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# THE SEVEN STAGES OF THE DIGITAL MARKETING CYCLE

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## Keywords

inbound marketing, interactive marketing, storytelling

## Introduction

Imagine you are shopping for lettuce. You see a sign: ‘Leafy green vegetables’, and you enter a large and quite striking farmers’ market. You can enter this market through many doorways. Several stalls clamour for attention for bright, perfect fruits and vegetables. Next to each are lists of the awards this market has won for design and layout.

However, you cannot find lettuce. Neither can anyone else. They have cabbage and kale but no lettuce. You are walking around with other people, trying to find what you want, but to no avail. Worse for the business owners, people outside are trying to enter to buy cabbage and kale, but they cannot, because the lettuce-seekers have filled the market. You leave exasperated.

As you leave, you see another sign: ‘Lettuce.’ You enter a different, less glamorous market. The products look edible, but they are not shiny and perfect. Yet, you see lettuce: Big and small. You find what you want, buy it, and are done.

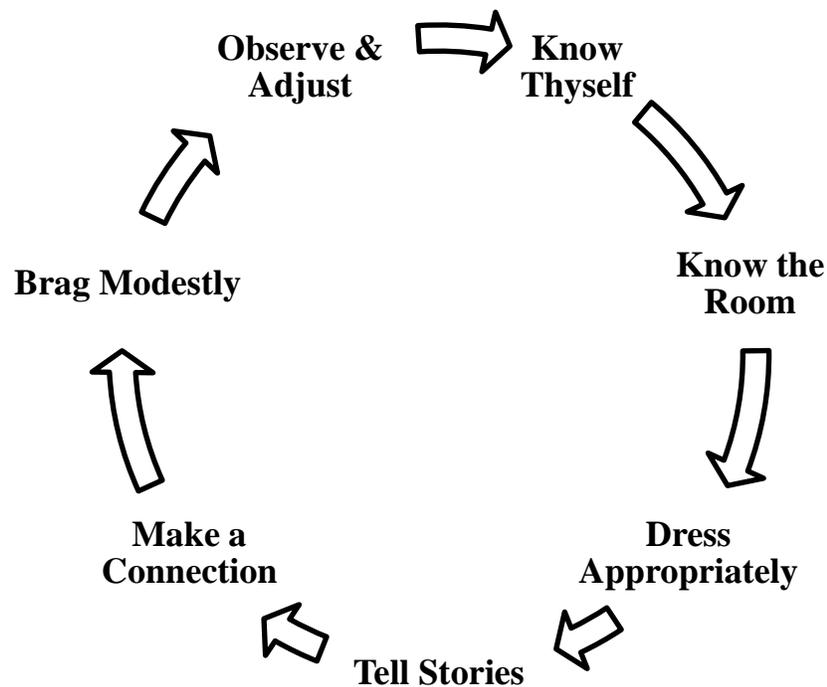
The first market was gleaming and perfect, but you did not buy. Instead, you bought from the functional but less glamorous market. The former market was practicing outbound marketing: accumulating traffic in the hopes of getting lucky. The latter market selected you as a potential customer and understood your wants.

Outbound marketing is common but ineffective. However, practicing good digital marketing can repair it. This chapter walks you through seven stages of a cycle to select an audience and make the most of their attention. We call that the digital marketing cycle. In the past 20 years, we have seen this cycle generate a return for banks, creative agencies, fast-moving consumer goods companies, railway services, start-ups, telecom companies, and universities (first author), companies that sell bulletproof vests, dress designers, labour unions, law firms, and mom-and-pop businesses (second author), and consultancies (both authors). The cycle scales well and works for many organisations. It ensures that marketers

(1) know themselves, (2) know their audience, (3) target them appropriately (4) with an engaging story, (5) retarget, (6) brag (modestly), and (7) observe their audience response and adjust accordingly (see Figure 1). After reading this chapter, you will:

1. understand the Internet as a two-way marketing medium to get attention, attract customers, and do business;
2. know what is necessary for a virtuous digital marketing cycle;
3. understand the seven stages of the cycle.

**Figure 1. The Digital Marketing Cycle**



## **Digital Marketing Defined**

Digital marketing seems stuck in ‘hey-want-a-cheap-watch mode’: Companies try to get people to their site, then worry about whether they really want to be there, or whether they will buy, or inquire, or vote, or anything else. This outbound, accumulation-type marketing is not always obvious. It takes other, more subtle forms, too, such as campaigns that overgeneralize or that are ego-driven. Outbound marketing is not based on selection of potential customers. It is relatively indiscriminate, leaving businesses and customers frustrated. It grows out of broad

assumptions about audience and strategy that are both inaccurate and unsubstantiated. As a result, outbound marketing can accumulate and rack up high traffic numbers and fail utterly to generate any useful business.

