Digital Marketing Strategies for Effective Customer Relationship Management

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Digital marketing is growing at a rapid rate. Nearly one in 10 Internet visits ends up at a social network; nearly one in four page views is on a social networking site, thus, making social networking a lucrative option for brand managers to market their brand and to create a brand identity. It is felt that people’s brand choices used to be heavily influenced by advertising. Today, this pattern is changing. Persons with access to computers, iPads, or smart phones now take time to reach the brands in a category, such as cars or TV, before making their final choice. Younger persons find it very easy to look up information about products on the Internet, ask their Facebook friends, attend to bloggers, and watch YouTube. Under this backdrop, this paper will address the various digital marketing strategies for effective customer relationship management.

Keywords: Internet, identity, advertising, customer relationship management

Introduction

Digital marketing is the marketing of products or services using digital technologies on the Internet, through mobile phone apps, display advertising, and any other digital mediums. Digital marketing channels are systems based on the Internet that can create, accelerate, and transmit product value from producer to a consumer terminal, through digital networks.

The development of digital marketing, during the 1990s and 2000s, changed the way brands and businesses use technology for marketing. As digital platforms became increasingly incorporated into marketing plans and everyday life, and as people increasingly use digital devices instead of visiting physical shops, digital marketing campaigns have become prevalent, employing combinations of search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, campaign marketing, data-driven marketing, e-commerce marketing, social media marketing, social media optimization, e-mail direct marketing, display advertising, e-books, and optical disks and games have become commonplace. Digital marketing extends to non-Internet channels that provide digital media, such as television, mobile phones (SMS and multimedia messaging service [MMS]), callback, and on-hold mobile ring tones. The extension to non-Internet channels differentiates digital marketing from online marketing.

Objective of the Study

The objective of the study is to analyze the digital marketing strategies for effective customer relationship management, how different organizations from different sectors are implementing various digital marketing
strategies and how it acts as an engagement tool creating strong brand preference.

**Review of Literature**

In the past few years, social media have become perhaps the most popular communication channels for college-aged Internet users (Pelling & White, 2009). As Kaplan and Haenlein (2010, p. 61) defined them, social media are the “group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content”. As they have grown in both popularity and use, social media applications allow for classifications into more specific categories, determined by characteristics, such as content communities (e.g., YouTube), social networking sites (SNS) (e.g., Facebook and MySpace), microblogging (e.g., Twitter), and virtual social worlds (e.g., Second Life) (Kaplan & Haenlein, 2010; Mangold & Faulds, 2009). Among the various applications and platforms, SNS and Facebook in particular have emerged as primary “hang outs” for young users. Launched in 2004, Facebook reached more than 750 million active users in 2011, and half of them logged on daily. Considering that Facebook enables college-aged populations to learn about products, it represents a revolutionary trend for advertisers that hope to persuade or influence a consumer to pass along information to others, that is, the core foundation of viral advertising (Ferguson, 2008). Despite the apparent promise of Facebook as a tool to facilitate viral advertising campaigns, no studies investigate how college-aged Facebook users respond to viral advertising on the site or the specific features of Facebook that might influence their responses. Among its many features, Facebook groups are a particularly widespread and popular application that support unique forms of social interaction and generate discussions based on common interests (Casteleyn, Mottart, & Rutten, 2009). By joining a group, Facebook users interact with other group members and share information with ease and speed; this offers a promising platform for advertisers to build viral-driven, multi-directional communication with consumers (Holzner, 2008). For example, “Tide Loads of Hope”, “Sony Digital Photography”, and “Dodge, It’s a way of Life!” are popular Facebook groups that enable users to share photos, videos, and other forms of content. Once consumers join a brand-related group on Facebook, their brand perceptions and purchasing decisions could be influenced by mobilizing information they receive from other members. Meanwhile, they also may encounter more opportunities to pass along viral messages created by advertisers to their contacts through SNS. As consumers increasingly turn to Facebook groups as trusted sources of information and opinions, new opportunities arise to build consumer-brand relationships and viral advertising platforms.

