



DIGITAL MARKETING INSTITUTE

# WELCOME

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## Today's Agenda

- The Power of New Media – A Strategic Introduction to Digital Marketing
  - Search Engine Marketing
  - Social Media Engagement

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### Topics & Agenda

- 1** Introduction – A New Digital World, Watershed moments, Key developments Online.
- 2** State of the Net – What's happening online Globally, in Northern Ireland, The UK & The Republic... trends etc
- 3** Nature of Digital Marketing – Characteristics of the medium
- 4** The Digital Marketing Mix – Online Marketing Tactics
- 5** Summary / Questions

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## Separating Digital Marketing from IT as a Profession / Discipline...

IT is a technology, engineering led discipline.

Digital Marketing is about ideas, understanding the consumer, selling online etc.

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Slide + 5

## Why Are We Here Today? Why is Digital Important?



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### A Changed and Changing World....

*The Influence of the Internet.*



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### A Changed and Changing World....

- ✓ 2.1 Billion worldwide internet users – March 2011.
- ✓ Worldwide internet penetration up 600% in 8 years.
- ✓ Time spent by people online and their online media consumption is now outstripping TV , Radio and Print.
- ✓ Over 600 million+ Facebook members. 15 Million articles on Wikipedia. Over 100 Million videos on YouTube with over 2 billion video views a day.
- ✓ 107 trillion emails sent in 2010 (292 billion a day).
- ✓ 260 million websites live on the web – Jan 2011.

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### A Changed and Changing World....

- ✓ More books downloaded on Amazon than hard copies purchased. Twice as many!
- ✓ More transactions on eBay than on the New York Stock Exchange. 3 million transactions a day!
- ✓ 200 million users of Twitter.... Releasing over 200 million tweets a day.
- ✓ Emergence of mobile internet. Emergence of online TV viewing.
- ✓ Vastly increased online purchase intent and influence of online research on offline purchase decisions.

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### New Mediums... Speed of Adoption historically

*It took Radio 38 years to reach 50 Million Users...*

*TV took 13 years to reach 50 Million Users...*

*Internet took 4 years...*

*iPod took 3 years...*

- Facebook added 100 million extra users over a 9 month period in 2010.
- Mobile Phone applications hit 1 billion users this year .

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# web>tv

## Internet overtakes television to become biggest advertising sector in the UK

Record **£3.8bn** online spend in 2010 makes UK first major economy to spend more on web ads than TV

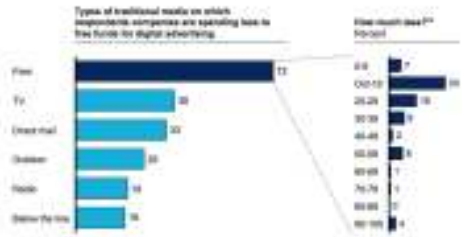
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From 2009 to 2012 Digital Marketing will grow from a US\$30 Billion to an US\$80 Billion Market.

Over 50% of that increase will come as substitution for traditional Media.  
McKinsey 2010

### THE SHRINKING OF TRADITIONAL MEDIA

Percentage of respondents\*, n = 111



Media Type	Percentage of respondents
Print	11
TV	58
Direct mail	32
Outdoor	25
Radio	18
Stationary billboards	14

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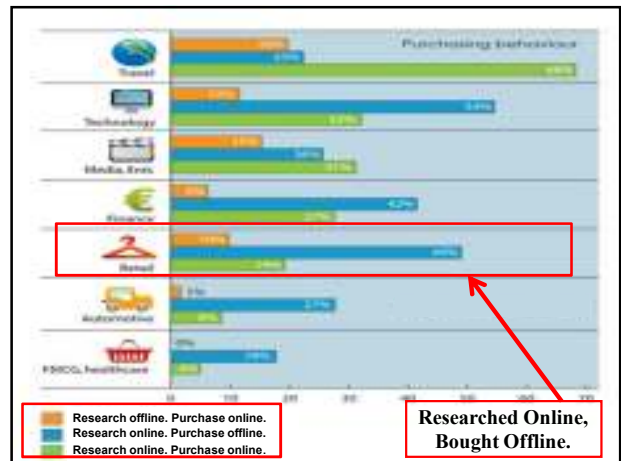
E-Commerce / Shopping is Only One Part of Online Behaviour...