Typical outbound marketing revolves around a drive to get more traffic, no matter what. Banner ads, e-mail marketing (not spam), spam, pay-per-click marketing, search marketing, viral marketing—name the method, and the majority of marketers uses them as blunt instruments in a get-all-the-traffic-and-hope-for-the-best kind of way. Never mind whether that traffic represents truly qualified potential customers. Never mind the cost of driving useless traffic. Just keep them coming. Everyone—marketing practitioners and scholars alike—is to blame for this. We have all said ‘More traffic!’ at least once in our careers. In traditional media—print, television, etc.—it made sense to start off with this approach. Yet digital marketing is different, and much more powerful. It is a polite, empirically measurable, two-way conversation in an effort to exchange ‘something.’ That means companies can converse with their customers, and select traffic rather than accumulate it. The digital marketing cycle is our attempt to demonstrate how companies take advantage of the two-way street and start a real conversation with potential Internet customers.

## **The Digital Marketing Cycle in a Nutshell**

The Internet is the only two-way medium outside of a face-to-face meeting, a telephone call, or a video conference. That uniqueness makes digital marketing more efficient, profitable, and much, much more complex (Hoffman & Novak, 1996). We have grappled with that for twenty years. One of the most common mistakes marketers make when marketing on the Internet is treating it like any other medium. Our digital marketing cycle is a way to address that because it is a cycle that builds on the view that the Internet allows a dialogue between a company and its audience. Our digital marketing cycle is able to meet age-old marketing challenges on the Internet. It is a methodology that makes use of the changes brought about by new, faster, more interactive media, without discarding the basic, sound principles of good communications. It also ties together creative (copy)writing, web design, and aspects of web analytics in a way that not only makes sense but provides a blueprint for long-term Internet strategies. It is where the Internet’s communications and technical strengths come together that our digital marketing cycle really takes root. Companies that have used our digital marketing cycle to good effect generally (1) have a story to tell, (2) are ready to commit for the long term, and (3) know their limitations.

A conversation is, at a minimum, a two-way exchange of information—someone talks, someone else listens and responds. The first person hears the response and answers accordingly, and the second person does the same, and so on, until the conversation concludes. Marketing in traditional media is not a conversation. Information is delivered, but there is no observe-and-respond cycle. Companies cannot quickly adjust to their audience's needs, wants, or approval/disapproval of their initial message. Considering digital marketing, marketers deliver a message to their audience via a website, ad on another website, or e-mail marketing piece. Customers see the message, and companies know they see it because marketers can measure views. Customers click on the ad, a link in the e-mail, or click deeper into the company's site, and companies know that, because marketers can measure that, too. Then customers do or do not take the action companies want them to take (buy, join, rent, sign up, etc.), and companies know that, as well, because marketers can measure that, too. Marketers can do all of this anonymously, at a fraction of the cost of traditional marketing. Most importantly, marketers can do all of this in real time, so companies can modify their banner ad, landing page, or entire website after days, hours, or even minutes of beginning a campaign. Marketers deliver a message. The audience responds. Marketers observe and adjust their message accordingly. A conversation occurs. The Internet is the first mass-marketing medium where this level of two-way conversation can occur in a polite, empirically measurable way.

## **Stage-By-Stage Guide**

### *Know Thyself*

Marketers need to know what their company is trying to accomplish and they need to ask themselves whether the company's goals comprise the elements, which Aaker and Smith (2010) break down into five design principles that can be remembered by the mnemonic HATCH (Humanistic, Actionable, Testable, Clarity, Happiness). Achieving these goals is what it takes to state that the digital marketing cycle is virtuous. Following Aaker and Smith, we encourage marketers to start by asking whether their goals are (1) humanistic, (2) actionable, (3) testable, (4) clear, and (5) ensuring happiness.

If goals are humanistic, marketers are focussing on understanding their audience rather than making assumptions about quick solutions. Businesses including General Electric and Procter & Gamble have replaced the segmentation, targeting, and positioning model with a more effective, human-centred approach to goal-

setting that places more emphasis on understanding consumers as individuals (Cayla & Arnould, 2013).

If goals are actionable, marketers are using short-term tactical micro goals to achieve long-term macro goals. A macro goal is a long-term goal that identifies the problem—the ‘gap’ marketers intend to close (Aaker & Smith, 2010). A short-term goal that is actionable, small, and measurable is a tactical micro goal (Fogg, 2009). Whereas a *know thyself* stage of only macro goals quickly becomes overwhelming (Bandura & Cervone, 1983; Thaler & Sunstein, 2009), a *know thyself* stage that breaks down macro goals into tactical micro goals is encouraging (Lieberman & Trope, 1998; Seijts & Latham, 2001).

