following and interacting with the influencer's content. Share their content, respond to comments, and engage in dialogue. By doing so, you will be able to get to know the influencer better and establish yourself as a useful contributor to their community.
- Reach out: After building a rapport, you can approach the influencer and suggest working together. Be specific about your contributions and the results you expect from the partnership. Make careful to customise your offer to the influencer's objectives and areas of interest.
- Be ready to give something in exchange: Influencers typically anticipate payment of some kind for taking part in collaborations. This could take the shape of money, complimentary goods, or exposure to your own audience. To ensure that everyone involved is clear on expectations, make sure to agree the conditions of the partnership up front.

Keep in mind that influencers receive numerous requests for collaboration, so it's crucial to stand out by providing something special and worthwhile. Your chances of working well with a Twitter influencer will increase if you are professional, considerate, and genuine in your communication.

12.10 Summary

Twitter marketing is a powerful tool for companies of every size and structure to reach out to new customers, promote their brand, and connect with the rest of the companies. Users can find out if customers are talking about them, and the business can accordingly respond. Tweets create another instance for the business that shows up in the search engine results. Twitter serves as a solid foundation for your business to branch out into other social sites. Twitter is a great platform for projecting what your company is doing and accessing a large audience, where your Tweets can promote products and events.

12.11 Glossary

- **Twitter Marketing**

Twitter marketing is the process of promoting your brand and its products or services through Twitter. It involves a well-established social media marketing strategy to create and publish

content on the platform. When you market on Twitter, you need to publish the right Tweets at the right time to attract the right audience.

- **Hash Tag**

The symbol hash tag (#) is used to mark keywords in a tweet. It was originally created by Twitter users. This symbol helps them to categorize the tweets and show them easily when people search for them.

- **Twitter Ads**

Businesses can use Twitter Ads to advertise their goods, services, or brand in a variety of ad forms.

- **Twitter Chats**

Twitter Chats are discussions that occur on the social media platform around a particular hashtag.

12.12 Self-Check Exercise

1. What is Twitter Marketing.
2. What is Hash Tag.
3. How to Increase Followers on Twitter.
4. What are the Tools to Integrate Twitter on Blog or Websites.

12.13 Answers to Self-Check Exercise

1. For answer refer to section 12.1
2. For answer refer to section 12.3
3. For answer refer to section 12.2
4. For answer refer to section 12.4

12.14 Terminal Questions

1. Discuss all the Twitter Marketing Options Available.
2. Write down the Key Twitter Features for Marketing.
3. How to Create a Twitter Marketing Strategy.

12.15 Answers to Terminal Questions

1. For answer refer to section 12.6
2. For answer refer to section 12.8
3. For answer refer to section 12.7

12.16 Suggested Readings

- *How to create a Twitter marketing strategy for your brand.* (n.d.). Retrieved from sproutsocial: <https://sproutsocial.com/insights/twitter-marketing/#:~:text=Twitter%20marketing%20FAQs-,Twitter%20marketing%20is%20the%20process%20of%20p>

LESSON -13

EMAIL MARKETING

Structure

- 13.0** Learning Objectives
- 13.1** Introduction
- 13.2** Measuring the Success of Email Marketing
- 13.3** Types of Email
- 13.4** Email Marketing Campaign Process
- 13.5** Advantages of Email Marketing
- 13.6** Disadvantages of Email Marketing
- 13.7** Email Marketing Tools
- 13.8** Email tracking
- 13.9** Email Tracking Tools
- 13.10** Summary
- 13.11** Glossary
- 13.12** Self-Check Exercise
- 13.13** Answers to Self-Check Exercise
- 13.14** Terminal Questions
- 13.15** Answers to Terminal Questions
- 13.16** Suggested Readings

13.0 Learning Objectives

After studying this lesson, you should be able to:

- Email Marketing
- Measuring the Success of Email Marketing
- Types of Email
- Email Marketing Campaign Process
- Advantages of Email Marketing
- Disadvantages of Email Marketing
- Email Marketing Tools
- Email tracking
- Email Tracking Tools

13.1 Introduction

Email marketing is using e-mail as a means of promoting your products or services. This can be direct one to one e-mail but typically it relates to sending e-mails to a group of people that have subscribed to a mailing list.

Email marketing is a digital marketing channel that engages prospects at various stages of the funnel, engaging and maintaining their interest. Because of its versatile nature, email is a vital tool for online retailers who want to stay top of mind with consumers. Email marketing is a good and cheaper alternative to sending direct mail (via the post).

For example, some people may subscribe to receive a regular newsletter from you. In general, the term “Email marketing” is used to refer to:

Sending promotional e-mails in order to acquire new customers or convincing current customers to purchase something immediately.

Sending emails specifically designed to enhance relationships with current or previous customers, to encourage customer loyalty and repeat business.

Adding advertisements to others companies' e-mails (on a partnership basis) to gain exposure within a new market.

How online businesses use e-mail to engage customers:

Email is utilized throughout the sales funnel and is a key revenue driver for many online retailers. Common emails include:

- **Newsletters:** Engage users with information about the industry, company news, and
- **Promotions:** Often sent to existing customers, promotional emails alert users to new products and sales.
- **Abandoned Cart Notifications:** Indecision, non-transparent shipping charges, and a variety of other reasons cause customers to leave a cart before purchase. These notifications remind them and can boost conversion by 15% or more.

13.2 Measuring the Success of Email Marketing:

The following metrics are used to judge the overall success of email marketing:

List Growth Rate: These measures how many addresses are being added to the company's list of contacts. More contacts are not necessarily better - a small list of leads who are likely to buy is better than a large list that doesn't care.

Bounce Rate: A 'bounce' is an email that was never successfully delivered. This indicates a problem such as the account no longer being in use, and businesses need to trim these addresses on a regular basis.

Click-Through-Rate: This calculates how many people are clicking one or more links in the email (typically taking them to a product page or special offer), and is one of the major signs of interest in an online store.

Conversion Rate: An extension of the previous metric, the Conversion Rate calculates how many people are finishing what they've been prompted to do. The most common criteria for this is purchasing a product or service, but it is possible to use other criteria, such as filling out a form to provide more information about themselves.

Revenue Per Message: This metric calculates how much profit, on average, a company made throughout its campaign. The calculation is a simple division of total revenue by the number of marketing emails sent.

13.3 Types of Email:

- **Promotional Email:** Promotional email is to promote a product or service, usually to entice customers to make a purchase. Every Business almost would enjoy this benefit. Promotional emails are short and sweet. You might want to create a special graphic to complement your email copy; otherwise, it's not a time-consuming process.

- **New inventory email:** Its Purpose is to let your customers know about new items. It falls under the promotional email umbrella. You're updating customers, but also hoping for a sale. Any business can tell customers about a new item in stock. Fashion and retail businesses may get the most bang for their buck. Time is spent taking a good picture of the new product, but these don't require a lot of text.
- **Newsletter email:** Newsletter email purpose is to inform customers about company news, improve brand awareness and build a relationship with your core audience. Almost Business would benefit with this type of email. It takes a bit of time to create a solid newsletter, but it's a valuable marketing tool.
- **Welcome email:** Its purpose is to welcome new email subscribers to the family and establish a good relationship. Creating the email doesn't take long, but you need to know when a new customer signs up.
- **Product advice email:** The purpose of this mail is to offer your customers advice on how to get the most from your business or product. At the same time, to establish your authority in the industry. This kind of email has more information, so your time will go toward writing and proofreading.
- **Educational email:** Educational Email provide customers with industry knowledge that's connected to your business or product. It helps build relationships and trust between your business and your customers. It takes time to brainstorm ideas and to create a sharp email.
- **Reorder email:** Reorder Email is to remind customers that it's time to reorder a certain product. Any business that sells products or services needed on a regular basis would benefit. Examples include products like printer cartridges, contacts, pet medications and vitamins. Basic text and images are needed.
- **Testimonial Email:** Its Purpose is to reinforce how valuable your business or product is through customer feedback. Every business would benefit with this mail and it takes a bit of time to collect testimonials. You may need to be persistent to get customers to give them to you.
- **Survey email:** Survey Email is to collect helpful information you can use to improve the customer experience. Any business looking to better itself can use this email. We have to spend time creating the survey and writing an email with a link to the survey.

13.4 Email Marketing Campaign Process:

Planning your Email Marketing Campaign Before you get started actually creating your email campaign and designing the layout of your email, you first need to think about the purpose of the campaign and what you are trying to achieve. The types of things we need to include:

- **What am I trying to achieve?** — This is where you think about the purpose and goals of your email marketing campaign. You may have a long-term goal, whereby you want to

communicate with your customers on a regular basis to keep them informed of the latest offers, new services you have added to the hotel, and so on.

- **Who do I want to target?** — identify who you want to send the email to. Your existing customers, such as, families or couples who have stayed with you before. You may even want to split up all your e-mail subscribers to groups and tailor communication based on the group.
- **How will I get people to subscribe to my mailing list?** — By law you have to get specific permission from people to send them a marketing email. This is sometimes referred to as an “opt-in” and there are many ways you can get people to subscribe (or opt-in) to your mailing list. For example, you could have a sign-up form on your home page so that people can subscribe to your newsletter.
- **How frequently will I send these emails?** — How frequently you send out your emails will depend on their type and purpose. For example, you may send out special offer and promotional emails as and when they are available, whereas you may send out a newsletter once a month. But try and keep the number of promotional communications to a minimum (1-2 a month) as too many emails could potentially annoy and alienate your subscribers causing them to unsubscribe.
- **Calls to action** — This is what you want to get the reader to do once they have read your email. When designing your email, you need to lay out exactly what you want the recipients of your email to do, and design it to make that path clear and easy to follow. For example, don't distract with too many links or offers, and make not only the call to action clear but also what recipients can expect when they click through. This can be as simple as "Click here for a 20% discount on your next weekend trip". For more information on calls to action, see the section in the guide “Getting the Most from your Website” which is part of this series of guides.

E-mail Marketing has evolved, moving from simple one-way messages and auto-responders (now referred to as e-mail 1.0) to a much more sophisticated way of communicating with your customers referred to as e-mail 2.0. It's an advancement in technology, entrepreneurs now have the ability to tailor the messages they send based on their customers' interests, preferences and purchase history - and targeted e-mails yield greater results.

Here are seven steps to creating and launching a successful E-Mail Marketing 2.0 Campaign.

1. Choose the Right E-mail Marketing Software System

CRM systems can range from simple database models to more complex systems that include sales force management, shopping carts, affiliate programs and e-mail behavior campaigns. Infusionsoft offers complete CRM capabilities, which include not only database and campaign management but also offer information on interest, preference and purchase behaviors so that you can tailor your message and campaigns. Other systems, such as Mail Chimp , Constant Contact and AWeber offer more basic e-mail database and campaign management services.

2. Build a List

Even if you only have 10 e-mail addresses, you need to start somewhere. Add those to your database. Once you have your list started, make sure that you launch a campaign to keep in touch and in front of your contacts without overwhelming their inbox. I suggest two e-mails per month maximum. It's not about e-mail quantity; it's about quality.

3. Set up Contact Information Capture Forms

It's easy to add forms to your website or blog to allow visitors to give you their contact information, such as e-mail address, name and phone number.

4. Decide What You Want to Accomplish

Before you launch your first campaign, you need to decide what it is that you want to accomplish. Do you want to deepen the quality of relationships, take your list through the sales cycle, educate them? Why are you sending your e-mails? Set clear goals before you send your first e-mail, and build your messages and campaign around those goals.

5. Set up Auto-respond E-mails

Set up at least six e-mails that will automatically release on the dates and times you choose to send out to your list. Keep them short, simple and to the point. Do not make them "sales pitchy"; use auto-respond e-mails to educate and build relationships, and the rest will follow. Make sure that each auto-respond e-mail has several links for more information; this is how you will gauge their interest and determine how to keep marketing to them.

6. Add Triggers to E-mails

Here's an example of a trigger: Your client clicks on a link in one of the e-mails you sent her about your product or service. As soon as she clicks on that link, it automatically triggers the release of a message sending her information about a similar product or service based on the original link. Triggers are used to send clients into a new sales cycle based on topic.

7. Monitor Results

Once per month, look at reporting (metrics) to see which e-mails are more effective and have a higher rate of opening as well as click-through. Use the lessons learned to build your next campaign. It's important to know how your list is responding to the e-mails that you send. If you aren't getting a good click-through response, the problem is either the quality of your message or the topic. Test a few e-mails with your top customers to see what they respond to and what they don't respond to (one common test is to send the same message with several different subject lines to see what your list favors). Offer recipients a discount on services for their time.

Not only has e-mail technology and software evolved, but the way people use it to communicate has changed how entrepreneurs and small-business owners market and grow their businesses. Email 2.0 marketing is an effective way to increase relationships, response rates and conversions through smart, targeted communication.

13.5 Advantages of Email Marketing:

Email marketing can be used for many different purposes.

- **Promotion** — you can use emails to promote a special offer, or a new product or service to a list of existing or potential customers. The main aim of a promotional email is to get the reader to take some type of action, such as, book a room, buy a gift card, or reserve a table. If your readers have specifically subscribed to your mailing list to receive special offers and promotions then that's fine, but if they have subscribed to a list to be kept up to-date on news

and events then if you are constantly bombarding them with promotional emails, you stand the risk of alienating them and forcing them to unsubscribe.

- **Retention** — these are emails aimed at building a relationship between you and your readers. These generally take the form of newsletters where you are providing your readers with information and stories that they may find interesting. A newsletter can of course also include promotional messages or advertisements but these should not be their main aim.
- **Communication** — these types of emails are generally short emails designed to communicate some important information to your readers. For example, invitation to an event in your hotel, a traveller tip for your area, details of a news article about your hotel. Email marketing allows you to reach millions of customers with a click of a button. Like any marketing medium, it has its advantages and disadvantages.
- **Other Benefits of Using Email marketing** - There are many good reasons to use e-mail marketing because even with the growth of social media, e-mail marketing can still be very effective
 - **Cost** — Communicating via email has many of the advantages of traditional direct mail but with much lower costs.
 - **Speed** — if you need to, you can get a message out to your entire list very fast.
 - **Easy to create** — with the many email tools out here, such as, MailChimp and Constant Contact, it has become extremely easy to send out professional looking emails and track their performance through reports. Most of these tools provide standard templates and layouts for all different types of emails, such as newsletters, invitations, special offers and many more.
 - **Personalized** — the more information you collect, the more messages can be tailored and personalized.
 - **Tracking** — you can track how well your email campaign is doing, such as, how many emails were opened, what links did they click, and so on. With this information you can then adjust your next campaign and improve performance.

13.6 Disadvantages of Email Marketing:

Businesses use email marketing as an affordable and often effective advertising tool. However, before employing this technique we should make yourself aware of the disadvantages and misconceptions that exist.

- **Spam** - People's in-boxes get inundated with email, both solicited and unsolicited. To cut down on the number of unwanted emails, many servers have filters in place to lessen the number of spams emails a person receives. ("Spam" is a common term for bulk distributed emails.) People can further adjust their email filters to their own tastes. Our email marketing could well land in a spam folder and never get viewed. In some cases, you could find yourself or your business in serious legal trouble. The CAN-SPAM Act sets forth strict guidelines that companies must meet in order to use email marketing.
- **Engagement** - Email marketing requires constant tweaking to keep your subscribers engaged. A person will often sign up to receive email solely as part of a promotion. For example, if a user provides his email address, he may receive a discount on a product. A user might also unintentionally sign up, such as if subscribing was the default choice on a web page.

- **Appearance** - You may have worked to create your email marketing to look exactly the way you envisioned. Unfortunately, due to the varying servers and computer settings, your design may not come through the way you hoped, which can diminish the impact of your message. Text may be moved from one line to the next on a person's screen. The email setting on another person's computer may only allow text, blocking images from coming through. If the main focus of your marketing was a logo, it could be lost.
- **Costs** - Sending a quick email to someone may not cost you much more than Internet access, but the costs of launching an email marketing campaign add up. Even basic self-managed monthly plans with fewer than 10,000 subscribers can cost \$70, according to one marketing software firm. Hiring a company to design and manage an email marketing campaign includes templates and consultations and can get pricey.

13.7 Email Marketing Tools:

Email marketing tools are tools that marketers use to create, send, test, optimize and report on their email campaigns. An email marketing tool could be a specific tool related to email marketing like an email subject line generator, or an inbox placement testing tool, or a suite of tools that enables a marketer to do all their email marketing end-to-end.

1. Sendloop

One of the most important aspects of refining a drip campaign is targeting the right people. With Sendloop, you can funnel contacts into very specific campaigns and track their movements on your site to further tailor your messaging in the future.

2. ActiveCampaign

ActiveCampaign allows you to create drip emails that are driven by subscriber interaction, behaviour, interests, location, history and more. With this tool, you can automate the entire life cycle of a subscriber or customer.

3. BombBomb

Text-only emails can be boring. Heck, even images are becoming boring in today's media-saturated internet landscape. If you want to effortlessly spice up your emails, then you should consider using BombBomb to create video-powered drip emails.

4. Drip

As the name suggests, Drip is an app designed for streamlining the drip email process. It's a surprisingly simple tool that packs quite the punch. The app features email gathering technology, pre-made templates, and drag and drop elements for simple creation.

5. MailChimp

MailChimp allows you to send drip emails to follow up based on website activity, abandoned carts, activity or inactivity, and much more. You can also use MailChimp Groups + OptinMonster to send drip emails based on what the subscriber opted in for, or even based on checkboxes that the user selects on your optin form.

6. Gumroad

Widely known as a place to sell digital products and services, Gumroad now has an email feature that lets you gather and store potential customers alongside existing customers. You can then segment based on numerous features and send updates about your products.

7. Knowtify

As you know, email is a versatile tool. Rarely are two messages ever sent with the same goal in mind. Knowtify understands this, and gives you an easy way to launch drip campaigns based on transactional, digest, or behavioral emails.

8. Infusionsoft

In addition to helping automate standard email drip campaign tasks, Infusionsoft serves as a general task manager. The “My Day” feature shows you which appointments you have for the day, as well as which contacts you need to follow up with.

9. AWeber

Did you recently add a bunch of new subscribers to your email list? Well, instead of bombarding them with a bunch of past emails, you can use AWeber’s Follow Up feature to get subscribers up to speed in a hurry.

10. GetResponse

If you’re like most people, your email newsletters are sent at predetermined times. Shouldn’t they be integrated into your calendar then? GetResponse’s autoresponder tool uses drag and drop features to make calendar management a breeze.

11. ConvertKit

Want some of the more advanced features of a CRM without the price tag? ConvertKit allows you to send targeted autoresponders to subscribers based on their interaction with your emails with Automation Rules. They even have blueprints that you can use to quickly create autoresponder sequences for almost any situation.

12. Emma

Nobody likes a generalized email newsletter. That’s why Emma is a great tool. This powerful tool works with Shopify, Salesforce and OptinMonster to gather CRM and sales data and personalize emails based on the subscriber.

13. Contactually

Contactually is one of the neatest tools on the list. It’s a CRM platform that focuses on vetting contacts. It gathers contacts from your email inbox, website, and social media profiles, and then gathers as much information as it possibly can to guide your messaging.

14. HubSpot

HubSpot is consistently ranked as one of the top marketing automation tools across a spectrum of tasks. One of its top uses involves streamlining email marketing through the use of automated workflows.

15. Intercom

If you're trying to teach your customers/users about your app, Intercom lets you send automated email conversations directly in the app. This gives them assistance where they're most likely to see it.

16. Hatchback

Just like Gmail now uses tags to optimize messages, so does Hatchback. You can create tags and assign them to specific contacts based on their interests and the stage of the funnel they're currently in.

17. GetNotify

GetNotify is a free tool that notifies you the instant your email gets read by the recipient. You just send your emails like you normally would, but add “. getnotify.com” to the recipient's email address. Your recipient will not see this, and they will not know that you are tracking their opens.

18. Campaign Monitor

What good is an email marketing campaign if you can't automate things like testing, tracking, and optimizing? With Campaign Monitor, you can. It features interactive analytics that are easy to review and act upon.

19. Litmus

Litmus is one of the top tools for rendering testing emails on any device. You can test up to 40 clients and devices with one single click, which cuts down on the time it takes for you to review each and every email combination.

20. Reach Mail

The Reach Mail testing feature lets users compare direct performance metrics on up to five individual email campaigns at once. It also accounts for things like subject lines, content, and images to show you which emails will perform best.

13.8 Email tracking:

Email marketing allows you to easily track the effectiveness of your campaigns. When you send out a direct mailing through the post office, for example, you have no way to know how many recipients opened your mail. An email message, though, shows you how many people received it, how many opened it and how many clicked through to your links and made a purchase.

Types of Tracking Reports Depending on the ESP you use, you have a great deal of data and to track and analyze. The kinds of data you can track include, but are not limited to, the following:

- Email bounce rates
- Who opened emails
- What links were clicked
- Customers that unsubscribe
- Email forwards

Let's take a closer look at the most commonly used types of tracking reports. As we go through the types of reports, they will become more and more specific

- **Bounce Rates/Non-Bounce Rates** - Bounce rate refers to the amount of emails that were not received by recipients. It is the equivalent of having a mailed letter sent back to the sender. This number is expressed as a percentage of total emails sent and requires a simple calculation. Calculating the bounce rate means taking the number of bounced emails (which a tracking report will tell you) and dividing that by the total number of emails you sent to a particular category on your list. You will get a small number (less than one) expressed in decimal form. To get the percent number, move the decimal to the right two places. As an example, if you get 0.25 from your division equation, moving the decimal over two spots gives you 25%.

Bounces can happen for a number of reasons, like firewalls or a full inbox. Most of the time, though, it is out of your control and there is little you can do to fix it. However, you can check for certain things like misspelled email addresses to see if the problem is in your hands and is fixable.

Non-Bounce rates, on the other hand, are the percentage of emails that did get sent through, regardless of whether or not the recipient opened them. This is a very useful number because it is used to let you know detailed information that we will discuss in the next few sections. Calculating the non-bounce rate is also simple. If you already have the bounce rate, all you have to do is subtract the percentage number from 100 to get the non-bounce rate.

- **Open Rates** - Open rates are the number of interactions your email server gets as a result of a recipient opening an email. This number only comes from the non-bounce rate and not the total number of emails you sent out. Your ESP will know when an email has opened because of one of the following:
 - The images were displayed in an opened email
 - A recipient clicked a link in an email

The reason these actions indicate an opened email is because images are stored on the ESP's server and accessed from the server when an email is opened. A link within an email is tracked because clicks are easily trackable. This is another reason why putting images and links into an email is important for your email marketing strategy.

- **Click-Through Rates** - Click-through rates are the percentage of users clicking on links in an email. This number is taken from the number of opened, non-bounced emails. As you can already see, these tracking data get more and more specific, building off of one another. The click-through rate number will be displayed and calculated by your ESPs software tools. Some ESP software will allow you to view exactly which links were clicked in addition to the number of times each one was clicked. Click-through rates are especially beneficial for customizing the interests of your customers. It extends beyond the email as well, being used on websites to track who clicks on what links. Since it is easy to track what exactly your customers click on, you can make well-educated assumptions about what they would prefer for you to send them in the future. You can also use click-through rates to recommend other types data to the customer to get them more involved in your company's other marketing channels.

- **Additional Tracking Reports** - In addition to the tracking data we have already mentioned, there are a few other points of data you can view and perhaps even use to improve the effectiveness of your email marketing strategy. You can see how many people unsubscribed and keep their data in a category of your email list. It is a good practice to keep this data because if the customer decides to subscribe to your email list once more, you do not have to

do any additional research on their information. Remember, though, that you cannot send them any emails unless they grant permission again. You can also use tracking reports to see if anyone has forwarded your email to other email addresses. If your email marketing strategy calls for you to get people to spread the word about your organization or something it has to say, this is a very useful type of data to track.

Email Tracking Data – Offline

You might come across an instance where you want to track how well your emails are doing for certain components of your entire marketing strategy. In some cases, though, using click-through or open rates will do little to help you track your progress and success. Some situations where you will want to know if your emails are effective include:

- In-Store Purchases
- Phone Calls
- Event Attendance

Sometimes, an organization wants to know if their emails are enticing people to participate in actions such as these listed.

Their participation cannot be tracked by software, so being able to track this kind of data involves some participation on the part of your email recipients. The best way to determine the effectiveness of your emails is to have your email recipients give you their email address when they make a purchase at a store or call your organization. For event attendance, you might give them some kind of special code that gets them into the event and can only be viewed from an email.

13.9 Email Tracking Tools:

- **ContactMonkey:**
ContactMonkey provides email tracking and a Salesforce-integrated sidebar in Gmail or Outlook email clients. The reporting dashboard gives you analytics on how many sends, opens, reads, and interactions your emails receive. Use the merge feature to send to multiple recipients based on a pre-built or on-the-fly list. ContactMonkey's predictive engine provides insight into how your contacts open their emails by device and time, so you know when to send for the best response.
- **ToutApp:**
ToutApp combines CRM, phone, and email client integrations into a single platform. You can build email templates and drip campaigns and log real-time customer interactions with emails so your team can jump on opportunities. Playbooks help your team choose the best sales-focused actions for each customer interaction. In-team messaging and notifications are also available. All of these features are accessible directly from your connected CRM, so you don't have to spend a lot of time updating notes and copy-pasting data from one platform to another. ToutApp is built for the enterprise, with privacy settings and full integrations for most of your technology stack.
- **Yesware:**
Yesware offers email tracking that drives prescriptive sales analytics. Prescriptive data helps your sales team anticipate customer behavior and better target warm leads. Contextual data reports show you what the best reps are doing so you can duplicate it across your team. An

“Activity vs. Engagement” report shows customer engagement with your content, instead of shallow interest. Individual team member reporting shows where your team can improve and where they’re lagging. Yesware offers a native connection with Salesforce to help you build customer lists for use in your email campaigns.

- **Clearslide**

Clearslide integrates with any existing email client. Build a sales library with your most successful templates, and use Clearslide’s customized, real-time tracking to follow customer engagement with all of your content, including your website. You can automatically upload content into your email templates and scale email blasts with customer segments from your CRM. All of your email client work auto-logs into your CRM, so (again) you don’t have to duplicate information.

13.10 Summary

Email marketing is using e-mail as a means of promoting your products or services. This can be direct one to one e-mail but typically it relates to sending e-mails to a group of people that have subscribed to a mailing list.

Email marketing is a digital marketing channel that engages prospects at various stages of the funnel, engaging and maintaining their interest. Because of its versatile nature, email is a vital tool for online retailers who want to stay top of mind with consumers. Email marketing is a good and cheaper alternative to sending direct mail (via the post).

13.11 Glossary

- **Email Marketing**

- Email marketing is using e-mail as a means of promoting your products or services. This can be direct one to one e-mail but typically it relates to sending e-mails to a group of people that have subscribed to a mailing list.

- **Promotional Email:**

Promotional email is to promote a product or service, usually to entice customers to make a purchase. Every Business almost would enjoy this benefit.

- **Newsletter email:**

Newsletter email purpose is to inform customers about company news, improve brand awareness and build a relationship with your core audience.

- **Testimonial Email:**

Its Purpose is to reinforce how valuable your business or product is through customer feedback.

- **Sendloop**

One of the most important aspects of refining a drip campaign is targeting the right people. With Sendloop, you can funnel contacts into very specific campaigns and track their movements on your site to further tailor your messaging in the future.

13.12 Self-Check Exercise

1. What is Email Marketing.
2. What are the Performance Metrics in Email Marketing.

3. How can we make an Effective Email Marketing Campaign.

13.13 Answers to Self-Check Exercise

1. For answer refer to section 13.1
2. For answer refer to section 13.2
3. For answer refer to section 13.4

13.14 Terminal Questions

1. What is Email Marketing. Write down different Types of Email Marketing.
2. Discuss the Advantages and Disadvantages of Email Marketing.
3. Discuss Different Email Marketing Tools.
4. Define Email Tracking. Discuss different Email Marketing Tools.

