Performance of Digital Marketing Tool to Develop Business Intelligence

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Abstract – The purpose of this paper is to point out the determinants of the business intelligence discipline, as applied in Digital Marketing Tool practice. The paper examines the role of the Internet in marketing research and its implications on the business decision-making processes. Although companies conduct a variety of research methods in an offline environment, the paper aims to stress the importance of Web opportunities in conducting the Web segmentation and collecting customer data. Due to the existence of different perceptions concerning the role of the Internet, this paper tries to emphasize its effort of an interactive channel that serves the function of not only an informational nature, but as a powerful research tool as well. Several data collection and analysis methods/techniques are discussed that would help companies to take advantage of a Web as a significant corporate resource. The purpose of this study was to discover how digital marketing can promote a newly launched startup's business in the Indian market. The study also aims to provide a comprehensive situational analysis of the market and conduct realistic research of the marketing possibilities, and suggest potential marketing actions. The Approach was to conduct a case study about Design with Benefits, whose business idea is to sell designer products with social and environmental benefits. Even though the concept is good and functional, reaching the potential customers and defining the market is challenging for every starting company. This was the reason why there was a need to perform this study.

Keywords: Performance, Digital Marketing Tool, Develop, Business Intelligence, etc.

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INTRODUCTION

Today, information technology has come to play a more and more important role in most organizations and especially in small and medium-sized enterprises (SMEs). The focus is on SMEs because compared to large-scale enterprises they have more problems with the dissemination and application of knowledge concerning new technological innovations such as IT. Information technology (IT) plays a role in many, if not most, of the everyday operations of today's business world. In prior years, IT had been viewed only as a supporting player within the overall strategy of the firm. The term IT is defined in a broad sense as "technologies dedicated to information storage, processing, and communications". This notion of IT focuses on a combination of hardware, software, telecommunications, and office equipment that transform raw data into useful information for speedy retrieval. The literature lacks an explicit and unified classification of IT, as there is large variation among different researchers in interpretations of IT. In this thesis, different meanings as how the IT is used or interpreted in organizations are explained to establish the interaction between IT and organizations. Digital marketing (DM), or online

marketing, means using the Internet to market and sell goods and services. A great deal of IM activity is directed toward driving customers to an organization's website, where they are encouraged to make purchases online or through another channel. But IM encompasses a broad and growing range of strategies for interacting online with customers and with other stakeholders. The most common IM activities include: preparing an organization's website, placing advertisements on the web, sending email messages, and engaging in "search engine marketing" – efforts to have the organization's name appear at the top of the list when a customer searches the Internet for a particular product or service. In addition to these basics, Internet marketing can include a range of other activities, such as marketing through online games, mobile phones, or direct response television broadcasts.

Digital marketing efforts can be directed not only to customers, but also to employees, investors, and other stakeholders (i.e. trading partners, stockholders, media and public interest groups). Digital Marketing is advancing rapidly. Both producers and consumers gain new capabilities every day as technology marches forward and companies rush to create innovative value offerings. Internet

advertising alone brings in $12 billion in revenue, and the industry continues to grow every month.

Fortunately, tools and techniques for tracking performance are emerging rapidly, and the relationship between organizational action and market response is increasingly possible to trace. For some online marketers, pressure to demonstrate results has generated significant change. They no longer just count the number of times users click on an ad or view a particular web page. Now, many are able to track a full range of results, including financial ones. CRM system is the vehicle for sales force automation. By investing in an online CRM system, you can bring your sales, marketing, support and even back-end business lines under one umbrella with Top Sales Force Automation Systems. As an enterprise business solution, on-demand CRM is cost efficient, and requires reasonable investment in terms of training to upgrade to an automated sales force. This is good news for any business looking to adopt and evolve business intelligence using CRM software systems. Customer-facing companies have long used data to segment and target customers. But, there's so much data about customers these days, most organizations are only capable of using a tiny fraction of what is available to optimize marketing and customer engagement. Think about all the data your organization is collecting that could and should be used to build world-class customer experiences and maximize revenue. Big data actually has the potential to make real-time personalization possible. This study will explore the current and potential role of big data in marketing, and help marketers embrace the future of data - 'Big Data'. For marketers, the big data conversation is a more tangible discussion when the challenge is framed around the explosion of customer data; transactional data, marketing communications, channel interactions, behavior, preferences, etc.