Ryan and Jones (2009) described social media as

the umbrella term for web-based software and services that allow users to come together online and exchange, discuss, communicate and participate in any form of social interaction. This interaction can encompass text, audio, images, video and other media, individually or in any combination. It can involve the generation of new content; the recommendation of and sharing of existing content; reviewing and rating products, services and brands; discussing the hot topics of the day; pursuing hobbies, interests and passions; sharing experience and expertise – in fact, almost anything that can be distributed and shared through digital channels is fair game.

It is said that marketers follow the customers, and, therefore, it is no surprise that recently social media have commanded attention from a lot of marketers. In a survey conducted by a US based marketing research company, it was observed that social media are changing the way companies communicate and majority of the respondents agree that social media are most effective in brand building. Interestingly, many respondents
quoted a lack of knowledgeable staff rather than the notion of ineffectiveness of social media to be the reason for not employing it.

Internet marketing has had an immense impact in the recent years. Most prominently in UK, where Internet advertising spent has overtaken popular mass media, like print and television. Many companies including multi-national have suffered for not having paid heed to what customers were saying online as can be observed from the following: British Petroleum took a hit on its reputation thanks to the self-replicating negative word of mouth. The damage control needs to be done on all fronts be it traditional or social media. By the very nature of social media, the message spreads like wildfire with each disgruntled stakeholder adding more fuel to the fire. The Economic Times observes that one in every four adult users of Twitter is expressing discontent with companies on their Twitter account. The customer base of Twitter in India is two million (as of July 2010) and expanding every year. Similarly, apple iphone saw its company’s value depreciate by US$9.9 billion due to quality issues of its 4G series magnified by the social media.

**Digital Marketing Strategies for Effective Customer Relationship Management**

The following are the digital marketing strategies for effective customer relationship management:

**Phygital Marketing**

The concept is merging the important aspects of digital and physical marketing to optimize the customer experience. Phygital marketing is the combination of digital and real-life experiences, brought together to benefit the consumer. It is about smoothly integrating marketing efforts across the physical and virtual spaces. It is important because phygital marketing is proving to be essential to the survival of brick-and-mortar retail. The sector has struggled in recent years against the rising tide of e-commerce—and in 2020, has been blindsided by the coronavirus disease 2019 (COVID-19) crisis.

To understand the application of this technique, let us consider the following examples:

**Amazon GO.** The stores use the latest computer vision, deep-learning algorithms, and sensor fusion technologies. These enable shoppers to tap in with their smartphone as they enter the store, and walk straight out with the items they want. Customers pay automatically via their Amazon account.

This reduces hassle and saves time, therefore improving the experience of grocery shopping.

**Tata CLiQ.** Started as a close-door project by the Indian major Tata group, nick-named “Tata Mall” for 18 months, was launched as TataCLiQ.com a few weeks back.

Tata CLiQ is an amalgam of physical and digital—or phygital—a platform, where shoppers can order, collect, return, and exchange products from anywhere, anytime, either online or at brand partners’ stores. The TG is a customer, conscious about brands and whose expectation in terms of convenience and service is slightly higher.

The disadvantage is that the customers have to make payment before taking the product in hand on the app and you will not get any kind of cash transfer into your bank account in case of a refund.

The advantage still remains that the customer is able to experience his product before finally taking it home and he/she can return it there and there itself.

The brand has been benchmarked against global players, like Alibaba-T mall and John Lewis. The big differentiator for established firms entering e-commerce marketplaces is the trust that customers have in these business house. It is an uphill task for the Tata group. Tata CLiQ launches at a time when many of the assumptions about e-commerce are being questioned.
Augmented Reality

Augmented reality (AR) is a technology that enables users to superimpose virtual 3D objects onto their physical world with a mobile device or any other device with a camera.

To understand the application of this technique, let us consider the following examples:

**Lenskart**: Lenskart provides a feature called “3D Try-On” on Android, iOS, and web platforms. This feature captures the user’s face from all angles and then analyzes the user’s facial structure. And then when the user wishes to try on a frame, the AR feature visualizes the frame on the user’s face from all angles thus giving him/her an idea how the frame might actually look. The frame alignment is near to perfect, thus providing the user a real-life-like experience of trying on different frames. Lenskart used this very AR feature as a marketing technique and invited users to try on more than 5,000 styles of eye wears available on its platform.

