



A.Y. 2024/2025

BLAB

HANDOUTS

STRATEGIC MARKETING AND ANALYTICS (MODULE 2)

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This handout is written by students with no intention of replacing university materials.








It is a useful tool for studying the subject, but does not guarantee preparation as exhaustive and complete as the material recommended by the University.



Strategic marketing and analytics - module 2

Web analytics

Roadmap: what is this course about? Marketing from a digital perspective

01	02	03	04	12	15	16
						
+18% 482,215 \$m	+32% 278,288 \$m	+10% 274,819 \$m	+28% 251,751 \$m	+32% 48,002 \$m	+14% 41,298 \$m	+14% 36,516 \$m

STRATEGIC MARKETING

ANALYTICS

- Data
- Modeling
- Analytical thinking
- Problem solving

How to use digital technologies, especially the web, to foster the **organic growth** of the company, from a **customer-centric perspective** (=how to use digital technologies from a strategic perspective)

The main focus of this course is on analytics, is on the data -> the availability of data, that are pieces of information in order to support our understanding of the customers outside, our understanding of competitors outside, and the design of our understanding of the way we can use this data in order to model the behavior of our customers, in order to model the behavior of competitors, by fostering our analytical thinking (=the way we address data by testing our hypotheses).

This is also about which is the best way for addressing the digital technologies, and understanding the way digital technologies are impacting the marketing discipline, so the way companies and organisations are dealing with the outside -> digital technologies are, in fact, able to create connections, making the analysis of data more affordable.

The changes in the competitive scenario, also matter in understanding the way in which organisations are dealing with their customers, that can be prospect customers, current customers or future customers, in a **customer-centric perspective**, that means considering the customer as the focus of each activity made by the organisation.

With a customer-centric perspective we collect data at the level of single customer rather than on the level of the sample of customers, which is typically done in market research.

Why it is important to web analytics?

Let's ask to the generative AI. The answer is:

Studying web analytics is important for several reasons:

1. Understanding customer behavior: web analytics provides insights into how customers interact with a website or online platform, helping businesses to better understand customer behavior and make data-driven decisions -> of course we are interested not only the customers' behavior, but also on the competitors' one. In this case we are not able to find all the information that we want to get, but there are some visible behavior that we can monitor, such as prices but not only.

2. Improving user experience: by analyzing website data, businesses can identify areas for improvement and make changes to enhance the user experience and increase customer satisfaction -> we can use this behavioural understanding to improve the experience of each single customer or small groups of customers.

3. Optimizing marketing efforts: web analytics can help businesses to measure the effectiveness of their marketing campaigns and identify opportunities for optimization, helping to maximize the return on investments on marketing efforts -> the best way for seeing digital technologies investments, is not seeing the savings that we can get, but how we can be more effective in attracting customers and retaining customers.

4. Measuring website efforts: web analytics provides metrics that can be used to evaluate the performance of a website, including page views, bounce rate, conversion rate, and more

5. Making data-driven decisions: by using web analytics data, businesses can make informed decisions based on data rather than intuition or assumptions, helping to drive growth and improve ROI -> the idea of data-driven decisions is very supported by the new algorithms that we are using today. Today, in fact, we can use data for supporting our decisions, for discussing and for better defining which are our expectations in terms of return of our decisions.

6. Competitive advantage: the ability to effectively analysed and use web analytics data can give businesses a competitive advantage, helping to inform strategies and make data-driven decisions that can lead to growth and success.

What is the analytical thinking, which is the most important skill nowadays?

There are a lot of definitions about what analytical thinking is, but the best one is:

"If I only had an hour left to find a solution to save my life... I would dedicate the first 55 minutes asking the right questions" A. Einstein

This quote is fundamental, since the right question usually includes the potential solutions. With analytical thinking we will try to learn how to formulate questions, also called hypotheses, and how to find the data to confirm or disconfirm hypotheses

Areas of analytics application

There are three main areas of analytics application:

- 1. Inbound strategy:** how to design inbound strategies to increase leads -> it is a strategy that is done for collection data, for starting a relationship with customers, for saving them into our properties, for making them landing on our properties
- 2. A/B testing:** how to analyse the results of A/B testing to optimize the online funnel
- 3. Analytics:** how to evaluate different online communication campaigns

Marketing and the digital technologies

What is the difference between an analogically and a digital TV?

The main difference, apart from physical characteristics, is the fact that with a digital TV there is the possibility to access to the web, but above all some entertainment apps such as NETFLIX.

In the video, Bernard Mann, a German consultant, is talking about the way Netflix is using artificial intelligence for leveraging the data collected.

The areas in which Netflix need data are:

- 1. Understanding consumer(s):** Netflix is becoming more granular and able to produce granular insights
 - Behavioral data: they use them to produce more content
 - New products development: they focus on niches, since they are ready audience

We need to create sub-samples according to everyone tastes -> how can we count these sub-groups?

? if yes, go on

if no, stop the production

Success rate 30-40% (competitors) VS. 80% (Netflix)

Without the email address everything will stop here

2. Recommendation -> It is the Netflix's tone of voice

- 80% of contents consumed are driven by recommendations

3. Automated preview generation -> personalisation (automated processes, making personalization affordable -> the cost of this personalization is lower than the value it creates)

The value of personalisation is the fact that the consumers remain on the platform and they pay another month

4. Streaming optimization

- Prediction

To summarise: how Netflix is using AI for improving the customer experience?

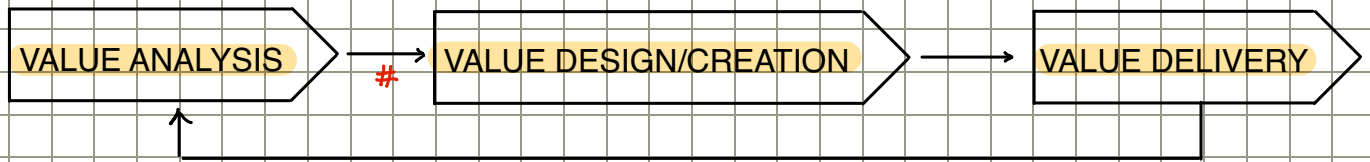
- a. Microsegmentation** based on viewing behavior and recommendations
- b. Development of new TV series** based on the analysis of tastes and the size of market niches
- c. Personalization** of the thumbnails according to the tastes of the individual to facilitate the choice of the content
- d. Broad band optimization:** prediction of contents that will be seen in order to upload them to the regional servers

When we search something on Internet we usually stop at the first result that we get from Google, and one of the reason why we act like this is linked to the fact that we trust Google and the fact that the first result is the one that fits the best with our query.

The same happen on Netflix, meaning by this that being effective with recommendations is fundamental, otherwise people will exit Netflix or even abandon it.

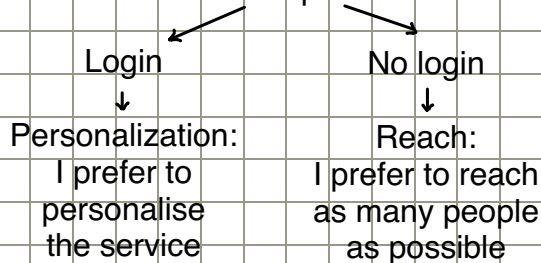
A very for Netflix to do this successfully is by collecting data directly from the consumers -> in this way Netflix is able to create specific contents based on consumers' tastes, even if they are just a small segment.

Moreover, it is not only important to create valuable contents, but also being able to deliver the value created.



Another important aspect to highlight while talking about Netflix's recommendations is linked to the necessity to login in: in this way the platform is able to get data about us, our preferences and make more personalised suggestions.

Creating an account can be seen, by some consumers, as a barrier since they do not want to create one of them -> the world is so splitted in two



Of course there are some limitations to take into account:

1. Regulations

2. **Audience:** especially at the beginning the data and algorithms used are not proprietary of the platform, but there are companies called sales force that provide them, adapting their algorithm to the small amount of data available.

Inside artificial intelligence and machine learning

Artificial intelligence (AI) is **the ability of a computer or a robot controlled by a computer to do tasks that are usually done by humans because they require human intelligence and discernment**

- to execute tasks "smartly" -> e.g. automated response (chess)

How could I train a machine to answer to a specific movement of the counterpart while playing chess?