If goals are testable, marketers are identifying metrics that help evaluate their progress and inform their actions. They establish deadlines (Ariely & Wertenbroch, 2002) and celebrate small wins along the way (Bandura & Cervone, 1983). Testable goals combine the *know thyself* stage with the *observe & adjust* stage, which leads to a virtuous digital marketing cycle.

If goals are clear, marketers increase their odds of success and generate momentum. They do not overtax their prefrontal cortex (Muraven, Collins, & Neinhans, 2002). If goals ensure happiness, both marketers and their audience find them meaningful. Goals based on personal interests and values are achieved more often because they continually energize and help people stay more focussed (Koestner et al., 2002).

Marketers’ goals change while they plan, and even after they launch their digital marketing cycle. However, the cycle is flexible, and meant to be adapted after marketers get started. They have to meet some basic criteria for a virtuous cycle. To make sure that those criteria are reasonable, marketers need all HATCH components to focus the cycle (Aaker & Smith, 2010). If one or more is missing or deficient, their task is that much harder and they may not get their digital marketing cycle to be a virtuous one.

### *Know the Room*

When people arrive at an event, the next thing they do is look around and see if they know anyone. To *know the room* by trying to learn the nature of the audience with whom the company converses is a good idea on the Internet, too (van Laer, de Ruyter, & Cox, 2013). A marketer’s audience is the group they are trying to communicate with and persuade. Awareness of audience requires awareness of:

1. Personas: the attributes that define a marketer’s audience;
2. Workflow: the way the audience is most likely to move through the site;

3. Calls to action: the places in that workflow where marketers want them to take some specific action, such as download a white paper, sign up, or purchase.

First, marketers need to understand who is using their site. If the goal is to create a product that satisfies a broad audience, logic tells us to make it as broad in its functionality as possible to accommodate the most people. As Bond argues in Chapter 5, this logic is wrong in digital marketing. Digital marketers have more success by designing for singular people. To do that, they create definitions of the different typical consumers. These definitions are called personas. Cooper (2004) was the first to coin the notion of personas in a digital context.

To define a persona, marketers can use many different resources that are beyond the scope of this chapter to discuss. Once marketers have collected their data, they can build their personas. They should expect to have two or three different personas on a particular project. Few organisations have only one, and if they find more than three, they need to re-examine the goals of their cycle—in twenty years we have never seen a website successfully cater to more than three distinct groups.

Although satisfying the customer is marketing's objective, the term 'customer' causes trouble. Its imprecision makes it unusable. 'Customer' reads as 'elastic customer.' The elastic customer must bend and stretch and adapt to the needs of the moment. However, marketers' objective is to design a cycle that bends and stretches and adapts to the customer's needs. Designing for the elastic customer gives marketers licence to do as they please while paying lip service to the 'customer.' However, real customers are not elastic. A virtuous digital marketing cycle does not refer to the 'customer.' Instead, it refers to a specific individual: a specific, hypothetical, precise persona.

The more specific marketers make their personas, the more effective they are as marketing tools. For example, marketers should give a persona a name, a face, and a job. Thus, identifiability is the property a persona must satisfy, such that marketers understand the experience of the persona by knowing and feeling the world in the same way (Escalas & Stern, 2003). The central focus of persona creation is on believability and not on diversity (Bal, Butterman, & Bakker, 2011).

Many scholars and practitioners alike, with a reverence for the empirical, confuse real customers with hypothetical, archetypical (more valuable) personas. One real customer might be (in)capable of controlling the software, whereas the majority of other customers can(not). A persona should therefore be representative.

As a digital marketing tool, it is more important that a persona be precise than accurate. In the interest of being precise in the definition of personas, averages have to be ruled out. A customer may on average have 2.3 children, but not a single customer actually has 2.3 children.

Marketers do not have to perfectly *know the room*, right away. It is a digital marketing cycle so marketers can learn more about their audience later, and act on what they have learnt.

Second, digital marketers have to determine a model for how each persona might use their site once they know their personas. They can do that using workflows. A workflow is a simple, common-sense map that describes how a persona moves through a website—it may include a single visit, but typically spans several, and ends with some desired conclusion.

A workflow might be a simple list, a flowchart, or a mind map. Typically, marketers may use flowcharts (also known as swimming lane diagrams) that they can later combine to show all personas together. The workflow is not necessarily web-centric—many actions might not take place on the website. It does not end with a purchase, either. Upgrades and accessories keep the digital marketing cycle going.

Third, now marketers know who is using their site and they have sketched out how, the final step in knowing the room is understanding where in this process opportunities exist to help potential consumers move forward in their decision-making, even if they are just trying to persuade them to sign up for a newsletter or to download a document.

The possibilities of what marketers are trying to persuade consumers to do, are endless. ‘Buy this’ is only one, narrow message. ‘Elect me,’ ‘Sign up for our newsletter,’ ‘Have another look,’ ‘Download our white paper,’ and ‘Take a test drive’ are also valid calls. Marketers should consider their call to action carefully.