**IKEA**: IKEA launched an augmented reality (AR) app called “IKEA Place” that allows users to test IKEA’s products in real time. IKEA Place helps the users in visualizing how furniture would look in their home setting. The user can choose from a wide range of 2,000 products sold by IKEA. Once the product is chosen, all the user has to do is point the camera to a desired spot in a room and then drag and drop the selected product onto the space. The app then scans the room and then scales the selected product as per rough approximation of the measurements of the room and then visualizes a product within the space. Thus, the app makes it easier for the user to get an idea of how the furniture might look in his/her home setting thereby making it easier to make buying decisions. Such a feature also encourages users to try different products, styles, and colors in real-life settings, and all this with just a few swipes of the finger.

Companies, like Lenskart and IKEA, lead the way in incorporating augmented reality in e-commerce to increase customer engagement and sales.

Virtual Reality

Virtual reality (VR) is a simulated experience that can be similar to or completely different from the real world. A person using virtual reality equipment is able to look around the artificial world, move around in it, and interact with virtual features or items.

To understand the application of this technique, let us consider the following examples:

**Borsin**: Borsin is a brand of Gournay cheese owned by a company called Bel Group which is centered in France. Borsin UK recognized that the awareness of its flavors and formats was relatively low among many UK consumers. So, Borsin planned a VR marketing campaign which was exhibited at various malls and events around UK. This was a live multi-sensory VR experience for people who, upon wearing the VR headset, found themselves flying through the inside of a fridge, past carefully chosen Borsin products. The VR was combined. This immersive experience was made more engaging and enjoyable by combining it with a soundtrack, moving chairs, cool air and artificial scents to make the people feel like they were actually inside the fridge.

Overall awareness of the Borsin brand rose from 93% pre-event to 98% two months after the roadshow. Only 38% of consumers were aware that Borsin produces portions prior to the roadshows. This had increased to 73% two months later. Product awareness also rose significantly, with awareness of Borsin’s Black Pepper SKU rising by 32% during this period, and awareness of Borsin’s Shallot & Chive SKU rising by 44%.

**Thomas Cook**: In order to increase sales and customer engagement, Thomas Cook came up with a marketing campaign “Try before you Fly”. For this VR marketing campaign, Thomas Cook partnered with Samsung where in potential customers walking into flagship Thomas Cook stores in UK, Belgium, and
Germany were invited to experience a series of VR holidays to Egypt, New York, and Singapore among many other locations on the Samsung Gear VR which is a VR headset. Through this VR experience, the customers were instantly virtually transported to famous tourist spots in these locations like helicopter tour of Manhattan, visiting the Egyptian pyramids, or taking a walk along the OCBC Skyway in Singapore. This allowed the customers to get a taste of a wide range of experiences even without leaving the store.

Over three months, the revenue for New York excursions was up by 190% flight and hotel bookings went up by £12,000 ($17,500) from people, making a purchase after the using the Samsung Gear in these stores.

360 Degree Video

The 360 Degree Video has been trendy for a while now; marketers are just now starting to take advantage of this interactive technology to drive brand engagement. Recordings are made using omnidirectional cameras so that, during playback, the viewer can control the screen and view the clip in any direction they want. This type of innovative marketing is extremely versatile and allows users to have an immersive brand experience without a VR headset. Report by Google, it states that this technique can increase the chances of viewers taking action by 41% when compared to standard ads.

To understand the application of this technique, let us consider the following examples:

**Oreo.** In this 360 Degree Video, Oreo creates an interactive world to give viewers a behind-the-scenes “tour” of the inspiration behind its new cookie flavor. This fun, whimsical video shows that an Oreo cupcake cookie is everything you dream it would be—a delicious, chocolatey, and cream-filled treat. In an effort to share the filled cupcake experience with those outside New York City, they designed these video-allowing fans around the world to indulge in the experience.

**Infiniti Q60.** The video puts you in driver seat covering close to 3,500 miles in the next gen coupe, the route in the video is impossible to recreate in a day, but the team behind the concept have made it an experience in which we can all partake. Infiniti is more interested in the driver than the car, the video was truly created for potential drivers to feel and see what it is going to be like to be behind the wheel of these concept vehicles.