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eCommerce Activity is only the “tip of the iceberg”

Consider Impact of...  
 Online Consumer Research → Offline Actions

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**69%** of all retail sales are expected to be **influenced by or made on the Internet** by 2012

Forrester: "The Web's Impact on In-Store Sales: US Cross-Channel Sales Forecast, 2006 to 2012" and U.S. Dept. of Commerce

influence on retail

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**88%** of businesses use the Internet to **research and find** potential vendors.

Forrester: "The Web's Impact on In-Store Sales: US Cross-Channel Sales Forecast, 2006 to 2012" and U.S. Dept. of Commerce

**Influence on B2B**

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**the balance of power**  
(for users & marketing budgets)



**SEARCH V SOCIAL**

**the balance of power...**



**is always shifting towards the user**

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**State of the Net**  
*Usage, Trends & Behaviour*

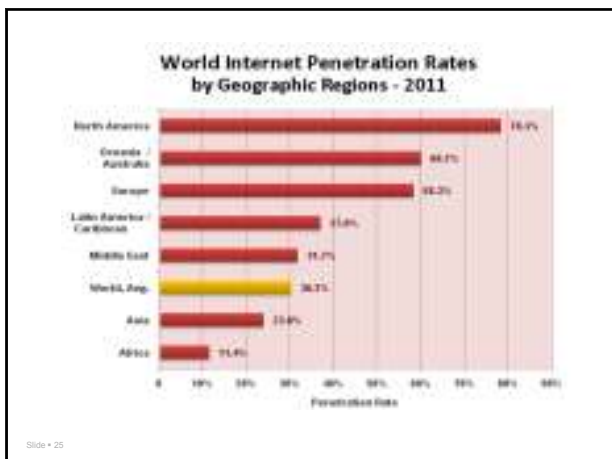


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**The Global Internet Picture?**

- Approx 2.1 Billion people now online .
- 28% of the World's population.
- That's up from 360 million users in 2000.

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### WORLD INTERNET USAGE AND POPULATION STATISTICS March 21, 2011

World Region	Population (2011 Est.)	Internet Users (Mar. 21, 2011)	Internet Users (Latest Date)	Penetration (% Population)	Growth (2008-2011)	Users % of Total
Asia	4,027,524,850	4,514,400	119,809,620	11.4%	2,127.4%	0.7%
Asia	1,078,740,877	114,504,000	921,329,204	20.0%	706.9%	44.0%
Europe	719,426,364	156,594,000	491,713,926	68.5%	362.1%	33.7%
Middle East	236,552,867	5,264,000	68,921,666	29.7%	7,367.0%	1.1%
North America	347,354,073	156,096,000	212,069,800	70.3%	151.7%	43.0%
Latin America / Caribb.	517,202,184	18,000,000	111,979,400	36.2%	1,327.4%	16.2%
Oceania / Australia	35,426,100	1,026,400	21,213,420	60.1%	179.4%	1.0%
World Total	6,936,855,154	282,962,400	7,296,046,165	38.2%	488.4%	388.8%

#	Country or Region	Penetration (% Population)	Internet Users (Latest Date)	Population (1,000 Est.)
1	Farther East	100.0%	2,182	2,182
2	Andorra	93.2%	286,760	308,644
3	Monaco	90.9%	4,235,800	4,660,239
4	Guernsey	89.3%	62,000	67,900
5	San Marino	89.2%	8,448,000	9,469,654
6	Qatar, BAH, and Oman	87.2%	35,000	40,131
7	Brunei Darussalam	85.6%	14,324,000	16,735,899
8	Armenia	84.2%	4,849,000	5,764,076
9	San Jose	83.5%	4,182,700	5,009,279
10	Maldives	83.3%	3,660,000	4,393,438
11	Uzbekistan	80.1%	17,453,000	21,792,841
12	Luxembourg	78.7%	387,000	491,775
13	Norway	77.3%	17,476,000	22,608,872
14	Kuwait, Bahrain	76.6%	30,000	39,068
15	United Kingdom	76.4%	46,892,000	61,512,309
16	United States	75.5%	214,172,000	283,642,423
17	Antigua & Barbuda	75.0%	85,000	113,037
18	Switzerland	73.9%	3,735,000	5,054,867
19	Japan	73.8%	81,676,000	110,074,676
20	Guatemala	73.3%	81,875,100	111,573,768
21	Hong Kong	73.3%	61,000	83,337
22	Costa Rica	74.9%	26,846,000	35,827,398
23	United Arab Emirates	74.1%	3,000,000	4,060,811
24	Israel	72.8%	6,243,146	8,575,701
25	Malaysia	72.4%	9,179,000	12,677,542
26	Malta	72.3%	3,836,700	5,306,281
27	Spain	71.8%	39,845,000	55,632,092
28	Indonesia	70.4%	59,100	83,866
29	Guatemala & Mexico	70.4%	48,129	68,484
30	Belgium	70.0%	7,382,360	10,544,338