13.15 Answers to Terminal Questions

1. For answer refer to section 13.1,13.3
2. For answer refer to section 13.5,13.6
3. For answer refer to section 13.7
4. For answer refer to section 13.8,13.9

13.16 Suggested Readings

- BARONE, A. (n.d.). *Digital Marketing Overview: Types, Challenges, and Required Skills*. Retrieved from Investopedia: <https://www.investopedia.com/terms/d/digital-marketing.asp>

LESSON-14

MOBILE MARKETING

Structure

- 14.0** Learning Objectives
- 14.1** Introduction
- 14.2** Benefits of Mobile Marketing
- 14.3** Disadvantages of Mobile Marketing
- 14.4** Steps for Mobile Marketing
- 14.5** Creating a Mobile Website
- 14.6** App Creation Strategy
- 14.7** Types of Mobile Marketing Strategies
- 14.8** Mobile Search Ads
- 14.9** Summary
- 14.10** Glossary
- 14.11** Self-Check Exercise
- 14.12** Answers to Self-Check Exercise
- 14.13** Terminal Questions
- 14.14** Answers to Terminal Questions
- 14.15** Suggested Readings

14.0 Learning Objectives

After studying this lesson, you should be able to:

- Mobile Marketing
- Benefits of Mobile Marketing
- Disadvantages of Mobile Marketing
- Steps for Mobile Marketing
- Creating a Mobile Website
- App Creation Strategy
- Types of Mobile Marketing Strategies
- Mobile Search Ads

14.1 Introduction

Mobile marketing is a multi-channel, digital marketing strategy aimed at reaching a target audience on their smartphones, tablets, and/or other mobile devices, via websites, email, SMS and MMS, social media, and apps.

Mobile is disrupting the way people engage with brands. Everything that can be done on a desktop computer is now available on a mobile device. From opening an email to visiting your website to reading your content, it's all accessible through a small mobile screen. Consider:

- 80% of internet users own a smartphone.
- Mobile platforms, such as smartphones and tablets, host up to 60% of digital media time for users in the U.S.
- Google anticipates search queries on mobile devices to surpass desktop searches by the end of 2015.

Effective mobile advertising means understanding your mobile audience, designing content with mobile platforms in mind, and making strategic use of SMS/MMS marketing and mobile apps. According to Mobile Marketing Report 2018, there are over 3.5 billion individual mobile Internet users. Users spend an average of 69% of their media time on smart phone devices. Mobile is the dominant platform for searches, as 48% of buyers use smartphones to start searching with a search engine. Mobile devices drive 80% percent of global Internet usage.

Technology in the mobile marketing space evolves fast. The feature phone ecosystem from just a few years ago was a highly fragmented space and channels like SMS were popular due to their ubiquity. But now, the popularity of Android and iOS smart devices has radically transformed the mobile marketing environment, blurring PC, Web, and mobile channels. New data on consumer behaviour shows that apps are now a preferred channel for consumers.

14.2 Benefits of Mobile Marketing:

In the present world, mobile phones are easily accessible by every class and age group of people; therefore, a mobile advertisement offers following advantages:

1. **Reach** – Mobile phone is reaching people by 15% more than internet. Mobile marketing is drawing more clicks than internet marketing. Advertisers have high expectations with mobile advertising.
2. **Accessibility** - Mobile comes handy to users. Mobile advertising follows people everywhere.
3. **Time factor** - People are available on mobile round the clock, which may not be possible with desktops. Cost – Mobile advertising cost much lesser than other types of advertising. It is lighter on your pocket, thus allowing you to advertise more on the same expense. Personalized – You can tailor your ad in a message. People find messages more intimate than other internet marketing methods.

4. Mobile Marketing Reaches a Broader Market

Smartphones and tablets are cheaper, smaller, and more portable than traditional PC's and laptops. This means that people who previously were not able to be online are no longer restricted by financial, geographical, or technological barriers.

We always carry our mobile phones. Like our wallet or keys, we never leave home without them. And, most of the time, our mobile phone is ON, which means, we receive the message at the very moment it is sent. You can use mobile tactics to get your marketing message out immediately.

5. Easy to work with

The creation of elements for mobile devices is simpler and less costly compared to desktops or laptops. This medium also makes it easier to issue promotions and marketing incentive services to us, the users. We can keep this information handy until the time we need to use it. For example, we can download a coupon to our phone, and then show that coupon at checkout - without an internet connection - to receive the discount.

6. Convenient to use

Since the screen size of a mobile phone is small, it limits the scope of content that can be displayed. This makes it convenient for the creators of the content, who can keep it basic and simple. Also, simpler content will adapt itself better to the various mobile platforms.

7. Tracking response

User response can be tracked almost instantaneously. Mobile marketing is an effective way to collect user data. Databases that use phone numbers, as unique IDs are more effective, since many people generally keep their phone numbers for a longer period of time, unlike their email addresses. This helps the mobile advertiser better understand and analyze user behavior and create buyer personas. > Huge viral potential

Here you have the domino effect. Since mobile content can be easily shared among users, mobile marketing enhances the potential for virality, or a piece of content - usually a video - "going viral." Users more than likely will share good information and offers with their friends and family, so companies get a lot more exposure with no extra effort.

8. Mass communication made easy

Since a lot more people own mobile phones than desktops or laptops, mobile marketing helps the marketer reach a far wider and more diverse audience, either by SMS or push notifications. Mobile marketing also gives the advantage of targeting capabilities. You can geo-target by sending location-specific messages to those using GPS and Bluetooth technology, or demographic targeting, so you can reach the right audience via age and gender information.

9. Micro blogging benefits

Social media platforms such as Instagram and Twitter, have literally put the power of influence in the hands of everyday people. From moms to fashion bloggers to people who really just like pictures of dogs with food, anyone can be an influencer. In fact, you are an influencer to your friends and family on social media, whether you realize it or not.

10. Mobile payment

The latest mobile payment facility is very convenient for the users today. Here, users are offered a secure online payment environment, which works via advanced mobile Web systems. This means that the user does not need to cough up physical currency each time he wants to make a mobile purchase or pay a bill online.

14.3 Disadvantages of Mobile Marketing

1. Platforms too diverse

Mobile devices do not have any particular standard, as compared to PCs and laptops. Mobile phones come in many shapes and sizes, so screen size is never constant. Also, mobile platforms use different operating systems and browsers. Hence, creating one campaign for all of them can get difficult.

2. Privacy issues

This is always in question on any network or device. Savvy mobile marketers need to understand and respect the fact that users would like their privacy. So they should offer clear instructions for opting out of marketing communications should the user want to do that.

3. Navigation on a mobile phone

The mobile phone usually comes with a small screen and no mouse. This means that navigation on a mobile phone may get difficult for the user, even if it has a touch screen. In

such a case, most ads may go untouched, as the user may find it too tedious to look in detail through each one of them.

4. Ad fatigue

Mobile consumers are regularly inundated with advertisements, which can cause ad fatigue and make it challenging for businesses to stand out. To prevent coming across as spammy or irrelevant, businesses must take a creative and strategic approach to mobile marketing.

5. Limited screen size

Smaller screens on mobile devices than on desktop computers might make it difficult for companies to convey a compelling message or promotion in a constrained space. To maximise the limited screen space, businesses must be succinct and strategic in their communications.

14.4 Steps for Mobile Marketing

The following are the steps involved in mobile marketing:

- 1. Identify the Target Audience:** Identifying the target audience is the first stage in mobile marketing. Businesses must comprehend the demographics and mobile behaviour patterns of their target clients.
- 2. Establish Goals:** After identifying the target market, the mobile marketing campaign's goals need to be established. This can entail raising consumer involvement, generating leads, boosting revenue, or raising brand exposure.
- 3. Pick the Best Channels:** There are several options for mobile marketing channels, including mobile advertising, SMS marketing, mobile apps, mobile-responsive websites, and mobile-optimized email campaigns. Businesses must select the channels that are most appropriate for their target market and objectives.
- 4. Create a Strategy:** Companies must come up with a mobile marketing plan that outlines the main messaging, strategies, and analytics for the campaign. The plan should be adapted to the mobile medium being used and should be in line with the overall marketing strategy.
- 5. Create Content:** Content is an important part of mobile marketing. Businesses must provide content that appeals to; informs, and speaks to their target market. Text, pictures, videos, and interactive experiences could all be included in the content.
- 6. Test and Optimise:** To make sure a mobile marketing campaign is successful, testing and optimisation are crucial. To find out what works best for their target audience. businesses must test a variety of messages, strategies, and distribution methods. In order to improve the campaign, they should also monitor and evaluate the results.
- 7. Measure Results:** Businesses must compare the outcomes of the mobile marketing strategy to the initial objectives. This will make it easier to evaluate the campaign's effectiveness and pinpoint any flaws.

14.5 Creating a Mobile Website:

From a technology standpoint, setting up your mobile website is an important first step. Equally important is designing your mobile website so that it provides a positive user experience for your visitor. With that in mind, here are several important things to consider as you design your site:

- **Be Thumb-Friendly:** Many visitors to your mobile site will be navigating through it with their thumbs or fingers. Be sure to design your mobile site with that in mind. Large, easy-to-press links and buttons ensure the user experience starts off right.
- **Streamline the Navigation:** In addition to being thumb-friendly, your site should have the fewest number of links and pages possible. In general, mobile visitors aren't interested in detailed bios, mission statements or press releases. Instead, they want key information like location, contact information and click-to-call buttons.
- **Minimize the Graphics:** Remember, you're not designing for a desktop/broadband experience. You're designing for a mobile visitor who is using up valuable bandwidth to access your site. With that in mind, be sure you keep graphics small and to a minimum.
- **Honor Your Brand:** Your mobile site should have the same branding elements as your desktop site. Ideally, a user will feel as though your mobile site is a cousin to your desktop site. It may not have all the same content, but the look and feel will be very similar.
- **Include a Link to the Desktop Site:** Some visitors will be interested in viewing your desktop site, even though they're on a mobile device. It's always a good idea to provide them a link to the full site so they can visit that, too.
- **Test Your Site:** There are a number of good ways to test the functionality of your mobile website. Do a search for mobile website emulator and you'll find plenty of them. Be sure to test using more than one emulator since different emulators will provide different suggestions on improving the site.

Creating a mobile website is only half the battle. The next step is to encourage people to visit your site from their mobile device. There are a number of ways to do this, including placing a reminder that you have a mobile site on your desktop site. This can come in the form of a banner ad, a graphic or simply a blog post announcing the launch of your mobile site.

We can also use a mobile technology such as a response code to drive people to your mobile site. The response code can be placed on your desktop site or on point-of-purchase materials, collateral and even in keynote presentations.

Whether you use a response code to drive visitors to your site or simply provide a URL, the key is to reward them once they're at your site. After all, the mobile visitor is typically en-route, so you want to give them every reason possible to stay engaged with your site and, when relevant, visit your location.

Designing a mobile landing page that rewards the visitor for visiting the site is an important first step. This can be a page that provides a coupon that can be redeemed in-store or it can be a page that allows them to have a product shipped to their home. Response codes can drive incremental traffic to your mobile site.

No matter what you design your mobile landing page with, remember that 70% of all mobile searches result in action within one hour (vs. 30% for regular desktop searches). If you have a smart phone (i.e., one that can access the web) you can browse through all websites that are available on your PC or Laptop. However, generally these types of websites are not suitable for browsing on a

phone as they have not been designed for a phone. With a phone your screen is a lot smaller so and generally you behave differently.

When designing a mobile website consider some of the following:

- You can only view one screen at a time so design your navigation to take this into account.
- There is not much room for text, so don't use much!
- Use large buttons for key calls to action
- Think about your usage of fonts, make sure important stuff really stands out Try to make sure your website behaves consistently with what is expected from similar applications on the web. Users have very low tolerance so don't put them off.

Type of Functionality to Include

When on the phone I would expect functionality similar to the following:

- Location aware directions
- Reviews/Testimonials
- Pictures/Videos
- Clear calls to action
- Booking Engine

Mobile Application

A lot of smartphones provide a mobile application development environment that allows you to develop a purpose-built application specific to that environment. For example, you can develop an iPhone application that works specifically on an iPhone. There are several reasons you may consider developing a mobile application:

- The interface (how it looks) will be what the user is used to as they probably have other applications already on their phone.
- You may need to access phone specific functionality (e.g. navigation, camera etc) and this may not be available to you if you develop a mobile website.
- Applications are downloaded to your phone so you have an icon on your mobile desktop so it's likely that you will use it more often.
- Because you download the application a lot of the interaction with the application can be offline which means there are no roaming charges. The big disadvantage with a mobile application is the cost. It can be very expensive to build an iPhone or Android application and if you want to attract smartphone users you really need to develop both.

Sample Mobile Applications

There are many examples of useful and popular mobile applications. When visitors are active on social media tools, they will generally use them on their mobile when they are travelling. There are many applications available for the popular social media tools such as Twitter and Facebook. For example, customers could be using Facebook Places to check in to locations. It's important to monitor and respond to this as soon as possible. Visit Dublin has an iPhone/Android application for visitors coming to Dublin. This application has extensive functionality including:

- Audio Descriptions — explanations and history for over 80 points of interest around the city.
- Special Offers in retail, restaurants and tours offering you fantastic value and options. Simply show the voucher on your phone and receive the offer!

- Use the 'Point to Call' function to phone a restaurant, tour and make your booking direct.
- 'What's That? / What's Nearby?' — Not sure what that building is in front of you? Point at the real-world point of interest and retrieve information about it!
- Daily Bulletin — receive a daily update to your phone on what is happening in Dublin

QR Codes QR stands for Quick Response. A QR code is a useful way of marketing your services. By providing a visual code, such as the following, potential customers can scan this code in using their smartphone and this will display them relevant information. So how can this be used? You put an advertisement in a newspaper and include a QR code. When a user has an application on their phone that allows it to read and understand the code, they scan their phone over this code.

14.6 App Creation Strategy:

If you have a smartphone (i.e., one that can access the web) you can browse through all websites that are available on your PC or Laptop. However, generally these types of websites are not suitable for browsing on a phone as they have not been designed for a phone.

With a phone your screen is a lot smaller so and generally you behave differently. For example, I may spend hours browsing and reading on the web but with a mobile phone I generally will only read a small amount of information over short periods of time. So how the information is displayed and the amount of this information needs to be considered.

When designing a mobile website consider some of the following:

- You can only view one screen at a time so design your navigation to take this into account.
- There is not much room for text, so don't use much!
- Use large buttons for key calls to action
- Think about your usage of fonts, make sure important stuff really stands out

There are a variety of app business models, some of which include free apps that are supported by ads, paid apps that are supported by download fees, premium apps that are supported by in-app commerce and free apps that are supported by brands interested in connecting with customers.

Here are several things to keep in mind when we are creating an app for your product or service:

1. **Make Sure Your App Solves a Problem** - The most effective apps solve some sort of problem for the user. They facilitate a purchase (e.g., Wal-Mart, Lowe's or Sam's Club apps), provide content (e.g., The New York Times, CNN or USA Today apps), create brand preference (e.g., Coca-Cola, Band-Aid or Nike apps) or some combination of the above. Analyze which of these problems you'd like your app to solve and begin your design process based on that.
2. **Get Inside the Mind of Your User** - The first step for any mobile app (or any mobile marketing campaign, for that matter) is to understand how your user will engage with the app. Will they be at home? Will they be in the office? Do they want information? Or do they simply want to engage with the brand?
3. **Design with the End in Mind** - Is the purpose simply to create brand preference? Is the purpose to facilitate a financial transaction? Is it to reduce customer churn? Or all of the above?

4. **Don't Underestimate the Budget** - Sometimes, very simple design changes can make the difference between an app that takes a few dozen hours to create and an app that takes a few hundred hours to create.
5. **Analyze Your Competitors' Apps** - What apps have your competitors already created? Do you like what they've created? If so, what can you borrow from their experience? Also, don't hesitate to examine apps that are outside of your industry segment.
6. **Consider HTML5 as an Alternative** - HTML5 works across many phones and may be a simpler solution for many sites. The downside is that there is no app store for HTML apps and they have some limitations in functionality.
7. **Recognize that the App is only Part of the Picture** - When brands sponsor NASCAR drivers, only half the budget is allocated to the sponsorship. The other half is used to let people know about the sponsorship.

By keeping the above-mentioned guidelines top-of-mind, the app that is developed for your product or service will have a greater likelihood of success. And most importantly, consumers will enjoy engaging with your app and therefore your brand.

14.7 Types of Mobile Marketing Strategies

There's a healthy way of mobile marketing strategies to try. The kind that works best for your business will depend on your industry, target audience, and budget.

1. **App-based marketing:** This is mobile advertising involving mobile apps. While 80% of mobile time is spent engaged with apps, you don't have to create an app yourself to get in on the action. Services like Google AdMob help advertisers create mobile ads that appear within third-party mobile apps. Facebook also allows advertisers to create ads that are integrated into Facebook's mobile app. Facebook's mobile Promoted Post ads integrate so seamlessly with Facebook's news feed that users often don't realize they're looking at ads.
2. **In-game mobile marketing:** In-game mobile marketing refers to mobile ads that appear within mobile games, like in the example below. In-game ads can appear as banner popups, full-page image ads or even video ads that appear between loading screens.
3. **QR codes:** QR codes are scanned by users, who are then taken to a specific webpage that the QR code is attached to. QR codes are often aligned with mobile gamification and have an element of mystery to them, since users who scan them don't always know exactly which rabbit hole they're jumping down.
4. **Location-based marketing:** Location-based mobile ads are ads that appear on mobile devices based upon a user's location relative to a specific area or business.

For example, some advertisers may only want their mobile ads to appear when users are within a 1- mile radius of their business.

- 5. Mobile search ads:** These are basic Google search ads built for mobile, often featuring extra add-on extensions like click-to-call or maps.
- 6. Mobile image ads:** Image-based ads designed to appear on mobile devices.
- 7. SMS:** SMS marketing involves capturing a user's phone number and sending them text offers. This is considered somewhat passé.
- 8. Mobile Marketing:** Google AdWords Enhanced Campaigns On July 12, Google rolled out Enhanced Campaigns for all AdWords users, integrating mobile advertising options with classic online AdWords advertising. Enhanced Campaigns allow advertisers to manage their AdWords bids across various devices in one single campaign, rather than make separate campaigns for mobile vs. desktop. AdWords advertisers can simply take the Google search ads they already use, and then set bids to adjust for mobile devices. To increase bids for mobile devices, users can set a positive bid adjustment, such as +20%, and vice versa – a bid adjustment of - 10% reduces the bid by 10% for mobile devices.
- 9. Google Mobile Ad Extensions:** Creating mobile search ads with Google also lets you take advantage of Google's nifty mobile ad extensions, which include features like:
 - 10. Mobile Site Links:** Mobile site links make it easy for mobile users to jump to specific pages of your site without wandering around. Site links are especially useful in mobile marketing, as it's much more convenient for users on mobile devices.
 - 11. Click-to-Call Mobile Ad Extension:** The click-to-call extension puts a "call" button directly beneath an ad. Clicking the button automatically generates a business's phone number on a user's mobile device.
 - 12. Google Offers for Mobile:** The Google Offers mobile ad extension lets advertisers post a discount offer or coupon beneath their ad. These special offers can capture the attention of users who might otherwise ignore an ad.
 - 13. Click-to-Download Ad Extension:** The click-to-download ad extension is similar to the click-to-call, only instead of generating a phone number, clicking the "download" button takes users to the download page of the advertiser's pre-selected app.
- 14. Local Ad Extensions:** Local ad extensions are probably the most important extensions for mobile, considering that 1 in 3 mobile searches have local intent. Considering how many mobile searches are questions looking for a local solution, local mobile marketing needs to be a key aspect of your mobile strategy. Local mobile marketing extensions often involve a phone number or link to Google Maps

14.8 Mobile Search Ads:

Mobile display ads (aka mobile banner ads) are a very effective tool that can be used to build brand awareness, generate clicks, leads and conversions for your business. These ads don't necessarily have to link to a static landing page. Instead, they can link to a dynamic page or experience that results in improved customer engagement and higher conversions. There are a variety of techniques that can be used to help drive customers to your business, some of which are outlined below:

1. **Click-to-Call:** According to recent research, click-to-call ads drive a 6% to 8% average increase in click-through rates. This technique simply displays a phone number that users can click to be connected directly to a call center or sales center.
2. **Interstitials:** These are interactive ads that appear within an app. Once the user opens the app, an interstitial is displayed. Users can click through on the ad to visit a landing page or they can close the ad to continue using the app.
3. **Click-to-Map:** Geo-targeting can be used to send marketing messages to users in a specific location. Once the prospect clicks on an ad, he or she can be driven through to a map that identifies a store nearest his or her current location. When the prospect clicks on the map, the contact information is displayed on the smartphone.
4. **Canvas and Expandable Ads:** When a user clicks on an expandable ad, the ad grows to cover the entire phone screen. Ads can be animated or can incorporate rich media to enhance the user experience.
5. **Click-to-Email:** When a user clicks on a display ad, an email is displayed that the user can send to friends. The email includes a discount code that can be redeemed at the retail location. By including this "viral" email component in the campaign, marketers can increase the reach and frequency of the display ad program.
6. **Click-to-Video:** Rich media is an effective sales tool, whether it's viewed on a tablet or a smartphone. Display ads that link to video marketing messages increase engagement and deepen the relationship with the prospective customer.
7. **Click-to-Download App:** Companies interested in driving adoption of a branded app can use display ads to link directly to the app located in an app store. Users are driven to app landing pages where they can download the app instantly.
8. **Click-to-Social:** If you're interested in integrating a social component to your mobile campaign, you can incorporate a click-to-social aspect to it. Visitors can let friends and others know about their affinity to your brand by connecting them to your social networks via a mobile display ad.

Mobile display ads can be purchased on a cost-per-thousand (CPM), cost-per-click (CPC), cost-per-acquisition (CPA) or a cost-per-install (CPI) basis. Ads bought on a CPM basis guarantee a certain number of impressions for your brand.

It's a good idea to remember that consumers use their smartphones at many different points in their purchase path. According to a recent study from Google, 41% of those who use their mobile phones to help with shopping said they made a purchase directly on their smartphone. 46% said they researched an item on their smartphone then went to a store to make a purchase. 37% said they researched an item on their smartphone then made the purchase online⁸. The bottom line is that mobile display can be used at every step of the purchase cycle to engage consumers and drive conversions.

In this case, you pay only when someone actually buys your product or service. In some cases, cost-per-acquisition ads involve some sort of set-up fee and shouldn't be considered "free advertising" simply because you pay only when someone buys your product or service. Organizations participating in cost-per-acquisition campaigns should understand the nuances completely before they participate.

Cost-per-install ads are bought based on the number of times your ad is displayed within a mobile app. This is particularly effective for brands that want to target a very "The customer journey has 4 phases: Awareness, Engagement, Transaction and Loyalty. We are always trying to advance someone from Awareness to Engagement or Engagement to Transaction.

There are a variety of ways to use display ads to target prospects, either before, during or after their purchase. Using these techniques will improve the effectiveness and efficiency of your campaigns.

Placement targeting allows you to pick the specific sites on which your ads run. You can show your ad on specific web pages, games, mobile videos and mobile websites. Contextual targeting allows you to place your ads on sites that are discussing topics that would be relevant to your product or service.

And remarketing allows you to connect with people who have previously visited pages on your website. For example, you can target people who have visited your website several times in the past, but have never made a purchase. By targeting prospects who are interested in your products while they're visiting other websites, you can improve the efficiency of your overall campaign. Ads can also be placed based on age, ethnicity, gender and other demographic data.

Ad scheduling gives you the ability to run ads during specific dayparts, which is perfect for certain businesses. For example, a coffee shop may want to run ads only before noon and a bar may want to run ads only after 5:00 pm. Some brands may choose to cap the number of times an individual can see your ad in one day, one week or one month. This gives you the ability to stretch your budget by focusing your campaign on people who haven't been over-exposed to your message.

Finally, you may want to exclude your display ads from running on sites that are inappropriate or irrelevant. You may also want to block your ads from running on competing sites or from places that simply aren't a good match

14.9 Summary

Mobile marketing is a multi-channel, digital marketing strategy aimed at reaching a target audience on their smartphones, tablets, and/or other mobile devices, via websites, email, SMS and MMS, social media, and apps.

Mobile is disrupting the way people engage with brands. Everything that can be done on a desktop computer is now available on a mobile device. From opening an email to visiting your website to reading your content, it's all accessible through a small mobile screen.

14.10 Glossary

- **Mobile Marketing**

Mobile marketing is a multi-channel, digital marketing strategy aimed at reaching a target audience on their smartphones, tablets, and/or other mobile devices, via websites, email, SMS and MMS, social media, and apps.

- **App-based marketing**

This is mobile advertising involving mobile apps. While 80% of mobile time is spent engaged with apps, you don't have to create an app yourself to get in on the action.

- **In-game mobile marketing**

In-game mobile marketing refers to mobile ads that appear within mobile games, like in the example below. In-game ads can appear as banner popups, full-page image ads or even video ads that appear between loading screens.

14.11 Self-Check Exercise

1. What is Mobile Marketing.
2. Write down the Benefits of Mobile Marketing.
3. Define Mobile Search Ads.

14.12 Answers to Self-Check Exercise

1. For answer refer to section 14.1
2. For answer refer to section 14.2
3. For answer refer to section 14.8

14.13 Terminal Questions

1. What are the Advantages and Disadvantages of Mobile Marketing.
2. What Steps are involved in Mobile Marketing.
3. How to Create a Mobile Website.
4. What are the different types of Mobile Marketing.

14.14 Answers to Terminal Questions

1. For answer refer to section 14.2,14.3
2. For answer refer to section 14.4
3. For answer refer to section 14.5
4. For answer refer to section 14.7

14.15 Suggested Readings

- BARONE, A. (n.d.). *Digital Marketing Overview: Types, Challenges, and Required Skills*. Retrieved from Investopedia: <https://www.investopedia.com/terms/d/digital-marketing.asp>

LESSON-15

VIDEO MARKETING

Structure

- 15.0** Learning Objectives
- 15.1** Introduction
- 15.2** Importance of Video Marketing
- 15.3** How to Create a Video Marketing Strategy
- 15.4** Types of Videos Used in Marketing
- 15.5** Benefits of Video Marketing
- 15.6** Challenges of Video Marketing
- 15.7** How to Make Videos for Business
- 15.8** Summary
- 15.9** Self-Check Exercise
- 15.10** Answers to Self-Check Exercise
- 15.11** Terminal Questions
- 15.12** Answers to Terminal Questions
- 15.13** Suggested Readings

15.0 Learning Objectives

After studying this lesson, you should be able to:

- Video Marketing
- Importance of Video Marketing
- How to Create a Video Marketing Strategy
- Types of Videos Used in Marketing
- Benefits of Video Marketing
- Challenges of Video Marketing
- How to Make Videos for Business

15.1 Introduction

Video marketing is using video to market your product, increase engagement, and reach an audience more amenable to video than to text. Video can foster an intimate bond between product and consumer in a way that text can't, especially if businesses use people in their videos.

Video marketing is the use of video content to promote a brand, product or service. It can be used as a standalone marketing strategy or in conjunction with other strategies and campaigns, such as social media or content marketing. In this respect, video marketing could be used to distribute existing content, such as blog posts, repurposed as video and shared across channels to cross-promote. With a variety of content channels that a brand has at its disposal, video provides an emotionally engaging way to connect with customers and capture their attention in a digital environment overloaded with different types of content in various formats.

By being an engaging and emotion-eliciting channel, videos have the ability to create a relational bond between a company and its consumers in ways that text just can't. This can be for a variety of reasons, such as length of time to consume text content and the ways in which users interact with

longer form content. Consumers choose to interact with different content in different ways. Offering video reaches an audience that is more receptive to video over text, or other methods of communicating and marketing products or services.

Video marketing is also a singular component of an overall marketing strategy or campaign, but its growth as a content delivery medium is growing considerably and is more significant today, thanks to more digitally engaged users on social media channels, and on their mobile devices.

15.2 Types of video marketing

There are several types of video marketing that businesses can use to promote their products or services. Here are some common types of video marketing

1. Explainer Videos:

These videos explain the features and benefits of a product or service in a clear and concise way. Businesses use explainer movies, a sort of video marketing, to concisely and clearly describe the characteristics and advantages of a product or service. These little videos, which normally span between 30 seconds and 2 minutes, are made to swiftly grab viewers' attention and convey a message. There are many ways to make explainer videos, including live-action video, animation, or a combination of both. They can be utilised at many points in the customer experience, from attracting potential clients to a product or service to offering after-sale support. Keep the explainer film brief and to the point, use straightforward language and unambiguous images, and concentrate on the advantages of the product or service are some guidelines for producing an excellent explainer video. A clear call-to-action that encourages viewers to visit a website or sign up for a free trial should be included at the end of the film.