Typically marketers have several different calls to action. If, for example, they sell something, the ideal call to action is ‘Make a purchase.’ However, their audience can take other actions that lead to a good outcome. Consumers could sign up for their newsletter, or order a free sample, or tell a friend about their product. A virtuous digital marketing cycle does not depend on consumers to take the best possible action the first time they visit the site. Instead, it gives them options that escalate to that best action.

To figure out their calls to action, marketers may think about what they would do upon first visiting their site. They may make an ordered list or a flowchart of the actions a consumer takes, up to the best possible action. This can be the toughest part of knowing the room. A call to action is legitimate if:

1. the call to action addresses a need of one or more personas;
2. the call to action presents an opportunity to measure audience response;
3. answering that call to action means a persona does something marketers want him or her to do.

## *Dress Appropriately*

If people know their audience, they can wear the right clothes to an event. People neither wear a ripped T-shirt to a black-tie dinner, nor a tuxedo to a football game. Marketers should also make sure they *dress appropriately*. Dress, in this case, means the appearance of their website. Appropriately means catering to and delivering an experience expressly designed for their audience. ‘Appropriately’ does not necessarily mean ‘cool.’ Digital marketing is a communications contest, not a design competition.

This stage is as much about what not to do as it is about what marketers should do. Design is as much an exercise in avoiding pitfalls as it is a creative act. This section is not an attempt to set broad boundaries for what is ‘good’ or ‘bad’ web design. It is written to make marketers educated judges of ‘good’ versus ‘bad’ design in the context of the digital marketing cycle: ‘good’ being a design that quickly connects with an intended audience and ushers them into a virtuous cycle; ‘bad’ being a design that either fails to make that connection or actually breaks it. Practicing audience-focused design leads to a virtuous digital marketing cycle. Real-life conversations are painful when one person ignores the other’s (dis)likes and the digital marketing cycle is no different.

At this stage, marketers put a lot of time into knowing the room. They pondered their audiences, considered calls to action, mapped out workflows, and generally tied themselves up in knots trying to anticipate the who, how, and why of their digital marketing cycle. Now they can put that to work by creating a ‘look’ that appeals to the personas created in the *know the room* stage, and make it easy for them to use the website. By doing that, marketers make sure that the digital marketing cycle gets virtuous. A conversation is about what two persons like. The digital marketing cycle works the same way. A website’s look and feel is not about what marketers like. The objective of this stage is to get consumers to stay just long enough to start reading or viewing the message; no more, no less. Therefore, what they see first has to evoke the right response.

In any conversation, first impressions matter—at an event and in digital marketing. At an event, people are more likely to talk to people whom they expect to be good conversationalists. Within the first 10 seconds after consumers arrive at a website, they make a near-instant decision as to whether it has what they need (Nielsen & Budiu, 2013). Most consumers process elements of the site’s design in this order: (1) colours, (2) textures and effects, (3) typefaces, (4) complexity, and (5) layout and positioning.

First, people react in certain ways to certain colours. Nothing starts or stops a conversation faster than a bright green shirt. The same goes for a website. These

are all value judgments—different cultures interpret colours in different ways (Gage, 2000). When consumers arrive at a website, colour typically is the first to evoke a response. Whether they see a splash of red in a photograph or the background colour used in the overall layout, that first bit of colour drives their experience. So marketers need to select colours carefully. Note usability: eight percent of the male (versus 0.5% of the female) population has a form of shade blindness that makes it difficult for them to see, for example, blue text on a red background—several sites have this colour scheme.

Second, texturing and effects have their place even if many designers and marketers turn their noses up at the idea of a drop shadow (Savage & Hartmann, 2011). Some examples of effects are bevelling, shine, drop shadow, gradient fills, and rounded corners. Used correctly texturing and effects can help emphasize a point, isolate a message, or make a website more usable. However, if a website incorporates any kind of effect, marketers should have a good reason. Textures and effects have to make sense. Used in combination with different colours, effects can elicit subtle or strong responses. Effects should help consumers get the point. They should not be the point. If a button or effect is not helping to keep the digital marketing cycle going, marketers should get rid of it.

Third, type and typesetting are a critical part of dressing appropriately. Consumers have now arrived at the site—in the first seconds they have processed the colours and textures marketers used. Now they are seeing if there is anything to read. They are not reading it, yet, but their eyes are already tracking the page, looking for cues and calls to action. Choosing fonts is like deciding whether to speak loudly or softly, quickly or slowly, or to use big words or small ones. This choice is fundamental to the digital marketing cycle. Fonts are not just for reading. They are shapes and lines that can generate as strong a response as splotches of colour. Their application to a page can have similar implications for a site.