## State of the Net Northern Ireland & Republic of Ireland

## Internet Penetration

- Approx 77% of the population. (46m)
- Approx 72% of the population. (1.3m)
- Approx 68% of the population. (3m)

## Northern Ireland – Internet Stats

- 72% internet penetration and growing.
- Wide availability of broadband... amongst the highest in the World.
- Reasons why people don't use the internet here are... lack of interest and cost. (Globally the main reason is lack of availability).
- 30% of Adults have watched online TV content in NI.
- 25% have accessed the mobile internet.
- 88% of online users here have made at least one purchase online.
- 11% regularly purchase their grocery shopping online.

Source: Ofcom & TGI research

### The East – West “Internet Divide”...

Less likely to be online, use social media sites etc.



More likely to be online, use social media sites etc.

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### Internet Penetration - Republic Ireland



- Approx 68% of the population.
- Approx 3 million people in ROI online.
- Broadband availability has historically slowed down progress but this has become less of an issue recently with greater availability of home and mobile broadband.

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### Profiling the Irish Online Audience



### How Does That Compare with other Countries?

- Ireland is middle of the table when compared with other developed countries.
- Improved hugely in the last 5 years but still behind other countries.

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### The Irish Online Audience

- There is a large **Leinster bias** in terms of usage as you would expect. 70% of Irish internet users are based in Leinster.
- The **gender usage split is fairly even**: approx 50 – 50 male / female. Some surveys show a slight female bias.
- **16 – 35 year olds are the heaviest users** of the internet here. They typically spend 18+ hours a week online.
- They consume **more “media time” online than anywhere else**. Only TV comes close in terms of other media time consumption. The readership of newspapers and magazines amongst this segment has collapsed in recent years.

Cont...

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### The Irish Online Audience...

- The **15 – 35 year** old age bracket use the internet in a more “innate” fashion. They understand the web, they “know” how to fully utilize the platform.
- The **36 - 45 years** and **46 year – 60** and **60+** age brackets spends less time online, closer to 12, 8 and 4 hours a week respectively.
- The older the audience the more their **usage is linked to work related requirements**. Their usage of the web tends to be more “learned”... it doesn't come naturally, they are using only certain websites etc.

Cont...

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### The Irish Online Audience...

- Research shows that approx **90% of Irish internet users have made a purchase online in the past**. 50% would be classed as regular (every month) purchasers. Travel and shopping are amongst the main drivers of online purchases.
- Research shows that 65% of online users have made an offline purchase decision based on online research they carried out in advance.
- Online usage amongst the population in general hits its highest **peaks during lunchtime 12pm-2pm** and again in the evening between **6pm-8pm. Online is the single biggest medium (in terms of reach) in Ireland during the lunchtime period.**
- In terms of classifying Ireland as a "Net Savvy" online audience versus our EU peers, we'd rank middle of the table at present. Not nearly as savvy as UK, Dutch, Scandinavian users but more advanced than Spanish, Greek users etc.

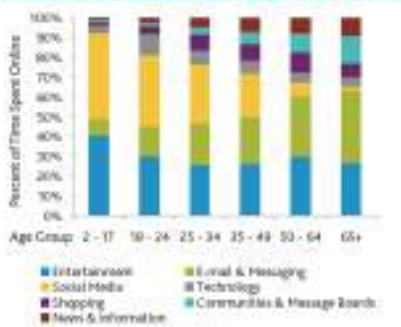
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### Drivers of Online Usage?

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### what are we doing online by Age?

Exhibit 2: Online Time Spent by Activity, Ages.



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### Spikes in Online Usage – Some Causes

- **Social Media "Fever"**: Dedicated usage of social media sites (Facebook etc) amongst Males & Females leads to a significant increase in the amount of time spent online.
- **Online TV / Video**: Online usage jumps hugely amongst females aged 15 – 35 years if they choose to watch online TV / video. In many cases this is almost completely displacing TV media consumption.
- **Work Related / Income Levels**: The nature of employment and level of income has a big impact on audience internet usage. Affluent, office based professionals spend more time online.
- **Gaming**: Online usage among young males spikes if they are users of online gaming platforms (video games etc).