2. Brand Films:

These videos tell the story of a brand, its mission, and values, and create an emotional connection with the audience. Brand films are a sort of video marketing that describe a brand's history, core beliefs, and purpose. They are intended to convey the brand's personality and identity while also evoking an emotional response in the audience. Brand videos frequently highlight the personalities and long-term goals of the brands' founders. They might contain customer reviews, film of the brand in action, and interviews with the founders or other important staff. An emotional connection with the viewer and the development of a relationship based on trust and authenticity are the objectives of a brand film. Businesses frequently utilise brand videos to raise brand recognition, convey their brand's message, and set themselves apart from rivals. They can be distributed via a number of channels, including as websites, social media, and email marketing campaigns.

3. How- To Videos

How-To videos are instructional videos that show viewers through step-by-step method of carrying out a task or mastering a new skill. These films can be about anything, including how- tos for technology and home repairs as well as food and crafting. How-To videos can be accessed on a number of online resources, including social media outlets, YouTube, and Vimeo They are frequently created by people or businesses to impart their knowledge and experience on a specific subject to a larger audience. Due to the accessibility of internet access, rising interest in DIY culture, and growing desire for self-improvement, How-To films

have become more and more popular in recent years. These movies offer a fun and visual approach to study and can be a useful tool for explaining difficult concepts.

4. Social Media:

Social media videos are short-form videos created for social media platforms such as Facebook, Instagram, Twitter, TikTok, and YouTube. These engaging and easily shared movies can be used to offer entertaining or educational content as well as to promote companies, goods, or services. Explainer videos, product demonstrations, behind-the-scenes material, how-to articles, user-generated content, and influencer partnerships are just a few examples of the various types of social media videos. Additionally, they can be utilised to communicate news, announcements, and other significant information to an audience. Because social media platforms have grown in popularity and users are spending more time on, social media videos have become increasingly popular in recent years. Given that users can share and repost social media films, which increases brand visibility and engagement, they are an effective tool for businesses wishing to connect with a large audience.

5. Animated Videos:

Digital marketing that uses animated videos to advertise a company, goods, or service is known as animated video marketing. These animated videos can be utilised on a variety of digital channels, such as websites, social media, and video-sharing services like YouTube. Explainer videos, product demonstrations, instructional films, and brand storytelling are put few uses for animated videos marketing. They can be made in a variety of forms, from straightforward 2D animations to more intricate 3D animations, and can be adapted to different target groups.

6. Personalized Message videos:

Customised videos are used in video marketing as a tactic to interact with clients and forge closer bonds. Businesses can use personalised video marketing to develop videos that are specifically catered to each viewer, addressing them by name and including facts about their interests and preferences. You can utilise personalised message video marketing for a number of things, like to greet new clients, thank devoted clients, demonstrate products, and run special specials. Businesses may improve client engagement, foster brand loyalty, and ultimately boost venue by developing a more personalised experience. Businesses can leverage video platforms but enable the creation and delivery of customised content to create a personalised message video marketing strategy. This could entail gathering client data via a customer relationship management (CRM) system in order to send personalised video messages in response to particular activities or occurrences.

7. Live Videos:

Live video marketing is a type of digital marketing in which companies use live video streaming to market to their target audience. On a variety of social media sites, including Facebook, Instagram, YouTube, and LinkedIn, live video marketing is possible. Businesses may engage with their target demographic in a more personal way and connect with them in real-time by using live video marketing. They can also give them essential information and access to behind-the-scenes stuff. This promotes brand loyalty and trust, which can ultimately increase sales. Product launches, webinars, Q&A sessions, interviews, and live events are just a few examples of the many uses for live video marketing. It enables companies to give their audience a more interactive and interesting experience, and it can boost website traffic, social media engagement, and brand awareness.

8. Customer Testimonials:

Customers sharing their experiences with a product or service in video form are known as customer testimonials. By highlighting the positive experiences of current consumers, they aim to gain the trust and credibility of new clients. A customer often recounts their experience with the product or service in a video testimonial, stressing the features and benefits they valued most. The consumer using the good or service and the outcomes they got may also be shown in the video. Because they offer social proof and show that the product or service has been beneficial for other consumers, customer testimonials are a powerful marketing strategy.

9. Product Demo Videos:

These are a type of marketing video that showcases the features, benefits, and usage of a product. They are made to allow prospective buyers to examine a product in more detail before making a decision. An animated or live-action demonstration of the product's main features and advantages is customary in product demo videos. A voiceover that describes how the product functions and how it may help the consumer with a particular issue may also be included in the video. E-commerce and retail companies frequently employ product demo videos to highlight their products on their websites, social media platforms, or in email marketing.

15.3 Importance of Video Marketing

"Video marketing started in earnest in 2005 with the launch of YouTube. Google bought YouTube in October 2006, and by 2009 there were seven different ad formats on the platform. As the technology to create quality videos gets easier, it's become more popular with marketers. But that's not the only reason video is the dominant form of communication today. First, there was the rise of smartphone technology that made watching videos easier and more convenient. Then the pandemic boosted online media consumption by 215% in the U.S.

- **Video marketing encourages social shares**

"Video is the second most popular content type on social media for increasing engagement. Platforms like YouTube and TikTok have always been about video. Platforms like Instagram and Facebook are focusing on video. Even platforms that don't offer native video uploads emphasize the value of video marketing. Tweets on Twitter get 10x more engagement. 68% of video marketers plan to use LinkedIn video this year. People watch almost a billion videos a day on Pinterest."

- **Video marketing improves SEO and boosts conversions and sales.**

31% of marketers add video to improve SEO. Websites see a search engine boost when they add video because it increases page quality and the time visitors spend on the page. More than 60% of marketers say their customer acquisition cost has gone up. At the same time, 83% of video marketers say that video helps them generate leads. That's because video hasn't only transformed how businesses market and consumers shop; it's also revolutionized how salespeople connect with and convert prospects and how service teams support and delight customers. In short, video is incredibly useful throughout the entire flywheel — not just to heighten brand awareness."

- **Video marketing appeals to mobile users.**

Mobile users are a driving force for video consumption. According to a Statista study, 77% of those surveyed use a mobile or tablet to watch online videos. And Facebook says it's 1.5x more likely for people to watch video every day on a smartphone than on a computer.

- **Video marketing is great for educating and building trust.**

While 91.9% of users are content to watch any type of video at all, 31.3% want how-to videos and another 29.8% want educational videos.

The options are also endless for service teams — onboarding videos, knowledge-based videos, meet the team videos, support video calls, and customer stories are just a few ways that video can create a more thorough, personalized customer support experience. And users aren't just learning from brands. Millennial and Gen Z users are different, but most of them want to learn from each other. According to HubSpot Research, consumers and customers prefer lower quality, "authentic" video over high-quality video that seems artificial and inauthentic."

15.4 How to Create a Video Marketing Strategy

- 1. Choose your target audience and find out where they spend their time.**

The popularity of video and user-generated video content means that you need to target a specific audience with each video. If you don't already have strong buyer personas, start creating them now. If you already have a set of buyer personas, make sure to update your personas to include the most recent video research.

- 2. Connect with stakeholders to align on a plan for the video.**

There are typically a lot of players when making a video. How can you ensure they're all aligned? Create a questionnaire using Google Forms or SurveyMonkey and pass it along to the stakeholders of the project. This way, you can ask the same questions of everyone and keep their responses in one place.

- 3. Set a timeline and budget for your video.**

Think of video as a shorter, quicker, and less expensive version of your favourite film. While a video needs fewer resources to succeed, it can still be a time-consuming and expensive process. You can save time and money with planning and project management. Create a clear timeline for every step of the process and plan for occasional delays. Even a small video production relies on the skills of many different people. So, you want to make sure that even with unexpected challenges and changes you can still deliver your video on time.

- 4. Choose the best platform to distribute your video.**

Before you start making your video, think about where you're going to broadcast it. YouTube SEO is becoming as important as website SEO. source Think about what people on that platform are looking for. You'll also want to consider:

- Average view time
- Size and sound limitations
- Communities
- Budget
- Promotion

- 5. Develop messaging and choose the right types of videos for your personas.**

It's important to communicate a message with your videos. If you're not sure where to start, use one of these examples of marketing videos to inspire your video strategy. If you're not sure what kind of message is best for customers at different stages in the buyer journey, align your video messages with the flywheel.

6. Decide which metrics you want to track and how you will measure success.

Before you dive into production, you need to define your video goals and find the best metrics to help you understand whether you've accomplished those goals. You can default to using the metrics available in your platform of choice. But this can make it difficult to figure out if your video strategy is performing over time. It can also make it difficult to measure the effectiveness of multichannel video strategies.

15.5 Types of Videos Used in Marketing

- 1. Animation:** Who doesn't like cartoons? Animation employs engaging imagery to convey otherwise complicated concepts.
- 2. Augmented reality videos:** Augmented Reality (AR) superimposes a digital layer to what the user is viewing and is excellent for showing how something would look if the company's product were inserted into the picture.
- 3. Brand videos:** These videos build awareness of your company's brand, mission, products, and services.
- 4. Demo videos:** These videos show how your product works, including unboxing or conducting a software walk-through.
- 5. Event videos:** Is your company running an event such as a fundraiser, conference, or discussion? Create a highlight reel!
- 6. Explanation videos:** Simple and straightforward, these videos help the audience understand why they need your services and products. So often, these videos follow a standard formula of presenting a story where a buyer has a problem, and the solution lies with the company's products or services.
- 7. How-to videos:** These videos not only teach your audience how to do something new, but it also helps viewers gain an understanding and appreciation of your business.
- 8. Interviewing experts:** Not a fluff piece, but an in-depth interview with an expert or thought leader in your industry.
- 9. Livestream:** Live videos are an eye-catching, dramatic way to get the viewer's attention, often using a behind-the-scenes format, interviews, and demonstrations.
- 10. Personalized message videos:** Nothing drives engagement more than making the customer feel special, and personalized videos provide a means for the business to reach out to a customer to answer a question or make a recommendation.
- 11. Testimonials/Case Studies:** These videos get your customers involved in the campaign. Word of mouth is one of the most effective means of advertising, so having satisfied customers tell their stories on video is a surefire winner.

12. Virtual Reality and 360-degree videos: Virtual Reality (VR) immerses the user in the video environment, letting them control and navigate their viewing experience. A 360-degree video enables the viewer to scroll around in a panoramic view.

15.6 Benefits of Video Marketing

Organizations can yield several benefits from video marketing, including the following:

1. Builds trust.

Video can provide an engaging connection quicker than written copy. Its presentation is helpful, knowledgeable and more human, resulting in a down-to-earth feel that can better establish trust.

2. Encourages sharing.

Whether long- or short-form, video makes for a great shareable asset. This expands the reach a video may have, since there is already a built-in increase in customer engagement.

3. Improves SEO.

Video allows brands to be ranked higher in search as Google and other search engines rank websites with video content higher in the results pages because of the increase in engagement with video over time. Creating links between sites and videos, using good keywords and including transcripts make videos an easily indexable asset for search engines.

4. Boosts conversions and sales.

Using video at different stages of a buyer's journey can help move users through the sales funnel faster and increase sales. Videos help increase user understanding of a product or service, and aid in the decision-making process to purchase.

5. Appeals to mobile users.

Video optimized for mobile devices and distributed on platforms users are engaging with is appealing to the mobile user community. It's much easier to watch a short video than to read through a long article with the same content.

6. Products stand out more.

As video consumption increases, it is a common vehicle for making products or services stand out more. With visually appealing imagery and a cohesive narrative, products and services are more likely to be remembered.

15.7 Challenges of Video Marketing

There are many challenges business face when using video marketing, including the following:

1. Create an effective video marketing strategy.

Developing a strategy that aligns with the business and goals can be a challenge. Even if the target audience is known, figuring out how to implement video campaigns and deciding on the types of videos to produce requires a lot of thought, planning and testing.

2. Produce content people want to see.

Many brands fall flat on the creation of video because the content they are creating may not be content that people want to see. Video isn't always the answer to the question of what to include in a marketing campaign, so making sure the content is going to be relevant to the audience is key to knowing if they would want to view it.

3. Make quality content.

Producing high-quality content can be a very time-consuming and costly process. It also requires a high level of skill to capture, edit and distribute if the creator lacks the right resources or expertise.

4. Grab attention fast.

Being a good auditory and visual storyteller is difficult without the right training, but even if someone is inherently good at those things, creating a video that captures someone's attention fast enough is still a challenge.

5. Get videos to stand out.

Since there is a lot of competition in the space, grabbing attention and standing out with content people want to see can be difficult with users' short attention spans, or access to other higher quality, more informative videos.

15.8 How to Make Videos for Business

Here's a handy step-by-step guide for making a great video!

1. Write your video script:

All videos need a script. Create an outline and treat it as you would a blog post. Make it clear and relaxed, and don't wait until the end of the video before telling the viewer what the video's purpose is.

2. Set up a studio:

Prepare a dedicated space to make your video, and assemble your cameras, lights, microphones, tripods, and whatever other gear you need.

3. Get the talent ready:

This stage involves getting the video actors together with their scripts and directions.

4. Plan your list of shots list and get acclimated to the equipment:

Make a list of shots you want to incorporate into your video. Then take some practice shots with the equipment to get used to it. You want to be comfortable with the gear before shooting the actual video!

5. Shoot the video:

Here's where the magic happens. Shoot your video, and be sure you have the following elements:

- A compelling, relatable. and/or exciting storyline that draws people in
- Engaging visuals and voiceovers
- High-quality sound/recording capabilities
- A clear, understandable message combined with a solid call to action

6. Edit the video:

This phase is often an ongoing process since you'll most likely make a rough cut and show it to the stakeholders and interested parties. You will no doubt make edits based on their feedback.

7. Select the music for the video:

Music is essential to set the tone. Establish a music budget, figure out what kind of music synchs best with the video's emotional tone, and determine what sound effects you need.

8. Record voice-overs:

The voice-over is the video's narration spoken by someone off-camera. The narration helps fill out any gaps in the story and the voices you choose need to be relatable to the audiences you want to reach.

9. Upload the video:

Now it's time to upload your video to your chosen platforms. First, ensure your platform supports your video format (MP4, MOV, MPEG4, WMV, AVI, etc.). Next, consider adding extra bells and whistles such as closed captioning, a headline and text description, and an end screen.

15.9 Summary

Video marketing is the use of video content to promote a brand, product or service. It can be used as a standalone marketing strategy or in conjunction with other strategies and campaigns, such as social media or content marketing. In this respect, video marketing could be used to distribute existing content, such as blog posts, repurposed as video and shared across channels to cross-promote. With a variety of content channels that a brand has at its disposal, video provides an emotionally engaging way to connect with customers and capture their attention in a digital environment overloaded with different types of content in various formats.

15.10 Glossary

• Video Marketing

Video marketing is using video to market your product, increase engagement, and reach an audience more amenable to video than to text. Video can foster an intimate bond between product and consumer in a way that text can't, especially if businesses use people in their videos.

• Explainer Videos:

These videos explain the features and benefits of a product or service in a clear and concise way. Businesses use explainer movies, a sort of video marketing, to concisely and clearly describe the characteristics and advantages of a product or service.

- **Animated Videos:**

Digital marketing that uses animated videos to advertise a company, goods, or service is known as animated video marketing. These animated videos can be utilised on a variety of digital channels, such as websites, social media, and video-sharing services like YouTube.

- **Product Demo Videos:**

These are a type of marketing video that showcases the features, benefits, and usage of a product.

15.11 Self-Check Exercise

1. What is Video Marketing.
2. Write down the Importance of Video Marketing.

15.12 Answers to Self-Check Exercise

1. For answer refer to section 15.1
2. For answer refer to section 15.3

15.13 Terminal Questions

1. How to Create a Video Marketing Strategy.
2. Discuss the Different Types of Videos used in Marketing.
3. What are the Benefits and Challenges of Video Marketing.
4. How to Make Videos for Business.

15.14 Answers to Terminal Questions

1. For answer refer to section 15.4
2. For answer refer to section 15.5
3. For answer refer to section 15.6,15.7
4. For answer refer to section 15.8

15.15 Suggested Readings

- <https://blog.hubspot.com/marketing/video-marketing>

LESSON- 16

ARTIFICIAL INTELLIGENCE & VIRTUAL REALITY IN DIGITAL MARKETING

Structure

- 16.0** Learning Objectives
- 16.1** Artificial Intelligence
- 16.2** History of Artificial Intelligence
- 16.3** The 4 Types of AI
- 16.4** Importance of Artificial Intelligence
- 16.5** AI in Digital Marketing
 - 16.5.1** How Do Companies Use AI in Digital Marketing
 - 16.5.2** Future of Artificial Intelligence in Marketing
- 16.6** Benefits of Using AI in Digital Marketing
- 16.7** Challenges of using AI in Digital Marketing
- 16.8** Virtual Reality (VR)
- 16.9** Virtual Reality Marketing
 - 16.9.1** Use of VR in Marketing
 - 16.9.2** Virtual Reality (VR) Marketing Examples
- 16.10** Advantages of Marketing with Virtual Reality
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- 16.12** Summary
- 16.13** Glossary
- 16.14** Self-Check Exercise
- 16.15** Answers to Self-Check Exercise
- 16.16** Terminal Questions
- 16.17** Answers to Terminal Questions
- 16.18** Suggested Readings

16.0 Learning Objectives

After studying this lesson, you should be able to:

- Artificial Intelligence
- History of Artificial Intelligence
- The 4 Types of AI
- Importance of Artificial Intelligence
- AI in Digital Marketing
- Virtual Reality (VR)
- Virtual Reality Marketing
- Use of VR in Marketing
- Virtual Reality (VR) Marketing Examples
- Advantages of Marketing with Virtual Reality
- The Cons of Virtual Reality Technology

16.1 Artificial intelligence (AI), the ability of a digital computer or computer-controlled robot to perform tasks commonly associated with intelligent beings. The term is frequently applied to the project of developing systems endowed with the intellectual processes characteristic of humans, such as the ability to reason, discover meaning, generalize, or learn from past experience. Since the development of the digital computer in the 1940s, it has been demonstrated that computers can be programmed to carry out very complex tasks—such as discovering proofs for mathematical theorems or playing chess—with great proficiency. Still, despite continuing advances in computer processing speed and memory capacity, there are as yet no programs that can match full human flexibility over wider domains or in tasks requiring much everyday knowledge. On the other hand, some programs have attained the performance levels of human experts and professionals in performing certain specific tasks, so that artificial intelligence in this limited sense is found in applications as diverse as medical diagnosis, computer search engines, voice or handwriting recognition, and chatbots.

16.2 History of Artificial Intelligence

Artificial Intelligence is not a new word and not a new technology for researchers. This technology is much older than you would imagine. Even there are the myths of Mechanical men in Ancient Greek and Egyptian Myths. Following are some milestones in the history of AI which defines the journey from the AI generation to till date development.

Maturation of Artificial Intelligence (1943-1952)

- **Year 1943:** The first work which is now recognized as AI was done by Warren McCulloch and Walter Pitts in 1943. They proposed a model of **artificial neurons**.
- **Year 1949:** Donald Hebb demonstrated an updating rule for modifying the connection strength between neurons. His rule is now called **Hebbian learning**.
- **Year 1950:** The Alan Turing who was an English mathematician and pioneered Machine learning in 1950. Alan Turing publishes "**Computing Machinery and Intelligence**" in which he proposed a test. The test can check the machine's ability to exhibit intelligent behavior equivalent to human intelligence, called a **Turing test**.

The birth of Artificial Intelligence (1952-1956)

- **Year 1955:** An Allen Newell and Herbert A. Simon created the "first artificial intelligence program" which was named as "**Logic Theorist**". This program had proved 38 of 52 Mathematics theorems, and find new and more elegant proofs for some theorems.
- **Year 1956:** The word "Artificial Intelligence" first adopted by American Computer scientist John McCarthy at the Dartmouth Conference. For the first time, AI coined as an academic field.

The golden years-Early enthusiasm (1956-1974)

- **Year 1966:** The researchers emphasized developing algorithms which can solve mathematical problems. Joseph Weizenbaum created the first chatbot in 1966, which was named as ELIZA.
- **Year 1972:** The first intelligent humanoid robot was built in Japan which was named as WABOT-1.

The first AI winter (1974-1980)

- The duration between years 1974 to 1980 was the first AI winter duration. AI winter refers to the time period where computer scientist dealt with a severe shortage of funding from government for AI researches.
- During AI winters, an interest of publicity on artificial intelligence was decreased.

A boom of AI (1980-1987)

- **Year 1980:** After AI winter duration, AI came back with "Expert System". Expert systems were programmed that emulate the decision-making ability of a human expert.
- In the Year 1980, the first national conference of the American Association of Artificial Intelligence **was held at Stanford University.**
- The second AI winter (1987-1993)
- The duration between the years 1987 to 1993 was the second AI Winter duration.
- Again, Investors and government stopped in funding for AI research as due to high cost but not efficient result. The expert system such as XCON was very cost effective.

The emergence of intelligent agents (1993-2011)

- **Year 1997:** In the year 1997, IBM Deep Blue beats world chess champion, Gary Kasparov, and became the first computer to beat a world chess champion.
- **Year 2002:** for the first time, AI entered the home in the form of Roomba, a vacuum cleaner.
- **Year 2006:** AI came in the Business world till the year 2006. Companies like Facebook, Twitter, and Netflix also started using AI.

Deep learning, big data and artificial general intelligence (2011-present)

- **Year 2011:** In the year 2011, IBM's Watson won jeopardy, a quiz show, where it had to solve the complex questions as well as riddles. Watson had proved that it could understand natural language and can solve tricky questions quickly.
- **Year 2012:** Google has launched an Android app feature "Google now", which was able to provide information to the user as a prediction.
- **Year 2014:** In the year 2014, Chatbot "Eugene Goostman" won a competition in the infamous "Turing test."
- **Year 2018:** The "Project Debater" from IBM debated on complex topics with two master debaters and also performed extremely well.
- Google has demonstrated an AI program "Duplex" which was a virtual assistant and which had taken hairdresser appointment on call, and lady on other side didn't notice that she was talking with the machine.

16.3 The 4 Types of AI

Artificial intelligence can be categorized into one of four types.

- **Reactive AI** uses algorithms to optimize outputs based on a set of inputs. Chess-playing AIs, for example, are reactive systems that optimize the best strategy to win the game. Reactive AI tends to be fairly static, unable to learn or adapt to novel situations. Thus, it will produce the same output given identical inputs.
- **Limited memory AI** can adapt to past experience or update itself based on new observations or data. Often, the amount of updating is limited (hence the name), and the

length of memory is relatively short. Autonomous vehicles, for example, can "read the road" and adapt to novel situations, even "learning" from past experience.

- **Theory-of-mind AI** are fully-adaptive and have an extensive ability to learn and retain past experiences. These types of AI include advanced chat-bots that could pass the Turing Test, fooling a person into believing the AI was a human being. While advanced and impressive, these AI are not self-aware.
- **Self-aware AI**, as the name suggests, become sentient and aware of their own existence. Still in the realm of science fiction, some experts believe that an AI will never become conscious or "alive".

16.4 Importance of Artificial Intelligence

Artificial Intelligence has the potential to transform various fields and revolutionize several industries, including healthcare, transportation, finance, education, marketing and entertainment. To understand its importance, let us have a look at some of the key benefits of AI -

1. **Improves Efficiency and Productivity:** One of the most significant benefits of artificial intelligence is that it can help improve efficiency and productivity in various industries. For example, in manufacturing, AI-powered robots can perform tasks that are repetitive and time-consuming, freeing up human workers to focus on more complex tasks. Similarly, in the healthcare industry, AI can help improve patient outcomes by streamlining administrative tasks and allowing medical professionals to focus on providing personalized care to their patients.
2. **Personalized Recommendations:** Another key benefit of AI technology is that it can provide personalized recommendations to users. This is particularly important in industries such as e-commerce, digital marketing, and entertainment, where personalized recommendations can help increase customer engagement and loyalty to a great extent. For example, online retailers such as Amazon and Netflix use AI algorithms to recommend products and content to their users based on their browsing and viewing history. This plays an important role in nurturing qualified leads and boosting conversions.
3. **Predictive Analytics:** Thereafter, AI can also help businesses make better decisions through predictive analytics. By analyzing large amounts of data, AI algorithms can identify patterns and trends that humans may miss, providing businesses with insights that can help them make more informed decisions. According to a survey by PwC, 63% of business executives believe that AI will have a significant impact on their industry. For example, predictive analytics can be used in finance to identify potential risks and opportunities in the stock market, allowing investors to make smarter and safer investment decisions.
4. **Enhanced Safety and Security:** Finally, artificial intelligence also plays a key role in improving safety and security. For example, AI-powered facial recognition technology is being used in various public spaces and private organizations alike to identify potential security threats and prevent unauthorized access. Similarly, AI-powered drones can be used to monitor and respond to natural disasters, providing valuable data for emergency care and saving lives.

16.5 AI in Digital Marketing

AI in digital marketing refers to the use of Artificial Intelligence (AI) technologies and techniques to optimize and enhance marketing strategies, processes, and campaigns in the digital realm. AI in digital marketing involves leveraging machine learning, natural language processing, data analysis, and automation to analyze large amounts of data, gain insights, and make data-driven decisions for marketing activities.

AI in digital marketing can be used across various aspects of the marketing process, including content creation, customer segmentation, personalization, social media management, ad campaign optimization, email marketing automation, SEO optimization, and more. AI-powered tools and algorithms can analyze data on user behaviour, preferences, and demographics to deliver personalized experiences, optimize marketing campaigns, automate repetitive tasks, and improve overall marketing performance.

Overall, AI in digital marketing enables companies to leverage data-driven insights, automation, and personalization to enhance their marketing efforts, improve customer experiences, and achieve better marketing results.

16.5.1 How Do Companies Use AI in Digital Marketing

Artificial Intelligence (AI) helps businesses and brands leverage the benefits of digital marketing. This technology makes it possible to create various alternatives in the methods of communication with the target audience. In digital marketing, collecting data of existing and potential customers becomes possible with Artificial Intelligence technology.

Artificial intelligence can analyze and process big data in real-time with a predetermined stage. In a way, digital marketers can create competitive marketing strategies while keeping the entire picture in mind. AI technology together with Machine Learning and one of its branches **Natural Language Processing** (NLP) can play an active role in digital marketing campaigns. These revolutionary concepts can offer personalized content suggestions, email concepts, and real-time customer support along with social media marketing strategies.

- **Personalized Content:** AI algorithms analyze user behaviour, preferences, and demographics to deliver personalized content. This includes personalized emails, product recommendations, and website content, which increases engagement and conversion rates.
- **Chatbots and Virtual Assistants:** AI-powered chatbots and virtual assistants are used to automate customer interactions and provide instant responses to customer queries. This helps improve customer service, saves time and resources, and enhances the overall user experience.
- **Predictive Analytics:** AI algorithms analyze large amounts of data to identify patterns and trends, which helps in predicting customer behavior, preferences, and future market trends. This enables companies to make data-driven decisions and optimize their marketing strategies for better results.
- **Ad Campaign Optimization:** AI algorithms optimize digital advertising campaigns by analyzing data on user behavior, preferences, and engagement with ads. This helps in delivering targeted ads to the right audience, optimizing ad spend, and increasing ad performance.

- **Content Creation:** AI-powered tools are used to generate content, such as blog posts, social media posts, and product descriptions. These tools use natural language processing (NLP) and machine learning algorithms to create content that is relevant, engaging, and optimized for search engines.
- **Social Media Management:** AI algorithms analyze social media data, such as user behavior, sentiment, and trends, to optimize social media marketing strategies. This includes content scheduling, social media listening, sentiment analysis, and social media ad targeting.
- **Voice Search Optimization:** With the growing popularity of voice assistants like Amazon's Alexa and Google Assistant, companies are using AI to optimize their websites and content for voice search. This includes optimizing content for voice-based queries and providing voice-enabled search capabilities on their websites.
- **Customer Segmentation:** AI algorithms segment customers based on their behavior, preferences, and demographics, which helps in creating targeted marketing campaigns. This allows companies to deliver personalized offers and promotions to specific customer segments for better results.
- **Email Marketing Automation:** AI-powered email marketing tools automate the process of sending personalized emails to customers based on their behavior, preferences, and engagement with previous emails. This helps in improving email open rates, click-through rates, and overall email marketing performance.
- **SEO Optimization:** AI algorithms analyze data on user behavior, search trends, and website performance to optimize search engine optimization (SEO) strategies. This includes keyword research, on-page optimization, and content optimization for better search engine rankings.