In any conversation, the way people present their words is important. In digital marketing it is crucial, because it sets the tone for the entire digital marketing cycle. Using the wrong font or overusing a text effect is like showing up at a beach party in a tuxedo: not dressed appropriately. Typefaces are an art form however. Offering a complete primer on typesetting is beyond the scope of this chapter (but see Zeldman, 1998-2016 for typographical principles).

Fourth, complex information is carefully considered if three conditions are satisfied:

1. High levels of ability and competence: consumers should be able to weigh the information carefully (Noordman, Vonk, & Kempff, 1992);
2. High levels of motivation: consumers should be motivated to weigh the information carefully (Chaiken, 1987; Chaiken, Liberman, & Eagly, 1989);

3. Ample opportunity: consumers should be in a position to weigh the information carefully (Novemsky et al., 2007).

The number of columns, shapes, text blocks, images, and other widgets marketers include on a page all pertain to complexity. So does any use of motion graphics, such as Flash. If an audience is less experienced in using the Internet, marketers need to keep matters simple. The same holds true if an audience is looking for convenience—if they are looking to digital marketing to make something easier for them. If, on the other hand, an audience is made up of experienced Internet users, is looking for lots of information, or is generally techier, marketers can create a more complex layout and let the audience explore.

Fifth, eye-tracking and mouse-tracking studies show that the occidental eye takes in a page of information in a F- or Z-shape, respectively (Nielsen & Norman, 2006). Items at the corners of the page are emphasized. Items at the top and bottom left are the first and last items consumers see when they first scan the page. The top left corner is the most viewed, most studied part of any page. Whereas the most important items do not need to be at the top and bottom left, marketers need to consider what they put there. If they put a bright graphic, boldface type, or something that is otherwise an attention-grabber in either of those locations, it is dominating the page, which is like standing on a podium with a microphone in conversational terms.

In sum, how a website looks is important. In those crucial first seconds after consumers arrive at the homepage, they want to see something that appeals to them. Once marketers have generated that appeal and dressed appropriately, though, they have to *tell stories*.

## *Tell Stories*

When you have a conversation with someone who holds your attention, you probably keep listening, because...

1. He or she speaks clearly. You can understand what he or she is saying. For the digital marketing cycle, that means good architecture and good code;
2. If he or she spills their drink on you, he or she says they are sorry. When those inevitabilities happen, people apologize, fix the problem, and move on. For the digital marketing cycle, that is a scantily researched discipline known as contingency design;
3. He or she has an engaging story to tell. You want to hear what he or she is saying. For the digital marketing cycle that is good content.

First, conversations have a certain flow. That flow is not necessarily linear. Though people say hello, talk a bit, and then eventually say goodbye, in between

a discussion can meander down many different paths. People tend to jump from one subject to the next, but they often have a goal in mind. A website must treat content in that way. It may all be ‘static’ information on a page, but consumers move from the homepage to their goal (which may change) in many different ways. Great websites include great information architecture, which is the practice of providing clean, useful, practical routes between pieces of information, where those routes anticipate common lines of inquiry.

We assume three basic types of users. ‘Browsers’ want to click through a site, find what they need by using buttons and doing little typing. ‘Searchers’ want to get to a site, type in a phrase, and go directly to the page they need (or start on a search engine, such as Google, and do the same). ‘Navigators’ want to see a site map or other high-level view of a site, find the area that is relevant, and go there. A site needs to cater to all three audiences without playing favourites. Structuring content so that an audience gets to pick their own route through it, while at the same time subtly steering them so that the right parts of a message receive emphasis, is the other side of good information architecture.

In digital marketing, good code is also part of how marketers build a virtuous digital marketing cycle. Imagine hearing someone speak who has great ideas but just cannot get them across. Listeners can almost feel the brilliance, but they cannot get at it because of background noise, which is frustrating. If marketers’ site is not properly coded, it may not look right, and their cycle will be viciously frustrating. Whether using Google Chrome, Microsoft Edge, Mozilla Firefox, or Apple Safari, visiting any website, ‘right-clicking,’ and clicking View (Page) Source reveals the HyperText Markup Language (henceforth HTML) code that makes the page look the way it does. HTML is a language of structure. It lets a webpage designer organise content into paragraphs, tables, etc. It also includes several ways to control how content looks—marketers can control the font, colour, and size of text, place images on a page, etc. People have been trying to improve HTML since the advent of the World Wide Web. It is an imperfect language, particularly when marketers are trying to make an attractive, usable website. For example, HTML forces designers to use tables—originally meant for the presentation of tabular information—as a layout tool. It also often forces designers to use pictures of text, rather than real text. It is easy, then, to build a webpage that looks acceptable in many web browsers, but has a terrible foundation of noncompliant code. Few websites are built on good code. Many print design or web design professionals who are building websites often cut corners by using a content management system or visual layout tool (e.g., Adobe Dreamweaver or Microsoft Expression Web). After all, consumers do not see the code, so they do not care as long as the webpage looks acceptable.