REVIEW OF LITERATURE:

Marketing and sales environment is rapidly changing reflecting changes brought about by Information Communication Technology (ICT). Management at any level must continually and consistently adapt the organization's marketing efforts to keep pace with observed changes. Such changes require management and staff training, and development of effective selling skills through education with the help of ICT. This section goes through a number of basic theories of traditional marketing and digital marketing in order to understand the decisions concerning Design With Benefits' digital marketing actions. Particularly, when it is a startup and has recently entered into the market, it is important to identify different marketing tools to be able to create a comprehensive marketing plan to reach its target market. Before moving to explain and review marketing theory, it is important to understand and define what a startup is. There is no official definition of a startup, but one of the most used ones is Steve Blank's (Forbes 2012) definition: "A startup is essentially an organization built to search for a repeatable and scalable business model", or as described in US Legal Inc (2013), "A startup company or startup is a company with a limited operating history. These companies, generally newly created, are in a phase of development and research for markets".

Business Intelligence: Business Intelligence (BI) refers to various software solutions, including technologies and methodologies needed to acquire the right information necessary for the business decision-making with the major purpose of enhancing the overall business performance on a marketplace (Wang, Wang, 2008).Since businesses are faced vast quantities of information, the major operational problem is to focus on the right information. BI helps to identify the causes and reasons of certain occurrences helping the business to make predictions, calculations and analyses; so that the needed knowledge is successfully extracted from the sometimes hidden data and that the proper decisions can be made. (Zekić – Sušac, 2008). According to Ranjan (2008): "BI is the conscious, methodical transformation of data from any and all data sources into new forms to provide information that is business-driven and results-oriented. It will often encompass a mixture of tools, databases, and vendors in order to deliver an infrastructure that not only will deliver the initial solution, but also will incorporate the ability to change with the business and current marketplace."
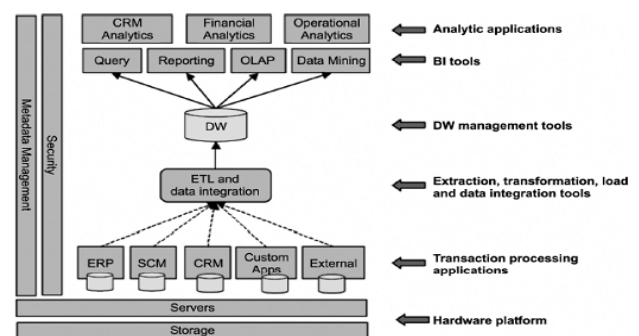

Figure 1- Business Intelligence environment

BI comprises of a variety of analytical software that provides the information needed by businesses. The emphasis is on the real-time information which supports reporting on every organizational level. The term is much broader in the sense of encompassing multiple tools and methodologies, which enable their users to connect all business processes. Efficient Business Intelligence connects business and IT (information technology) so that the available resources can be allocated with respect to their own capabilities, as well as provides intelligent problem solutions (Ranjan, 2008). As depicted by Figure 1,

Pushpendra Singh Gaur*

Business Intelligence integrates many of the business processes (enterprise resource planning, supply chain management, customer relationship management) into a variety of applications that serve the primary source of data, which can be extracted and with the help of BI tools, such as reporting, OLAP, data mining, etc., turned into valuable information (analytics) that the companies base their decisions upon.