Companies are leveraging AI in various ways in their digital marketing strategies to enhance personalization, automate processes, optimize campaigns, and improve overall marketing performance. AI is enabling companies to make data-driven decisions and deliver better experiences to their customers, leading to improved marketing results and business growth.

16.5.2 Future of Artificial Intelligence in Marketing

The future of Artificial Intelligence (AI) in marketing is expected to be transformative, with continued advancements in technology and increasing adoption across industries. Here are some potential trends and developments that may shape the future of AI in marketing:

- **Hyper-Personalization:** AI algorithms will continue to evolve and enable even more sophisticated personalization in marketing. This includes delivering highly targeted and personalized content, offers, and recommendations to individual customers based on their behaviour, preferences, and context, leading to enhanced customer experiences and higher engagement.
- **Predictive Analytics and Insights:** AI will continue to leverage predictive analytics to gain insights from large amounts of data and provide actionable recommendations for

marketing strategies. Advanced machine learning algorithms will enable marketers to predict customer behaviour, identify trends, and make data-driven decisions, leading to more effective marketing campaigns and improved business outcomes.

- **Enhanced Customer Journey Mapping:** AI will play a key role in mapping and analyzing the customer journey across multiple touchpoints, channels, and devices. This will allow marketers to gain a holistic view of the customer journey and optimize marketing efforts at each stage, leading to improved customer experiences and higher conversion rates.
- **AI-Driven Automation:** Automation will be further enhanced by AI, allowing for more efficient and streamlined marketing processes. AI-powered tools will automate repetitive tasks such as content creation, social media management, and email marketing, freeing up marketers to focus on strategic initiatives and creative efforts.
- **Voice and Visual Search:** With the growing popularity of voice assistants and visual search, AI will continue to play a crucial role in optimizing marketing strategies for these emerging technologies. This includes optimizing content for voice-based queries and visual search, as well as leveraging AI for voice-enabled chatbots and virtual assistants.
- **Ethical and Responsible AI:** As AI becomes more pervasive in marketing, there will be increased emphasis on ethical and responsible use of AI. This includes ensuring transparency, fairness, and accountability in AI algorithms and practices, as well as addressing potential biases and privacy concerns.
- **Augmented and Virtual Reality:** AI will continue to be integrated with augmented reality (AR) and virtual reality (VR) technologies to create immersive and personalized marketing experiences. This includes using AI for content generation, user behaviour analysis, and personalized recommendations in AR and VR applications.
- **Cross-Channel Integration:** AI will enable better integration and synchronization of marketing efforts across different channels and touchpoints, including social media, email, search, mobile, and offline channels. This will enable marketers to create seamless and consistent customer experiences across multiple channels, leading to improved customer engagement and loyalty.
- **Data-Driven Decision Making:** AI will continue to empower marketers with data-driven decision-making capabilities. Advanced data analytics, machine learning, and AI-powered insights will enable marketers to understand customer behaviour, preferences, and market trends more comprehensively, leading to better marketing strategies and improved business outcomes.

The future of AI in marketing holds immense potential for driving innovation, improving customer experiences, and delivering more effective marketing strategies. As technology continues to evolve and AI continues to mature, marketers can expect AI to play an increasingly critical role in shaping the future of marketing.

16.6 Benefits of Using AI in Digital Marketing

these are 6 benefits that digital marketers can achieve today by implementing AI into their marketing strategies.

1. Customer Behaviour is Now More Predictable

Targeting everyone that falls under your company's niche can cost you lots of resources, time, and effort. Fortunately, you can sift through an otherwise scattered audience using AI systems to identify prospects most likely to respond to your offer.

You'll need better and deeper analysis to discover convertible prospects from expensive Google advertising. An AI tool can use a statistics decision tree that defines marketing objectives and reviews past data.

Additionally, you may use AI and machine learning models to analyze client behaviour, identify patterns, and develop digital marketing strategies based on them. Also, establish these models based on the objectives you wish to achieve from your marketing efforts, such as increased conversion rates, website traffic, or lead generation.

2. Customer Engagements are Analyzed Better

Measuring customer engagements is critical for determining what worked and didn't, especially since customer acquisition costs far outweigh customer retention costs. Using AI to track each campaign will provide better insights into which customer segments marketers should target.

AI tools can also provide insights by comparing old and new clients to teach you how to produce more regular customers. It also allows you to target their previous clients better and improve their experience. Furthermore, AI also delivers pertinent information about what each client wants and how to target them.

You may also track your audience's behavior and engage with them more effectively using AI. Examine consumer discussions in real-time and determine why people discuss them on different social media platforms. This will allow you to better target clients by utilizing effective activities for each audience.

3. Ads Can Now Target Specific Audiences

Prospect persuasion is a crucial aspect of focused marketing, but any marketing specialist will tell you how challenging it is to convince people you don't know. Fortunately, you will reach it by pairing AI with predictive consumer segmentation, your virtual assistants, or intelligent design for personalized customer experiences.

Traditional advertising has also become significantly less effective than marketing that targets people based on their general preferences. With the rise of AI, marketing specialists may use tailored data to predict whether shoppers will be interested in purchasing before asking them for cash or credit.

4. Marketing Can Now Be Automated

AI can also help you automate digital marketing while keeping your audience targeting.

Automation and personalization via artificial intelligence are ideal combos that result in a high level of marketing personalization.

Your business can also gain the upper hand in getting clients – something every company needs in a fast-growing market. Through AI systems, you are now able to automate pay-per-

click (PPC) ads, search engine marketing (SEM), SEO, conversion rates, social media marketing (SMM), and keyword research.

5. Customer Relationships are Now Better Fostered

AI is critical in customer relationship management since companies can now gain real-time insights into how their customers interact via various communication platforms.

AI can automatically assign concerns to the appropriate support group and then use statistical models to determine the optimal next step.

Also, add chatbots that feed on automated processes to your site to give customers a general idea of your services. This can be a cost-effective method of increasing the customer base. You can monitor your site's user data to discover which are most likely to become regular customers. Viewing their preferences will show you what promos you can use to keep their brand loyalty.

Moreover, big companies such as Volvo have tried integrating AI with virtual reality. This allows customers to take a free "try-on" of a product, enabling customers to decide whether or not to buy a product. This results in enhanced sales and customer loyalty growth.

6. Marketing Contents are Optimized

The key to marketing and progress is to target the right consumers with the right message at the right time. The traditional way to achieve this is through evaluating macro-level statistics about your target market, such as income, age group, and education level, or by conducting market research to understand what picks the public's interest from a cultural and societal aspect.

If you want your message to be well-received, try to stratify the information you gathered and construct it into something easily digested by your audience— something that AI systems can easily accomplish.

Using AI, you will easily identify topics likely to attract your audience's attention by presenting content they love and understand.

16.7 Challenges of using AI in Digital Marketing

While AI has the potential to revolutionize marketing, it also faces challenges and limitations that businesses need to be aware of. These challenges may impact the effectiveness and reliability of AI-powered marketing initiatives. Let's take a closer look at some of the key challenges and limitations associated with AI in marketing:

- 1. Data Quality and Quantity:** One of the critical factors that impact the performance of AI algorithms is the quality and quantity of data available. AI models rely on large-scale and high-quality data to train and learn from, and if the data is inaccurate, incomplete, or biased, it can result in flawed outcomes. Ensuring access to clean, accurate, and diverse data is crucial for the effectiveness of AI in marketing.
- 2. Interpretability of AI Algorithms:** AI algorithms often operate as "black boxes," making it challenging to understand how they arrive at certain decisions or recommendations. This lack of interpretability can raise concerns about the fairness, transparency, and accountability of AI-powered marketing initiatives. Businesses need to ensure that their AI algorithms are transparent and explainable to build trust and confidence among customers and stakeholders.

- 3. Evolving Landscape of Marketing Strategies and Channels:** Marketing strategies and channels are constantly evolving, and businesses need to adapt to new trends and technologies to stay relevant. However, the rapid pace of technological advancements may pose challenges in integrating AI into existing marketing strategies and channels. Businesses need to carefully evaluate and plan for the integration of AI in their marketing efforts to ensure a seamless transition and maximize its benefits.
- 4. Ethical and Privacy Concerns:** The use of AI in marketing raises ethical concerns related to potential biases in algorithms, discriminatory or unfair treatment of certain customer groups, and the ethical implications of automated decision-making. Moreover, the collection and use of customer data by AI-powered systems raise privacy concerns and may require compliance with relevant data protection regulations, such as GDPR. It is essential for businesses to prioritize ethical considerations and ensure compliance with privacy regulations when implementing AI in marketing initiatives.
- 5. Human Expertise and Creativity:** While AI can automate routine tasks and provide data-driven insights, human expertise and creativity are still invaluable in marketing. AI may not fully replace the intuition, emotional intelligence, and creativity of human marketers. Businesses need to strike the right balance between AI and human involvement in marketing to leverage the strengths of both and achieve optimal results.
- 6. Cost and Implementation Challenges:** Implementing AI in marketing can be costly, requiring investments in technology infrastructure, data storage, and skilled talent. Small and medium-sized businesses may face budget constraints and resource limitations, making it challenging to adopt and implement AI in their marketing efforts. It is crucial for businesses to carefully assess the costs and benefits of AI in marketing and plan for a feasible implementation strategy.
- 7. Regulatory and Legal Considerations:** The use of AI in marketing may raise regulatory and legal considerations, such as compliance with data protection, intellectual property, and consumer protection laws. Businesses need to be aware of the relevant regulations and legal requirements associated with AI in marketing and ensure compliance to avoid potential legal issues.

16.8 Virtual Reality (VR)

The use of computer modelling and simulation that enables a person to interact with an artificial three-dimensional (3-D) visual or other sensory environment. VR applications immerse the user in a computer-generated environment that simulates reality through the use of interactive devices, which send and receive information and are worn as goggles, headsets, gloves, or body suits. In a typical VR format, a user wearing a helmet with a stereoscopic screen views animated images of a simulated environment. The illusion of “being there” (telepresence) is affected by motion sensors that pick up the user’s movements and adjust the view on the screen accordingly, usually in real time (the instant the user’s movement takes place). Thus, a user can tour a simulated suite of rooms, experiencing changing viewpoints and perspectives that are convincingly related to his own head turnings and steps. Wearing data gloves equipped with force-feedback devices that provide the sensation of touch, the user can even pick up and manipulate objects that he sees in the virtual environment.

16.9 Virtual Reality Marketing

virtual reality marketing is an effective marketing method that integrates technology that is virtual reality in marketing campaigns. It is a way to interact with your target audience and improve brand engagement. For example, instead of viewers reading text on their screens, they can interact with a virtual character.

It is referred to as immersive media and virtual reality; augmented reality marketing presents several opportunities for companies to advertise their brands, boost sales, and increase the retention of customers and their loyalty.

Virtual reality is a realistic, immersive environment that engages various senses. Users have access to VR headsets or apps. For instance, VR overlaps a filter on an image or video. Allow a leading digital marketing agency to make use of VR marketing.

Imagine Instagram or Snapchat filters. Additionally, VR headsets can “transport” users into the 3D virtual world, increasing the immersive experience. The headset responds to the user’s movements and allows users to take a full perspective of the virtual space (360-degree viewpoint) and interact with different digital elements of the simulation.

16.9.1 Use of VR in Marketing

The apps that create immersive experiences can be designed with various applications and numerous VR market segments. For instance, you could make use of VR in B2B marketing.

Virtual Reality (VR) is fast becoming an effective instrument to help digital marketing. A leading company offering web design and web development services in Mumbai can guide you about VR marketing.

With its ability to create an interactive and immersive experience, VR can change how brands communicate with their target audience. In this blog, we’ll look at how you can utilize VR in your marketing and the advantages it can offer your business.

1. Customers can “Try before they buy.”

On the heels of Sephora’s success, other brands are embracing augmented reality marketing, which allows customers to try their products in a virtual environment before purchasing them. It gives customers a complete view of the product, which makes it less likely for them to want to return the item.

We know that 64% of all e-commerce returns happen because the item isn’t up to the customers’ expectations. Lower returns translate to lower expenses and more income for your company. Also, less waste will be generated from products that can’t be reused. Businesses are profiting from this technology already. According to Deloitte, augmented reality marketing is proving to be successful and has a positive return on investment in a number of industries, including those selling shoes, beauty, and furniture.

2. Simulation:

The first step is to comprehend Virtual Reality’s concept and how it differs from other types of digital media. VR can be described as a computer-generated representation of a 3-dimensional world that can be manipulated using special hardware like VR headsets. VR headset.

The best digital marketing agency in Singapore believes that the technology lets users completely immerse themselves in an immersive virtual world. It creates an experience that’s more enjoyable and memorable as compared to traditional 2D media.

3. Virtual tours:

One of the major advantages of VR for marketing is its capacity to create interactive and immersive brand experiences. Companies can use Virtual Reality to lead their consumers

through immersive tours of their goods and give them a complete understanding of the products they're purchasing.

For instance, a vehicle manufacturer could use VR to allow customers to test drive one of their vehicles. Or, the home builder could use VR to offer customers the opportunity to experience a virtual tour of their new product.

4. E-commerce:

Another area in which VR has made a huge impact is e-commerce. With the help of VR, online retailers can provide customers with a more authentic and enjoyable shopping experience.

For example, furniture dealers could use VR to show customers how furniture will look in their homes, and fashion stores can utilize Virtual Reality to let customers virtually try on clothes.

5. Virtual Events:

VR is also used in marketing events to design virtual trade shows and events. This makes brands more accessible to a wider audience because virtual events can be accessed from anywhere around the globe. VR events also offer the benefit of being greener and more cost effective than traditional events. Let a web development company assist you in incorporating VR for events.

6. Simulations of workplace environments:

Another place in which VR can be utilized is for employee training and demonstrations of products. VR can create realistic virtual simulations of workplace environments and procedures, allowing employees to exercise in secure and controlled surroundings. It is also a way to make virtual demonstrations of products to give the customers a better understanding of how they function.

7. Virtual Reality in mobile devices:

The potential of VR in marketing via digital channels looks promising, with many experts anticipating that it will soon become an increasingly crucial tool for businesses seeking to engage with their target audience.

The trends worth looking out for are that of using VR for personalization, integrating VR into other technologies, such as artificial intelligence, and the growing use of VR on mobile devices.

Virtual reality can transform how brands interact with their customers. Creating engaging content in VR could make brands stand out in an increasingly crowded digital world. As technology develops, companies must be aware and prepared to make the most of the opportunities VR can provide.

8. Branded games:

Branded games effectively raise the brand's visibility and introduce customers to your brand in a relaxed and enjoyable manner. While players focus on the game, they have exposed images of a brand or its product.

9. Content marketing:

VR can be used for effective content marketing. VR is efficient because it is among the available visualization tools. 3-D images, models, animations, and texts become more engaging and clearer when presented using the headset. A leading digital marketing agency can help you use VR efficiently in content marketing.

16.9.2 Virtual Reality (VR) Marketing Examples

1. Gucci Town

High-end fashion house Gucci recently launched Gucci Town, a virtual world within the Roblox metaverse. Players can explore the town, learn about the house's history, and connect with other people in the game."

The interactive elements of Gucci Town are the mini-games, the browsable art exhibitions, and the Gucci store where people can purchase clothes for their Roblox avatars. When users wear the clothing they've purchased, they can spark conversations with others that are curious about the unique items and, as a result, are inspired to visit and discover what the town has to offer.

2. Etsy Virtual House

In 2021, Etsy debuted its virtual home feature that allows shoppers to "walk through" a virtual house filled with curated Etsy items. The homes are individualized and include photorealistic and true-to-scale renderings, seamless navigation, and 360-degree visuals

For now, the Etsy Virtual House is available to shoppers during the holiday season. Each one-of-a-kind home is filled with holiday decor, gifts, Etsy Design Award winners, furniture, artwork, and other items. Everything in the house is shoppable. All shoppers have to do is hover over an item, and a pop-up will appear with additional information and a link to purchase. The goal, according to Etsy, is to help shopping picture how the items would look in their home."

3. Nikeland

Nike took its first step into the metaverse by partnering with Roblox to create Nikeland — a virtual world, modeled after the Nike headquarters in Beaverton, Oregon. Nikeland consists of Nike buildings, fields, and areas where players can compete in different minigames.

"Real-world movements power online play, and movements are tracked by accelerometers on users' mobile devices. For example, motion in real life can translate to long jumps or speed runs in Nikeland. The virtual space also includes a showroom where players can buy Nike's latest digital products for their avatars. The products include Nike's Air Force 1, Nike Blazer, Air Force 1 Fontanka, and Air Max 2021."

4. Wendy's Metaverse Restaurant

In March, 2022, Wendy's launched Wendyverse — a virtual restaurant on Meta's Horizon World's Platform. In a blog posted to Meta, the restaurant chain said users will be able to "walk behind the counter, interact with friends, and embark on a mouth-watering adventure." Visitors to Wendyverse can play games like basketball and find easter eggs that include surprises like free food."

5. Samsung 837X

At the start of 2022, Samsung launched its own immersive virtual world called 837X. The world is modelled after its flagship store in New York City. The world has since evolved to include a customization-focused quest called "You Make It." Described by the company as a "choose-your-own-journey" quest, You Make It consists of bright colors, various detailed landscapes, and three magical characters to join the user on an adventure."

6. McDonald's VR Zodiac Exhibition

From Jan. 31 to Feb. 15, McDonald's created a virtual reality hall showcasing the Chinese Zodiac. The restaurant chain collaborated with designer Humberto Leon, who is of Peruvian and Chinese descent, to create the virtual exhibition. Leon praised the project for showcasing a piece of Asian-American culture. "It was a dream come true for myself to work with McDonald's, because I feel like it's the quintessential pop culture brand," Leon said."

16.10 Advantages of Marketing with Virtual Reality

1. It Impresses Clients and Users

VR is an attractive technology that certainly makes an impression. People are always eager to try new technology and usually enter an immersive experience with positive expectations. This allows you to impress people with your product or service and then imprint it on their minds.

2. Facilitates Greater Interaction Between Product and User

Interacting with something using VR is a fantastic way to understand how it functions. An immersive application is just as effective at informing your customers about your services as the physical product. In addition, if you can make it enjoyable and engaging, you could create an emotional connection between the user and the product.

3. Easy to Deploy Campaigns

The only items you require to provide a VR experience to someone are a headset and an application. When we're discussing in-person access to meetings, workplace facilities, and more.

It is also possible to offer the app online for existing VR customers to download and experience it remotely. Find the best web design and web development services in Mumbai to get assistance in deploying VR campaigns.

4. Reduces The Burden of Sales Teams.

In addition to showcasing a product or service, you can utilize VR as a tool for sales that allows customers to quickly change from studying and looking at the item to placing an order. This satisfying and practical experience will drastically reduce the number of requests sent to sales reps.

16.11 The Cons of Virtual Reality Technology

1. **High Cost:** VR technology can be expensive, and not every business can afford to implement it in their operations. The hardware and software required for a VR system can be prohibitively expensive, making it a less accessible technology
2. **Lack of Standardization:** There is a lack of standardization in VR technology, making it challenging to develop applications that can work seamlessly across various platforms.
3. **Health Concerns:** Prolonged use of VR technology can cause discomfort and health issues such as eye strain, nausea, and headaches.
4. **Social Isolation:** Virtual reality technology can lead to social isolation as it disconnects users from the real world.

16.12 Summary

Virtual reality technology has immense potential in various industries, including gaming, entertainment, education, and training. However, it also has limitations such as high cost, lack of standardization, health concerns, and social isolation. Despite these challenges, the advantages of VR technology outweigh the disadvantages, and it is expected to continue revolutionizing the way we interact with the digital world in the future.

16.13 Glossary

- **Artificial intelligence (AI),**
The ability of a digital computer or computer-controlled robot to perform tasks commonly associated with intelligent beings. The term is frequently applied to the project of developing systems endowed with the intellectual processes characteristic of humans, such as the ability to reason, discover meaning, generalize, or learn from past experience.
- **AI in Digital Marketing**
AI in digital marketing refers to the use of Artificial Intelligence (AI) technologies and techniques to optimize and enhance marketing strategies, processes, and campaigns in the digital realm.
- **Virtual Reality (VR)**
The use of computer modelling and simulation that enables a person to interact with an artificial three-dimensional (3-D) visual or other sensory environment. VR applications immerse the user in a computer-generated environment that simulates reality through the use of interactive devices, which send and receive information and are worn as goggles, headsets, gloves, or body suits.
- **Gucci Town**
High-end fashion house Gucci recently launched Gucci Town, a virtual world within the Roblox metaverse. Players can explore the town, learn about the house's history, and connect with other people in the game."

16.14 Self-Check Exercise

1. What is Artificial Intelligence.
2. What are the Types of Artificial Intelligence.
3. What is the Importance of AI in today's time.
4. What is Virtual Reality.
5. Virtual Reality Marketing.

16.15 Answers to Self-Check Exercise

1. For answer refer to section 16.1
2. For answer refer to section 16.3
3. For answer refer to section 16.4
4. For answer refer to section 16.8
5. For answer refer to section 16.9

16.16 Terminal Questions

1. Write down in detail History of Artificial Intelligence.
2. Discuss the Role of AI in Digital Marketing.
3. What are the Benefits and Challenges of using AI in Digital Marketing.

4. Discuss some examples of Virtual Reality Marketing.
5. What are the Advantages and Disadvantages of Virtual Reality in Digital Marketing.

16.17 Answers to Terminal Questions

1. For answer refer to section 16.2
2. For answer refer to section 16.5
3. For answer refer to section 16.6
4. For answer refer to section 16.9.2
5. For answer refer to section 16.10,16.11

16.18 Suggested Readings

- *Market Intelligence: Definition, Methods, Types and Examples.* (n.d.). Retrieved from QuestionPro: questionpro.com/blog/market-intelligence/#:~:text=Market%20intelligence%20is%20gathering%20data,competitive%20and%20meet%20market%20demands

LESSON -17

INTRODUCTION TO E-COMMERCE

Structure

- 17.0** Learning Objectives
- 17.1** Introduction
- 17.2** Meaning of electronic commerce
- 17.3** Business applications of e-commerce
- 17.4** Benefits of e-commerce
- 17.5** Advantages of e-commerce
- 17.6** Limitations of e-commerce
- 17.7** Summary
- 17.8** Glossary
- 17.9** Self-Check Exercise
- 17.10** Answers to Self-Check Exercise
- 17.11** Terminal Questions
- 17.12** Answers to Terminal Questions
- 17.13** Suggested Readings

17.0 Learning Objectives

After studying this lesson, you should be able to:

- Introduction to e-commerce
- Meaning of electronic commerce
- Business applications of e-commerce
- Benefits of e-commerce
- Advantages of e-commerce
- Limitations of e-commerce

17.1 Introduction

E-commerce is conducting business online. Selling goods and / or buying goods electronically using software programs. Web sites exist that run the main functions of an e-commerce web site, including product display, online ordering and inventory management. The software resides on a commerce server and works in conjunction with online payment systems to process payments. Since these servers and data lines make up the backbone of the internet, in a broad sense, e-commerce means doing business over interconnected networks.

E-Commerce or Electronics Commerce is a methodology of modern business which addresses the need of business organizations, vendors and customers to reduce cost and improve the quality of goods and services while increasing the speed of delivery. E-commerce refers to paperless exchange of business information using following ways.

- ◆ Electronic Data Exchange (EDI)
- ◆ Electronic Mail (e-mail)
- ◆ Electronic Bulletin Boards

- ◆ Electronic Fund Transfer (EFT)
- ◆ Other Network-based technologies

17.2 Electronic commerce

The definition of e-commerce includes business activities that are business-to-business (B2B), business-to-consumer (B2C), consumer-to-business (C2B), consumer-to-consumer (C2C), extended enterprise (also known as "newly emerging value chains"), digital commerce (d-commerce) and mobile commerce (m-commerce). E-commerce is a major factor in the U.S. economy because it assists computing companies with many levels of current business transactions, as well as creating new online business opportunities that are global in nature.

B2B (Business-to-Business):

Companies doing business with each other such as manufacturers selling to distributors and wholesalers selling to retailers.

B2C (Business-to-Consumer):

Interactions relating to the purchase and sale of goods and services between a business and consumer—retail transactions. Businesses selling to the general public typically through customized software.

C2B (Consumer-to-Business):

A consumer attempts business transaction by selling a product to a business man. For example, a consumer posts his project with a set budget online and within hours companies review the consumer's requirements and bid on the project. The consumer reviews the bids and selects the company that will complete the project.

C2C (Consumer-to-Consumer):

There are many sites offering free classifieds, auctions and forums where individuals can buy and sell thanks to online payment systems like PayPal where people can send and receive money online with ease. eBay's auction service is a great example of where person- to-person transactions take place every day since 1995.

D-commerce

is a type of e-commerce used by an organization that delivers and sells products online. D-commerce is used by companies that sell news, subscriptions, documents or any form of electronic content and the digital commerce company collects payments, handles customer refunds and billing and manages other accounting functions for online publisher clients. D-commerce is considered a form of e-commerce because it deals with the exchange of electronic goods. The pay-as-you-go model is applied to digital commerce. Customers start an account with a digital commerce company and can purchase text and content from publishers, but they only have to relay their financial information once. This makes for a more secure online environment. Publishers of books, news, magazines, white papers and academic research papers are big users of digital commerce. Some digital commerce companies resell publishers' content. This form of business can be very profitable for publishers and digital commerce companies.

M-Commerce

Is about the explosion of applications and services that are becoming accessible from Internet-enabled mobile devices. It involves new technologies, services and business models. It is quite different from traditional e-commerce. Mobile phones impose very different constraints than desktop computers. They follow you wherever you go, making it possible to look for a nearby restaurant, stay in touch with colleagues, or pay for items at a store. M-commerce is the buying and selling of goods and services through wireless handheld devices such as cellular telephone and Personal Digital Assistants (PDAs).

It can be summarized that business to business or B2B (vendor doing financial transaction with another vendor), business to consumer or B2C (consumer buying a product using internet) and consumer to consumer or C2C (consumer selling a product to another consumer) are different forms of e-commerce.

Few examples of e-commerce:

- accepting credit cards for commercial online sales
- generating online advertising revenue
- trading stock in an online brokerage account
- driving information through a company via its intranet
- driving manufacturing and distribution through a value chain with partners on an extranet
- selling to consumers on a pay-per-download basis, through a Web site

Rather, e-commerce is execution of any financial transaction with the use of electronic network. There are numerous ways of expressing the concept of e-commerce:

E-commerce (electronic commerce or EC) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet.

In other words, the buying and selling of products and services in business by vendors and consumers through an electronic medium, without using any paper documents.

E-commerce is widely considered as buying and selling of products over the internet, further any transaction that is completed solely through electronic measures can be considered e-commerce.

17.3 Business applications of e-commerce

Various applications of e-commerce are continually affecting trends and prospects for business over the Internet, including e-banking, e-tailing and online publishing/online retailing. The most common e-commerce applications are as follows:

1. Manufacturing Sector
2. Wholesale Sector
3. Retail Sector
4. Service Sector
5. Marketing
6. Finance
7. Auctions
8. Banking
9. Electronic tickets

1. Manufacturing

Manufacturing can be defined as the process of collecting and then converting raw materials into finished, qualitative goods or products for the consumers. Manufacturing requires a web of various components, contracts personnel etc working intricately together and in synch in order to produce goods or services. Manufacturing requires components, assemblies, transportation, storages, paper works, etc. e-commerce applied to the supply chain management process helps in reducing the overall costs drastically and improves quality and efficiency by automating most of the supply chain. Hence, e-commerce is useful in the supply chain operations of a company. Some companies form an electronic exchange by providing together buy and sell goods, trade market information and run back office information such as inventory control. This speeds up the flow of raw material and finished goods among the members of the business community. Various issues related to the strategic and competitive issues limit the implementation of the business models. Companies may not trust their competitors and may fear that they will lose trade secrets if they participate in mass electronic exchanges.