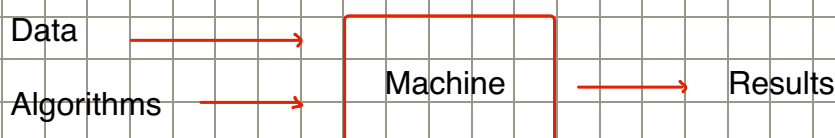
There are two ways that I can teach a machine how to play chess:

1. Embodying it into a code of the rules of the game
2. The second way is more similar to how humans learn to do things: I take the machine, and through a camera I record for the machine how to play chess. After showing the machine the video I ask it to tell me the factors in the behavior of the different pieces -> infer the rules of the game by just looking at different matches -> **this is machine learning**

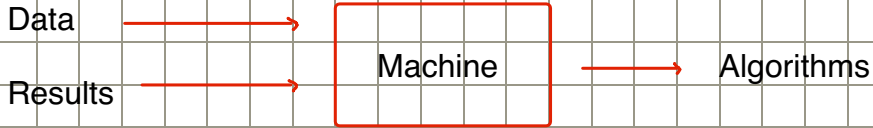
Machine learning is **a method of data analysis that automates analytical model building**. It is a branch of artificial intelligence based on the idea that systems can learn from data, identify patterns and make decisions with minimal human intervention

- to identify pattern and to act accordingly

Traditional coding

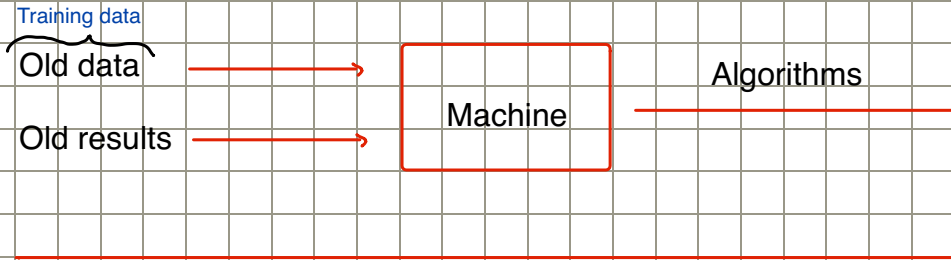


Machine learning

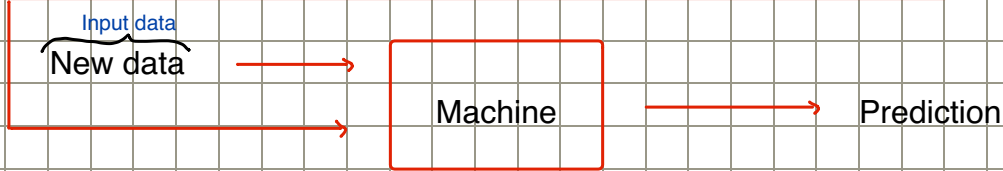


Machine learning and Prediction

Learner

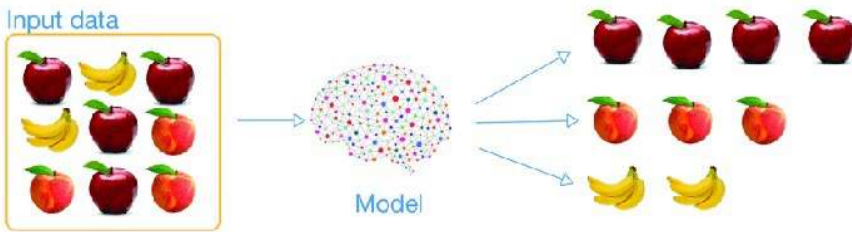


Predictor



The machine learning can follow two learning paths:

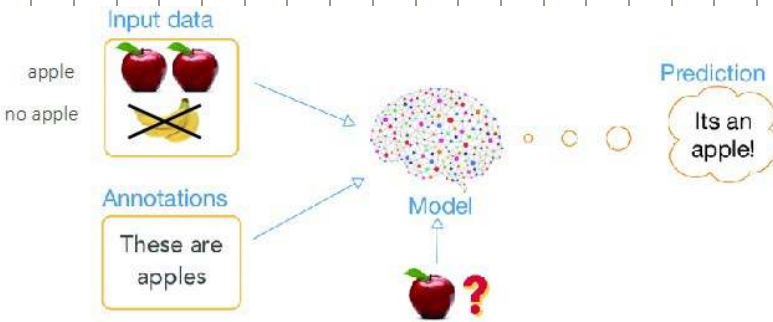
1. The unsupervised learning



Useful for segmenting, classifying, recommending systems (and also pricing, competitive analysis). It does not require any dependent variable nor supervised learning.

Unsupervised means that there are some data, and I ask the machine to find the regularities, and group them to form segments.

2. Supervised learning



Helpful for predicting, estimating, image/text/voice recognising, fraud detecting. It needs a set of dependent variables and a supervised training.

Target, a pioneer

Target is a very large retailer in the United States that started with these algorithms more than 10 years ago and developed algorithms not for understanding if a new person is likely to become a customer, but for understanding the development of customers.

What they did, has been to create an algorithm for predicting if a person is pregnant or not -> what they did has been to see all the data from their loyalty program, and they train for understanding who, at a certain time, started to buy products for babies. Then they checked if there were differences in purchasing in the previous months -> for example some women stopped to buy coffee and started to buy pills and vitamins. The algorithm looks at the patterns and becomes able to predict pregnancy in order to send in advance a box full of products for babies.

The economic impacts of digital technologies

The digital technologies are impacting the way organization are dealing with the market because of three

main phenomena:

1. The **cost of collecting and storing data** has decreased thanks to machines that are able to collect data because of the feedback -> **the cost of the single piece of data is lower than its value**
2. The **cost for analyzing data** decreased a lot
3. The **cost of interaction** decreased -> this is where generative AI is working, even though not at its maximum potential.

The shift from (analog) mobile phone to smartphone

The feedback mechanism allows for measuring, tracking, and storing at sustainable costs anything that's happens in a digitalized environment. Moreover, digital technologies make every device addressable: each device can be targeted with unique and personalised content, initiating an interaction -> **the more the device is portable, personable and interactive, the more data collected will be contextual and specific to that individual person, meaning by this that the smartphone is extremely powerful.**

Augmented reality in store

Make shopping easier and collect fine grain data about shopping behavior -> **to be successful in this I need to digitise the offline world (e.g. Amazon go, the magic mirrors, cashierless store)**

The digital communication system

Markets are conversations

Tools:

- Digital properties (website, fanpage, app)
- SEM
- Social
- Marketplaces
- Influencers (affiliate)

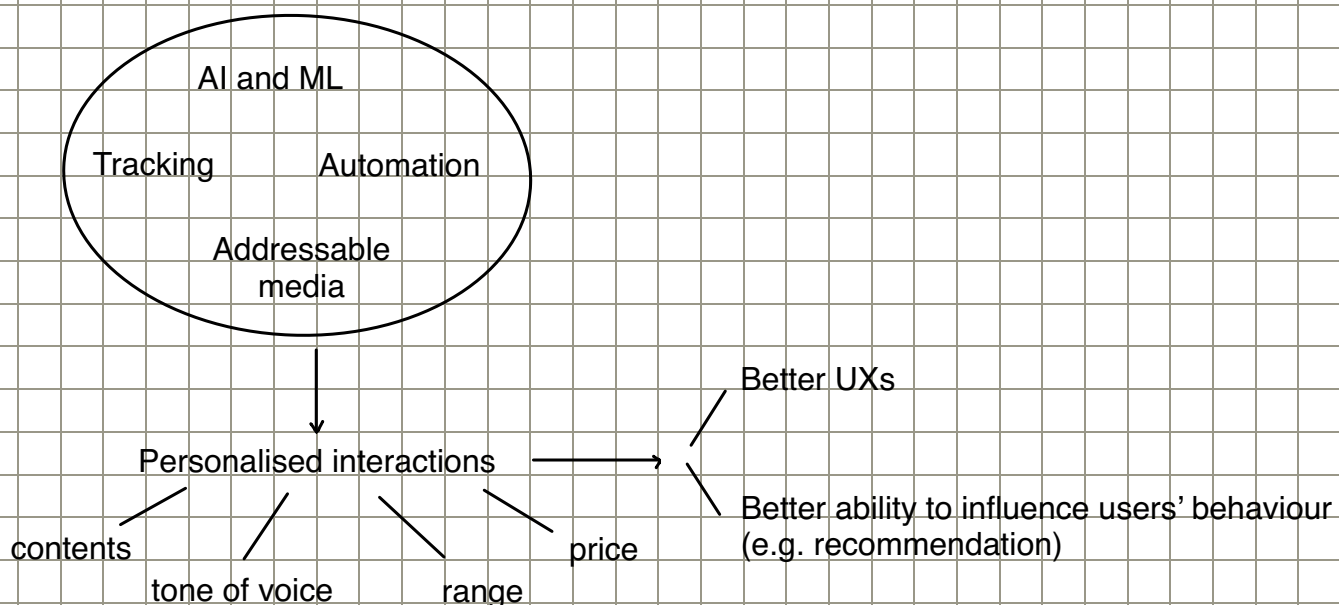
Main objectives: **interact**, in order to:

- a. Build relationships
- b. Profile
- c. Provide customers with valuable products (=personalization: reduce efforts to the customers, increase her/his ability to use the product)
- d. Feed owned databases

The digital communication keywords

- Profiling
- Tracking in order to offer:
 - a. Personalised and contextualised contents
 - b. Longitudinal behavioural dataset

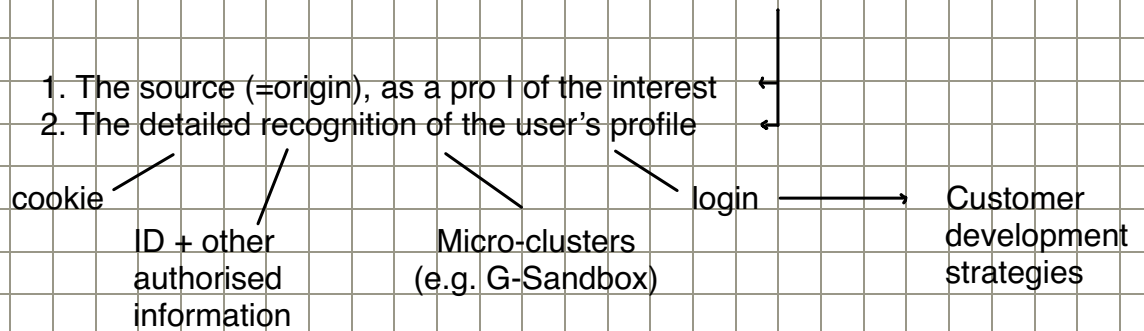
The aim of digital technologies: personalised experience



N.B. Personalised communication is more effective

First problem

"I need to **recognise who is in front of me** (of my webpage), in order to personalised her/his experience!"