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### Growth in Online Advertising & Marketing Spend

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12 EU Countries now spending over 10% of overall advertising budgets online.



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## Media Spend...



### Republic of Ireland:

- Total Advertising market = €940 million.
- Online now accounts for €98million of that. Approx 10%.
- That's up from 2% of spend just 5 years ago.
- Approx 50% of online ad spend here goes to Search.
- Display and Classifieds both account for approx 20% each.
- Overall advertising spend in Ireland fell by 5% in 2010 but online grew by 12%.
- Online ad spend is forecast to grow by 10% a year over the next 5 years.
- Biggest spenders online include *recruitment, property, auto, finance and travel sectors*.

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## Media Spend...



### United Kingdom:

- Total Advertising market = €16 billion in 2010.
- Online now accounts for €3.8 billion of that. **A record 24%.**
- Approx 50% of online ad spend here goes to Search Engine Marketing.
- Display and Classifieds both account for approx 20% each.
- Biggest spenders online include *Entertainment and FMCG* sectors.
- Pre / post roll video advertising, Mobile and Social Media were amongst the highest growth areas.

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## Key drivers for growth – UK Online Ad Market

- **More people online.** Approx 46 million people online in the UK.
- **Older, maturing audience.** An additional one million people aged 55+ are now online in the UK compared to 2009. Source: UKOM, April 2011.
- **Ubiquitous broadband.** 92% of the UK online population now has broadband with 69% enjoying very high speed broadband.
- **Social media fever.** Social networks/blogs now account for around 23% of all time spent online in the UK, making online sessions more immersive, whilst offering huge opportunities for brands to exploit the social nature of the web. Social media has injected even more life into online usage making it the perfect environment for entertaining and engaging ads.
- **Devices and connectivity.** 3G dongles, smartphones, iPads, netbooks and eReaders are driving always-on connectivity.

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## Case Study – Ford



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## “A New Way of Selling”

- The Showroom has changed from a “**point of sale**” to a “**point of pick up**”.
- Our “**sales battleground is online**”.
- Ford now launches all new car models with online activity. They trial alternate TV ads for response.
- Their marketing strategy begins with the online plan / idea and is then applied to the other mediums.
- Budget is prioritised for online.

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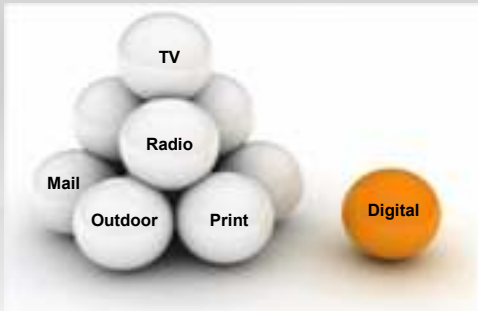
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### Digital's Role in the Traditional Mix?

Digital is simply one part of the wider marketing mix.



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### The Nature of Digital Marketing – Characteristics

- ✓ **Interactive:** Online marketing engages with its audience. It's an interactive medium. Users can interact with the adverts and with the brands themselves. Online is particularly effective as a direct response mechanism and as a push to "action".
- ✓ **Accountable:** Above all else Online marketing is accountable, measurable and transparent. We can track and analyse a great deal of online data and assess the true performance of campaigns and the return on investment generated. It's the accountability of online, above all other benefits that has driven the enormous popularity of the medium among marketers and financial decision makers.
- ✓ **Evolving:** The online medium, how consumers use it and how brands can interact with them is constantly changing. In fact the only constant seems to be change. Online marketers must embrace the "fluid" nature of the online medium and move with your target audience. Your online marketing strategy should be a direct reflection of the usage habits / behaviours of your target audience.

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### Key Thought.....

#### Passively Consumed Vs Interactive

**Traditional – Offline**  
 - Frequency of message  
 - Branding / awareness  
 - Delayed response

**Digital – Online**  
 - Reach  
 - Engage  
 - Direct response

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### Key Thought.....

Opportunity To See

**OTS**

Vs

Gaurantee To See

**GTS**

**Traditional – Offline**  
 - Opportunity To See  
 - Paying for potential reach.

**Digital – Online**  
 - Guaranteed To See  
 - Cost per click  
 - Cost per action

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### Key Thought.....