2. Wholesale

Selling goods or products in large quantities to anyone other than the consumers, take for example the retailers, industrial/ commercial or other business users or even distributors are known as wholesalers.

Physical assembling, sorting & grading goods in large lots, breaking bulk, repacking and redistributing in smaller lots is all a part wholesale. E-Commerce benefits wholesalers in various ways such as:

- a. Reduced operating costs, access to accurate and correct information on time & quick responses helps in qualitative and efficient decision making.
- b. Ability of access to global marketing in less time and by consuming less effort.
- c. Gaining and catching up to the competitive edge held by foreign wholesalers such as MNC's.
- d. Offers a wide and extensive range of information, intermediary and business services.

3. Retail

Selling of goods and services to the consumers for their personal consumption and use is known as **retailing**. Retailers provide a link between the consumers and the manufacturers and add value to the product and service by making their sales easier. They even provide extra services from personal shopping to gift wrapping and home delivery. E-Commerce has a number of applications in retail and wholesale. E-retailing or on-line retailing is the selling of goods from Business-to-Consumer through electronic stores that are designed using the electronic catalogue and shopping cart model. Cybermall is a single website that offers different products and services at one internet location. It attracts the customer and the seller into one virtual space through a web browser.

People can now sit at their computers, open the website they desire to do so and browse the catalogues put up by the company (retailer), choose their product and either pay for it online itself or on delivery. Having your store online helps drastically in cost cutting as companies don't need to purchase stores, they can cut down on staff, provide services to a much wider audience, etc.

4. Service sector

It involves basically the provision of all services such as distribution and sales of goods to other businesses and consumers such as pest control, entertainment and even services such as transportation. It also includes the public utilities and the soft parts of the economy such as insurance, banking, education, insurance, etc. The service sector focuses mainly on people-to-people services.

Services are intangible, it's extremely difficult to make customer understand and aware about their benefits. Quality of services depends solely on the quality of the individual providing the services.

e-commerce helps in improving and increasing the speed of transactions, reduces management expenditure, increases efficiency and increases competitiveness.

It helps the insurance, banking and mainly all the financial sectors, real estate, telecommunications, tourism, logistics and postal services. E-commerce also helps services gain a competitive advantage by providing strategies for differentiation, cost leadership and customer satisfaction.

5. Marketing

Data collection about customer behaviour, preferences, needs and buying patterns is possible through web and e-commerce. This helps marketing activities such as price fixation, negotiation, product feature enhancement and relationship with the customer. Future prediction about the trend of sale can be estimated.

6. Finance

Financial companies are using e-commerce to a large extent. Customers can check the balances of their savings and loan accounts, transfer money to their other account and pay their bill through on-line banking or E-banking. Another application of E-Commerce is on-line stock trading. Shares can be sold or purchased online using websites designed for this purpose. Such web sites are linked to stock exchanges. Many Websites provide access to news, charts, information about company profile and analyst rating on the stocks.

7. Auctions

Customer-to-Customer E-Commerce is direct selling of goods and services among customers. It also includes electronic auctions that involve bidding. Bidding is a special type of auction that allows prospective buyers to bid for an item. For example, airline companies give the customer an opportunity to quote the price for a seat on a specific route on the specified date and time.

8. Banking

A more developed and mature e-banking environment plays an important role in e-commerce by encouraging a shift from traditional modes of payment (i.e. cash, cheques or any form of paper-based legal tender) to electronic alternatives (such as e-payment systems). E-banking provides better tracking mechanism of financial transactions. E-bank provides the facility of transferring money from an account to another electronically.

9. Electronic tickets

Tickets can be bought for trains, aero planes, movies, theatres, parks, auditions, games etc. by making payment using credit cards, debit cards and internet banking. The soft copy of the ticket is sent digitally in return and at times the ticket can even be sent by postage.

Thereby the applications of e-commerce are in the domain of any sale and purchase of goods and services for which the payment has been made electronically. Some more examples are, Document automation in supply chain and logistics, Domestic and international payment systems, Enterprise content management, Group buying, Print on

demand, Automated online assistant, Newsgroups, Online shopping and order tracking, Online office suites, Shopping cart software, Teleconferencing, Social networking and Instant messaging.

17.4 Benefits of e-commerce

E-Commerce uses the technology of digital information processing and electronic communications through internet in business transactions that helps in facilitating and redefining the relationships between or among organizations and between organizations and individuals for value creation. Multiple benefits are provided by E-commerce to the consumers in form of availability of goods at lower cost, wider choice and saves time. Internet is treated as a functional and operational medium for consumers, business owners, information seekers and entrepreneurs. E-Commerce sales would rise in the years to come with the increasing availability of broadband internet services combined with new applications.

E-commerce has several Benefits:

1. Conduct business 24 x 7

E-Commerce can operate all day every day. Physical shop does not need to be open for customers and suppliers for doing business electronically.

2. Reduce cost to buyers

Electronically open market places will increase competition and reduce buyers cost.

3. Reduced cost to the suppliers

The ability to access online databases of bid opportunities, to submit bids electronically and to review awards online will reduce supplier's costs.

4. Create new markets

The ability to reach potential customers easily and cheaply will create new markets.

5. Easy market entry

Market entry will be easier when geographic limits are no longer relevant.

6. Increase in variety of goods

As the market will expand, the variety of goods available shall also expand.

7. Reduce inventories

Electronically linking the demand for goods and services through just-in-time inventory and integrated manufacturing techniques will allow companies to maintain reduce inventories.

8. No Middlemen

There is a direct contact with customers in e-commerce through internet without any intermediation. Companies can now focus more on specific customers by adopting different one-to-one marketing strategy.

9. Improved and better customer service

Since there is a direct contact with the customers, it is possible to solve their queries regarding price, quality and additional features of the product can be provided and thus

resulting in a better improved customer service. Response time is reduced between the seller and the buyer. It also improves the loyalty among customers.

10. Teamwork

The output of the e-commerce is the teamwork that helps organizations work together. Email is one of the examples of how people collaborate to exchange information and work on solutions. It has changed the way organizations interact with the suppliers, vendors and customers.

11. Information sharing with the customers

It is possible for the buyers to keep in touch with the seller's web site, find the information and can make quick purchase decisions. Knowledge of the customer is increased about the product and its varied features. Thus web is a source of dissemination of information for the probable customers.

12. Customized products

On the basis of the demand from the customers for their requirements about the product, it is possible to differentiate the product for an individual. There are many websites that helps in reorganizing, revising or editing the digital products.

13. Swapping of goods and services

Swapping is to exchange or using a barter system for goods and services on the websites between the business firms. A firm offers something for a want of another service or product from another firm for its services. For example instead of accepting cash for a consultancy service from a firm, a person or another firm can buy products in exchange from that firm.

14. Information sharing

It takes only few seconds to share information over the internet. A firm can e-mail the required data to its customers and can solve their product related queries. This is a major advantage overcoming the limitation of traditional method of doing business.

15. Global reach

Creating a web site for a firm or set of products and uploading it on the server, enables it to reach millions of customers worldwide. E-Commerce creates the whole world as a global village from where anyone can buy anything at anytime from anywhere.

16. Expanded customer base

The websites have access to customers' world-wide. Restriction of regions or physical locations is over ruled in online shopping.

17. Search engine marketing

Customers have easy access to find a product or service using search engines. Data pertaining to prices, specifications of products, availability details, comparison with other similar products and other related data can be accessed using search engines.

18. Reduction of marketing and advertising Costs

The need of advertising is reduced to a great extent with the advent of e-commerce. The probable customer attempts to locate the product on its own. A business firm can easily promote its product on the website by giving the complete required information over the internet. One of the tools of e-commerce is sales promotion from where not only the firm gains but also the customers are benefited.

19. Widened size of market

Expands the size of the market from regional to national or national to international market, the product has a wider domain from which it can be accessed.

20. Higher profits

A great amount of reduction in cost is measured in e-commerce in transactions of commercial nature e.g., no manual handling of the transactions, paperless exchange, easy payments from customers, no transportation except in the case of tangible products and higher profit margins from higher sales volume. Also, business over the internet attracts every customer from all over the world and exposure in the new markets enhances the profits of the business firm.

21. Equal access rights

Anyone can start up a company on the internet. Equal rights are given to the smaller organizations in comparison to multinational, large international firms.

E-commerce uses the technology of digital information processing and electronic communications through internet in business transactions that helps in facilitating and redefining the relationships between or among organizations and between organizations and individuals for value creation. Wider domain and less overhead is the key factor in e-commerce.

17.5 ADVANTAGES OF E-COMMERCE

E-Commerce Advantages for Customers

1. Convenience.

Every product is at the tip of your fingers on the internet, literally. Type in the product you are looking for into your favourite search engine and every option will appear in a well-organized list in a matter of seconds.

2. Time saving.

With e-commerce there is no driving in circles while looking and digging in hopes of finding what you need. Stores online offer their full line as well as use warehouses instead of store fronts—products are easy to locate and can be delivered to your door in just days.

3. Economy Benefit.

E-commerce allows us to make transaction without any needs on stores, infrastructure investment, and other common things we find. Companies only need well-built website and customer service.

4. Easy to compare.

Side by side comparisons are readily available and easy to do. When products are placed online, they come with all the specifics, and they want you to compare them with others, know they have the best options and come back for more!

5. Easy to find reviews.

Because the competition is high, companies online want you to look at other consumer reviews. Good and bad reviews are on every site, not only can you see if the product is liked, you can also see the reasons behind the thumbs up or down.

6. Coupons and deals.

With every online business wanting you, more and more coupons and deals can't be avoided, which are totally great for customers. With major sites that act as department store, you may find items up to 80% off! Take advantage of the competition and find the best price available.

E-Commerce Advantages for Businesses

1. Increasing customer base.

The customer base is every business's main concern, online or off. When online, a business doesn't have to worry about getting the best property in town, people from around the world have access to their products and can come back at any time.

2. Rise in sales.

By not managing a storefront, any business will have more sales online with a higher profit margin. They can redistribute money to make the consumer shopping experience faster and more efficient. While being available to international markets, more products will sell.

3. Round the clock availability.

If it's snowing and the roads are closed, or it's too hot and humid to even step outside in the summer, or a holiday that every store in town closes, your online business is open for consumers 24/7 every day of the year. The doors never close and profits will keep rising.

4. Expand business reach.

A great tool on the internet is...translation! A business online does not have to make a site for every language. With the right marketing, every consumer around the globe can find the business site, products and information without leaving home.

5. Recurring payments made easy.

With a little research, every business can set up recurring payments. Find the provider that best suits your needs and billing will be done in a consistent manner; payments will be received in the same way.

6. Instant transactions.

With e-commerce there is no more waiting for the check to clear, or a 30-day wait for certain other types of payment. Transactions are cleared immediately or at most two to three days for the money to clear through the banking system.

17.6 E-COMMERCE DISADVANTAGES

E-Commerce Disadvantages for Customers

1. Privacy and security.

Before making instant transactions online, be sure to check the sites certificates of security. While it may be easy and convenient to shop, no one wants their personal information to be stolen. While many sites are reputable, always do your research for those with less than sufficient security.

2. Quality.

While e-commerce makes everything easily accessible, a consumer cannot actually touch products until they are delivered to the door. It is important to view the return policy before buying. Always make sure returning goods is an option.

3. Hidden costs.

When making purchases, the consumer is aware of the product cost, shipping, handling and possible taxes. Be advised: there may be hidden fees that won't show up on your purchasing bill but will show up on your form of payment. Extra handling fees may occur, especially with international purchases.

4. Delay in receiving goods.

Although delivery of products is often quicker than expected, be prepared for delays. A snow storm in one place may throw off the shipping system across the board. There is also a chance that your product may be lost or delivered to the wrong address.

5. Need access to internet.

Internet access is not free, and if you are using free Wi-Fi, there is the chance of information theft over an unsecure site. If you have your public library, or cannot afford the internet or computer at home, it may be best to shop locally.

6. Lack of personal interaction.

While the rules and regulations of each e-commerce business is laid out for you to read, there is a lot to read and it may be confusing when it comes to the legalities. With large or important orders, there is no one you can talk to face to face when you have questions and concerns.

E-Commerce Disadvantages for Businesses

1. Security issues.

While businesses make great efforts to keep themselves and the consumer safe, there are people out there that will break every firewall possible to get the information they want. We have all seen recently how the biggest and most renown business can be hacked online.

2. Credit card issues.

Many credit card businesses will take the side of the consumer when there is dispute about billing—they want to keep their clients, too. This can lead to a loss for e-commerce business when goods have already been delivered and the payment is refunded back to the consumer.

3. Extra expense and expertise for e-commerce infrastructure.

To be sure an online business is running correctly, money will have to be invested. As an owner, you need to know transactions are being handled properly and products are represented in the most truthful way. To make sure you get what you need, you will have to hire a professional to tie up any loose ends

4. Needs for expanded reverse logistics.

The infrastructure of an online business must be on point. This will be another cost to the business because money will need to be invested to ensure proper handling of all aspects of buying and selling, especially with disgruntled consumers that want more than a refund.

5. Sufficient internet service.

Although it seems that everyone is now on the internet all the time, there are still areas in which network bandwidth can cause issues. Before setting up an e-commerce business, be sure your area can handle the telecommunication bandwidth you will need to run effectively.

6. Constant upkeep.

When a business has started as e-commerce, they must be ready to make changes to stay compatible. While technology grows, the systems that support your business must be kept up to date or replaced if needed. There may be additional overhead in order to keep data bases and applications running.

17.7 Summary

Buying and selling of product and services is termed as Ecommerce.

E-commerce is execution of any financial transaction with the use of network. B2B, B2C, C2C are different forms of E-commerce and also Known as different Business Models. Internet is treated as a functional and operational medium for consumers, business owners, information seekers and entrepreneurs. Besides various advantages of e-commerce, there are technical and non-technical limitations.

17.8 Glossary

- Electronic Commerce (E-Commerce)
- Electronic Data Exchange (EDI)
- Electronic Fund Transfer (EFD)
- Business to Business (B2B)
- Business to Consumer (B2C)
- Consumer to Business (C2B)
- Consumer to Consumer (C2C)
- Mobile Commerce (m-commerce)
- Digital Commerce (d-commerce)
- Personal Digital Assistants (PDA's)

17.9 Self-Check Exercise

- **Question I:**
Is D-commerce a type of e-commerce used by an organization that delivers and sells products online? (True/False)
- **Question II:**
eBay's auction service is a great example of ____.
- **Question III:**
D-commerce is a form of e-commerce. (True/False)
- **Question IV:**
Process of collecting and converting raw material into finished goods is known as .
- **Question V:**
Selling goods and products in large quantities is called ____.
- **Question VI:**
Selling of goods and services is known as Retailing. (True/False)
- **Question VII:**
Data collection about customer behaviour is called ____.
- **Question VIII:**
Tickets can be bought for trains, movies, buses etc. by making payment using Debit card / Credit card. (True/False)
- **Question IX:**
Does e-commerce help in reducing the product cost? (True/False)
- **Question X:**
Is there any middleman in e-commerce? (True/False)
- **Question XI:**
E-commerce uses __ of digital information process.

- **Question XII:**
Information sharing is a major advantage of e-commerce over traditional business.
(True/False)
- **Question XIII:**
Output of ecommerce is___that helps organisation to work together.
- **Question XIV:**
Lack of business model, lack of trust is main disadvantage of.
- **Question XV:**
Cost and security comes under___limitations.

17.10 Answers to Self-Check Exercise

- **Question I:** True
- **Question II:** Person to Person Transaction
- **Question III:** True
- **Question IV:** Manufacturing
- **Question V:** Wholesale
- **Question VI:** True
- **Question VII:** Marketing
- **Question VIII:** True
- **Question IX:** True
- **Question X:** False
- **Question XI:** Technology
- **Question XII:** True
- **Question XIII:** Teamwork
- **Question XIV:** Ecommerce
- **Question XV:** Technical

17.11 Terminal Questions

1. Define e-commerce. Explain business applications of e-commerce.
2. Write down the Benefits of e-commerce.
3. What are the Advantages of e-commerce.
4. Discuss limitations of e-commerce.

17.12 Answers to Terminal Questions

1. For answer refer to section 17.2,17.3
2. For answer refer to section 17.4
3. For answer refer to section 17.5
4. For answer refer to section 17.5

17.13 Suggested Readings

LESSON-18

BUSINESS MODELS IN E-COMMERCE

Structure

- 18.0 Learning Objectives
- 18.1 Introduction
- 18.2 Comparison with traditional commerce
- 18.3 Business models
- 18.4 E-shop
- 18.5 E-procurement
- 18.6 E-auctions
- 18.7 Value-chain integrators
- 18.8 Information brokerage and trust
- 18.9 Collaboration platforms
- 18.10 Third-party marketplace
- 18.11 Telecommunications
- 18.12 Summary
- 18.13 Glossary
- 18.14 Self-Check Exercise
- 18.15 Answers to Self-Check Exercise
- 18.16 Terminal Questions
- 18.17 Answers to Terminal Questions
- 18.18 Suggested Readings

18.0 Learning Objectives

After studying this lesson, you should be able to:

- Comparison with traditional commerce
- Business models
- E-shop
- E-procurement
- E-auctions
- Value-chain integrators
- Information brokerage and trust
- Collaboration platforms
- Third-party marketplace
- Telecommunications

18.1 Introduction

Nowadays ecommerce has become very popular among the people who want to buy and sell different things because of the convenience it offers and the cost benefits to retailers and the cost saving to the customer and also the secrecy it offers.

First thing first, when you ask yourself, "What is e-commerce?" The best way to begin to describe different ecommerce businesses and the different types of ecommerce businesses is to break them down into the types of ecommerce business model that exist.

Ecommerce business models can be differentiated into **three** main categories:

- What type of product are sold
- Who the product are sold to
- Where the product are sold on

18.2 Comparison with traditional commerce

Due to the increased popularity and availability of internet access many traditional small business are considering e-commerce as a valid and profitable sales channel. However, e-commerce and traditional commerce are different from each other.

1. Direct interaction

Traditional commerce is often based around face-to-face interaction. The customer has a chance to ask questions and the sales staff can work with them to ensure a satisfactory transaction. Often this gives sales staff an opportunity for up selling, or encourages the client to buy a more expensive item or related items, increasing the shop profits. On the other hand, e-commerce doesn't offer this benefit unless features such as related items or live chats are implemented. Generally, in e-commerce the customer buys the product without any interaction with the seller. The product is selected based on the images and specifications displayed on the website.

2. Lower costs

E-Commerce is usually much cheaper than maintaining a physical store in an equally popular location. Compared with costs such as commercial space rent, opening an online store is much cheaper than the physical store. This can prove invaluable for small business owners who don't have the start-up capital to rent prime retail space and staff it to be able to sell their goods.

3. Reach

With an online shop you can do business with anybody who has access to internet. In e-commerce the customers are those who are willing to access websites, send mail to place an order and make payment using e-banking facility leads to ecommerce. In traditional commerce the customers are limited to only those who visit the shop for the purpose of shopping. E-Commerce opens the door to many other forms of marketing that can be implemented entirely online, which often results in a much larger volume of sales. An online store has no capability limits and you can have as many clients as your stock can serve. Whereas, in traditional commerce the seller has access to customers of nearby places.

4. Returns rate

In a traditional store, the customer will be purchasing the product in person, which has some benefits for both him and the store. The customer will be able to touch and check the items, to make sure they are suitable and even try them on, which reduces the number of returned items or complaints due to an item not being as advertised on a catalogue or promotional leaflet. Expect a significantly higher rate of returns if you start trading online, as many will just order and try the items at home and won't hesitate to return them as they can do it by post without having to talk with anybody in person.

5. Credit card fraud

The remote nature of e-commerce makes much more difficult to detect fraud, which means stores can lose money due to fraud. While traditional commerce is not totally secure, but it's easier for a sales attendant to verify that the person buying something is actually the owner of the credit card, by asking for photographic identity proof. However, the fight against card fraud is well underway. Banks and responsible e-commerce owners' are improving mechanisms to verify that all card use is legitimate.

6. Shopping time

In traditional shop the selling of product takes place during the period in which the shop is open. But in online shop the business timings are unlimited. The selling may take place 24/7 except the goods may at times be delivered in day time.

7. Research & Development

The seller in traditional shop spends most of its time in dealing with customers or waiting for the customers to walk in for purchases. On the contrary the seller may at times chat online with customers to handle their queries and finds no reason to waste time by waiting for the customers instead he may use ample time for research and development. The seller has time to focus on improving products and services.

8. Personnel

Traditional business needs to hire sales executive, sales managers, accountants and other staff for smooth functioning. However, in e-commerce personnel requirements are minimum. Web site managers, network administrators and system analyst are required by e-business.

9. Physical space

The traditional way requires location of shop either on rent or the shop has to be purchased. Further, the location of the shop needs to be in good locality. In newer mechanism only virtual cyber space is used for shopping. An office acting as a backup may be situated in a remote area.

10. Wider area of business

The traditional business acts in localized pools leading to no access of customers who need the product being sold by your organisation. The basis of a traditional business depends on the frequency of new and old customers buying from them to keep the business running. In modern business the customer and the seller may meet each other in a large cyber ocean.

11. Ordering of product

In e-commerce the stages of purchase are depicted as; it involves an agreement between the involved parties to continue with the succeeding phases. Order is made for the goods after an agreement is concluded. E-payment systems on the internet are used for receiving payments. Goods are delivered to the customers. If it is a tangible product, it is sent by transportation. However in traditional methodology, the product is selected and purchase of good involves giving cash and procuring the good.

12. Digital data

In e-commerce the order placed for the product is digital, the payment is made digitally and even the receipt is issued digitally. Hence, the data is digital.

13. Secure

Financial transactions on the internet can actually be more secure than in traditional retail environments.

14. Best deal

Consumers often associate online shopping with "deals" or lower prices, due to auction sites and easy cross-referencing via search engines. In addition, using the internet to purchase goods or services facilitates consumer competition because of greater accessibility. In other words, while consumers can visit only a few traditional outlets per day, they have access to countless web retailers in the same timeframe. Because of the ease of access to many retailers and greater opportunities for bargain-hunting, competition on the web is fierce. Price transparency is the rule. With shopping-comparison services, it is possible to check the price offered by hundreds of merchants with a couple of mouse clicks

15. Feedback

Online consumers have access to an unprecedented amount of product information, not just from manufacturers' websites but also from online reviews written by previous customers and employees.

16. Taxes

Differences also exist in terms of costs to consumers and retailers. For online consumers shipping is usually charged but not sales taxes but for the traditional consumers tax is levied based upon the state or whether a store front exists in the marketplace.

17. Pull & push methodology

Traditional commerce consists of marketing to reach potential customers, getting together with the customer in a place of business, agreeing on a sale and making the exchange of goods and money. Common marketing techniques used to reach potential customers include mailings, phone calls and advertisements. Then the buyer and/or the salesman are the active parties involved in a sale and exchange. In one case, the buyer initiates the purchase by either going to the store to buy or calling on the phone and making an order. In another situation, the salesman goes to the home or place of business to make the sale, or he calls on the phone to make the sale. A third method combines action from both parties. The business' sales department mails a catalogue or other material and the customer then makes a purchase from the catalogue.

These methods all apply to business-to-consumer (B2C) as well as business-to-business (B2B) sales.

In online commerce or the e-commerce, the seller uses e-marketing to reach potential customers. There are two forms of e-marketing: push-marketing and pull-marketing. Push marketing consists of sending out emails, as well as posting online advertisements on various websites. It is pushing information to the people. Pull-marketing is having a website where customers seek out information about your products. Social marketing is also used in pull-marketing.

The buying and selling is similar to the traditional mail order catalogue method, except that orders can be performed online from a website. The business' sales department posts a web site with an

online catalogue. The buyer then selects items from the online catalogue and makes the purchase, either online or by phoning or mail order. A valid credit card is required to make a purchase. Although the buyer is really using an online catalogue, the metaphor of browsing a store with a shopping cart is often used in e-commerce. This allows the customer to put items in the shopping cart to hold until checkout or when the purchase is finally made.

These methods also apply to both B2C and B2B sales.

18.3 Business Models

For organisations to be a success, new innovative ideas and strategies need to be implemented. New business models are created to offer a new way to deliver value to customers in business models.

The definition for a business model comprises of architecture for the product, service and information flows, including a description of the various business actors and their roles and also a description of the potential benefits for the various business actors and description of the sources of revenues. Another definition of business model is "a unique configuration of elements comprising the organisation's goals, strategies, processes, technologies and structure, conceived to create value for the customers and thus compete successfully in a particular market."

The general e-commerce business models, based on the category of the customers are summarised herewith.

1. Business-to-Business (B2B):

Business-to-business (B2B) e-commerce portal is the one where the business is conducted between two business entities using this portal, such as between a wholesaler and retailer. The retailer could connect to the customer separately, using another online store or using a physical store. As is evident, B2B transactions happen, where one business entity, say an automobile company purchases its varied accessories from various suppliers using a dedicated web portal/website/app. For example, Toyota motors have their own B2B web portal to connect to all its business partners which is not accessible to the individual buyers.

2. Business - to - Consumer (B2C):

B2C model of e-commerce is primarily for those business entities (retailers, whole sellers and manufacturers) who want to sell their products(or services) directly to their consumers using online stores. For example, Laxme India is a product based B2C FMCG company that has its online presence too in India to connect to its customers.

3. Consumer - to –Consumer(C2C) :

When individuals want to sell their own services , or a product (usually the used / second hand/ pre-owned products) using Internet then they use C2C e-commerce web sites/ portals such as OLX, eBay, Craigslist and so on. These C2C online stores often use classified advertisements or may use online bidding / auction systems to attract the buyer-customers.

4. Consumer- to - Business (C2B):

In the C2B model, individuals (customers) sell their products or services to a business. Using this model, a business entity can typically extract values from the customers by taking their business suggestions or by getting their feedback or reviews on the existing products. Apart from gathering feedback or reviews or press releases written by consumers for consumers, there are dedicated freelancer C2B platforms like 'Up work online transaction platform' and 'Fiverr'

who 'crowd source' freelancing services from individuals and pass it on to the businesses who need it, obviously on contract and short-term basis.

E-COMMERCE DESIGN MODELS

- 1. Brand awareness and image building model:** Web sites that are using this model provide detailed and rational information about the firm and its offerings. The model reaches motivated and desperate customers with an information/image-rich communications message. In this type of model, the entry barriers are low, so, smaller firms can set up this kind of site as well. The website of Ford (www.ford.com) and Reebok (www.reebok.com) are examples of brand awareness and image-building models. As the website of 'Ford', not only lists all the models of its seven famous automotive brands, but also posts about its environmental policy, cleaner manufacturing, community involvement, and corporate citizenship report.
- 2. Promotion model:** This website model is based on lucrative 'advertisements', which are attracting a potential customer to a site. Sometimes, this model tries to provide free digital gifts such as discount coupons, cash backs, gift cards, photography tools, etc. The website of 'Kodak' (www.kodak.com) is an example of the promotion model because it provides technical help and tutorials for its digital cameras and offers a library of colourful, high-quality digital images that are made downloadable.
- 3. Info-me-diary model:** The term 'Info-me-diary' is a composite of two terms – 'information' and 'intermediary'. This website model aggregates information from multiple electronic commerce retailers (intermediaries) and provides services of searching and comparison for Internet customers. This model sometimes offers free Internet access or free hardware in exchange for detailed information about customer's surfing and purchase habits. The collected customer data is valuable and is used for designing customized products and for target marketing campaigns.
- 4. Customisation model:** This model provides customers with content that is customised to meet their preferences by employing AI/ML algorithms. By completely customising information needs, an e-commerce website built on this model becomes highly attractive to its visitors.

IMPLEMENTING E-COMMERCE MODELS

Based on such possibilities, there are several-commerce implementation strategies such as Retail Model, Brokerage Model, Mall Model, Drop Shipping Model, Warehousing and Whole selling Model, Private Labelling, and White Labelling Models and so on.