Marketing Plan: A marketing plan is a comprehensive document about how the company's strategic objectives will be achieved by using specific marketing strategies and tactics. The marketing strategy defines which customer groups the company will pursue and how it will create value for these customers. After creating an overall marketing plan, the company will design a marketing program, which will actually deliver the intended value to target customers. The program will build customer relationships by putting the strategy into action. The purpose of the marketing plan is to give direction and focus to the company, brand, or product. The foundation for marketing plan is to define the target market and segment, to position the product and to decide the marketing mix factors.

Place: The purpose of placing is to make the product or service available for customers. Place includes choosing channels, assortments, locations, inventories, transportation, logistics, and coverage. Making a service or product available for consumers involves building relationships with customer, as well as resellers in the company's supply chain. Some of the more commonly-used distribution channels include wholesalers and retailers. Armstrong et al. (2012) emphasizes that channel members add value, when introducing a product or service, by bridging the major time, place, and processing gaps that separate goods and services from their users. This can be done by using various different consumer and business marketing channels, or a combination of these. An example of a channel: producer -wholesaler -retailer -consumer or producer - consumer. The first one has more intermediaries that the last option. Therefore, the last one is called a direct marketing channel and the rest are called indirect marketing channels, since they contain more intermediaries.

According to the model (see figure 2) the first thing marketers should concentrate on in their marketing actions is building awareness for their product in order to get the attention of the consumer. The second stage involves the consumer considering buying the product or service and the consumer starting to seek out more information about the product. The third step is preference, when the customer, after evaluating different products or

services, prefers a certain product or service over others. The fourth step leads to a buying action, and the fifth stage is loyalty, which is built after the consumer has used the product or service.

Figure 2- Forrester's purchase funnel model. Describing the customer's steps in a buying action

Promotion: The fourth element of the marketing mix is promotion, and it consists of the following five promotion tools: advertising, sales promotion, public relations, personal selling, and direct marketing. Through these elements the company communicates with the customer with the goal of building strong customer relationships. Every company should choose which promotion tools they will use to create their coordinated promo tion mix. It can be, for example, personal selling and direct marketing or advertising and sales promotion together.

Branding: Kotler et al. (2013) states in their book that brands are more than names and symbols. They represent the consumer's perceptions and feelings about the product and its performance, so brands actually exist in the minds of the customers. Therefore, powerful and successful brands have high brand equity, which mean the brand has a positive differential effect on customers. It is also a measure of the brand's ability to capture consumer preference and loyalty. As such, companies are carefully building and managing brands. Companies such as Coca-Cola, Disney, and Gucci have created a brand, that is more valuable than the actual product or service they produce. Brands that have the highest market share do not have it because of unique benefits or reliable service alone, but because consumers feel that they gain some special value through the brand.

Figure 3- Four factors of high brand strength

Figure 3 demonstrates how brand strength can be valued through four consumer perception dimensions: differentiation: how the brand stands out; knowledge: how much consumers know about the brand; esteem: how much consumers value the brand; and relevance: how much customers feel they achieve through the brand and how it meets their needs. High brand equity affords many competitive advantages to the company. According to Kotler et al. (2013) the brand has positive brand equity when consumers react more favorably to it than to another similar product. To be successful in branding, the company needs to have a good balance between these four dimensions, since highly a differentiated brand does not necessarily mean that the customers will buy it. (Armstrong 2012) A survey made by Rossiter and Bellman (2012) states that emotional branding is very effective. This means that the company creates strong emotional bond between the customer and product or service. For example, this can be companionship or love of the brand. These emotionally attached customers are the most profitable since they do not need promotions or offers to buy the brand.