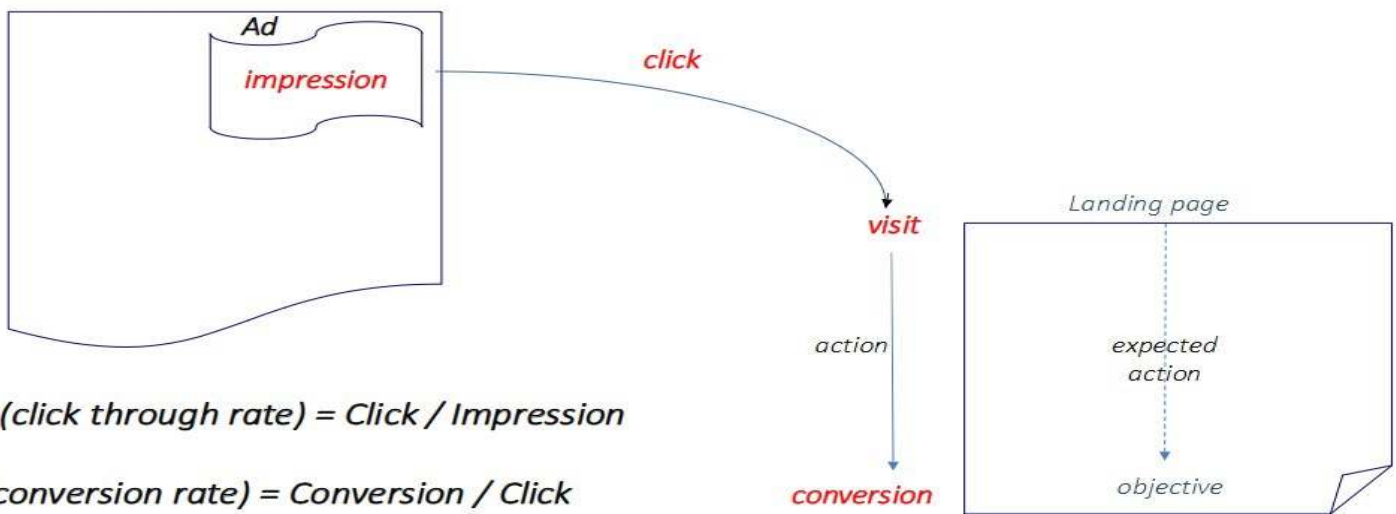
Which perspective on digital communication?

We have to consider the web as a sort of place made by several islands. These islands have different names, but above all are attractors. What happen is the other islands is out of my control, I don't know the people in those islands and they will never tell me who are their customers. Our aim is so convince people to exit from the island that is not under our control, and to enter into our island in order to collect information about them -> is enough that they behave as visitors and not necessarily as consumer to collect information about them

How we can collect information about the behavior on our properties?

Thanks to softwares such as Google Analytics, which is a software able to make you tracking the behavior on your pages, that are the ones the we consider as relevant.

CTR (Click Through Rate) and CR (Conversion Rate)



Example

Impressions: 200.000

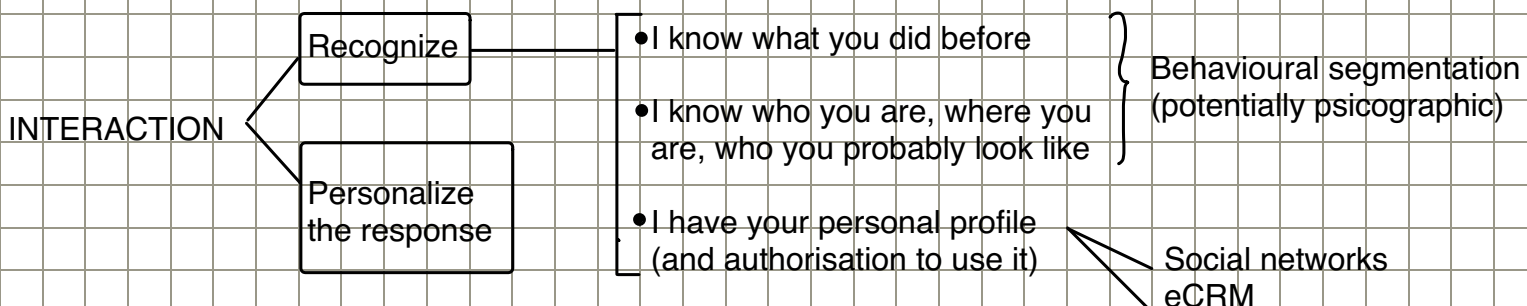
Clicks: 1.400

Conversions: 70

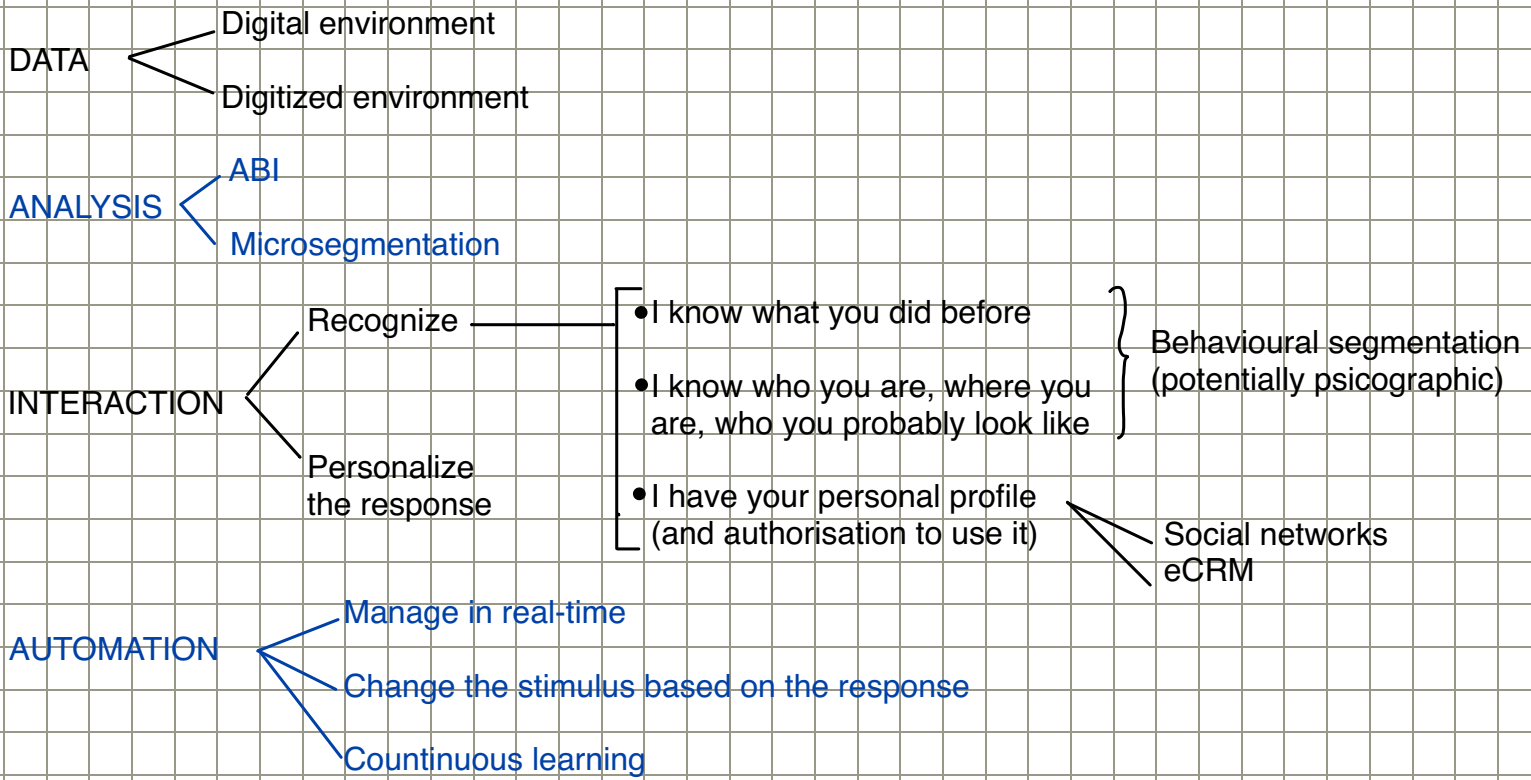
CTR: $1.400/200.000 = 0,7\%$

CR: $70/1.400 = 5\%$

Data ownership and personalisation of the interaction



Key takeaways



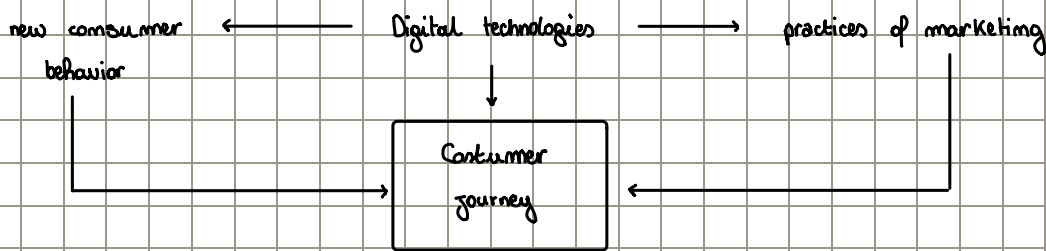
Digital environment & Online consumer behaviour

The idea is to understand the impact that technology has on marketing and practices on one side, and on the strategies on the other.

There is nothing new at the horizon, it is just a new way of looking at it.