- 1. Retail Model:** When retailers directly use Internet to sell products/services using Internet, it is also called 'e-tailing' (electronic retailing) and such a retailer is also called an 'e-tailer'. e-Tailing stores could either be a complete substitute for brick-and-mortar (the physical) retail stores. However, some companies choose to maintain both- the physical (brick and mortar) stores as well as its online marketplace too.
- 2. Brokerage model:** Brokers are mediators; they bring buyers and sellers together and facilitate transactions between buyers and sellers vary with the type of e-commerce viz business-to-business (B2B), business-toconsumer (B2C), or consumer-to-consumer (C2C) markets. A broker makes its money by charging a fee for each transaction it enables.
- 3. Mall model:** An e-mall hosts many on-line merchants. The mall typically charges setup, monthly listing, and/or per-transaction fees.

4. **Manufacturer model:** This model is based on the power of the Web to allow manufacturers to reach buyers/customers directly and thereby compress the distribution channel.
5. **Drop Shipping Model:** Drop shipping is probably the most popular form of e-commerce implementation strategy where the items are dispatched straight to customers by the supplier.

18.4 E-shop

It is a business model according to which individual shops sell various goods online. This is web marketing of a company or a shop. In first instance this is done to promote the company and its goods or services. Increasingly added is the possibility to order and possibly to pay, often combined with traditional marketing channels. Benefits sought for the company are increased demand, a low-cost route to global presence and cost-reduction of promotion and sales. Benefits for the customers can be lower prices compared to the traditional offer, wider choice, better information and convenience of selecting, buying and delivery, including 24-hour availability. Where repeat visits to the e-shop are done, one-to-one marketing can increase those benefits for both seller and buyer. Seller revenues are from reduced cost, increased sales and possibly advertising. Most commercial Web sites are business- to-consumer electronic shops, selling for example flowers, electronic goods, garments, books, tickets and many more products for sale.

Website following B2C business model sells its product directly to a customer. A customer can view products shown on the website of business organization. The customer can choose a product and order the same. Website will send a notification to the business organization via email and organization will dispatch the product/goods to the customer.

A collection of e-shops under a common umbrella giving entry to individual e-shop gives space to another business model called e-mall.

Advantages of e-shops

1. Consumers can enjoy several benefits from electronic shopping, sometimes also referred to as online shopping.
2. Convenience is one of the key benefits of online purchasing. At any hour of the day or night, consumers may purchase from the convenience of their homes. They are relieved of the burden of getting dressed, travelling to the store, or navigating crowds. For people who live in rural regions or have restricted mobility, this is especially advantageous.
3. The simplicity of price comparison is another benefit of online buying. Consumers may easily compare costs at several online retailers or even within the same retailer with a few clicks to discover the best bargain. Additionally, discounts, coupons, and promotions are frequently offered by online shops, which can further lower the cost of purchases.
4. Electronic purchasing not only gives convenience and price comparison but also makes it simple to browse customer reviews and ratings. Consumers may use these ratings and reviews to make informed judgments about the things they are thinking about buying.

5. The availability of a greater choice of goods is also made possible via electronic shopping. Online businesses can carry an infinite number of products, but physical stores are constrained by the amount of space they have. Customers will find it simpler to discover what they need as a result.
6. The ability to follow orders and deliver is another benefit of online buying. Numerous online merchants offer tracking information so that customers may check the progress of their orders and learn when they should expect them to arrive.
7. And last, purchasing online is frequently more affordable than going to a physical store. Online merchants do not have the same overhead costs as physical businesses, such as rent and electricity, in addition to the possibility of discounts and promotions. They may be able to offer consumers reduced costs as a result.

Disadvantages of e-shops

There are numerous benefits to electronic purchasing, often known as e-commerce or online buying, but there are also some possible disadvantages to consider.

1. Security is one issue with online buying. There is a chance that unauthorized persons will obtain sensitive personal and financial information shared during online transactions. Customers should only conduct their online transactions on secure websites, create strong passwords, and enable two-factor authentication to protect themselves against fraud.
2. The inability to personally inspect or try out things before buying is another possible drawback of internet shopping. Clothing might be especially challenging since customers could be unsure of how the item will fit or appear on them. However, not all online retailers provide free returns or exchanges.
3. The potential for delays or mistakes in the delivery of items is another drawback of electronic purchasing. Although the majority of online sellers use dependable delivery methods, there is always a chance that shipments will get lost or damaged while being transported.
4. Electronic shopping also has an impact on the environment since it frequently necessitates transporting goods to the customer. Increased transportation-related carbon emissions may result from this. However, some internet merchants are trying to lessen their influence on the environment, including working with eco-friendly delivery firms and utilizing sustainable packing materials.
5. Lastly, compared to conventional purchasing, electronic shopping may be less intimate. It might be challenging to receive the same amount of individualized attention as in a physical store, even if some online businesses provide exceptional customer care.

18.5 E-procurement

This is electronic tendering and procurement of goods and services. Large companies or public authorities implement some form of e-procurement on the web. Benefits sought are to have a wider choice of suppliers which is expected to lead to lower cost, better quality, improved delivery, reduced cost of procurement (e.g., tendering specifications are downloaded by suppliers rather than mailed by post). Electronic negotiation and contracting and possibly collaborative work in specification can further enhance time- and cost saving and convenience. For suppliers the benefits are in more tendering opportunities, possibly on a global scale, lower cost of submitting a tender and possibly tendering in parts which may be better suited for smaller enterprises, or collaborative tendering (if the e- procurement site supports forms of collaboration). The main source of income is reduction of cost (automated tender processing, more cost-effective offers).

Website following B2B business model sells its product to an intermediate buyer who then sells the product to the final customer. As an example, a wholesaler places an order from a company's website and after receiving the consignment, sells the end product to final customer who comes to buy the product at wholesaler's retail outlet.

Advantages of e-procurement

e-procurement has several significant advantages to the companies as follows:

1. Cost reduction

E-procurement software has a built-in tool that helps to maximize performance and reduce costs at the same time, which not only reduces overhead but also minimizes paperwork. The software is fully automated, which streamlines the processes and will result in fast cycles right from creating an order to its completion. Also, there is an opportunity for a more excellent selection of products and services.

2. Shortening purchase cycles

The centralized transaction tracking simplifies the reporting of orders, requisitions, and payments. It also ensures compliance with the contract. All of these will result in shorter delivery timings.

3. Improved control of inventory

The products can be located instantly from preferred supplies by procurement people. The purchases they can make are limited, which makes the inventory better controlled.

4. Transparency

All of the purchase information is centralized and is made available to management, shareholders, and internal as well as external stakeholders as deemed appropriate. This is useful, especially in the case of government procurement, where every bidder gets an equal opportunity. The transaction costs are lowered since competition increases in e-procurement.

challenges of e-procurement

There are a few challenges associated with e-procurement that businesses should be aware of such as-

1. Tech dependency

E-procurement is a technology-dependent process, and any disruption or failure in the system can lead to a disruption in the entire procurement cycle. E-procurement also requires the use of an integrated IT system for full automation, and businesses must ensure that their systems are up to date to maintain an efficient procurement process.

2. Data security

E-procurement requires businesses to store sensitive data online, making it vulnerable to cyber-attacks. Businesses must take the necessary steps to ensure that their e-procurement systems are secure and protected against any malicious activities.

3. Complexity and integration

E-procurement often requires complex and multi-layered integration with other systems such as ERP, EAM, etc. This can become a challenge for businesses, as it may require additional investments in new technologies or training. Additionally, the complexity of e-procurement processes can cause delays in order processing and other tasks.

4. Errors and miscommunication

The manual data entry associated with e-procurement can cause errors in the procurement process. This can lead to delays, miscommunications and incorrect orders, leading to costly mistakes. Businesses must ensure they have a system in place to prevent such errors from occurring.

18.6 E-auctions

Electronic auctions (on the Internet) offer an electronic implementation of the bidding mechanism also known from traditional auctions. This can be accompanied by multimedia presentation of the goods. Usually they are not restricted to this single function. They may also offer integration of the bidding process with contracting, payments and delivery. The sources of income for the auction provider are in selling the technology platform, in transaction fees and in advertising. Benefits for suppliers and buyers are increased efficiency and time-savings, no need for physical transport until the deal has been established, global sourcing. Because of the lower cost it becomes feasible to also offer for sale small quantities of low value, e.g. surplus goods. Sources of income for suppliers are in reduced surplus stock, better utilisation of production capacity, lower sales overheads. Sources of income for buyers are in reduced purchasing overhead cost and reduced cost of goods or services purchased. Hence, it automates the traditional bidding process over the internet. They can also additionally support contracting, payments and delivery processes.

Advantages of E-auctions

1. Global Participation

This auction attracts a larger audience from around the globe because of the convenience it offers. Since it is an online auction, people can participate in it from the comfort of their homes.

2. Convenience

Online auctions are very convenient for buyers. They can bid when and where they want, as well as participate in more than one auction at the same time. Moreover, they can even participate in an online auction if they come to know about it just seconds before.

Buyers can also easily review the rules of the auctions, as well as the return policies.

3. Availability of Options

Online auctions allow buyers and sellers to buy and sell a wide range of products, respectively. This saves a lot of time and energy, as well as money. Buyers can easily find the product they want in an online auction. A quick Google search will inform buyers which online auction is offering the product they want.

Pre-bidding Option

4. Some online auctions even allow buyers to submit pre-bids. This helps in case a buyer is unable to attend the live auction.

5. Cost Reduction

For the auctioneers, online auctions help to reduce costs as it doesn't involve many costs that physical auctions include. These costs include the rent of the auction hall, costs of moving products, middlemen costs, marketing costs, and more.

6. Offers More Control

Auctioneer gets more control in an online auction. They can easily decide how many items they want to sell and at what time.

Sales are quick in online auctions as it eliminates the 'back and forth effort' that we usually see in offline auctions.

7. Flexibility

Online auctions open every hour a day, while some auctions run for a week. This is unlike offline auctions that run only for a few hours. A flexible time limit is good for both buyers and sellers.

Disadvantages of E-auctions

1. Chances of Fraud

Images of products in online auctions may be different from the original product.

Online auctions may lead to fraud, or leave buyers vulnerable to online fraudsters and hackers. There have been several cases, where sellers have duped buyers in an online auction.

2. Technical Glitches

There are always chances of technical glitches ruining the auction, both for buyers and sellers. These glitches could occur due to high traffic, payment gateway errors, and more. A single glitch could cost a significant amount of money to the seller. On the other hand, it could prevent buyers from purchasing the product they want. Bidders are unable to view and inspect the products.

3. Lacking Competitive Atmosphere

Online auctions lack the competitive atmosphere that we see in offline auctions. The competitive atmosphere in offline auctions often results in higher bids.

4. Lesser Control over Number of Participants

The auction company has no control over who is participating in the bid. This could lead to anonymity in identifying the bidders.

Since online auctions attract a lot more people, it means each bidder needs to outbid a lot more people to win the bid.

5. Time Gap in Bidding & Delivery

Successful bidders need to wait for the delivery of the product to their address.

18.7 Value-chain integrators

These focus on integrating multiple steps of the value chain, with the potential to exploit the information flow between those steps as further added value. Revenues are generated from consultancy fees or possibly transaction fees. Some of the 3rd party marketplace providers are moving into the direction of value chain integration.

Internet is used to improve communication and collaboration between all parties within a chain. Value chain integration is necessary if vendors are to coordinate between suppliers and customers effectively. A set or sequences of activities are performed to produce the product. The links between the activities provide a prime opportunity for competitive advantage, whether due to exceptional efficiency or some form of product differentiation. This chain of partners that work in collaboration to

create market and move products and services are complex. Based on the sorts of intimate trading relationships central to the integrated value chain model, modern business partnerships are eradicating duplication, irrelevant hand offs and rework, ensuring that processes run smoothly and effectively.

Advantages of Value Chain Integrator

Value Chain Integrator gain many benefits. Some of these are as follows:

- 1. Greater control over quality:** Value chain integrators have more control over the quality of the goods or services they provide because they integrate several stages of the value chain, which can assist develop consumer loyalty and brand reputation.
- 2. Improved efficiency:** Value chain integrators can streamline their operations and cut costs by optimising their supply chains and production processes, cutting waste, and raising productivity.
- 3. Greater agility:** By having more flexibility and control over their production processes, value chain integrators are better able to react rapidly to changes in client demand or market conditions.
- 4. Faster time-to-market:** Greater control over the supply chain and the product development process allows value chain integrators to bring new products or servi to market more quickly.
- 5. Enhanced innovation:** Value chain integrators can promote innovation and produce new goods or services that satisfy consumer needs by investing in research and development.
- 6. Cost savings:** Value chain integrators can cut costs by streamlining and improving their manufacturing and supply chain processes.
- 7. Stronger collaborations:** Value chain integrators can guarantee constant quality and timely delivery of raw materials and components by building strong partnerships with suppliers.
- 8. Competitive advantage:** Value chain integration can give businesses a competitive edge by allowing them to offer distinctive goods and services, boost productivity, and cut expenses.

Disadvantages of Value Chain Integrator

Value chain integration has several benefits, but businesses should be aware of potential drawbacks before implementing these tactics. Value chain integration has costs and advantages which businesses must carefully balance while managing potential risks and difficulties.

Some of the limitations are:

- 1. Increased capital expenditure:** Value chain integration may necessitate a large investment in resources, such as buildings, technology, and staff, all of which can be pricey.
- 2. Increased risk:** As businesses become increasingly dependent on their own internal systems and suppliers, value chain integration may increase the risk of supply chain disruptions.
- 3. Reduced flexibility:** Value chain integration may make it harder for a business to react rapidly to market or customer demand changes.
- 4. Dependence on internal resources:** Value chain integration can create a dependence on internal resources, which may limit a company's ability to leverage external resources or expertise.

5. **Added complexity:** Value chain integration may result in more intricate organisational structures and procedures, which can be challenging to manage and may need more resources to upkeep.
6. **Limited scalability:** Value chain integration may make it more difficult for businesses to grow quickly because doing so may require them to invest in more resources.

18.8 Information brokerage and trust

A whole range of new information services are emerging, to add value to the huge amounts of data available on the open networks or coming from integrated business operations, such as information search, e.g. search engines, customer profiling, business opportunities brokerage, investment advice, etc. Usually information and consultancy have to be directly paid for either through subscription or on a pay-per-use basis, although advertising schemes are also conceivable. A special category is trust services, as provided by certification authorities and electronic notaries and other trusted third parties. Subscription fees combined with one-off service fees as well as software sales and consultancy are the sources of revenue. Many consultancy and market research companies are now offering commercial business information services via the internet. Search engines are a special category of information services, with the public internet facility (rather than intranet versions) usually based on advertising as a source of revenue.

Advantages of Information Brokerage

1. **Knowledge access:** Information brokers can give you access to specialised knowledge that can be hard to find otherwise. This information can be used to acquire a competitive edge or to make well-informed decisions.
2. **Time-saving:** By conducting the research and information gathering, for their clients. information brokers can free up their clients' time so they can concentrate on other activities.
3. **Cost-effective:** Compared to paying full-time workers or purchasing pricey research instruments, using an information broker may be a more affordable approach to get information.
4. **Objectivity:** Information brokers can offer an objective viewpoint on information because they are neither biased nor involved in any one outcome.
4. **Customized Solutions:** Solutions that are specifically tailored to the demands of their clients are available from information brokers, who also offer recommendations.
5. **Privacy and confidentiality:** Information brokers can protect the privacy and confidentiality of their clients' information, which is particularly crucial in delicate or private circumstances.
6. **Rapid access to information:** Information brokers can offer quick access to information, which is important in instances where time is of the essence.

Disadvantages of Information Brokerage

1. **Cost:** While information brokers can be cost-effective for some organisations, for others, especially for small enterprises or individuals, the cost of utilising an information broker can still be prohibitive.
2. **Dependence:** Clients who depend too heavily on information brokers risk becoming, unduly reliant on them, which may restrict their own capacity for information gathering and analysis.
3. **Limited sources of information:** Some information brokers may only have access to a small number of sources, which may restrict the scope and depth of the information they can offer.

4. **Limited expertise:** Information brokers could not be familiar with the specific business or field in which their clients work or they might not have competence in all areas.
5. **Bias:** Information brokers may harbour their own prejudices or may be swayed by the sources' biases, which can produce an inaccurate or incomplete understanding of the data presented.
6. **Time restrictions:** Information brokers might not have the means or capacity to conduct in-depth or thorough research due to time limits.
7. **Lack of control:** Customers that use information brokers could feel as though they have no control over the research process and may not be able to lead the research or get access to the raw data.

18.9 Collaboration platforms

These provide a set of tools and an information environment for collaboration between enterprises. This can focus on specific functions, such as collaborative design and engineering, or in providing project support with a virtual team of consultants. Business opportunities are in managing the platform (membership/usage fees) and in selling the specialist tools (e.g. for design, workflow, document management).

Advantages of Collaboration Platforms

1. **Enhanced communication:** Online collaboration tools serve as a platform for employees to communicate efficiently and effectively. Incorporating features like instant messaging, video conferencing, and file sharing, these tools make it easy for team members to collaborate and stay in sync.
2. **Increased productivity:** Leveraging online collaboration tools can lead to a considerable uptick in productivity. They empower team members to work together in real-time, minimizing delays and the need for numerous back-and-forth emails. Additionally, these tools streamline project management by allowing users to create, assign, and monitor tasks.
3. **Cost savings:** Adopting online collaboration tools enables businesses to save on travel expenses and office space costs. Remote employees and freelancers can effortlessly collaborate with their colleagues, thus reducing the necessity for in-person meetings.
4. **Flexibility and scalability:** Online collaboration tools can be tailored to meet the distinct needs of a business, and they can easily scale as the company expands.

While online collaboration tools offer numerous advantages, they also present some challenges:

1. **Technical difficulties:** Problems with internet connectivity, software compatibility, or learning curves can impede the adoption of online collaboration tools.
2. **Data security:** Sharing sensitive information through online platforms can heighten concerns about data security and privacy. A 2019 survey by Shred-it revealed that 86% of C-suite executives and 58% of small business owners expressed concern about potential employee data breaches.
3. **Lack of personal interaction:** Online collaboration tools may not fully replicate the benefits of face-to-face communication, leading to feelings of isolation among remote employees.

18.10 Third-party marketplace

This is an emerging model that is suitable in case companies wish to leave the web marketing to a 3rd party (possibly as an add-on to their other channels). They all have in common that they offer at least a user interface to the suppliers' product catalogues. Several additional features like branding, payment, logistics, ordering and ultimately the full scale of secure transactions are added to 3rd party marketplaces. An example for business-to-consumers is to provide a common marketing for a special event profiled by well-known brand names. ISPs may be interested in this model for business-to-business, using their web builder expertise. However, it may equally appeal to banks or other value chain service providers. Revenues can be generated on the basis of one-off membership fee, service fees, transaction fee, or percentage on transaction value.

A classification was provided for business models in internet electronic commerce (business-to-business as well as business-to-consumer). Some of these models are essentially an electronic re-implementation of traditional forms of doing business, such as e-shops. Many others go far beyond traditional business such as value chain integration and seek innovative ways to add value through information management and a rich functionality. Creating these new business models is feasible only because of the openness and connectivity of the Internet

18.11 Telecommunications

Telecommunication is communication at a distance by technological means, particularly through electrical signals or electromagnetic waves. The network of telecommunications is used for sending and receiving data for the purpose of sale and purchase of goods. The telecommunication network is used by internet and fax for transmitting signals. Audio signals, video signals and text is sent on an established network. However, it is up to the user whether the transmitted data is for sale, query, order, quotation or payment details.

Benefits of Telecommunication in E-commerce

1. **Better customer service:** With real-time communication channels like chat and phone assistance, telecommunication allows organisations to offer better customer service. Customer loyalty and satisfaction increase as a result.
2. **Enhanced accessibility:** Customers may now access e-commerce platforms and items at any time, from any location, thanks to telecommunication. This makes it more convenient and accessible for customers to make transactions.
3. **Better inventory management:** Real-time tracking of products and stock levels provided by telecommunications enables firms to better manage their inventories. Order fulfilment is enhanced and the risk of stock-outs is decreased.
4. **Processing payments effectively:** Telecommunications provide safe payment processing, lowering the risk of fraud and raising the effectiveness of payments
5. **Enhanced collaboration:** Telecommunications innovations like video conferencing allow organisations to work more productively and decisively with teams and suppliers. Better supply chain management is possible because to telecommunications innovations like EDI (Electronic Data Interchange), which enables real-time contact with suppliers and shortens lead times.
6. **Sales and revenue growth:** By giving customers a more convenient and accessible shopping experience, better customer service, and quicker order processing telecommunication may assist businesses in growing sales and revenue. Better data management: Businesses can manage data, such as customer, inventory, and financial data,

more effectively because to telecommunication. This enhances decision-making and performance across the board for enterprises.

Challenges of telecommunication in E-commerce

Some challenges are:

- 1. Technical issues:** Technical problems can occasionally arise with telecommunications systems, including dropped calls, bad internet connectivity, and server downtime. Customers may become frustrated by this and have a negative customer experience.
- 2. Threats to security:** Telecommunications technologies are susceptible to threats to security, such as hacking or data breaches, which could jeopardise sensitive information.
- 3. Integration challenges:** Combining various telecommunications technologies can be difficult, especially if they are incompatible. Businesses may find it challenging to manage their communication channels as a result.
- 4. Communication issues:** Language and cultural boundaries can cause misconceptions and miscommunications when it comes to telecommunication.
- 5. High costs:** Especially for small firms, implementing and maintaining telecommunication technologies can be costly.
- 6. Customer relationship management issues:** Telecommunications can make maintaining customer relationships challenging, particularly if clients are hard to reach or are not receptive to communication methods.
- 7. Legal and regulatory issues:** Businesses may have trouble complying with laws and regulations governing telecommunication technologies, such as those governing data protection.

18.12 Summary

Business Model is the mechanism by which business will deliver and receive value from customers. The business model can form the basis of a business plan. The business model however is designed to be more fluid tool that mole and changes with the development of the business (more efficiently than a business plan).

18.13 Glossary

- Face to Face Interaction
- E-banking
- Photographic Identity Proof (PIP)
- Website Managers
- Network Administrators
- System Analyst
- Virtual Cyber Space
- Bargain Hunting
- Seller Revenue
- E-procurement
- E-shop
- Global Sourcing

18.14 Self-Check Exercise

- **Question I:**
_____ is more secure than traditional retail environments.
- **Question II:**
E-commerce offers face to face interaction. (True/False)
- **Question III:**
E-commerce is much cheaper than traditional commerce. (True/False)
- **Question IV:**
_____ has large reach in business.
- **Question V:**
Is it difficult to detect fraud in E-commerce? (True/False)
- **Question VI:**
We can shop anything anytime with online shop. (True/False)
- **Question VII:**
In E-commerce the order placed for product is__.
- **Question VIII:**
Financial transaction on internet is more secure than in traditional retail environment. (True/False)
- **Question IX:**
Production of product is performed by__.
- **Question X:**
Lower cost of tendering is better suited for small enterprises? (True/False)

18.15 Answers to Self-Check Exercise

- **Question I:** Financial Transactions
- **Question II:** False
- **Question III:** True
- **Question IV:** Ecommerce
- **Question V:** True
- **Question VI:** True
- **Question VII:** Digital
- **Question VIII:** True
- **Question IX:** Sequence of activities
- **Question X:** True

18.16 Terminal Questions

1. In a tabular form differentiate between traditional commerce and e-commerce.
2. What do you understand by business model.
3. Write down the advantages and disadvantages of e-shop.
4. Explain the e-procurement model.
5. Describe e-auction.
6. Write a note on collaboration platform.

18.17 Answers to Terminal Questions

1. For answer refer to section 18.2
2. For answer refer to section 18.3
3. For answer refer to section 18.4

4. For answer refer to section 18.5
5. For answer refer to section 18.6
6. For answer refer to section 18.9

18.18 Suggested Readings

LESSON - 19

ELECTRONIC PAYMENT SYSTEM

Structure

- 19.0** Learning Objectives
- 19.1** Introduction
- 19.2** Definition
- 19.3** Entities
- 19.4** Phases in e-payment
- 19.5** Classification of Payment Systems
- 19.6** Payment schemes
- 19.7** Offline and Online
- 19.8** Electronic Payment System Types
- 19.9** Advantages of Electronic Payment System
- 19.10** Disadvantages of the Electronic Payment System
- 19.11** Summary
- 19.12** Glossary
- 19.13** Self-Check Exercise
- 19.14** Answers to Self-Check Exercise
- 19.15** Terminal Questions
- 19.16** Answers to Terminal Questions
- 19.17** Suggested Readings

19.0 Learning Objectives

After studying this lesson, you should be able to:

- Introduction to Electronic Payment System
- Phases in e-payment
- Classification of Payment Systems
- Payment schemes
- Offline and Online
- Electronic Payment System Types
- Advantages of Electronic Payment System
- Disadvantages of the Electronic Payment System

19.1 Introduction

The ease of purchasing and selling products over the internet has helped the growth of electronic commerce and electronic payments services are a convenient and efficient way to perform financial transactions. Current e-payment technologies depend on using traditional methods that are common to non-electronic systems. Due to the nature of internet, security and authenticity of payments and participants cannot be guaranteed with technologies that are not specifically designed for electronic commerce. We need an e-payment system that would not only provide secure payments but should also have properties like online customer and merchant authentication, un-forgable proof of transaction authorisation by the customer both to the merchant and the bank, privacy of customer

and transaction data. This chapter provides an overview of e-payment architecture and their functionalities, their requirements and verification of payment protocols.

19.2 Definition

An e-commerce payment system facilitates the acceptance of electronic payment for online transactions. Also known as a sample of Electronic Data Interchange (EDI), e-commerce payment systems have become increasingly popular due to the widespread use of the internet-based shopping and banking.

E-payment is a subset of an e-commerce transaction to include electronic payment for buying and selling goods or services offered through the internet. Generally we think of electronic payments as referring to online transactions on the internet, there are actually many forms of electronic payments. As technology developing, the range of devices and processes to transact electronically continues to increase while the percentage of cash and check transactions continues to decrease.

E-Commerce or Electronics Commerce sites use electronic payment where electronic payment refers to paperless monetary transactions. Electronic payment has revolutionized the business processing by reducing paper work, transaction costs, labour cost. It is user friendly and less time consuming than manual processing, helps business organization to expand its market reach / expansion.

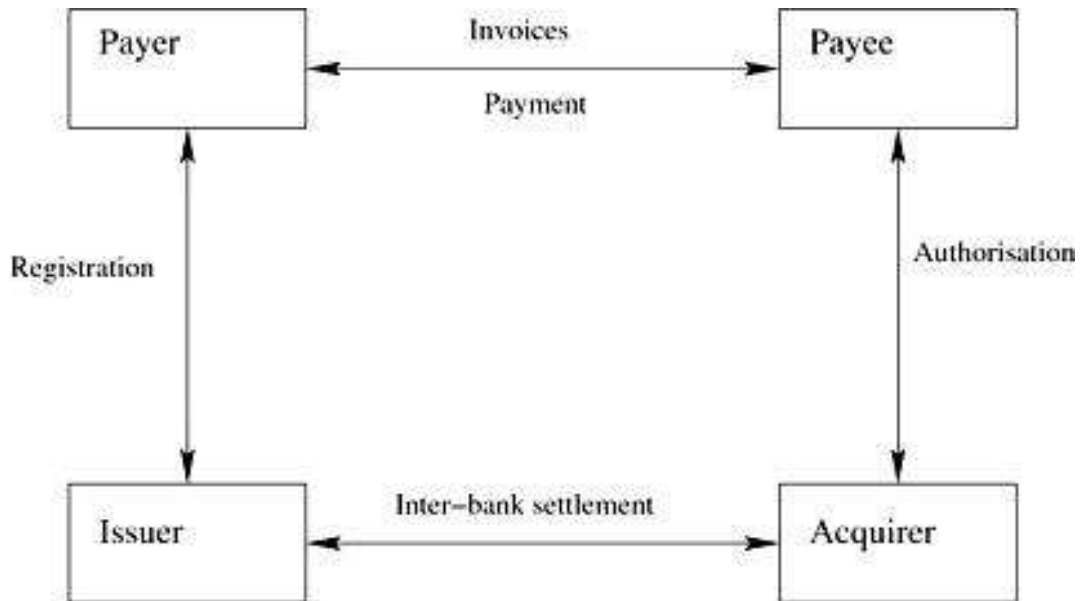
19.3 Entities

Electronic payments involve a payer and a payee. A payer (buyer or customer), is an entity who makes a payment. A payee (seller or merchant), is an entity who receives a payment. The main purpose of an electronic payment protocols is to transfer monetary value from the payer to the payee. The process also involves a financial institution (bank). Typically, financial institution participates in payment protocols in two roles: as an issuer (interacting with the payer) and as an acquirer (interacting with the payee). The issuer is responsible for validating the payer during account registrations and holds the payer's account and assets. The acquirer holds the payee's account and assets. The payee deposits the payments received during a transaction with the acquirer. The acquirer and the issuer then proceed to perform an inter-banking transaction for clearance of funds. It is possible for the issuer and the acquirer to be from the same financial institution. Other parties that may be present in a payment protocol include a trustee (arbiter) who is an entity that is independent from all parties. All entities in a protocol unconditionally trust the Trustee who is called to adjudicate any disputes between the payer and the payee. Certain payment systems might involve more players like Payment Gateways (PG) who are entities that act as a medium for transaction processing between other entities (e.g. MasterCard, Visa) and Certification Authorities (CA). They issue public key certificates to entities involved in a payment protocol so that their authenticity can be publicly verified. Figure 1 illustrates the participating entities in an e-payment system.