Customer-Based Brand Equity: Keller (2001) shows in his research that a strong brand can be built by using the customer-based brand equity (CBBE) model as help. This model provides a benchmark for companies to assess their brand-building efforts. According to the model, it involves four steps: firstly, establishing the proper brand identity; secondly, creating the appropriate brand meaning through strong, unique and favorable brand associations; thirdly, electing positive, accessible brand responses; and fourthly, building brand relationship with customers that have intense and active loyalty.
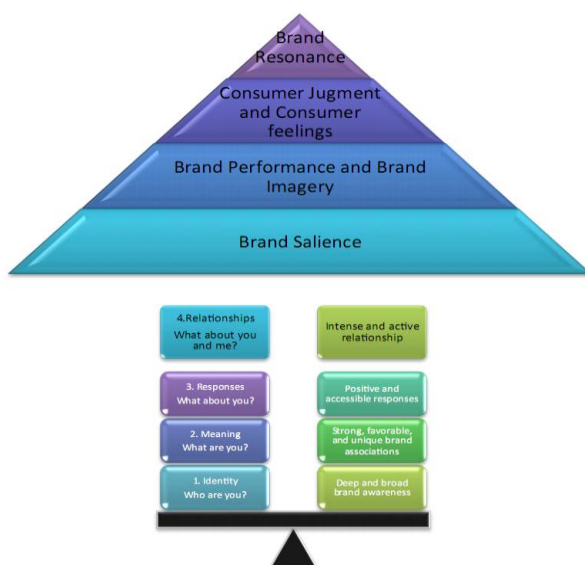
To achieve these four steps, brand needs to establish six brand-building blocks: brand salience, brand performance, brand imagery, brand judgments, brand feelings, and brand resonance. The following figure 4 illustrates how steps and blocks affect each other. When the brand achieves the most valuable brand-building block, brand resonance, the customers show a high degree of loyalty to the brand and actively interact with the brand and share experiences with others. Brand resonance occurs after all of the other brand-building blocks are established.

Social Media: The social media aspect in digital marketing, and identifies its possibilities for the company. The general definition of social media according to Kaplan and Haenlein (2010), is that, "social media is a 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". Some of the most well-known examples of social media are Facebook, Twitter, LinkedIn, YouTube, Instagram, Pinterest and Myspace. Figure 5 demonstrates the most visited social networking sites. It also expresses the change of usage. The top three are Facebook, Blogger and Twitter.
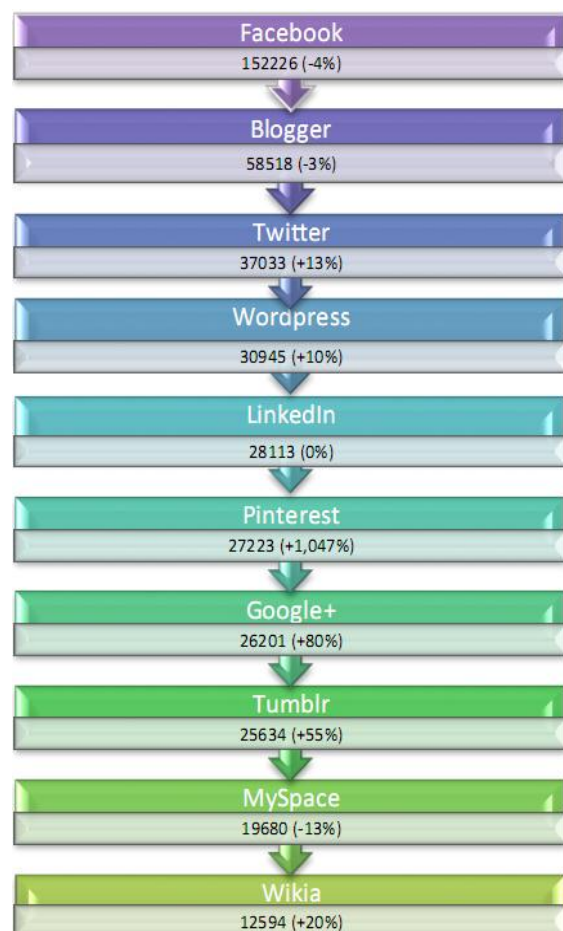

Figure 4- Customer-based brand equity model for strong brand building

Figure 5- The most-visited social media networking sites in all regions

Pushpendra Singh Gaur*

According to Nielsen's study (2013) consumers spend more time on social networks than on any other category of website. Approximately 20 percent of their total time online was used on a personal computer (PC) and 30 percent of total time online on a mobile device. Other devices such as tablets, game consoles, handheld music players and e-readers also increased in popularity for accessing social media.