“You don’t need new economics to explain the ‘new’ economy. You don’t need new marketing theories to explain the ‘new’ marketing” - Philip Kotler (one of the most important scholar in the marketing field)

Marketing per se hasn’t changed... what has changed is the context and the range of tools firms can use to generate value for contemporary consumers -> **technologies changed consumers behavior**



Goals of marketing:

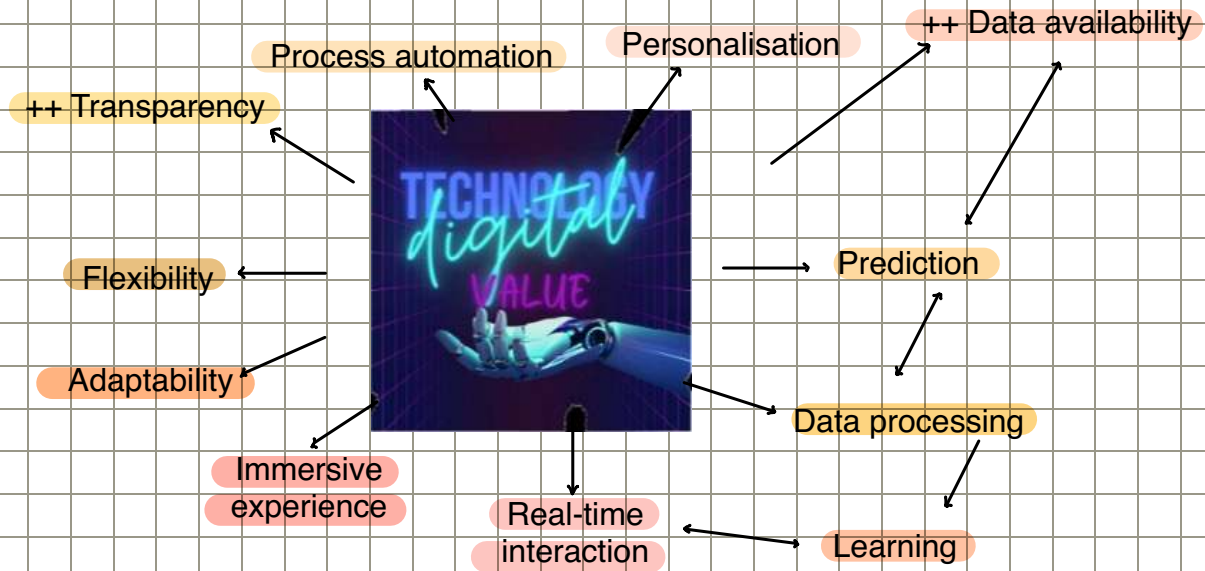
- Awareness
- Customer retention
- Sales

Goals and purposes related to marketing are still there -> **the way in which we reach them changed; now we have more tools and more possibilities to achieve them. This is extremely important because the way in which we are going to observe the role of strategic marketing in a digital environment is exactly the one of trying to understand which are those kinds of opportunities that we are going to have in order to be able to serve customer that are going to be affected by the advent of new technologies**

Digital marketing: the impact of digital technologies on the practice of Marketing and on the Consumer Behavior

Digital technologies —> **ICT:** Information and Communication Technologies encompasses a wide range of tools, resources, and technologies (hardware and software components) used to **acquire, store, process, transmit, and receive** information

Digital: involving or relating to the use of computer technology - any and all electronic media/**devices** and service.



Let's now summarize which are the key characteristics of digital technologies.

The first one is the fact that, thanks to digital technologies, we have been observing the **growth in transparency**, on the one hand to balance the concerns about privacy, on the other hand to allow the creation of relationships based on trust. In fact, what we have been observed online is that we will see an evolution from having an information asymmetry towards information symmetry. Before Internet, we could assume that most of the brands knew more about customers than the customers about the brands, so we used to know only what the brands wanted us to know, while now we can easily collect information by ourselves.

The second element is the **process automation** (e.g., newsletters, surveys, recommendations through algorithms). The automation is something that is connected to the way in which data are going to be used in terms of offering a better service to the customers; at the same time, automation acts in the way in which data can be handled and managed daily.

The third element is **personalization** (e.g. advertising on social media, promotions); everything that we see through digital platform is customized according to who we are, according to the way we should behave, according to the network of friends that we have and their preferences.

Then we have **data availability**. Now we have more opportunities to collect the data in a more efficient and effective way, but also more opportunities for **predicting** through the usage of the platform.

Prediction is not simply a matter of analysing data, because we are not talking anymore about small samples, but we are talking about the entire population, and so this will give us the opportunity to really have different ways and approaches.

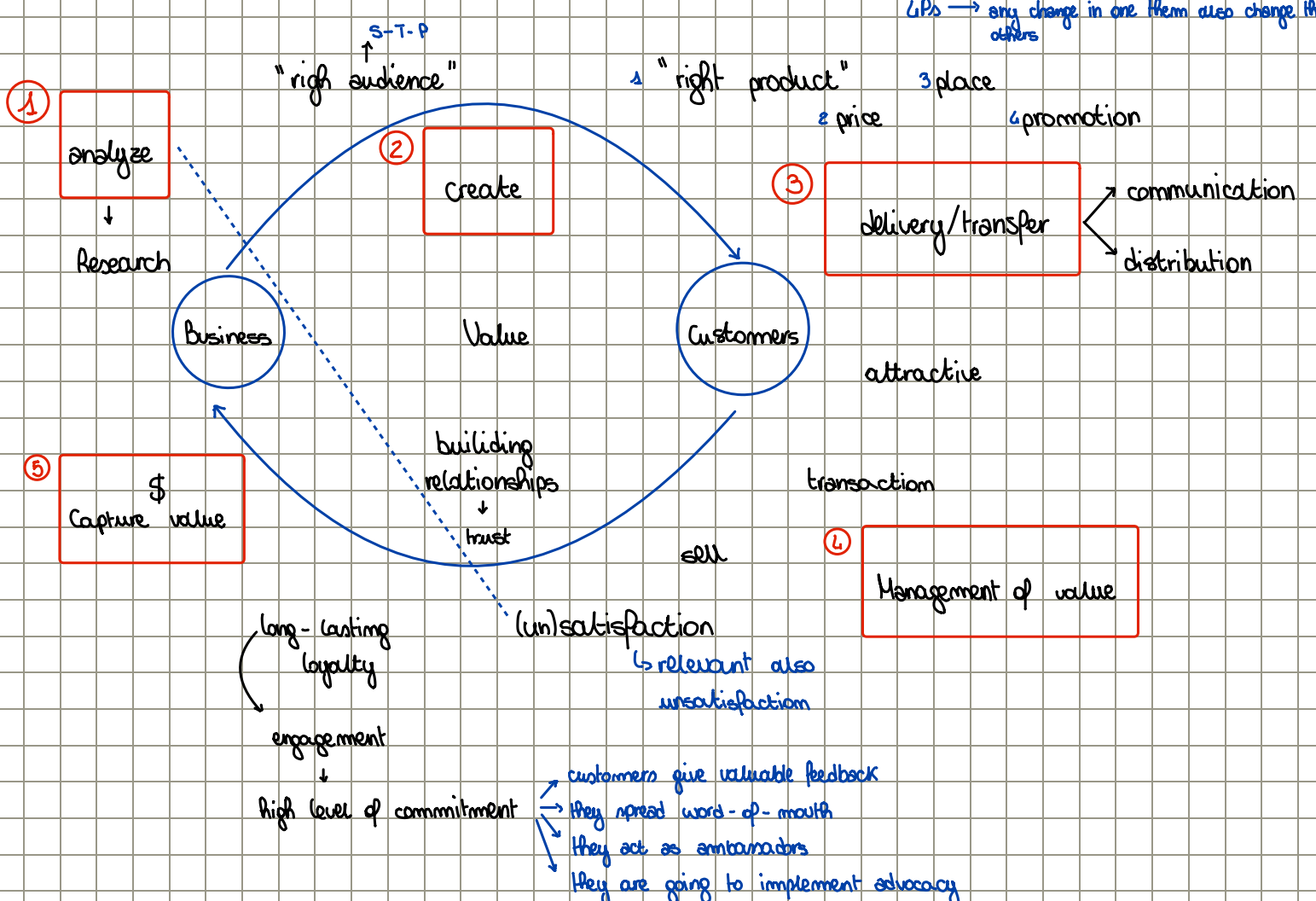
Another important aspect that we are going to observe related to digital technologies is the fact that both brands and consumers have more possibilities for **learning**; we are not talking about segments or broad categories anymore, but we talk about the possibility to really learn in details about each individual, and this is something extremely important because it was very difficult in the analogical world to recognize each customer and serve in a proper way each customer.

Another important feature that increases the learning process is the **real-time interaction**. Thanks to the possibility to continuously interact with the customers we can adjust and adapt our strategies learning daily. Another connected aspect is the one that sees the customer searching, because technology offers an **immersive experience**; we are not going to talk anymore about simple relationships, but we are going to talk about experiences.

Finally, **adaptability** and **flexibility** reside in the obviously traits and characteristics of the technologies themselves. The same content can be adapted to different devices, to different social media platforms. Moreover, we can give the customers the possibility/ flexibility to access the content wherever they are and whenever they want.