**There is more scope with the Digital Medium to "Market" without actually spending Advertising / Media budgets.**

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## The Digital Marketing “Mix”

*An Overview of the Tactics that make up your digital marketing toolkit.*

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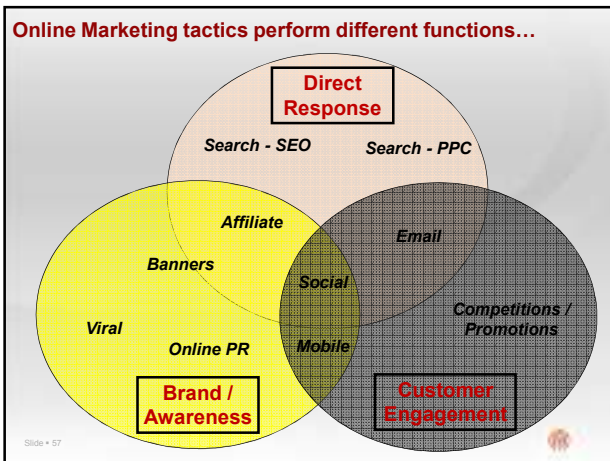
## The Digital Marketing “Mix”

Understanding the Mix...

**Digital Marketing Tactics**

- Search Engine Marketing
- Email Marketing
- Social Media
- Display (banners, video etc)
- Mobile Marketing
- Viral
- Affiliate
- Online PR
- Your Website

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## Search Engine Marketing – SEO & PPC

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## Social Engagement Marketing

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## Email Marketing – Internal & External

**Basic – Internal**  
Growing & Utilising your own email database.

➔

**Advanced – Internal**  
Segmenting, targeting by segment, personalising, historic intelligence.

➔

**External - 3<sup>rd</sup> Party**  
Purchasing the right to send emails to other databases. Opt-in Permission email marketing.

**An Email Marketing Platform**

- Data collection & storage.
- Transmission.
- Anti Spam testing.
- Segmenting.
- Tracking & Reporting.

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Example – Renewal Date Intelligence Used

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Example – Personalised eCRM

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# Online Display Advertising

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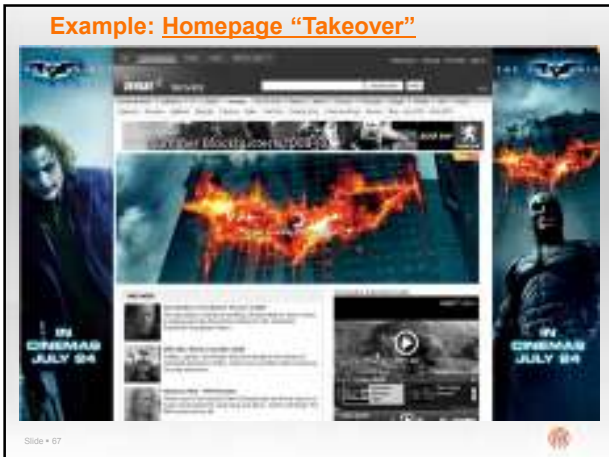
## Online Display Advertising.... A definition

*Full colour (animating or still) advertising placements purchased and implemented on various digital web platforms.*

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Example: Supersize and MPU Formats

**Example: Homepage "Takeover"**



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**Example: Overlay** (the ad distorts the webpage for the viewer)



**Standardised Banner Ad Format Dimensions**



**Rich Media – To Discuss**

*High Impact, Higher response, Higher Cost (CPM, Creative & Ad serving).*

**Rich Media - Examples**

- [http://www.flashtalking.com/showcase/peperami\\_skysports/](http://www.flashtalking.com/showcase/peperami_skysports/)
- <http://www.flashtalking.com/showcasePage.php#>

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**Standard Pricing Models**

- **CPM** – Cost Per Thousand Ad Views / Impressions
- **CPC** – Cost Per Click
- **CPA** – Cost Per Acquisition / Action
- **Fixed** – Monthly flat rate
- **CPT** - Cost per thousand emails sent
- **Tenancy / Sponsorship / Partnership** - variable

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# 8 Factors

1. Reach
2. Relevance of Audience Profile
3. Environment
4. Placement
5. Price
6. Performance
7. "Wisdom of Crowds"
8. Bias