Marketers should care however. Bad code creates many problems that can turn a digital marketing cycle vicious (Zeldman & Marcotte, 2010). It is as though marketers have feigned knowledge on a topic. They can probably get away with it for a while, but eventually someone who knows the subject finds them out. It is tough to recover from that kind of gaffe. The same is true if someone visits a website and it appears broken. Worse, if a search engine visits the homepage but finds what appears to be an attempt to ‘cheat’ by tricking the search engine into awarding a higher ranking (see the *brag modestly* stage). It might be an honest coding error, but many engines ban sites attempting to game the system. Good code provides a solid foundation. If marketers use it, everything they build afterward will be easier. No one notices good code, just like no one notices if someone speaks clearly. Good code is a hygiene factor (Herzberg, 1966), and as a result, a virtuous digital marketing cycle needs it.

Second, a technique called contingency design is essential if marketers want a virtuous digital marketing cycle. If consumers have a miserable customer experience, but walk away smiling, a company most likely said: ‘We are sorry, and here is how we experienced it.’ The company expressed concern and told consumers the story from the company’s perspective (Van Laer & De Ruyter, 2010). Marketers can do the same thing on their website, through contingency design—the art of admitting things go wrong and figuring out how to apologize, in advance (Linderman & Fried, 2004). Since no web interaction can be perfect, it is up to marketers to help their audience walk away smiling.

Third and equally important as architecture, code, and contingency design, is what people actually see—content (see also Goldring, Chapter 14). It must be crafted to tell an engaging story.

Since the Lascaux Caves dwellers first drew on their walls, stories have been universal and ubiquitous. All human cultures have (had) master storytellers at their centre, such as the Native American shaman, the European troubadour, the West-African griot, the Hindu pundit, and the Celtic bard. Stories, such as fairy tales, are also the way consumers make sense of the world, from a young age (Bettelheim, 1976). They are sufficiently powerful to serve as vehicles for rendering consumer lives intelligible (Gergen & Gergen, 1988). As Schank (1995, p. 115) comments, if marketers want to be truly memorable, they “need to tell someone else a story that describes our experiences because the process of creating the story also creates the memory structure that will contain the gist of the story”. The mind is narrative. Stories are the essential building blocks of all human thought. For instance, the morning after reading the novel *Pompeii*, participants in a neuroscientific study showed heightened brain connectivity, almost like a muscle memory (Berns et al., 2013). Not surprisingly, stories take centre stage in online content delivery (de Ruyter & van Laer, 2014). Stories are highly engaging and effective content for a

virtuous digital marketing cycle, if they provide identifiable characters, an imaginable plot, and verisimilitude (Van Laer et al., 2014).

A virtuous digital marketing cycle requires good architecture, good code, contingency design, and good content. They keep the cycle going, keep it entertaining, and steer consumers back on track if their attention wanders.

### *Make a Connection*

Many marketers invest resources to build a website that grabs the attention of consumers. Then they invest more resources to get consumers to their site, in pay-per-click advertisements, search-engine optimisation, etc. Then they do the online equivalent of walking away. Many consumers who want to learn more, need to be reminded of a company's existence and important news. Retargeting comes in there. It is great to meet everyone at an event, but many people want to talk to each other later on, too. At an event, people exchange business cards or phone numbers. On the web, the most common way to *make a connection* is email. It is ubiquitous, everyone knows how to use it, and it does not depend on consumers coming to find a company. However, retargeting advertisements are worth mentioning, too.

First, permission-based email marketing draws subscribers to an email newsletter and actually makes them feel good when marketers send them something (Cheng et al., 2009; Waring & Martinez, 2002). Arguably, the first words that pop into people's heads when they hear 'email marketing' is spam. However, not all email marketing is spam. Marketers can use email as a marketing tool and not get tagged as a spammer, if they keep in mind both interpretations of spam: the legal interpretation, with which it is pretty easy to comply, and the emotional interpretation. It is the emotional interpretation for which marketers have to watch out—consumers are quick to call spam any email that they feel is either unsolicited or inappropriate. It is easy to be perceived as emotional spam, so marketers should follow Schiff's (2016) fundamentals for delivering successful permission-based email marketing campaigns. If the email that marketers are planning to send would annoy them or feels like someone on a sidewalk is pushing flyers in people's faces, marketers should reconsider. Chances are they do not engage in a conversation with someone, or hand them a business card, unless for a reason. Making a connection through email should follow the same heuristic.