Marketing: "the" definition

Marketing is **process** by which **companies create value for customers** and build strong customer relationships in order to **capture value from** customers in return



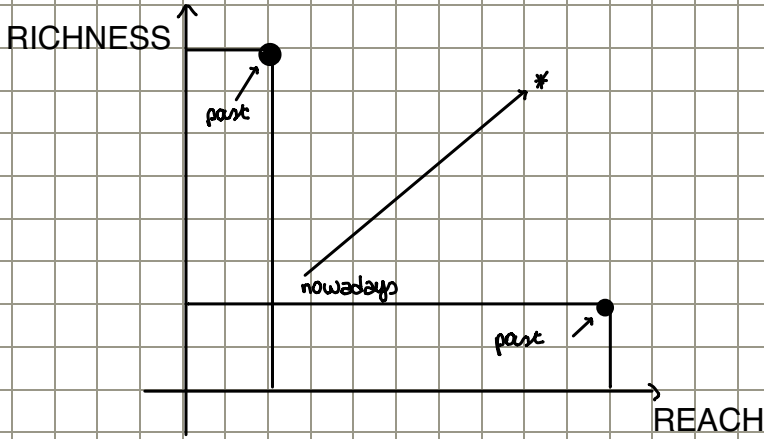
The Marketing process

1. Understand the marketplace and the customer needs
2. Design a customer-driven marketing strategy
3. Implement an integrated marketing plan and program
4. Build a profitable relationship
5. Capture value from customers to create profits and customer equity

Finding unity in dichotomy

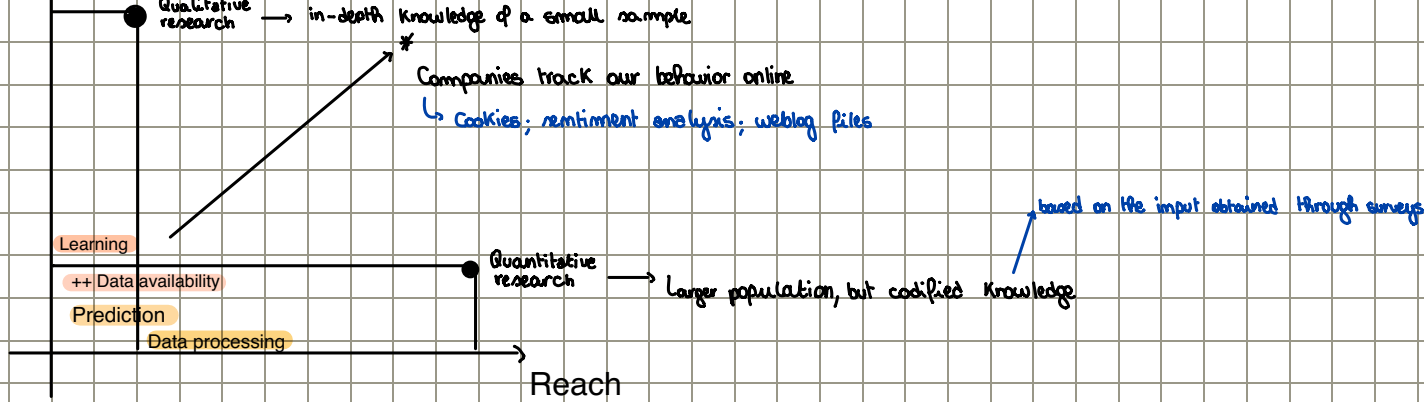
Now, thanks to technology we can overcome the trade-off between richness and reach. In the past we had two different situations:

1. High level of richness, but low level of reach;
 2. Low level of richness, but high level of reach.
- Now we can simultaneously obtain both



1. Understand the marketplace and place and the customer needs

Richness ↑



Buyer persona: **customer archetypes based on real demographic, behavioural, and psychographic data.**

These archetypes serve as valuable tools for gaining a deeper understanding of your audience, enabling the customisation of marketing strategies for a more precise and effective approach.

“When dealing with people, remember you are not dealing with creatures of logic, but creatures of emotion...” - Dale Carnegie

How many different persona can potentially a brand meet while implementing a marketing process?

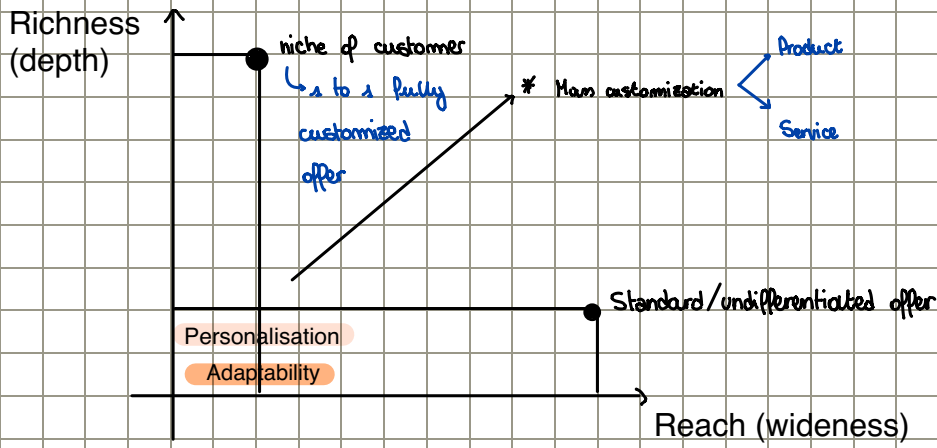
- Unaware:** a person **doesn't know they have a problem**, and it's usually not worth marketing to them
- Problem aware/Pain aware:** a person **knows they have a problem but doesn't know there are solutions** to that problem
- Solution aware:** a person **knows there are solutions, but hasn't chosen one** and doesn't know about your product
- Product aware:** a person **knows about your product, but isn't totally sure** it solves their problem
- Most aware:** a person **knows a lot about your product**. They are on the cups of buying, but need to know the specifics
- Client:** a person who has decided to **convert and try** a product
- VIP client:** a person who has tried a product and **wants to continue building a relationship with you**

Knowing who are the customers that we are going to serve, in which stage of the journey they are, will help us in optimising the marketing strategy.

HOW TO CREATE A MARKETING PERSONA (Hint: You Need To Personalize)

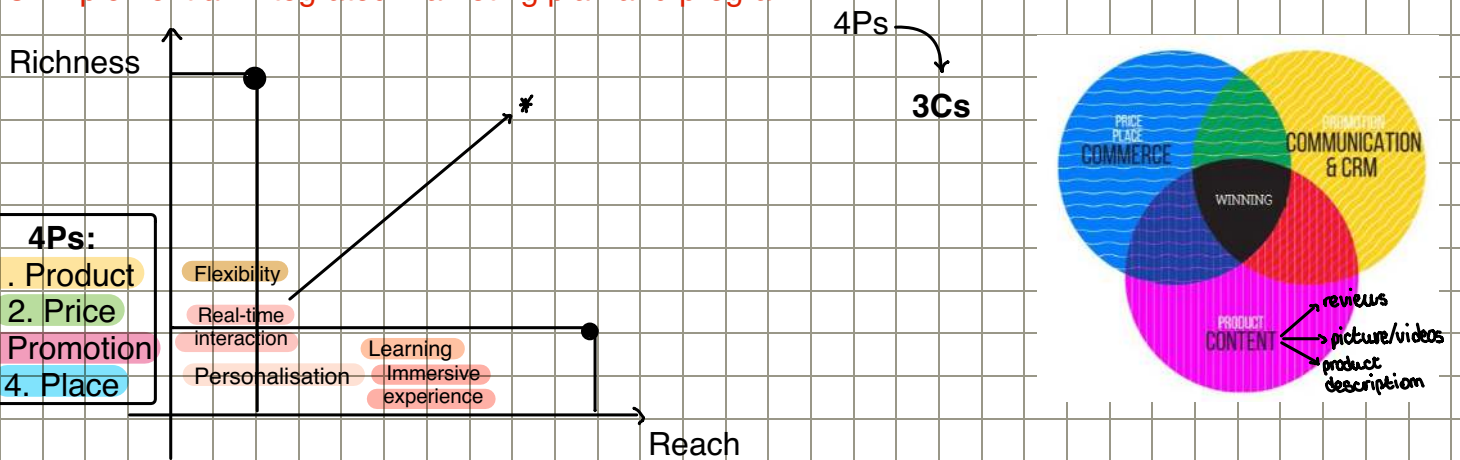
- 1. What does your ideal customer look like?**
 - Are they a Fortune 500 company, a new startup, something in between?
 - How many employees do they have?
 - What are their revenue numbers like?
 - Where are they located?
 - Are they crushing it or struggling?
 - How old are the decision makers?
 - What do they do in their spare time?
- 2. What would lead them to want to buy?**
 - What are their biggest pain points? (Business and personal)
 - What are they struggling with most?
 - What gaps do they need to fill?
 - What are they currently paying for and are they happy?
- 3. What does their buying process look like?**
 - Are they looking buy already?
 - Do you need to convince them?
 - What would make them hesitant to buy?
 - How many decision makers are involved?
 - What roles would they all play in the buying process?
 - Are you targeting employees, managers, executives, someone else?
- 4. How can you get your brand in front of them?**
 - Where are the decision makers spending their time? LinkedIn? Facebook? Quora?
 - How do they like to consume their content?
 - Are they at their desk or on the go?
 - Do they like to read, watch, or listen?
 - Where do they go to get their information?