19.4 Phases in E-Payment

An electronic payment typically involves the following phases:

Registration: This phase involves the registration of the payer and the payee with the issuer and acquirer respectively. Most electronic payments designed require registration of payers and payees with their corresponding banks so there is a link between their identities and their



accounts held at the bank.

Figure 19.4: Generic E-payment Protocol

Invoicing: In this phase, the payer obtains an invoice for payment from the payee. This is accomplished by either browsing and selecting products for purchase from the merchant's (payee's) website in case of purchases made through the internet or obtaining an electronic invoice using other electronic communication medium like e-mail. This phase typically is performed in an unsecured environment and normally excluded while designing payment protocols. The importance of this phase is that, it sets the mandatory and optional data variables that should be included in a payment protocol. Payment selection and processing: In this phase the payer selects type of payment, (card based, e-cash, e-cheque, etc.,) based on the type of payment the payee accepts. Based on the selection, the payer then sends the relevant payment details like account number, unique identifiers of the payer to the payee along with accepted amount based on the invoice. Certain protocols might also require the payer to obtain preauthorized token (like bank drafts) from the issuer before the payer sending the payment information to the payee.

Payment authorisation and confirmation: In this phase, the acquirer on receiving payment details from the payee authorises the payment and issues a receipt containing the success or failure of the payment to the payee. The payee based on the message may also issue a receipt of payment to the payer.

19.5 Classification of Payment Systems

Electronic commerce can be broadly categorised into groups, business-to-business (B2B), business to consumer (B2C) and consumer to consumer (C2C). B2B normally involve higher value transactions and predominant payment methods are electronic cheques and bank transfers, whereas, B2C and C2C payments are lower value transactions and payment methods used are cash and card-based payment systems.

Payment instruments: There are three common electronic payment instruments, namely cash, cheque and card. Cash payment systems consist of self-authenticating divisible tokens that can be processed offline. Cheque payment system is typically linked to a payer's account and payment is indivisible. Card payment schemes provide a payment mechanism through the existing credit card payment infrastructure.

19.6 Payment schemes.

The payment can be made based on different schemes namely pre-paid, pay-now and post-pay. In pre-paid system the payment is debited from the payer's account before a payment is processed and hence the term "pre-paid". Most cash-less systems such as an electronic-cash system fall in this category. In pay-now system, when an electronic transaction is processed, the payer's account is debited and the payee's account is credited with the payment amount. Even though availability of funds depends on the time when inter-bank settlements are carried out, the payer's and payee's account are updated to show the debited and credited balances immediately after an transaction is carried out. Credit card-based system, like Secure Electronic Transaction (SET), Verified by Visa (VBV), MasterCard secure-code fall into this category. In post-pay systems the payer's account is debited only when the payee's makes a request for payment settlement with the acquirer. Most cheque-based systems fall into this category.

Some of the modes of electronic payments are following.

- Credit Card
- Debit Card
- Smart Card
- E-Money
- Electronic Fund Transfer (EFT)
- Cyber wallet
- Prepaid - Cash like system
- Pay later or Cheque based system
- Micropayments
- Mobile Payments
- PayPal
- Google Wallet

(1) Credit Card

The most common method for "on-line" payment is card-based systems. Most payment systems in this category are specifically designed for transaction conducted through the internet. Because of their convenience and omnipresent nature, credit cards in particular have become a popular method for conducting online payments over the internet, but they are insecure, offer no anonymity or protection of payer's payment information like card details and account information. To overcome these drawbacks and make card payment more secure, the two leading credit card companies VISA and MasterCard have developed various protocols.

There are two major proposals for secure electronic payment over the internet. They are Visa 3-D Secure (Verified by Visa - VBV) and MasterCard SecureCode. Both protocols rely on SSL /TLS to encrypt communication over the internet. SSL is a client-server protocol that uses public key cryptography and has become the de facto standard for encrypted communication over the internet. In SSL, only servers (merchants) have public key certificates and clients (buyers) remain anonymous to the servers. SSL protocol, has implemented a standard that would allow merchant to incorporate the proposed security features into their payment acceptance structure.

Payment using credit card is one of most common mode of electronic payment. Credit card is small plastic card with a unique number attached with an account. It has also a magnetic strip embedded in it which is used to read credit card via card readers. When a customer purchases a product via credit card, credit card issuer bank pays on behalf of the customer and customer has a certain time period after which he/she can pay the credit card bill. It is usually credit card monthly payment cycle. Following are the actors in the credit card system.

- The card holder - Customer
- The merchant - seller of product who can accept credit card payments.
- The card issuer bank - card holder's bank
- The acquirer bank - the merchant's bank
- The card brand - for example , visa or mastercard. Credit card payment process

Step	Description
Step 1	Bank issues and activates a credit card to customer on his/her request.
Step 2	Customer presents credit card information to merchant site or to merchant from whom he/she want to purchase a product/service.
Step 3	Merchant validates customer's identity by asking for approval from card brand company.
Step 4	Card brand company authenticates the credit card and paid the transaction by credit. Merchant keeps the sales slip.
Step 5	Merchant submits the sales slip to acquirer banks and gets the service chargers paid to him/her.
Step 6	Acquirer bank requests the card brand company to clear the credit amount and gets the payment.
Step 7	Now card brand company asks to clear amount from the issuer bank and amount gets transferred to card brand company.

(2) Debit Card

Debit card, like credit card is a small plastic card with a unique number mapped with the bank account number. It is required to have a bank account before getting a debit card from the bank. The major difference between debit card and credit card is that in case of payment through debit card, amount gets deducted from card's bank account immediately and there should be sufficient balance in bank account for the transaction to get completed. Whereas, in case of credit card there is no such compulsion of having a bank account or having balance in the account. Debit cards liberate customer to carry cash, cheques and even merchants accepts debit card. Having restriction on amount being in bank account also helps customer to keep a check on his/her expenses.

(3) Smart Card

Smart card is again similar to credit card and debit card in appearance but it has a small microprocessor chip embedded in it. It has the capacity to store customer work related/personal information. Smart card is also used to store money which is reduced as per usage. Smart card can be accessed only using a Personal Identification Number (PIN) of customer. Smart cards are secure as they stores information in encrypted format and are less expensive/provide faster processing. Mondex and Visa Cash cards are examples of smart cards.

(4) E-Money

E-Money transactions refer to situation where payment is done over the network and amount gets transferred from one financial body to another financial body without any involvement of a middleman. E-money transactions are faster, convenient and save a lot of time.

Online payments done via credit card, debit card or smart card are examples of e-money transactions.

(5) Electronic Fund Transfer

It is a popular electronic payment method to transfer money from one bank account to another bank account. Accounts can be in same bank or different bank. Fund transfer can be done using ATM (Automated Teller Machine) or using computer.

Internet based EFT is gaining popularity. It does not involve any sort of physical card. It is used by customers who have accounts enabled with internet banking feature. In this case, customer uses website provided by the bank. Customer logs in to the bank's website and registers another bank account. He/she then places a request to transfer certain amount to that account. Customer's bank transfers amount to other account if it is in same bank otherwise transfer request is forwarded to ACH (Automated Clearing House) to transfer amount to other account and amount is deducted from customer's account. Once amount is transferred to other account, customer is notified of the fund transfer by the bank. It is also called as net banking.

(6) Cyber Wallet

A cyber wallet in the form of stored and protected account information, which may be "carried" on a tamper resistant portable electronic storage medium such as a smartcard, or stored on the customer's computer (or personal digital assistant, PCMCIA card, or the like) together with the browser/mosaic software, is provide to a customer for the purpose of making electronic payments from the possessor of the wallet to a merchant at a remote site on the internet. Security of the

information contained in the wallet is provided by a public key file containing public keys to be used for encrypting the payment information into an authorization ticket which is sent by the wallet to the merchant and then forwarded to the account servicer for decryption, the decryption key being in the form of a private key held only by the account servicer and to which the merchant and other parties have no access. The public key file preferably contains a plurality of public keys selectable by an identifier associated with but not a part of the key itself, so that the account servicer can control, by having the merchant send an identifier to the wallet, the selection of uncompromised keys without anyone but the servicer having knowledge of which key is being selected.

(7) Prepaid - Cash like system

The best-known subclass in pre-paid systems is the anonymous e-cash system.

Basic model of e-cash system: An anonymous off-line e-cash consists of three probabilistic, polynomially-bounded parties, a bank B, payer P and payee R and three main sub protocols: withdrawal, payment and deposit (refer Figure 2). Payer and payee maintain their accounts with the bank. The payer withdraws electronic coins from their account with the bank, by performing a withdrawal protocol over an authenticated channel. The payer spends coins by participating in a payment protocol with the payee over an anonymous channel. In effect, the payee performs a deposit protocol, to deposit the coins into their account. The e-cash system also includes setup protocols: system setup, payer setup and payee setup which performs system initialisation functions, namely creating and publishing public keys and opening payer and payee bank accounts.

(8) Pay later or Cheque based system

Customers generally tend to use credit card payment methods for low and middle value payments, whereas, cheque is the preferred method for large value payments. Various electronic cheque (e-cheque) protocols have been proposed over the years. Systems like FSTC's eCheck, NetCheque and MANDATE II are based on methods used in traditional paper-based checking protocols. Systems like NetBill, ECheque and PayNow by CyberCash use a central server. Other e-cheque systems are based on modified versions of e-cash protocols. But most promising of all e-cheque system that has the support of major financial institutions and government agencies has been the FSTC's e-cheque system.

(9) Micropayments

One of the most promising payment methods is the use of micro payments: the ability to pay for data or services in small increments.

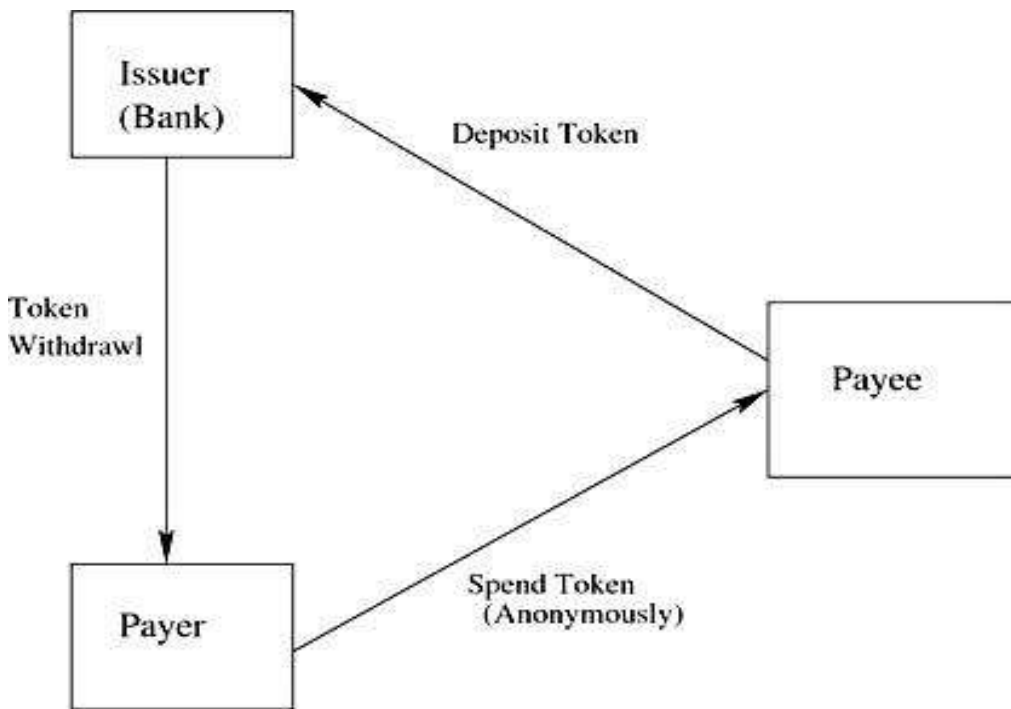


Figure 3.2: A Model E-cash system

Micro payments can be seen as a solution to allow low-value payments for purchasing news articles, stock quotes, index queries, per-click purchase and other services over the internet. The primary aim of micro payment system has been to handle arbitrarily small amounts of money and keep the cost for the individual transaction low along with generic e-payment security requirements like confidentiality, integrity, authentication and non-repudiation.

(10) Mobile Payments

Due to the phenomenal success of mobile communicational devices, there has been increasing effort to use mobile devices as “electronic wallets” to store payment and account information. Currently two main wireless protocols are used for mobile commerce. WAP (Wireless Application Protocol) developed by WAP forum (consolidated into the Open Mobile Alliance) and i-Mode developed by NTT DoCoMo, Japan. WAP is an open and global specification that helps mobile devices with WAP enabled browsers to access information and services. WAP specifications include an XML-type markup language known as Wireless Markup Language (WML) for displaying information on to a mobile device browser. The WAP specifications also include a lightweight protocol stack to reduce bandwidth requirements. I-mode is a proprietary protocol developed by NTT DoCoMo and uses Personal Digital Cellular-Packet (PDC-P) to provide network services. I-mode allows efficient network usage by using packet switching technology for wireless communication and TCP/IP for wired communications. I-mode uses c-HTML (compact-HTML) to display content on mobile devices. I-mode enabled devices are also view HTML web pages as the structure of c-HTML is similar to HTML as compared to WAP where HTML needs to be converted to WML for display. Both WAP and I-mode provide security features that can be used to provide electronic commerce and electronic payment services.

(11) PayPal

PayPal is a global e-commerce business allowing payments and money transfers to be made through the internet. Online money transfers serve as electronic alternatives to paying with

traditional paper methods, such as cheque's and money orders. PayPal is an acquirer, a performing payment processing for online vendors, auction sites and other commercial users, for which it charges a fee. It may also charge a fee for receiving money, proportional to the amount received. The fees depend on the currency used, the payment option used, the country of the sender, the country of the recipient, the

amount sent and the recipient's account type. In addition, eBay purchases made by credit card through PayPal may incur extra fees if the buyer and seller use different currencies.

(12) Google Wallet

Google Wallet was launched in 2011, serving a similar function as PayPal to facilitate payments and transfer money online. It provides the best feature of security and has the ability to send payments as attachments via email.

19.7 Offline and Online

Based on communicational characteristics, electronic payments systems are classified as offline and online systems. In an offline system, the communication does not involve any third party, i.e., an electronic transaction takes place only between the payer and the payee. The advantages of offline payments are lower communication cost and less time-critical transaction handling at the banks. However, they suffer from one serious drawback, the problem of double spending. Double spending occurs when the payer spends the same electronic money multiple times. In a digital system the payer could make a backup of electronic money before each payment and reset his system to this backup after the payment. In this way, an arbitrary number of payments to different recipients are possible with the "same" money. Typically, double spending is prevented with the use of tamper-resistant hardware

e.g. a smart card. In certain cases, the tamper-resistant hardware is issued by the bank containing a pre-authorized value of money. However, tamper-resistant devices only offer limited protection as they are vulnerable to attacks. Another way to prevent double spending is pre-authorization. The payer obtains pre-authorized secure digital money from its bank, thus the payee is assured of payment e.g. a bank cheque. However, this method can only be used if the payee is known to the payer before a payment. A weaker solution, rather than employing prevention techniques is to detect double spending when they occur and the dishonest payer can be held accountable. This solution is used in most e-cash implementations. Adequate security can be achieved by a combined approach that would involve both detection methods and tamper-resisted devices.

In an on-line system, the payee typically connects to the bank to obtain a payment authorisation, thus increasing the communication requirements for the payment system. The advantage is, the payee obtains a guarantee on the payment, as the bank is able to authorise and check for availability of funds in the payer's account.

19.8 Electronic Payment System Types

The three types of electronic payment systems are as follows:

- **Cash or Instant Payment**

Electronic money is exchanged during a transaction. E-cash is an illustration of online currency trading.

- **Prepaid or Debit Cards**

In this, customers must first pay before they can purchase a good or service. Smart cards are a type of prepaid payment method. Smart cards are sometimes known as virtual wallets or electronic purses.

- **Postpaid or Credit**

Users are permitted to purchase goods or services using this payment method before paying for them. The use of electronic checks and credit cards are two examples of post-paid payment systems.

The electronic payment system can be broken up into several different components:

In e-commerce, there are three different types of payment systems.

- **Digital token-based electronic payment system**
- **Smart cards and an electronic payment system**
- **Credit-card-based electronic payment system**

Digital token-based electronic payment system

The term "electronics tokens" refers to a newly created payment method. This electronic token resembles money or currency. It was separated into three categories.

- **Real-time or In Cash**
- **Prepaid or Debit**
- **Postpaid or Credit**

1. E-cash

A new idea in online payment called "e-cash" offers greater security or service and less paperwork. The following are some of the characteristics: cash's security, retrievability, and interoperability with other currencies. E-cash is a prime illustration of a digital token.

2. Monetary

E-cash needs to be redeemable for money. Money may be transferred from one account to another using this feature, and the consumer can obtain this monetary value from any bank or organisation.

3. Portability

All information and electronic money are managed between two accounts thanks to this property.

4. Recoverability

You may access the specific information from any account using this attribute. This process can only be carried out by an authenticated individual.

5. Security

Important messages, including money transfers that occur through internet banking, are kept secure. Using encryption as an example of a method.

Smart cards and an electronic payment system

You may use this payment method anywhere in the world. A smart card is a flat card with a small magnetic strip with all the authorised person's information. Example- Acct. No. Balance, Branch Information, Name, I.D., etc the consumer may utilise it to make an ATM cash withdrawal.

Credit-card-based electronic payment system

Like a smart card, a credit card can be used anywhere in the entire world. It is a different kind of smart card. A flat card with a magnetic strip and information is a credit card. The key distinction between a credit card and a smart card is that although we may use a credit card to pay after completing a purchase at a store, we cannot use a smart card to do so.

19.9 Advantages of Electronic Payment System

1. Electronic payment systems are ways to conduct financial transactions electronically, such as paying for products or services in person or online. Comparing these systems to more conventional payment options like cash and cheques, they provide various benefits.
2. Convenience is one benefit of electronic payment methods. You may conduct transactions quickly and simply without carrying cash or writing cheques by using electronic payments. With just a few clicks, you may quickly and easily make payments for goods made online.
3. The quickness of electronic payment methods is another benefit. When time is important in a corporate context, electronic payments can be extremely helpful because they are often completed more quickly than traditional ones. Electronic payments, for instance, it might be a lot quicker than waiting for a cheque to clear if you're a supplier and you need to get paid for products or services right away.
4. Another significant benefit of electronic payment methods is security. Users may feel more secure while conducting transactions using these systems since they frequently have sophisticated security mechanisms in place to guard against fraud and identity theft.
5. Another advantage of electronic payment methods is accuracy. Errors like inaccurate payment amounts or recipient information are always possible with traditional payment systems. Electronic payment methods can lessen the likelihood of these mistakes, which can help you save time and unneeded hassles.
6. Electronic payment systems can save retailers money in addition to these advantages. Customers may benefit from cheaper rates because these systems are often less expensive to process than conventional payment methods.
7. Finally, accurate transaction records may be provided via electronic payment systems, which can be useful for tracking costs and account reconciliation. Businesses, who may utilize the data to understand their financial performance better and make more educated decisions, may find this to be very helpful.
8. The convenience, speed, security, accuracy, cost-effectiveness, and record-keeping that electronic payment systems offer over conventional payment methods are summarised above. Electronic payment systems are a desirable alternative for both consumers and companies because of these advantages.

19.10 Disadvantages of the Electronic Payment System

1. While there are numerous benefits to electronic payment methods, there are also several possible drawbacks to consider:
2. Electronic payment methods can be subject to cyberattacks and other types of fraud, which is a drawback. Hackers could, for instance, attempt to steal payment information or interfere with the payment process. Users may have serious concerns about this, especially if their accounts contain critical financial information.
3. Electronic payment methods can occasionally be faulty, which is another drawback. Technical problems might bring down payment systems, which would delay transactions and be inconvenient for users. It can irritate consumers when these problems are difficult or impossible to fix.
4. The possibility that not everyone can use electronic payment methods is a third drawback. It may be challenging for certain people to use electronic payment systems because they lack a bank account or credit card, don't have access to a computer or smartphone, or for other reasons.
5. The possibility that electronic payment methods won't be accepted everywhere is a fourth drawback. Even while many shops and companies now accept electronic payments, others still do not. Users who want to pay electronically and do not want to carry cash may have an issue with this.
6. Finally, some consumers may find it challenging and confusing to use electronic payment methods. For elderly users or people who are unfamiliar with technology, this may be especially true. In these circumstances, it could be easier and more practical to use conventional payment methods.

19.11 Summary

Electronic payment system: a means of making payments over electronic networks such as the Internet.

E-cash: Electronic financial transactions conducted in cyberspace via computer networks. Debit card: A payment card that deducts money directly from a consumer's checking account to pay directly for a purchase. Electronic Fund Transfer is a popular electronic payment method to transfer money from one bank account to another bank account. PayPal is a global e-commerce business allowing payments and money transfers to be made through the internet. Google Wallet provides the best feature of security and has the ability to send payments as attachments via email. In conclusion, even if electronic payment systems provide numerous advantages, there are still several possible drawbacks to consider. These include the possibility of cyberattacks and other fraud schemes, dependability problems, a lack of availability, regional unacceptance, and complexity. When determining whether to utilize electronic payment systems, one should consider these concerns versus the advantages. For certain users, these issues could be of concern.

19.12 Glossary

- Security
- Authenticity
- Authorization
- Monetary Transaction
- Certification Authority (CA)
- Invoicing
- Secure Electronic Transaction (SET)

- Public Key Cryptography
- SSL/TLS Protocols
- Personal Identification Number (PIN)
- Automated Clearing Housing (ACH)
- Personal Digital Cellular-Packet (PDC-P)

19.13 Self-Check Exercise

- **Question I:**
Ecommerce payment system is also known as_.
- **Question II:**
Electronic payments involve_____and_____.
- **Question III:**
An Electronic Payment typically involves_Phases.
- **Question IV:**
Phase is performed in an unsecured environment.
- **Question V:**
B2B involves Lower Value Transaction whereas B2C and C2C payments involve Higher Value Transaction. (True/False)
- **Question VI:**
Electronic cash system falls in___category.
- **Question VII:**
Credit/Debit cards are used for___payment.
- **Question VIII:**
Fund transfer is done using_____and_____.
- **Question IX:**
Can we pay our money using mobile phone? (Yes/No)
- **Question X:**
PayPal is_____.
- **Question XI:**
Does the payee obtain guarantee over payment? (True/False)

19.14 Answers to Self-Check Exercise

- **Question I:** Electronic Data Interchange
- **Question II:** Payee and Payer
- **Question III:** 4
- **Question IV:** Invoicing
- **Question V:** False
- **Question VI:** Cash-less system
- **Question VII:** Online
- **Question VIII:** ATM and Computer
- **Question IX:** True
- **Question X:** Ecommerce business
- **Question XI:** True

19.15 Terminal Questions

1. Define electronic payment system.
2. Discuss the different phases in e-payment.
3. Differentiate between offline and online payments
4. Discuss the Types of Electronic Payment System.
5. What are the Advantages of Electronic Payment System.
6. What are the Disadvantages of Electronic Payment System.

19.16 Answers to Terminal Questions

1. For answer refer to section 19.2
2. For answer refer to section 19.4
3. For answer refer to section 19.7
4. For answer refer to section 19.8
5. For answer refer to section 19.9
6. For answer refer to section 19.10

19.17 Suggested Readings

LESSON-20

E-BANKING

Structure

20.0	Learning Objectives:
20.1	Introduction
20.2	Concept
20.3	Operations
20.4	RTGS
20.5	ATM
20.6	NEFT
20.7	IMPS
20.8	Advantages of E-Banking
20.9	Disadvantages of E-Banking
20.10	Summary
20.11	Glossary
20.12	Self-Check Exercise
20.13	Answers to Self-Check Exercise
20.14	Terminal Questions
20.15	Answers to Terminal Questions
20.16	Suggested Readings

20.0 Learning Objectives

After studying this lesson, you should be able to:

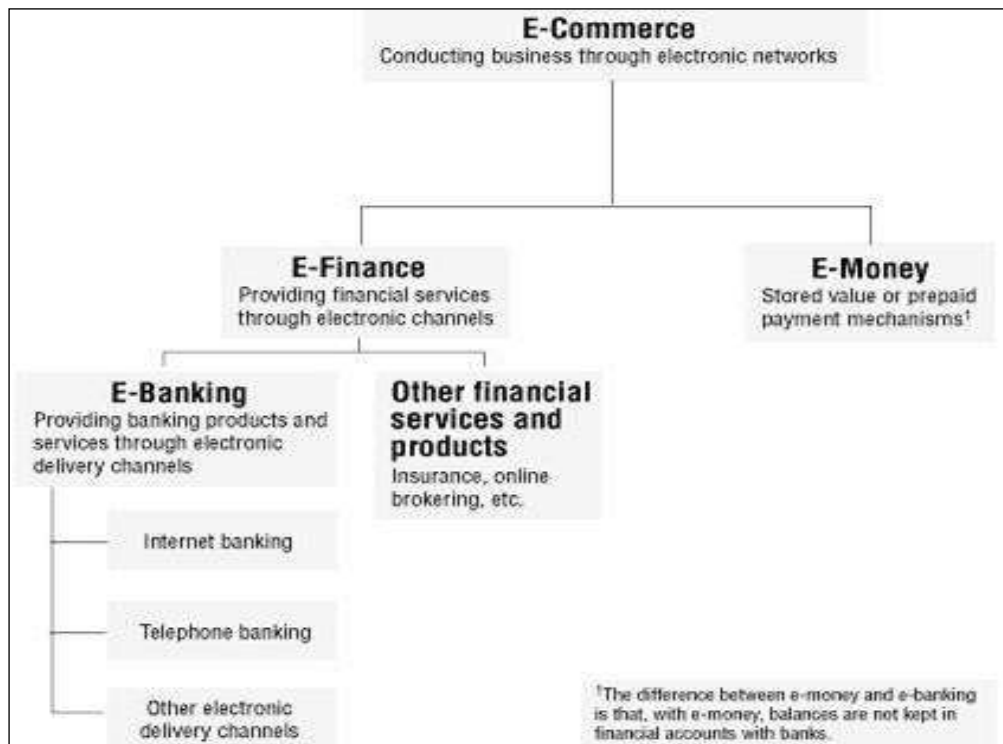
- Introduction to E-Banking
- Concept
- Operations
- RTGS
- ATM
- NEFT
- IMPS
- Advantages of E-Banking
- Disadvantages of E-Banking

20.1 Introduction

Electronic banking, also known as Electronic Funds Transfer (EFT), is simply the use of electronic means to transfer funds directly from one account to another, rather than by cheque or cash.

20.2 Concept

E-Banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. E-banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the internet. Customers access e-banking services using an intelligent electronic device, such as a Personal Computer (PC), Personal Digital Assistant (PDA), Automated Teller Machine (ATM), kiosk, or Touch Tone telephone. While the risks and controls are similar for the various e-banking access channels. In other words, **Online banking** is an electronic payment system that enables



customers of a financial institution to conduct financial transactions on a website operated by the institution, such as a retail bank, virtual bank, credit union or building society. Online banking is also referred as **internet banking, e-banking** and **virtual banking**.