Nielsen's survey (2012) discovered that social media has a strong influence on purchasing all over the world, but it is the strongest in the Asian Pacific, Latin America, Middle East, and Africa regions. Approximately 30 percent of users in these regions used social media on a daily basis to learn more about brands, products, and services. Social media has a strong potential to influence consumers across all regions. This means that social media represents a huge opportunity for brands to gain brand awareness and positive favor with consumers. Figure 6 illustrates that social media had the most influence on the purchase decision of entertainment and home electronics in the US. Following that was travel/leisure, appliances, food/beverages, clothing/fashion and restaurants.
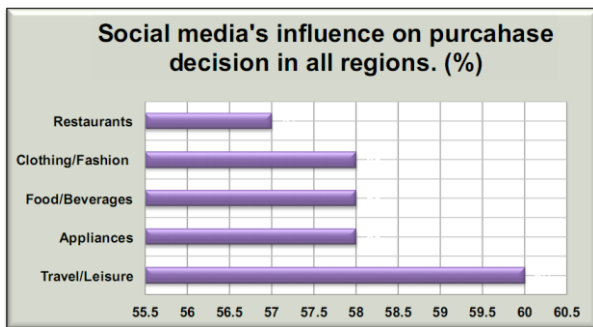
Figure 6- The most discussed product and service categories in social media

Ryan and Jones state in their book (2011) that the shift towards social media is perhaps the most significant recent development in online marketing. It can be seen that social media represents a great opportunity for companies and brands to gain positive favor with consumers.
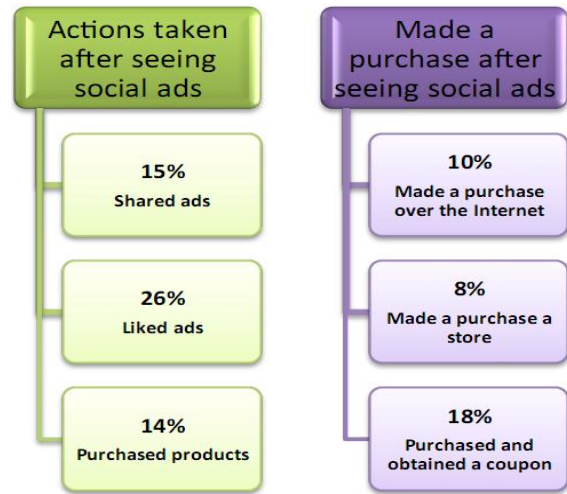
Figure 7- Advertising in social media: How consumers act after seeing social ads

Marketers can impact their business by using the adoption and influence of social media, and harness the growing incomes of emerging markets such as Asia, Latin America, and the Middle East. The consumers in these regions will spend more money online in the future. (Nielsen 2012) The following figure 7 tells the percentage of how many consumers take action after seeing social ads and how many made purchases after seeing social ads. Social media has not only changed how people communicate online, but it has also changed the consumption of other media too. Online social connections are used to filter, discuss, disseminate, and validate news, entertainment, and products for consumption.

Digital Marketing Plan: After examining different methodologies, it was natural to choose the case study approach and develop a digital marketing plan in practice. This section discusses the most relevant parts of the plan for Design with Benefits. When planning a marketing strategy, is important to first understand the market being pursued. Through this understanding, it is easier for the company to assess its business potential, make investment decisions, identify marketing opportunities, find prospective customers and develop marketing. Also it helps the company plan a better sales strategy and helps decide where to put their focus. Consequently, this study also starts by explaining what kind of market our example company, Design with Benefits is operating in.