Second, retargeting, also known as remarketing, is a cookie-based technology that uses a JavaScript code to anonymously 'follow' an audience over the web (ReTargeter, 2016). Marketers can place a small, unobtrusive piece of code on their website. (This code is sometimes referred to as a pixel). The code, or pixel, is unnoticeable to their consumers and does not affect their site's performance. Every

time a new consumer comes to their site, the code drops an anonymous browser cookie. Later, when their *cookied* consumers browse the web, the cookie lets their retargeting provider (e.g., Facebook) know when to serve ads, ensuring that their ads are served only to people who have previously visited their site. Retargeting is effective because it focuses marketers' advertising spend on people who are already familiar with the brand and have recently demonstrated interest.

Whichever way marketers decide to keep the conversation going—email, retargeting ads, or something else—they should make sure they live up to expectations. They should send subscribers an email when they have important news, update their retargeting ads regularly, record some new audio and post it, and remember, these people said 'Yes, please talk to me!' If marketers do that, chances are greater they can stay 'top of mind' and turn consumers into customers. They can also draw people to their website if they *brag modestly*.

### *Brag Modestly*

At an event, a great boost to someone's reputation is having the host introduce him or her as 'The person I told you about. You have to talk to him or her.' The host bragged for him or her—that is modest, but still a great boast (Scopelliti, Loewenstein, & Vosgerau, 2015). The same technique works well on the Internet. The event is typically a search engine, and marketers *brag modestly* by achieving a high natural ranking or by creating a well-composed pay-per-click ad. They can start many conversations through search engines. Blogger sponsorship, social media, and press releases are, of course, other ways to get people to visit a website. However, most Internet users visit a search engine to find what they want online. Search engines are at the centre of bragging modestly if marketers are trying to grow their business using the Internet. A digital marketing cycle that works balances paid advertising and natural rankings.

First, search engines typically deliver two sets of results: (1) free, or natural, results, and (2) sponsored, pay-per-click (henceforth PPC) or product listing advertisements (henceforth PLA), results. Consumers type in a keyword or phrase and they get a list of results, ranked by relevance. They click on a result and they land on that website. On Google, for example, the natural search results are displayed in the large column to the left. The PPC and PLA results are at the top and in the small column on the right. The difference is that search engines determine natural results by applying algorithms that they develop—payments or sponsorship cannot influence the results. Advertisers pay for PPC and PLA results. They bid for the highest ranking on a keyword-by-keyword basis. The advertiser with the combination of the highest bid, the best click-through

performance, and the greatest keyword relevance of the ad, gets the number one spot (Marshall, Rhodes, & Todd, 2014). Natural search results are where the long-term virtue of the digital marketing cycle lies (Aders, 2013). Fifty-two percent of Google users click on one of the top ten natural results. However, the click-through rate of the tenth position in the search engine results page is 1.04% and getting a high natural ranking takes time and effort. PPC and PLA results attract a smaller audience, but marketers can get a top rank with less time and effort—it is more about how much they want to bid.

Keywords are the crux of a search engine campaign—if marketers pick the right ones, they can set up PLA and PPC ads and pursue natural rankings that select and deliver useful traffic. If they pick the wrong ones, they end up accumulating, instead—a number one rank may not generate useful results for them. In other words, keywords ensure marketers enter into the right conversations, with the right people. Marketers should put careful thought into the phrases they pick. They can use search engines' keyword suggestion tools to find the best phrases. Tools, such as Wordtracker can help, as well as marketers' knowledge of the room. Marketers should not compete for ranking across a broad subject area. It is inefficient and may lead to a poor return on investment. Instead, keywords for more specific or less popular products or searches create a 'tail' effect. These keywords are less costly and provide higher click-through rates. The tail presents interesting opportunities and is particularly attractive for e-commerce sites that do not have to stock all their products (e.g., Amazon). Marketers should try to precisely match the tail. A balanced campaign, then, combines smart PPC and PLA with a long-term focus on natural results. The PLA and PPC ads quickly generate returns. The natural rankings may do more, if marketers can achieve a high enough position.

Second, companies can also make themselves available to everyday consumers—especially those who have blogs. Marketers can reach out to them, giving them personal access to the company and essentially trying to influence the influencers in the blogosphere. In exchange for perks, such as free products or trips, access to important people, and, sometimes, financial compensation, bloggers are encouraged or contractually bound to write about a company. The benefits go both ways. Through bloggers, companies are reaching an audience that has become wary of ad campaigns.

Third, using social media is a form of *bragging modestly*, which represent a great cultural shift for digital marketing and have differing levels of engagement. New communities come together and disperse quickly and often different people at different moments for differing reasons lead them. The main reason why individuals use social media is to keep in touch with current friends or reconnect with old friends and work colleagues (McGrath, 2016). Not surprisingly, clicking on advertising, receiving promotional information, or purchasing a product does

not motivate consumers to use social media. The aim is to build social brand equity, a brand's social capital, which is found in the relations among individuals (Coleman, 1988). Those organisations who innovate early, often, and incrementally, particularly gain social capital (Kane et al., 2009). According to Meeker (2016), consumers favour Facebook the most, followed by Instagram, Twitter, LinkedIn, Pinterest, Snapchat, tumblr, and Vine.