Figure 20.1: E-banking vs E-commerce.

Web Banking or Internet Banking is a term used to describe banking transactions that are performed via a secured internet application.

To access a financial institution's online banking facility, a customer with internet access would need to register with the institution for the service and set up some password for customer verification. The password for online banking is normally not the same as for telephone banking. Customers' numbers are normally not the same as account numbers, because a number of customer accounts can be linked to one customer number. The customer can link to the customer number any account which the customer controls, which may be cheque, savings, loan, credit card and other accounts. Customer numbers will also not be the same as any debit or credit card issued by the financial institution to the customer. To access online banking, a

customer would go to the financial institution's secured website and enter the online banking feature using the customer number and password previously setup. Some financial institutions have set up additional security steps for access to online banking, but there is no consistency to the approach adopted.

Electronic funds transfer can be used to:

- have pay cheque deposited directly into the bank
- withdraw money from bank account from an ATM machine with a Personal Identification Number (PIN), at any time.
- instruct bank to automatically pay certain monthly bills from bank account, such as auto loan or mortgage payment.
- have the bank transfer funds each month from bank account to the mutual fund account.
- have government social security benefits cheques or tax refund deposited directly into your bank account.
- buy groceries, gasoline and other purchases at the point-of-sale, using a card rather than cash, credit or a personal cheque.
- use a smart card with a prepaid amount of money embedded in it for use instead of cash at a pay phone, expressway road toll, or on college campuses at the library's photocopy machine or bookstores.
- use computer and personal finance software to coordinate your total personal financial management process, integrating data and activities related to income, spending, saving, investing, recordkeeping, bill-paying and taxes, along with basic financial analysis and decision making.

Thereby, e-banking transactions include paying bills, transferring funds, viewing account statements and paying down loans and mortgages. Hence, its popularity is expected to grow rapidly as internet usage grows internationally and people discover the many advantages that it provides.

Thus, electronic banking is an umbrella term for the process by which a customer may perform banking transactions electronically without visiting a brick-and-mortar institution. Therefore transactions related to bank activities via Electronic Mean and medium is called electronic Banking.

A Virtual Bank is one that does business by phone and over the web but does not have a "brick and mortar" presence. Because virtual banks don't require high-end office towers in major cities or hundreds of bank branches in residential communities, they are able to pay their customers higher rates of return on deposits and provide mortgages and loans at highly competitive rates. Although most banking transactions occur electronically, there is always a need for customers to deposit cheques and obtain cash. Virtual banks leverage the existing banking network of ATM machines around the world to accept cheques and provide cash.

20.3 Operations

Operations of E-banking can be classified into numerous sections.

1. Telephone Banking
2. Online fund transfer or Internet Banking or Online Banking
3. RTGS
4. ATM
5. NEFT
6. IMPS

1. Telephone banking

Telephone banking is a service provided by a financial institution that enables customers of the financial institution to perform financial transactions over the telephone, without the need to visit a bank branch or automated teller machine. Telephone banking times can be longer than branch opening times and some financial institutions offer the service on a 24 hour basis. From the bank's point of view, telephone banking reduces the cost of handling transactions by reducing the need for customers to visit a bank branch for non-cash withdrawal and deposit transactions.

Condition & Regulation: To use the benefits of telephone banking the common condition & Regulation are:

- ◆ Customer must first register with the institution for the service.
- ◆ Set up password for customer verification. Process of Servicing: To access telephone banking
- ◆ The customer would call the special phone number set up by the financial institution
- ◆ Enter on the keypad the customer number and password.
- ◆ There could be more steps for security for automated systems to secure customer accounts or specific question to answer pre-determined by customer.
- ◆ If the customer is validated positive, then the customer requests for the transaction to teller.
- ◆ The request could be to enquire the balance amount in the account or it could be to know the details of the last few transactions or it could be to transfer the amount to another bank account or it could be to demand for a cheque book to be sent via post.
- ◆ The teller in response executes the request. However, the cash cannot be provided through telephone banking. But some banks provide cash at the door step of the

customer for which the request was made through a telephone call. Though the cash requested for should be of at least some pre decided value.

2. Online fund transfer or Online banking or Internet banking allows customers of a financial institution to conduct financial transactions on a secure website operated by the institution, which can be a retail or virtual bank, credit union or society. Online fund transfer was introduced in 1980's gradually it has become popular. Presently all standardised banks are providing the facility of internet banking to its customers. It may include any transactions related to online usage.

The Internet Banking Concept: There are two concepts of Internet banking: First, a bank that only exists on the internet and has no offices. In this case the operations are conducted exclusively over the Internet. Second, banks whose offices are physically present and have a distribution channel for products and services operating on the internet.

Condition & Regulation: To access a financial institution's online banking facility:

- ◆ Personal Computer or Online Banking Services Compatible Handset
- ◆ Personal Internet access
- ◆ Registration with the institution for the service
- ◆ Set up some password for customer verification Process: To access online banking,
- ◆ Visit financial institution's website. It contains information about the main products and services being offered. A menu of options through links, which are sections of text or image are visible which when clicked by the user, transfers to new areas within the site.
- ◆ Enter the online banking facility using the customer number and password.
- ◆ There may be additional security steps for access like the customer answering to some pre defined questions. The answers are matched with the earlier stored responses for verification of the customer.
- ◆ The valid customer is to the area of transactions, secure site format, i.e. where the information is encrypted during transmission to prevent third party access. This is where the user may make inquiries to their accounts or perform any transactions.

The three broad facilities that e-banking offers are:

- ◆ Convenience- Complete your banking at your convenience in the comfort of your home.
- ◆ No more Qs- There are no queues at an online bank.
- ◆ 24x7 service- Bank online services is provided 24 hours a day, 7 days a week and 52 weeks a year.

- ◆ Later, on the completion of the transactions the user needs to log out. Logging out stops further financial transactions. In other words, it discontinues the access to the website.

Description of services: In the Internet banking services you can perform almost all operations can be done in a real office, except deposit or withdraw cash. However, some banks are already working on the design of alternatives, such as smart cards employing a microchip to recharge funds through special devices on the computer and could replace the use of small bills denomination through its acceptance in the trade.

Funds can be transferred from one account to another. Provided sufficient fund is available in the account before the transfer. The bank account number of the beneficiary should be known, as it is required to be specified during the course of the transaction. Also the IFSC code of the beneficiary's bank needs to be given. The beneficiary bank may or may not be of the same banking group. The fund transfer is immediate. Of course the amount of money to be transferred has to be mentioned. By logging into the online banking site the user can only send the fund and shall not be able to create a transaction for receiving the money.

Another activity which can be performed online is requesting for cheque book to be delivered in physical form via post or courier.

Log of the earlier executed transactions into the account can be seen or printed.

The password used to access the account can be changed. Some banks make it mandatory for the customer to change the password after every pre decided period which could be few months of time. The passwords are changed to reduce the chance of password hacking.

It provides enormous benefits to consumers in terms of the ease and cost of transactions. But it also poses new challenges for country authorities in regulating and supervising the financial system and in designing and implementing macroeconomic policy.

Challenges in adoption of E-banking: E-banking is facing following challenges banking industry:

- The most serious threat faced by e-banking is that it is not safe and secure all the time. There may be loss of data due to technical defaults.
- E-banks are facing business challenges. For the transactions made through internet, the service charges are very low. Unless a large number of transactions are routed over the web the e- banks cannot think of profit.
- There is lack of preparedness both on part of banks and customers in the adoption of new technological changes.
- There is lack of proper infrastructure for the installation of e-delivery channels

20.4 RTGS:

Real Time Gross Settlement systems (RTGS) are specialist funds transfer systems where transfer of money or securities takes place from one bank to another on a "real time" and on "gross" basis. Settlement in "real time" means payment transaction is not subjected to any waiting period. The transactions are settled as soon as they are processed. "Gross settlement" means the transaction is settled on one to one basis without bundling or netting with any other transaction. Once processed, payments are final and irrevocable.

RTGS systems are typically used for high-value transactions that require immediate clearing. In some countries the RTGS systems may be the only way to get same day cleared funds and so may be used when payments need to be settled urgently such as when purchasing a house. However most regular payments would not use a RTGS system, but instead would use a national payment system or network that allows participants to batch and net payments. The RTGS system is primarily meant for large value transactions. Banks generally fix some range of value for RTGS transfer amount. Also some banks levy RTGS charges. The RTGS transactions can even be scheduled in advance. RTGS transactions can be as cash management transfer, hedging, interest, loan, securities, supplier payment, tax payment, trade, trade settlement payment, value added tax payment etc.

In RTGS system, transactions are settled across accounts held at a central bank on a continuous gross basis. Settlement is immediate, final and irrevocable. Credit risks due to settlement lags are eliminated.

However RTGS is different from NEFT. NEFT is an electronic fund transfer system that operates on a Deferred Net Settlement (DNS) basis which settles transactions in batches. In DNS, the settlement takes place with all transactions received till the particular cut-off time. These transactions are netted (payable and receivables) in NEFT whereas in RTGS the transactions are settled individually. Any transaction initiated after a designated settlement time would have to wait till the next designated settlement time. Contrary to this, in the RTGS transactions are processed continuously throughout the RTGS business hours.

Transactions through Retail Electronic Payment Systems: - The electronic payment systems such as Electronic Clearing Service (ECS) credit and debit and National Electronic Fund Transfer (NEFT) have improved the speed of financial transactions across the country. Electronic Clearing Service (ECS) is one of the new electronic banking services. ECS is a non-paper based movement of funds which is encouraged by the RBI on a wide scale. ECS consists of- Electronic Credit Clearing Service & Electronic Debit Clearing Service. ECS brings down administration cost and ensures profitability and productivity to the banks. National Electronic Fund Transaction (NEFT) is a deferred net settlement system and is an improvement over other modes in terms of security and processing efficiency. Growth rate in case of ECS has increased. Volume of NEFT has also increased.

The Online RTGS Process

Follow the given steps to do RTGS transaction online-

- Log in to the your internet banking account
- On the main page, click on 'Fund transfer'
- From the drop down menu that appears, select 'RTGS'
- Note that you need to 'Add beneficiary' to the list of beneficiaries in your account if you haven't done so already
- To add a new beneficiary, you need to click on 'Add beneficiary' option on the page
- Enter the beneficiary's required information such as his/her name, bank account number, IFSC, etc.
- Click on 'Confirm' or 'Add'
- To authenticate this step, you will be asked to enter the OTP sent to your registered mobile number
- After doing so, your action would be processed. It will take around 24 hours to add a beneficiary
- Once the beneficiary is added to your account, you need to select the beneficiary details (to whom you need to send the money) from your list of beneficiaries
- Enter the amount that needs to be transferred and confirm your transaction
- Click on 'Confirm' and the amount will be transferred from your bank account to the other's

The Offline RTGS Process

To do RTGS transaction offline, follow these steps-

- Visit the nearest RTGS-enabled bank branch
- Request the concerned official to provide you with a RTGS fund transfer form; and fill it right away
- Ensure that you enter the details such as Name, Beneficiary's Account Number, amount to be transferred, Beneficiary's Bank's Name, and IFSC very carefully
- Fill a cheque with the amount of the RTGS transaction and attach it with the fund transfer form
- After you have verified the details entered, submit the form to the concerned bank official
- Upon successful completion of your request, the amount will be deducted from your account and will be transferred to the beneficiary's account.

Advantages of RTGS:

1. **Real-Time Processing:** RTGS transactions are processed instantly, providing immediate transfer and availability of funds to the recipient. This makes it suitable for time-critical payments.
2. **High Transaction Limits:** RTGS is designed for high-value transactions, so it typically has high transaction limits. This makes it suitable for transferring large sums of money.
3. **Secure:** RTGS transactions are highly secure, as they are conducted within the banking system with robust security measures in place.
4. **Accurate Settlement:** RTGS settles transactions on a gross basis, which means each transaction is settled individually. This ensures accuracy and avoids netting or bundling transactions.
5. **Certainty of Funds:** Once an RTGS transaction is initiated and approved, there is a high level of certainty that the funds will be received by the recipient without delay.

Disadvantages of RTGS:

1. **Cost:** RTGS transactions are typically more expensive than other electronic payment methods, with banks often charging higher fees for the service.
2. **Limited Operating Hours:** RTGS operates during specific hours on business days, typically from morning until late afternoon. Transactions initiated outside these hours will be delayed until the next operating window.
3. **Complex Process:** The process of initiating an RTGS transaction can be more complex than other electronic payment methods, and it may require additional information and documentation.
4. **Not Suitable for Small Transactions:** Due to its high fees and focus on large-value transactions, RTGS is not practical for small-value payments or everyday transactions.
5. **Availability:** Not all banks and financial institutions may offer RTGS services, which could limit its availability in certain regions.

20.5 Automated Teller Machines (ATMs)

ATM is a modern device introduced by the banks to enable the customers to have access to money day in day out without visiting the bank branches in person. ATM also called 24-hour tellers are electronic terminals which give consumers the opportunity to bank at almost any time. The system is known as “Any Time Money” because it enables the customers to withdraw money from the bank from any of its ATMs round the clock installed at various places. ATM has become the most popular and convenient delivery channel throughout entire country. Some ATMs charge a usage fee for this service, with a higher fee for consumers who do not have an account at their institution. If a fee is charged, it must be revealed on the terminal screen or on a sign next to the screen.

The banking transactions from home represent the biggest change in financial institutions since the introduction of ATMs. Automated Teller Machines (ATMs) are used to withdraw cash, make deposits or transfer funds between accounts; a consumer needs an ATM card and a personal identification number. Common

operations that are offered are: New accounts opened; Check balance and recent account statements; Balance inquiries and recent movements in credit cards; Bank Transfers; Consultation rates; Refers to monetary exchange; Consultation stock index (stock market); Requests for cheque books; Report stolen / lost card; Payments by electronic transfer (credit card payments, bill payment business by special agreements); Advisers and virtual simulators (calculation of monthly loans, calculation of return on investments); Stop payment on cheques. These are just some of the most common services offered today; the range of possibilities continues to grow. The operation of the service is quite simple. Usually requires an initial contact between the customer and the bank that can be personal or through the site itself or website and usually involves the execution of a contract or agreement regulating the use of the service. The bank gives away a card bearing a unique card number which is assigned to the customer and is linked to the bank account. The bank also provides the customer with a personal password of a confidential nature, which allows its identification in the system and should be used whenever it wants to access the account or transactions through the service. The card is swiped and the password is presented to the machine for verification and for further access to the transaction to be made by the customer.

Features

The following are the main features of ATMs:

- ATMs are versatile devices that have many functions. Though its main function is cash withdrawal, customers can make deposits, transfer money, and check account information using modern ATMs.
- Banks charge a **service charge** on cash withdrawals, deposits, etc. An advantage of using the customer's bank-operated ATM is that the fee will be lesser.
- ATMs can also offer maximum security, at least more than internet banking which is subject to data threats, hacking, etc. Moreover, the adoption of newer technologies like biometric scanners, and one-time password (OTP) systems, keep customers safe.
- They are user-friendly and can be used by anyone, despite being a sensitive process. It also operates in multiple languages, which helps everyone adopt the technology.
- ATMs restrict the withdrawal amount. For example, many ATMs limit the amount drawn in a single drawing and on a single day. This ensures sufficient cash for other customers.
- They use credit or debit cards to authenticate the user. Using card systems to identify customers securely has helped ATMs flourish greatly. OTP systems and biometric scanners are currently being used to secure the process further.
- ATMs are becoming helpful in eliminating paper use by sending alerts and receipts to email and phone numbers.

Advantages of ATM

1. **Accessibility and Convenience** – ATMs are widely available in various locations, such as banks, shopping centers, and neighborhoods, making them easily accessible for withdrawing cash or making deposits at our convenience. No need to rush to the bank during working hours – ATMs are always ready to serve us!
2. **Time-Saving Efficiency** – With ATMs, we can quickly withdraw cash or check our account balance without having to wait in long lines at the bank. It saves time and allows us to manage our money efficiently, leaving us more time for other activities we enjoy.
3. **Privacy and Security** – ATMs provide a secure and private way to access our bank accounts. We can enter a Personal Identification Number (PIN) to ensure that only we can access our accounts, keeping our financial information safe and confidential.
4. **24/7 Availability** – ATMs are available 24/7, meaning we can access our money or make deposits at any time, even outside of regular banking hours. It's incredibly convenient for emergencies or unexpected needs when the bank may be closed.
5. **Financial Literacy** – ATMs can be a valuable tool for learning about finances. We can check our account balances, track our expenses, and even print mini-statements, helping us understand how to manage money responsibly and develop good financial habits from a young age.

Disadvantages of ATM

1. **Transaction Fees** – Some ATMs charge transaction fees for withdrawing cash, especially if the ATM is not affiliated with our bank. These fees can add up over time and eat into our hard-earned money, making it important to be aware of such charges.
2. **Risk of Fraud** – While ATMs are generally secure, there is a risk of fraud, such as skimming, where criminals can install devices on ATMs to steal our card information. It's important to always be cautious and vigilant while using ATMs to protect ourselves from potential fraud.
3. **Over-reliance on Cash** – Relying solely on ATMs for cash withdrawals can lead to a dependence on cash, which may not always be convenient or safe. In some situations, it may be challenging to find an ATM nearby or carry around large amounts of cash, making it a potential disadvantage.
4. **Limited Services** – ATMs typically offer limited services compared to a bank branch. For example, we may not be able to deposit checks or receive assistance with complex banking tasks like opening a new account or applying for a loan. This can be a limitation if we need more comprehensive banking services.
5. **Technology Issues** – ATMs are machines that can sometimes encounter technical issues, such as running out of cash, being temporarily out of service, or experiencing errors. This can cause inconvenience and frustration, especially when we urgently need access to our money.

20.6 NEFT

NEFT stands for “National Electronic Funds Transfer.” It is a popular electronic funds transfer system in India that enables individuals and businesses to electronically

transfer money from one bank account to another within the country. NEFT transactions are typically used for various purposes, including transferring funds to family members, paying bills, making payments for goods and services, and more. It's a secure and efficient way to move money between different bank accounts in India.

Advantages and Disadvantages of NEFT

NEFT (National Electronic Funds Transfer) is a widely used electronic payment system in India. Like any financial service, it has its own set of advantages and disadvantages.

Advantages of NEFT:

1. **Convenience:** NEFT allows individuals and businesses to transfer funds electronically, eliminating the need for physical checks or cash. It can be done from the comfort of your home or office using online banking or visiting a bank branch.
2. **Wide Availability:** NEFT services are available across most banks and branches in India, making it accessible to a large number of people.
3. **Cost-Effective:** NEFT transactions are generally cost-effective, with many banks offering the service for free or at a nominal charge.
4. **Security:** NEFT transactions are secure, as they are conducted through the banking system, which has robust security measures in place.
5. **Timeliness:** While not instant like RTGS, NEFT transfers are processed in batches throughout the day, which still ensures relatively quick fund transfers compared to traditional methods like checks.

Disadvantages of NEFT:

1. **Transaction Timing:** NEFT transactions are not processed in real-time. They are done in batches, which means there can be a delay in funds reaching the recipient, especially if initiated after the cut-off time for a particular batch.
2. **Transaction Limits:** Some banks impose limits on the maximum amount that can be transferred through NEFT in a single transaction, which may not be suitable for very large transactions.
3. **Service Hours:** NEFT is not available 24/7. It operates during specific hours on business days, so you cannot make transfers at any time of the day or on holidays.
4. **Bank Charges:** While many banks offer NEFT for free, some may charge fees for NEFT transactions, especially if they involve larger amounts.
5. **Not Ideal for Urgent Transactions:** If you need to make an urgent payment, NEFT might not be the best choice as it doesn't provide the real-time settlement that systems like RTGS offer.

20.7 IMPS

IMPS (Immediate Payment Service) is a real-time inter-bank electronic fund transfer service that allows you to transfer money instantly with zero downtime, 24/7. You can transfer funds to any bank account in India at any time of the day, without having to worry about bank working hours or holidays.

It's a fast, convenient, and secure service powered by two-factor authentication and uses a one-time password to ensure the safety of your transactions. Next time you need to transfer money urgently, don't hesitate to use IMPS, it's the future of money transfers in India.

Advantages of IMPS Payments

There are several advantages of using IMPS (Immediate Payment Service) for electronic fund transfers

1. **Real-time:** IMPS allows for instant, real-time money transfers. This means that the money is transferred and credited to the recipient's account in a matter of minutes, rather than hours or days.
2. **Available 24/7:** IMPS is available 24 hours a day, 7 days a week, including holidays. This means you can transfer money at any time, without having to worry about bank working hours.
3. **Convenient:** With IMPS, you can transfer money using just the recipient's mobile number, and a unique identification number called an MMID (Mobile Money Identifier). This eliminates needing to know the recipient's bank account number or IFSC code.
4. **Secure:** IMPS uses two-factor authentication and a one-time password to ensure the safety of your transactions. This provides a high level of security for your funds.
5. **Accessible:** To use IMPS, you only need a mobile phone with internet access and a bank account with IMPS enabled. This makes it accessible to a wide range of users.
6. **Low cost:** IMPS transactions are less expensive than traditional bank transfers and cash deposits.
7. **Widely accepted:** IMPS is accepted by almost all banks in India, so it is a widely accepted payment option across the country.
8. **Easy-to-use:** IMPS is easy to use and can be initiated through a mobile banking app, internet banking, or by visiting your bank's ATM.
9. **Small transactions:** IMPS can be used for small transactions as well, as there is no minimum limit for the transactions.
10. **Transactions across different banks:** With IMPS, you can transfer money to any bank account in India.

Disadvantages of IMPS Payments

IMPS (Immediate Payment Service) is India's real-time interbank electronic fund transfer service. Some of the shortcomings of IMPS include

1. **Limited transaction amount**
Transactions are limited to a maximum of INR 5,00,000.
2. **Not all banks support IMPS**
Not all banks in India support IMPS, which limits its utility.
3. **Security concerns**
As with any electronic fund transfer service, there is a risk of fraud and hacking, which can lead to security concerns for users.
4. **Service availability issues**
In some cases, the service may not be available due to technical issues or maintenance.

5. Limited accessibility

The service is currently only available on mobile devices, which can be a limitation for some users.

6. Requires a mobile number for both sender and receiver

This can be a limitation for people who don't want to share their mobile numbers.

7. Time-consuming authentication process

IMPS requires several steps of authentication to initiate a transfer, which can be time-consuming for users.

8. Requires internet connectivity

To use IMPS, both sender and receiver need to have internet connectivity which can be a limitation in areas with poor internet connectivity.

9. May require additional authentication

Some banks may require additional authentication such as OTP or biometric authentication, which can add extra steps to the process and make it less convenient.

10. Can be confusing for non-tech-savvy users

For people who are not familiar with using mobile banking apps or other digital financial services, using IMPS can be confusing and difficult to navigate.

20.8 Advantages of E- Banking

- 1. Convenience:** E-banking makes it very easy for users to do different financial activities. People don't need to go to the bank to access their bank accounts; they can do it at any time while sitting in their homes. Finding time in a busy schedule to go to the bank to check on account balances, interest rates, successful money transfers, and other updates might take a lot of work. For the convenience of its customers, banking systems have created virtual banking systems that may be accessed from any location and at any time. There are several reasons why a banking holiday prevents the transfer of your money. By offering services around-the-clock, 365 days a year, online banking systems have made things easier. It resolves issues that customers faced with the previous banking system. There is no need to stand in line for money transactions or deportations.
- 2. Faster Service:** People don't have to wait in line to pay their bills or transfer money thanks to this system, which offers quick service. Instant money transfers between accounts are possible with internet payment options
- 3. Higher Interest Rate:** Online banking services offer their users higher interest rates. It has decreased the operational costs of banks, enabling them to provide better interest rates on consumer deposits.
- 4. Service Quality:** Internet banking has raised the level of client service. Using online banking to make payments is quick, secure, and effortless. Using e-banking apps, customers may keep track of all account-related transactions.
- 5. 24-7 Facility:** Customers have access to e-banking services around-the-clock, seven days a week, 24 hours a day. Customers can access banking services and products at any time, from any location.
- 6. Liquidity:** It gives customers access to more readily available finances. They can conveniently withdraw cash from ATMs at any time and from any location.
- 7. Discounts:** The ability to take advantage of numerous discounts is another significant benefit of using online banking services. People benefit from several discount programs in stores that accept credit or debit cards.

8. **Transfer assistance:** The virtual banking system makes it simple to transfer money 365 days a year. You don't have to limit yourself to carrying out transactions during business hours; you have 24 hours to do as you choose.
9. **Surveillance service:** Customers have access to an updated passbook at any time to manage their financial plans and keep track of their transactions.
10. **Paying bills online:** Because it offers a feature to pay any sort of bill, including energy, water supply, telephone, and other services, you don't need to stand in line to pay your bills.

20.9 Disadvantages of E-Banking

1. **Security problems:** Online hackers' hacking of e-banking systems has led to several security problems. Customers could suffer significant financial loss if they lose their login information when making payments.
2. **High Start-Up Cost:** It costs a lot to set up different computers, software, hardware, a modem, and an internet network. Banking businesses must make significant investments to launch online banking services.
3. **Lack of Direct Interaction Between Clients and Banks:** Direct communication between customers and banks is one barrier to internet banking. Customers communicate with banks online through their websites. Customers can occasionally not address their problems by contacting the bank virtually.
4. **Transaction issues:** Banking servers frequently go down, which causes transactions to fail. Online payment issues that customers encounter are inconvenient.
5. **Training and development:** Banks must teach their employees so that they can better serve clients online. For keeping skilled and trained workers, significant investment is needed.
6. **Long process to use e-banking:** In certain nations, government banks offer online banking through the completion of an application, which is then approved before allowing access to a security password to log in. To properly log in, one must download the relevant banking app and fill out all required fields (Sharma, 2016).
7. **Challenging for beginners:** It will be difficult for novices to understand e-banking; they may find it difficult. Because they are worried about losing money, customers are typically reluctant to explore all of the features and alternatives offered on the website or app. If prompt assistance is not provided, new clients typically give up and switch back to traditional banking.
8. **No Cash Deposit Platform:** There is no platform for cash deposits in e-banking services. This suggests that e-banking customers must visit their local bank branches or automated teller machine locations to deposit cash instead of using the platform (whether they need instant services or not).

20.10 Summary

Electronic Banking (E banking/e-Banking) is a modern banking system. It is the accessibility of banking services in electronic form which are traditionally available only at bank. E-Banking is changing the ways of doing banking businesses with modern technologies (Internet) and techniques.

20.11 Glossary

- Automated
- Personal Computer
- Touch Tone Telephone
- Virtual Banking
- E-Delivery
- Indian Financial System Code (IFSC)
- Real Time Gross Settlement (RTGS)
- Deferred Net Settlement (DNS)
- Electronic Clearing Service (ECS)
- National Electronic Fund Transfer (NEFT)

20.12 Self-Check Exercise

- **Question I:**
Sometime Online Banking is also called_.
- **Question II:**
Password of telephone banking and online banking is same (True/False).
- **Question III:**
A transaction related to banking via Electronic medium is called_____.
- **Question IV:**
Cost of handling transaction is reduced by_____.
- **Question V:**
Is Online Fund Transfer uses conditions and regulations (True/False)?
- **Question VI:**
Settlement of transactions on one to one basis is called_____.
- **Question VII:**
High value transaction is required for immediate clearing in__system.

20.13 Answers to Self-Check Exercise

- **Question I:** Internet Banking
- **Question II:** False
- **Question III:** E-Banking
- **Question IV:** Telephone Banking
- **Question V:** True
- **Question VI:** Gross Settlement
- **Question VII:** RTGS

20.14 Terminal Questions

1. Discuss in detail about RTGS. Also mention its advantages and Disadvantages.
2. Write in detail about NEFT. Also mention its advantages and Disadvantages.
3. Write in detail about IMPS. Also mention its advantages and Disadvantages.

4. Discuss in detail about ATM. Give its features, Advantages and Disadvantages.
5. What are the Advantages of E-Banking.
6. What are the disadvantages of E-Banking

20.15 Answers to Terminal Questions

1. For answer refer to section 20.5
2. For answer refer to section 20.7
3. For answer refer to section 20.8
4. For answer refer to section 20.6
5. For answer refer to section 20.9
6. For answer refer to section 20.10

20.16 Suggested Readings