2. Design a customer-driven marketing strategy

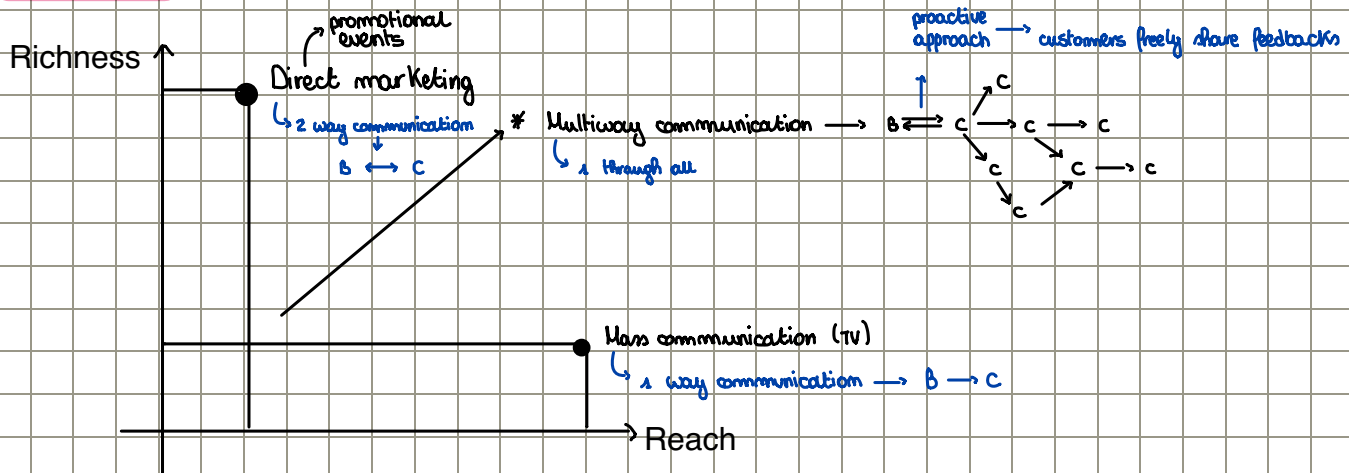


In this phase we define who to serve and how to serve them; how we want to be perceived, how we want to differentiate ourselves from competitors.

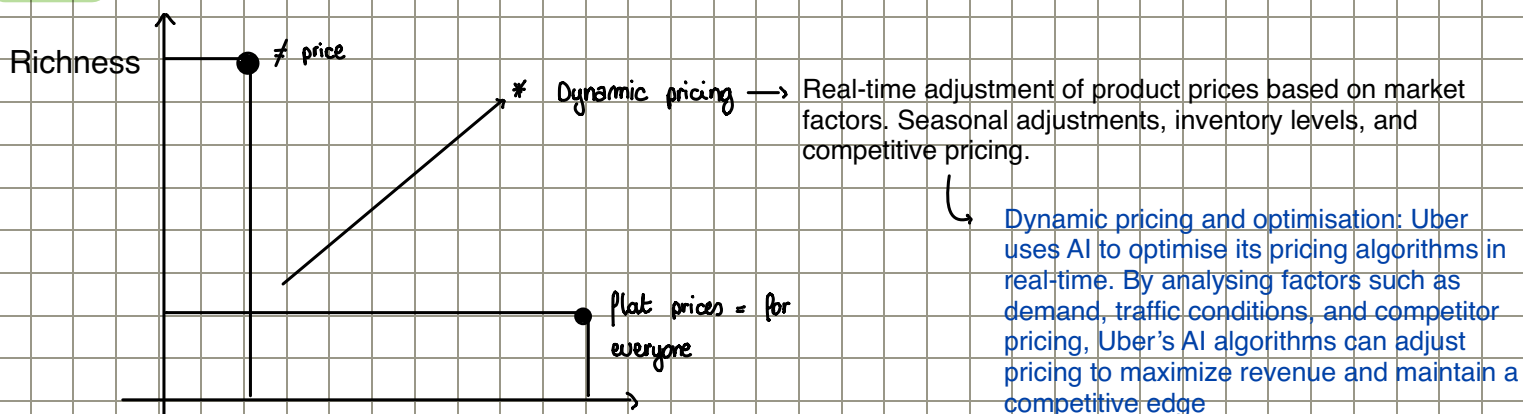
3. Implement an integrated marketing plan and program



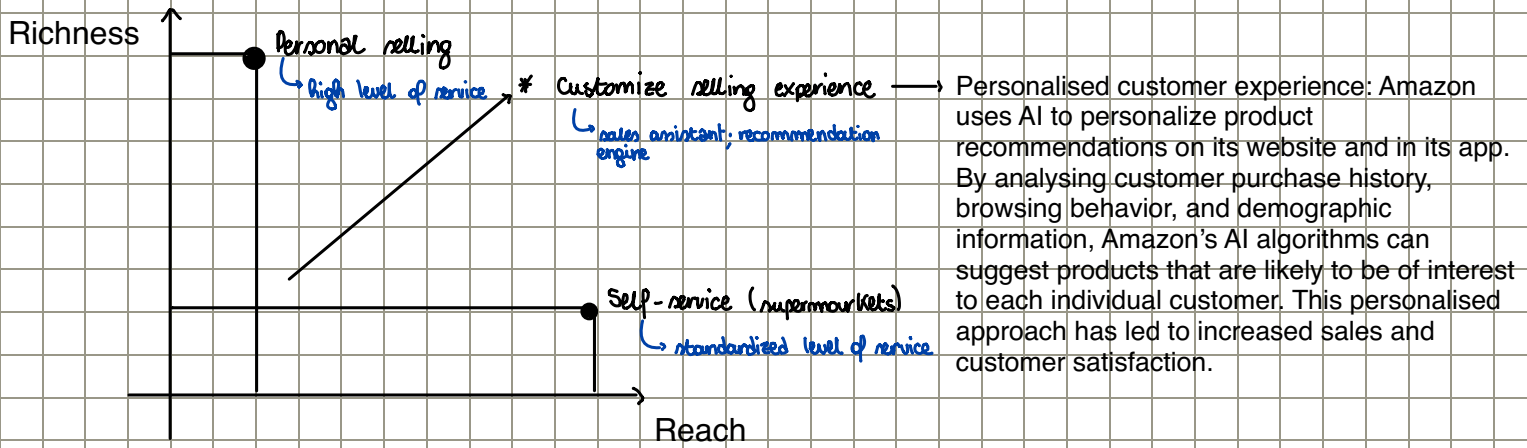
Promotion



Price

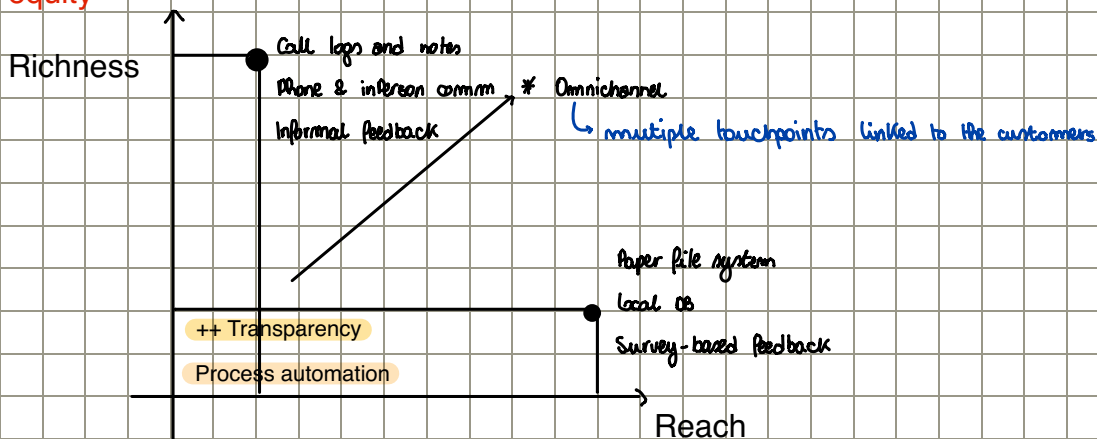


Place

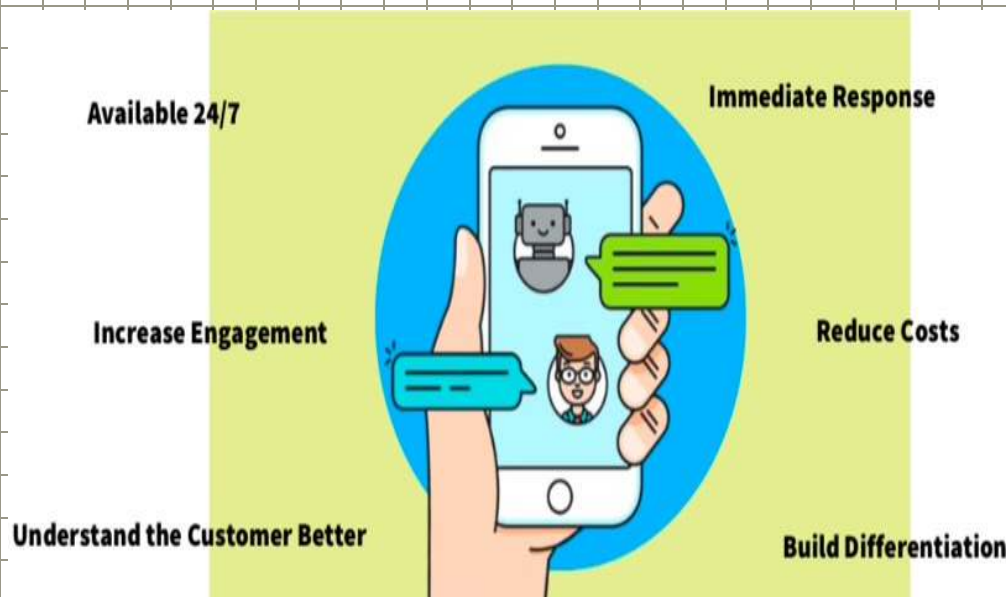


Personalised customer experience: Amazon uses AI to personalize product recommendations on its website and in its app. By analysing customer purchase history, browsing behavior, and demographic information, Amazon's AI algorithms can suggest products that are likely to be of interest to each individual customer. This personalised approach has led to increased sales and customer satisfaction.

