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# Making Digital Marketing Strategy Work



By Joerg Niessing , INSEAD Affiliate Professor of Marketing and , INSEAD Assistant Professor of Marketing

## **Three fundamental principles are at the core of successful digital marketing campaigns.**

Adapting to the ongoing digitisation of the economy is arguably the most challenging transformation every business is currently facing. Digital tools and trends are invading the business environment faster than companies can react, provoking significant changes in the way we communicate, consume, work, buy and sell.

The scale and pace of the change brought by “digital” is matched only by large-scale industrial revolutions that leveraged coal or electricity and energized entire industries by removing fundamental constraints under which manufacturing operated, leading to unprecedented increases in productivity and lower costs. Digital media and application platforms are now driving a new revolution, creating richer dynamics between people and disrupting business. But where the electricity revolution empowered and enriched businesses rather than individuals, the digital revolution has the potential to empower everybody.

Pre-digital revolution, the function of companies was to produce, the function of media was to broadcast and consumers consumed. Digital tools have broken the monopoly of the media, enabling everyone to become a publisher and in some sectors they've broken the hold of companies on their industries, such as taxis and hotels. Companies no longer control their own narrative nor do they control the provision of goods and services.

### **More commitment needed**

These changes do not mean traditional companies are doomed to fail. Incumbents who embrace the vision, customer centricity and organisational transformation necessary to impress consumers across every channel can, in fact, maintain and even strengthen their position, as examples from L'Oréal, Red Bull, Maersk or GE show.

According to research by Capgemini and the MIT Sloan School of Management, mature digital leaders do two things in combination that separate them from rivals. First, they invest in technology-enabled initiatives to change how the company operates, including new platforms, apps, big data capabilities, holographic technology or even artificial intelligence. Second, they create a vision and governance framework to effectively drive change through the organisation and build strong business-IT relationships necessary to implement technology-based change. This strategic vision often rests on a tight integration of the customer perspective in every aspect of the business such as insight capabilities, marketing strategy, finance or HR functions. Successful companies are 26 percent more profitable than their average competitors, the report finds.

Such a change has profoundly changed the nature of marketing and encouraged the emergence of a new kind of capability: digital marketing strategies, resulting in deeper interconnections with customers (outside the company) and broader interconnections of marketing capabilities with other functions in the company, from strategy to HR (within the company).

It is for this reason that we launched **Leading Digital Marketing Strategy**, an Executive Education programme to help executives understand how to create consistent, strong engagement with customers across platforms and leverage data to optimise and enhance the customer experience in coordination with other capabilities within the organisation.

### **What works**

Digital technologies are changing the rules of every industry. But one of the most important “laws in business” has not changed at all: customer centricity and customer orientation. Steering the digital transformation by transforming organisations, processes and technology without putting the customer at the centre of your digital strategy **simply does not work.**

In our programme, we reveal what strategies tend to work and what strategies tend to fail when it comes to designing a digital marketing strategy that resonates with customers. We boil it down to a few key factors.

## **1. Are you “on brand”?**

In nearly every class we teach, participants often raise the question, “how do we make something that goes viral?” Our first response is, “why does it have to be viral?” Your marketing strategy shouldn’t be about aiming to reach a million people with a funny advertisement in order to sell ten units of a product. That is how television advertising worked in the past. But now it is often about how to successfully convert customers who are aware of your brand and generate a desire to purchase it. In other words, we unveil how companies can start by reaching ten people that buy their products, influence another hundred, that influence another thousand with significant returns – something we call the Tupperware effect, after a successful example of such an organic spread.

The most effective influencers are those that stay “on brand”. Red Bull takes content marketing to the extreme, just like it does in its branding. “Red Bull gives you wings” becomes videos of extreme skateboarding and stratospheric sky diving. But it’s not just the “fun” brands, like Red Bull or Heineken that make appealing content.

Generali, an Italian insurance company, produced **this video** in Thailand. It tugs at the heartstrings with a tale of a difficult father-son relationship, until it’s revealed that the father was only hard on his son to make him strong enough to stand on his own once his parents pass on. It had almost two million views and was shared widely for its emotional appeal. It also struck a chord with those keen on life planning.

## **2. Rationale**

Most companies and observers seem confused about what digital actually means, let alone understanding how they should go about it. In addition,

they often run headlong into the fray without asking themselves why they're actually doing it. As in the first point, if the rationale is purely to go viral, then it's a gamble as to whether it will, and a gamble as to whether it will meet strategic business goals such as an increase in sales or revenues. While Generali's video went viral, it served mainly as an advertisement and wasn't part of a concerted multi-channel effort. Company executives in Europe weren't even aware of it until they accidentally learned about it.

Intel is a company that both stays on brand and has a clear rationale in its digital marketing strategy. As a company that makes processor chips for computers, it operates solely in the B2B space. But the firm wanted the next generation of consumers to be strong influencers in what processors they wanted in their computers. So they focus on an educational approach, teaching their audience about the technology behind things **from transport** to major events, such as the **football World Cup**, demonstrating their relevance to everyday lives and experiences. This strategy provided very successful with the Intel brand ranking systematically among the top in both consumers and expert ranking.

### **3. Building insight capabilities to co-create**

The part of digital strategy that is most likely to put firms into a leading position, however, is how well they understand their customers and respond to their needs and succeed in becoming truly agile organisations. Much of this comes with how well they gather data and get insights from the customer as L'Oréal did.

When **L'Oréal discovered** momentum building online for a particular hair style, it responded by creating a hair dye solution targeting the need and even named it after the term that was emerging online, "ombre". This required complete marketing integration with the business and a totally new approach of how to create novel value.

Success in digital marketing requires both learning new skillsets about how to successfully leverage new platforms, and fundamentally, it requires going back to the grass roots of business: the customer, and understand how the digital revolution has transformed customer behaviour. Building on these insights, companies can put customers at the front and centre of strategy and design an experience that will turn each one into an influencer, pulling customer trends into decision-making and product creation.

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