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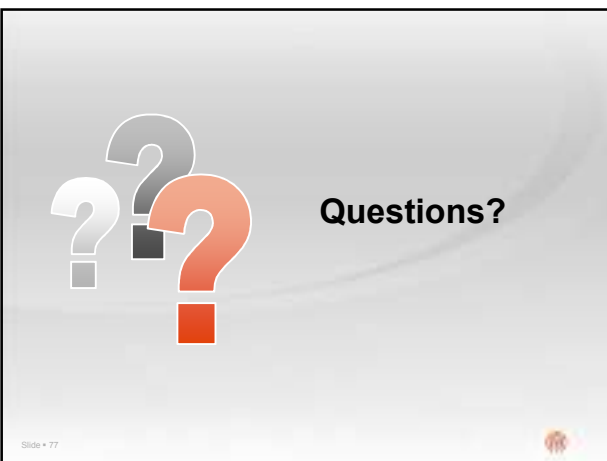
## Viral Marketing Online

Reference Site: <http://www.visiblemeasures.com/adage>

- Mostly Video based.
- Subtle embedded commercial message.
- Tends to be more B2C focused.
- Funny, engaging, interesting.
- Low media cost, high creative cost.
- Benefits are brand / awareness orientated.



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## Mobile Phone Marketing

To Win New Customers & Assist / Engage with Existing Customers:

- SMS – Text Messaging
- Banner ads within portals
- Bluetooth advertising
- Mobile Applications (apps)
- QR Codes



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## A Mobilised Website & Application



## QR Codes



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## Some Case Study Examples:

- **BMW** in Germany implemented a mobile marketing campaign with new customers before the start of winter weather. Their recent customers received a personalized message with a winter tire recommendation that was specific to their vehicle. BMW reports a **30% conversion rate** for the campaign. Learn more: <http://www.mobilemarketer.com/cms/news/messaging/2087.html>
- **NIKE** in UK using Bluetooth messages in Shopping Centres. 15% increase in footfall on days with the campaign versus without. 5% conversion rate from people presenting the message in store who received it on their phone.

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Questions?

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## Affiliate & Coupon Marketing

### The Merchant (Us) Vs The Affiliate (Site):

- *Affiliate's are websites willing to take your advertising campaigns on a sales commission basis.*
- *Risk is with the website and not us as a marketer.*
- *Needs a large online audience to work well.*
- *Creative / offer used must be strong.*
- *We must define an acceptable cost per sale target and set a fair commission for the Affiliate.*



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### Coupon / Group Discount

Some 120,000 people purchased online deals in July 2011 from the likes of LivingSocial, Groupon (CityDeal) and Groupon, according to data from iFlix. These deals were worth an estimated €2.7 million worth of sales in July - more than double what they generated in May 2011.

Month	Value (Million Euros)
May 11	~1.2
June 11	~1.5
July 11	~2.7

Source: iFlix

Groupon remains the biggest of the deals companies with a 53% market share, while LivingSocial takes second place at 22%, according to this data.

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## Questions?

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## What's the right Digital Marketing "Mix" for your business and for your target audience?

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## Remember to....

### Start with your Customers and work backwards

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### Agenda

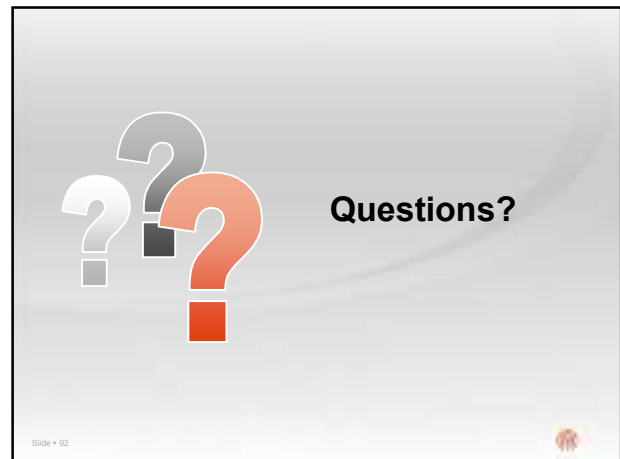
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## Summary....

- **A Changed World....** And changing every day at a fast pace.
- **An Online World....** Greatly increasing internet penetration and usage.
- **Influence of Online...** Ever growing ability of the medium to **influence people's behaviours and decisions** (online and offline).
- This new medium provides us with **new marketing opportunities...** we've learned how online marketing differs from traditional offline marketing and the things that make it unique.
- We've explored some of the most popular **online marketing tactics available to us** and can see how diverse the industry is.
- In short.... We see **Opportunities** but we also see **Challenges** to be overcome first.

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