Fourth, sending out a press release using one of the web-based wire services can generate great buzz and get marketers some additional search benefits, too. Marketers can supplement any campaign using these methods. They should remember, though, that any effective digital marketing cycle must take into account the search engines. Regardless of how marketers *brag modestly*, they should understand that this is not an option, but a requirement. If marketers can take a moderate tone and pick the right audience, they stand out.

### *Observe & Adjust*

A conversation is really millions of near-instant observations and adjustments. If someone is talking to someone else and that other person looks at the first person as though he or she just turned bright yellow, the first person may change the subject or ask if the other person is OK. If the other person had laughed, the first person might have told another joke. Marketers can do similarly on their website. By tracking, they can gather information about their audience's response to their campaign, and adjust accordingly. This allows them to provide a more relevant digital marketing cycle that feels as though it is directed at the audience. Nothing keeps people in a conversation like knowing it is just for them.

If marketers are hosting their website with a web-hosting company or if they have an IT department at their disposal, they should have access to a traffic-tracking tool, such as Google Analytics. Once marketers have access to their web traffic report, there are four metrics on which to focus:

1. Page views: one browser downloading one page, one time;
2. Visits: one browser visiting a site, one time;
3. Visitors: one browser coming to a site any number of times in a given time period;
4. Conversions: one visitor answering a call to action.

These metrics demonstrate customer engagement (i.e., page views divided by visitors), acquisition (i.e., the absolute difference between visits in time period  $t$  and visits in time period  $t+1$ ) and retention (i.e., the absolute difference between visits and visitors, divided by visitors), volume (i.e., visitors), and return. Typically, a conversion means someone completes some kind of form, or

downloads a file, or takes some other action and then lands on a page on a website that they would not otherwise see (e.g., a checkout page).

Beyond these bottom-line metrics, marketers also need a visual timeline to demonstrate sustainability. It clearly helps them understand how seasonality affect traffic and returns. Dashboards and network analyses can also demonstrate sustainability in traffic from different channels (e.g., search engines or social media, Watts & Shmargad, Chapter 13) as well as keywords and referrals that are most vital to a site. They should show sufficient detail to encourage further investigation without surfacing too much. Five to ten keywords and referrals offer enough consistency to show important trends and enough variance to warrant deeper investigation (Wiegand, 2012). Finally, discovering how good (or bad) landing pages are can be beneficial. Excluding the homepage, it gives marketers a better sense of how consumers find the digital marketing cycle and how sticky the site's core pages are once they arrive.

Over time, marketers will learn the patterns and flow of traffic on their site and be able to recognize a good from a bad effect. Then they can adjust accordingly, and keep the digital marketing cycle going.

## **Conclusion**

In conclusion, there is no conclusion, of course. We have come back around though. Through this chapter you have moved from the old, outbound marketing style to leaner, more efficient digital marketing. You are not finished however. Virtuous digital marketing is a cycle, not a straight line. Marketers have to move through the stages: (1) *know thyself*, (2) *know the room*, (3) *dress appropriately*, (4) *tell stories*, (5) *make a connection*, (6) *brag modestly*, and (7) *observe & adjust*. Marketers should use what they observe to refine their picture of the room, then start again at the *know thyself* stage. They should remember it is a cycle, which never stops. It pauses sometimes, but if marketers *make a connection*, and if what they have to say is of value, then new participants will come. The digital marketing cycle works.

For example, many management consulting firms come to us feeling their site is not generating any real business. We suggest restructuring their site around their intellectual assets and placing on the home page an offer to download a free white paper from the site—after registration. Traffic falls steeply, but they begin getting a steady stream of qualified leads to their site. With a measurable conversion goal—the white paper download—in place, they are able to track how efficiently they are selecting traffic.

If most digital marketers have it wrong, a few get it right. The success stories, such as Amazon and Google, have one thing in common. They understand their audience, market effectively, and deliver with sensible, functional design. Then they listen to their customers and continuously improve their sites and digital marketing cycle. They make it work by understanding the Internet's unique position in the media world as a two-way, mass-communications environment. They study their audience, design a site that looks just as it should, fill it with great content, and then observe how people respond. Then they fine-tune and adapt accordingly. Having read this chapter, marketers may or may not be ready for a career as a digital marketer, but they are definitely ready to talk to one. Digital marketing can be confusing and sometimes frustrating, but it can also work brilliantly. This chapter should have moved marketers toward the brilliance, and helped them cut through the confusion.

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