Cultural Relevance

Cultural relevance is crucial to understand and respond to an audience in a way that they can relate to. In an ever-changing market, brands need to remain relevant and using storytelling to achieve a two-way conversation between brand and audience is an effective medium to achieve this. Going viral in today’s Internet driven society is hugely beneficial to driving high brand engagement. Developing culturally relevant marketing strategies is one of the best ways for a brand to go viral and in-turn garner significant media buzz.

To understand the application of this technique, let us consider the following examples:

**Gillete.** P & G recently launched a Gillette campaign addressing toxic masculinity just days after the American Psychological Association (APA) announced that “traditional masculinity” is harmful to society. P & G kept up with the now, and when they found a place to jump in and make a stand, they did. They replaced their brand tagline with “We believe: The best men can be”. The video went viral with more than four million views in 48 hours.

**AllOut.** The ad featured an extended family having dinner and being confronted with a situation which raises questions about parenting. This is a part of a larger call-to-action by the brand called #StandByToughMoms that intends to raise awareness and encourage support of parents and the tough decisions
they often need to make.

**Paisabazar.com.** Paisabazaar.com helps you compare and choose from various financial products across categories, such as personal loans, home loans, business loans, credit cards, etc. This advertisement is conceptualised by Enormous, portrays through a story of two brothers on how the right advice can change lives. Within three days of its launch on digital platforms, the video has garnered over five million views on YouTube and other channels and has been shared over 20,000 times on Facebook alone.

**User Generated Content**

User-generated content (UGC) is also known as user-created content; it is any form of content, such as images, videos, text, and audio that has been posted by users on online platforms.

People trust each other more than they trust brands. According to various surveys, it was found that more than 60% of the people trust other people’s comments on pictures or photos taken by them than those taken by the sellers. User-Generated Content turns a loyal consumer into an automatic campaigner of brands, so that engagement can be built among various communities. And by doing this, more relevant and authentic information can be acquired from the regular customers and the same can be shared with other community in helping them to make a buying decision.

To understand the application of this technique, let us consider the following examples:

**Netflix.** Netflix normally, in order to spread the word of their upcoming premieres, promote fans’ posts extensively using simple hashtags majorly the title of the show. In one such campaign they used creative UGC technique to promote one of their series’ second season and in the campaign, Netflix used the title of stranger things two as a hashtag and this action caused curiosity amongst the Instagram users which then led them to lure back to the page of Netflix to know what the real fuss was all about. Getting entertained by this idea, thousands of people started posting daily life images with the hashtag of the show. By the use of this technique, Netflix generated one million audiences in just two weeks’ time. Looking at the overwhelming response, Netflix thought they can cash in through such UGC activities. In a recent campaign of their Instagram page, they reposted the content shared by Eggo a brand of waffles which was used in the series so that they can generate and improve engagement.

**Apple.** Nothing is more upsetting than losing your potential customer. Apple was quick in realizing it after they got to know that the customers were dissatisfied by the average camera capabilities for photos shot in low light. Without wasting time, Apple came up with a campaign saying #ShotOniPhone to regain their customer’s trust which was lost due to its camera aptitudes. This campaign was about newbies and pro-users wherein they had to take pictures under low light and later post them online. Apple then posted these shots on YouTube under the same campaign name. It showed some of the magnificent every day posts shared by the users. This not only regained the trust but also made the consumer feel valued.

**Interactive Website**

An interactive website is essentially an Internet page that uses different kinds of software to create a rich, interactive experience for the user, i.e., it facilitates the user to be actively engaged with the site.

To understand the application of this technique, let us consider the following examples:

**Wizzarding World.** One such website is “Wizzarding World” that is a fantasy media franchise. It is a home of Harry Potter and Fantastic beasts. The writer of Harry Potter, J. K. Rowling, has created a place where she can keep her target audience intact by providing various facilities on her website. It includes, logging in
with a wizarding passport which is in general a basic login but created in a way to engage the users, other options include different quizzes, new releases of J. K. Rowling, information regarding Harry Potter park which gives users live experience and also the launch of new gaming consoles. Further for users to spend more time they created activities that can be performed at home. And in the process of keeping alive, the Harry Potter name they created merchandise of the same with additional benefits of discounts and early access. This led them to keep the customer engaged in the process of experiencing the virtual land of Hogwarts.