4. and 5. Build a profitable relationship and Capture value from customers to create profits and customer equity



Constant real-time interaction with customers -> chat bot powered by AI and the possibility to also involve humans. In this way we are able to optimise the strategy because we can interpret and read the data at, figuring out how to adjust the things that we need to improve, while in the past the level of satisfaction was collected just at the end of the process



Sephora uses AI-powers ChatGPT's to provide 24/7 customer support and product recommendations. These chat bots can answer customers' questions, help them find the right products, and guide them through the checkout process. This conversational marketing strategy has led to increased customer engagement and sales -> conversational marketing and chatbots

Understanding users by going beyond personas, demographics, and affinity groups -> technology changes behavior not needs; that is the reason why we want to understand how technologies have changed our behavior.

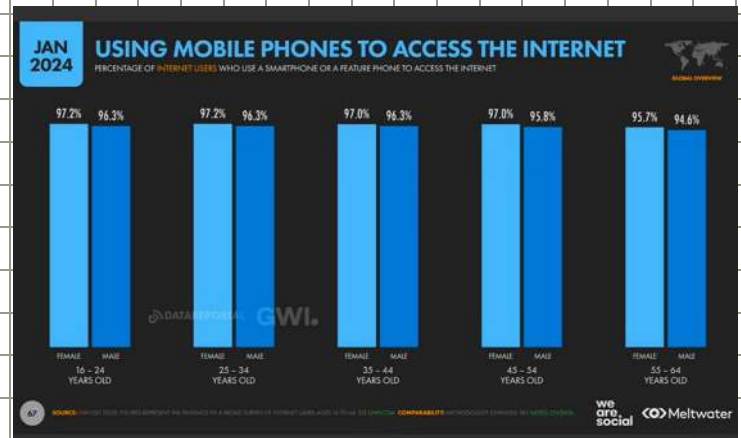
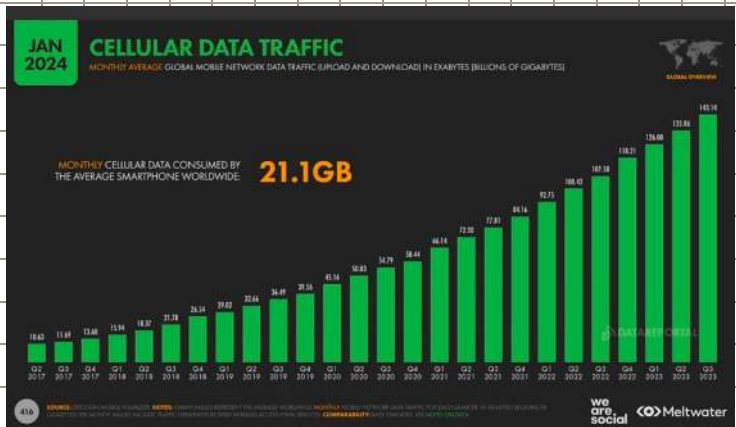
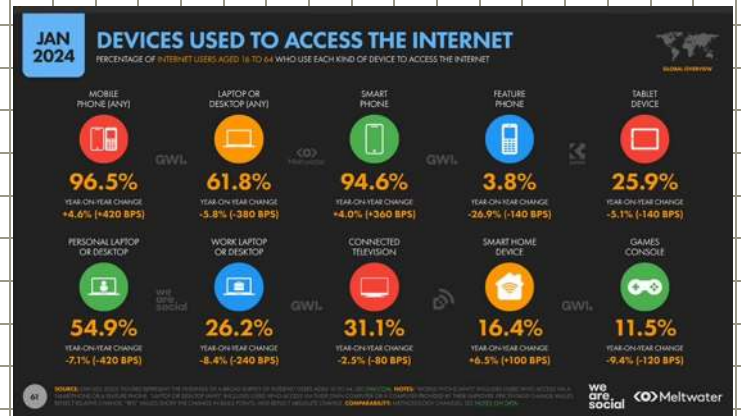
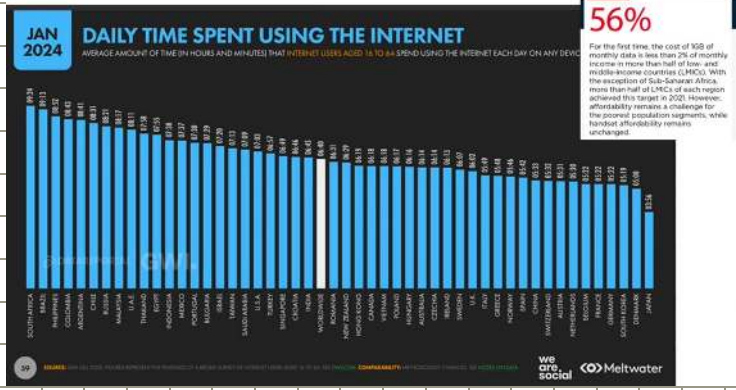
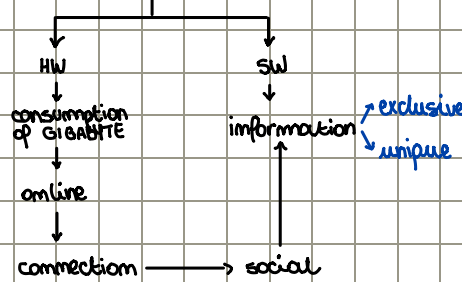
Identikit of the contemporary customer

In one word... how would you define the contemporary customer?

- Knowledgeable/informed
- Dynamic

- Skeptical
- Demanding
- Impatient
- Short attention span

What constitutes the primary consumption pattern of the modern-day consumer?
 The primary consumption pattern nowadays are DATA



The "digital" customer and the "digit" al consumption

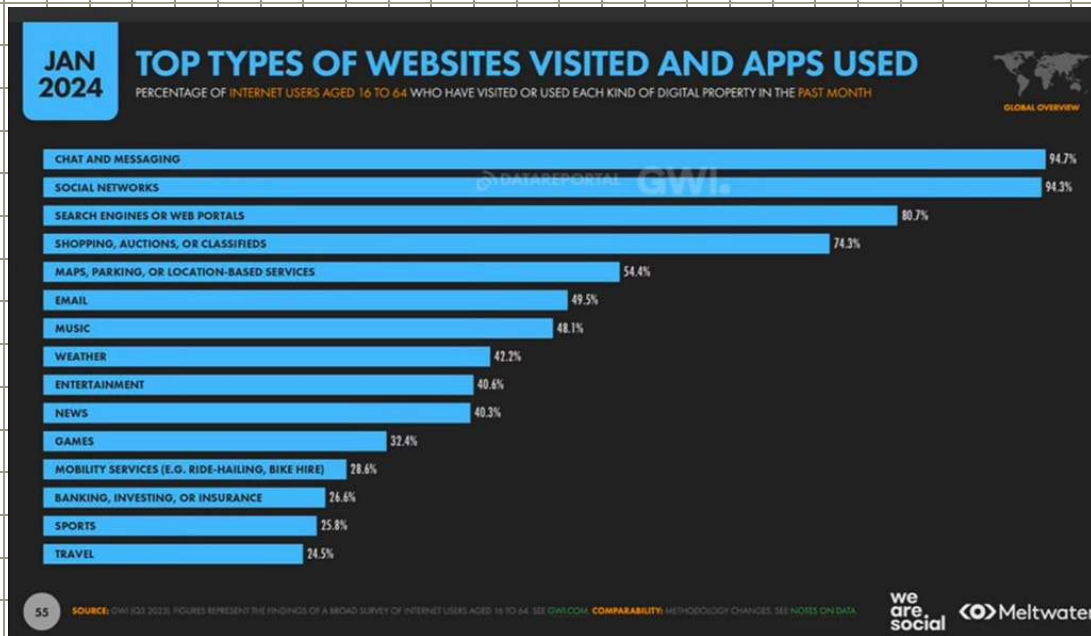
Data consumptions: total data consumed in Italy will reach 100.2k PB in 2026, having increased at a +25.4% CAGR between 2012 and 2026. Video is the ost popular content category for data consumption in Italy, accounting for 73.5% of total data consumption in 2021. Video is a data-intensive content format, and recent years have seen increased use of VOD and data-heavy 4k formats. Gaming is the fastest-growing content category overall, with a +33.2% CAGR expected between 2021 and 2026.