Market Potential: Design with Benefits is operating in a huge market; the United States (US) is the 3rd largest country in the world by population and is the world's biggest and most technologically powerful economy in the world with GDP (purchasing power parity) $15.94 trillion, and real growth rate of 2.2

percent. According to the CIA (2013) in the US, business firms enjoy greater flexibility than their counterparts in Western Europe and Japan when it comes to decisions to expand capital plant, to lay off surplus workers, and to develop new products. However, at the same time, they face higher barriers when entering their rivals' home markets than foreign firms face entering US markets.

Table 1- Average annual expenditure and percentages 2011-2012

Average Annual Spending	2011	2012	2011-2012 (%)
Total	49.705	51.441	3.5
Food	6.458	6.599	2.2
Housing	16.803	16.887	0.5
Apparel and Services	1.740	1.736	-0.2
Transportation	8.293	8.998	8.5
Entertainment	2.572	2.605	1.3
Health Care	3.313	3.556	7.3

It is worth nothing that this does not concern Design with Benefits at the moment, since the site is concentrating solely on the US market. US household spending in 2011 was $9428.8 billion dollars, which is enormous when compared to the whole European area, which was $5660.4 billion dollars in the same year. The latest statistics show that average household spending in 2012 was $51.442 (see table 1), an increase of 3.5 percent from 2011. This means that the US market has a lot of consumer power, even though the impact of the world's economic crisis between 2007-2009 can be seen in the US economy. Social, health and environmental influences have grown in consumer purchasing. In recent years, emphasis has been on the food, cosmetics and toiletry industries. In fact, in North America, the natural and organic sector is the fastest growing in the cosmetic sector with a 20 percent increase in sales every year.

The food and functional food ('superfood') market in the US is expected to continue growing and at the moment, the US market is the most valuable functional food and beverages market in the world, estimated at $155 billion in retail value. The natural cosmetics market has passed the $5 billion mark. Natural pet foods have grown 4 percent and retail sales reached $18.4 billion in 2010. The sustainable and ethical segment (including fair trade products, ethical product area and sustainable growth) is also growing in popularity. For example, in 2009 the United States' retail sales reached over $851 million. By comparison, Canada had retail sales of $201 billion in 2009, having 66 percent growth from 2008. Design With Benefits can be categorized as a part of the last group since its products have these features. However, according to ITC's (2012) report consumers in this group demand transparency when starting with organic ingredients and sustainable manufacturing, all the way to a proof of third-party certifications.

CONCLUSION:

The Internet represents an efficient medium for communication with users. It serves the important role of attracting and retaining the users/customers and, in that way, managing the long-term customer relationships. It is a new marketing tool offering companies access to technological advancements and direct communication with users, as well as enabling marketing managers to quickly and continuously update the database of their customers. The paper discussed the role of the Web in marketing research and everyday business decision-making. It stressed the existence of various data types, different data sources as well as a number of methods and techniques of data collection that can be useful when conducting the Web research. Special emphasis is put on the importance of Web segmentation that enables the identification of homogeneous segments and delivery of needed information to certain target groups. From this perspective, there are several practical applications of different Business Intelligence tools and technologies in the marketing context:

- Managers, especially the marketing and sales managers need to assess their corporate Web pages and determine the role of the Web site in everyday business operations, since it does not have only an informational role, but also serves as a communication and sales channel. Web analytics are indispensable for such a purpose.

- With respect to traditional methods of market segmentation, managers should use the Web segmentation opportunities, in order to define and understand the Web users, their motivation and buying habits.

- It is not enough to use regular data or simple reports to fully understand the online customers and adapt the marketing strategy (marketing mix) effectively.

- Marketers/managers should pay attention to the corporate Web content, structure and navigation if they want to present the company in the best possible manner.

- It is important to conduct marketing research on the Web and to implement Web analytics or other methods frequently, as to collect the real time data. Finally, it is important to encourage companies to use the Web as an interactive medium for establishing a connection with their customers. With the growth of the Internet and technology innovations, it is necessary to be up-to- date with such advances, in order to take

Pushpendra Singh Gaur*

www.ignited.in

118

advantage of the full potential that the Web offers.

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