**Chat-bots**

A Chat-bot is artificial intelligence (AI) software that can simulate a conversation (or a chat) with a user in natural language through messaging applications, websites, and mobile apps. A Chat-bot is often described as one of the most advanced and promising expressions of interaction between humans and machines. Chat-bots are used for various purposes including customer service, request routing, or for information gathering.

To understand the application of this technique, let us consider the following example:

**Nat-Geo and 360i Show “Genius”**. National Geographic has come up with Facebook Messenger Chat-bot promoting their show “genius”. Bots generate engagement by introducing “talking to Einstein”, which would feel natural as if we are speaking to Einstein. Like when asked what do you think of Internet, the Chat-bot came up reply as he loves it. This creates a real sense of conversation. Rather than focusing on increasing revenue, the main objective of the Bot was to entertain and create top of mind awareness about the show on channel organically. Data also convey Out of total re-engagement rate, 50% are those who were spending between six- and eight- minutes chatting with the Bot.

**Discussion**

**Augmented Reality**

AR has the potential to change the whole dynamic of consumer experience and their buying decisions. This feature has a lot of applications in the field of e-commerce. Companies, like Ray-Ban and IKEA, have already implemented it with great success. AR does not create a new reality; it simply integrates the virtual world with the real world. Using AR, people are able to interact with virtual objects in the real world. A lot of big industry players have already started using AR in their marketing campaigns. But some companies, just to go where the world is going, are developing AR campaigns that do not really add value to the customer’s experience. To implement a good AR feature, thinking about how it would solve the current problems of customers is necessary. It would also require collaborating with computer engineers, designers as these are the people who will develop the feature. A good AR campaign, if designed and implemented correctly, will be able to reach and engage customers at a very high level.

**Virtual Reality**

Mindset of the people has changed from wanting to read about a marketing campaign to be shown instead. VR is helping brands achieve this as its scope goes beyond TV ads, magazines, and billboards. VR experiences allow users to connect more deeply to the brand thereby increasing their top of the mind awareness (TOMA). VR marketing techniques have a wide range of application in real estate, retail, and tourism sectors to name a few. VR consumptions are projected to reach $19 billion by 2021 from current levels of $14 billion which tells us that there is a lot of untapped potential in this market. But at the same time, brands have to be careful while implementing a VR marketing campaign. If the VR world is not designed correctly and if the consumers do not
like it, then it may create a negative impact in the minds of the customers.

360 Degree Video

There are clear benefits of 360 Degree Video content when including it in your marketing strategy. Aside from the unlimited possibility, it gives to viewers and content creators; it encourages engagement and, through this, has over three times the conversion rate of traditional video content and a 30% higher repeated view rate. It is clear that your audience is likely to respond better to your marketing efforts if they have immersive, 360 Degree Video content to interact with.

Cultural Relevance

Advertising plays on human emotions and psychology. It has a great impact on all our important decisions and choices which eventually lead to brand connect. While some campaigns take you close to your near and dear ones, some make you somber from the core of your heart. Brands from around the globe have taken the emotions route to attain various objectives, ranging from awareness, acknowledgement, and engagement. These emotional campaigns hold many takeaways in terms of brand connect storytelling, and more.

User-Generated Content

Technique of content created by customers is at the boom stage. Top brands of the world are increasingly running UGC campaigns so as to secure the effectiveness of their campaigns in order to market their products. Nowadays, brands are asking customer to create content and later sharing them which in turn decreases the companies’ marketing cost and makes the customer feel more valuable. In the author’s opinion, more and more brands should implement such techniques as it will increase their brand awareness and which in turn expand the user base.

Interactive Website

As the world has turned digital due to access of Internet everywhere, in today’s time using interactive websites to attract the target group can serve as a great help to the brands. The motto of such websites is to make sure that the user spends maximum time on the website while exploring all the options available. Brands providing experience must opt for such marketing technique. Also, some brands offering products which can have different visuals could also use this technique by displaying a 3D object of their product. Creating innovative websites will help brands in enlarging their customer base.

Conclusion

There is a huge difference in the way the applicability of digital marketing strategies and traditional marketing strategies takes place as an effective tool of marketing communications. When a comparison is made between the two, then digital marketing becomes much more customized and personalized compared to traditional media of marketing communications. Thus to conclude, we can infer that proper implementation of digital marketing strategies can lead to effective customer relationship management.

References