=> Identikit of the contemporary customer

1. Main consumption: DATA
2. Online oxygen
3. Connectivity
4. "In the know"
5. Privacy and data security
6. Multitasking
7. Self-service: I want what I want when I want
8. Co.creator

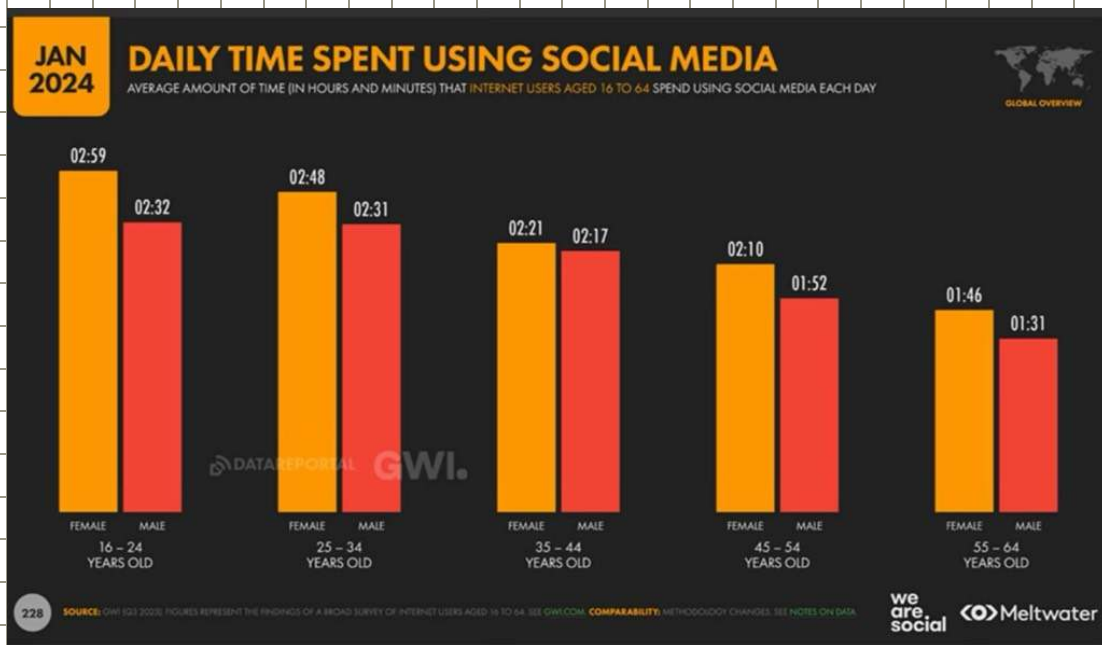
Online oxygen: do not live without connection -> **nomophobia:** a fear of being without mobile device, power source, or service area

“We don’t go online. **We live online**” -> don’t think about online & offline anymore, think about awake & asleep: **online awake**, offline asleep... **we are always on**



Connectivity: *being connected = being online = being social*
48% of the customers are influenced by continent communities

20% of the customers are influenced by brand software -> on social we are going to look at information, but at the same time, we are there also for sharing information



“**In the know**”: need and desire to have constant access to new and “unique information” -> **personal information sharing**

Privacy and data security: a key contradiction -> **we don’t want anybody to have access to our data, but then we post everything about our life** -> of course marketing pushes on this contradiction

“**I want what I want when (usually immediately) I want it**”: busy people who want to be able to independently search, buy products online at any time of the day from any geographical area, taking advantage of access from any device -> nowadays consumer are extremely dynamics in changing their preferences, while before was a really expensive action

1. I-want-to-**know**-moments -> **decision-making process phases involved: need identification and information search**. Usually the main channels used here are: TikTok, Reddit, X, Google search, word-of-mouth and yellow pages
2. I-want-to-**go**-moments -> **evaluation of alternative is the phase involved here**. The channel used are: Google AD, website/e-commerce website and reviews
3. I want-to-**buy**-moments -> here we are in the purchasing phase, that can be both on an e-commerce or

in a physical store, but even on a social e-commerce

4. I want-to-do-moments -> here we are in the post-purchase phase, which is the last phase of the decision-making process. Here the channels are: newsletters, if it is the brand that is contacting the customer or the social media pages, if it is the customer that want to contact the brand. In particular, the channel that dominates this phase is YouTube

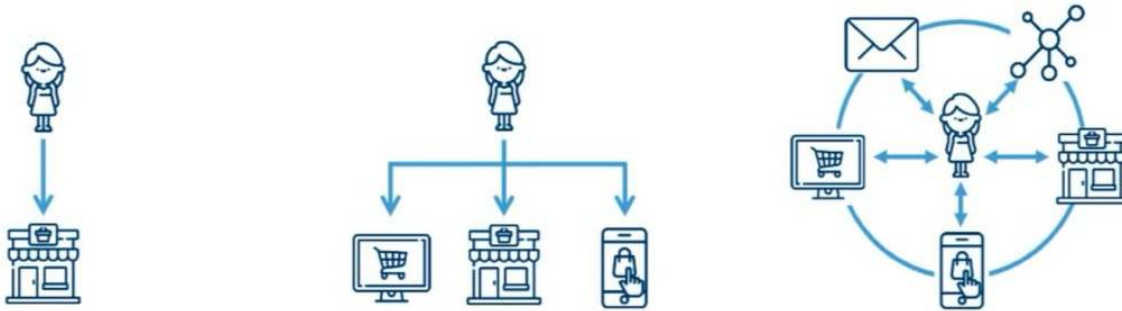
Customers expect to exactly what they want, instantly and effortlessly

- ↳ **Curious:** expecting to get useful advice and answers about the big stuff and the small stuff
- Demanding:** expecting personal relevance, even with less effort on our part.
- Impatient:** expecting the ability to act right now, and get right now

Customer buying process: a **self service approach**

Ogni-channel behavior

(marketing) ogni channel connects each channel as a single whole and together contribute to the achievement of a single goal



Multichannel (marketing) spans different channels, each channel is separate and independent from the others and works autonomously, each with its own strategy and objectives

Conversion funnel



self Inform

self Know

self Evaluate

self Communicate

Self Inform -> Where does it **start from**?

44% customers have stated that they keep an eye on the new brands even when they don't intend to make a purchase.

Users now frequently turn to social networks to answer questions they might normally pose to Google or other web search engines.

53% of Gen Z individuals claim to have made purchases after seeing sponsored content from an influencer

on a short-format video platform (e.g., YouTube Shorts)

Self Know -> and when it comes to **information search** what is the most preferred channel?

Social media as search engine. Step aside, search engines. Gen-Z flocks to TikTok and Instagram to discover products and services. And older generations may not be far behind.

Marketer targeting older audience should take stock of their current advertising channels and consider expanding. TikTok, in particular, is courting advertisers with marketing integrations and educational resources, making now an easy time to get on board.

80% of people say they typically switch between online search and video when researching products to buy.

55% of people search for a product on Google, and then learn more by going to YouTube before they buy it

3 ways YouTube is redefining the shopping experience

1. YouTube inspires throughout the shopping journey

Shoppers trust creators and feel confident in creator-inspired purchases

3. Shoppers value information quality over production quality

YouTube enhances the traditional shopping journey by delivering unexpected inspiration. This is because people have a shopping discovery mindset when they're watching video.

87% say when shopping or browsing on YouTube, they feel like they can make a decision to purchase or not purchase faster

89% of viewers agree that YouTube creators give recommendations they can trust

When quality information is paired with authenticity, shoppers make confident decisions quicker, instead of leaving items in their cart while they weight their options

75% of shoppers agree that YouTube **enhances that traditional buying journey**, offering **unexpected insights**. This is because when they watch a video, people are already contemplating the possibility of discovering new products to purchase and, of course, because they have an infinite amount of content to explore.

Thanks to YouTube's **personalised experience**, people do not encounter useless and boring videos, but rather content that enhances their experience and even their lives. For example, the **average daily uploads** of videos with the phrase "**shop with me**" in the titles has **increased** annually by over **60%**

Where do they search for reviews?

Of those who recently sought reviews...

59% use their smartphones at home to view reviews/recommendations

54% use their laptop to view reviews/recommendations

34% use their smartphone while in-store to view reviews/recommendations

It is true that people are on their phones more than ever in stores -> we are in a reverse ROPO phase: Research Offline Purchase Online, while before was Research Online Purchase Offline.

Moreover, there could be the risk that they search online to purchase from a different store, so as a retailer I should give the possibility to purchase online directly in my store, through specific tools -> **this is the lock-in effect, to avoid the possible to purchase on other websites.**



15% growth in mobile search queries that take place in a store in recent years

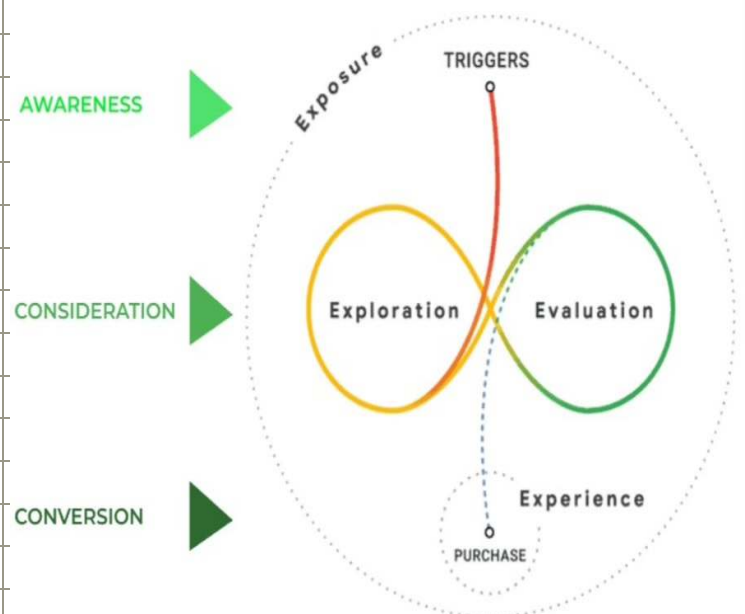
55% of shoppers say they use online video while actually shopping in-store

↑50% -> more than half of shoppers say online video has helped them decide which specific brand or product to buy

Self Evaluate: evaluation time: what do influence the customer behavior?

Customer buying process: **information overload and a new approach to purchasing decision-making** (messy middle -> we have a lot of knowledge, but we are also skeptical, demanding and dynamic, we take decisions after a long time period)

“messy middle”
a space of abound and information and unlimited choice that shoppers have learned to manage using a range of cognitive shortcuts.
Exploration, an expansive activity, an **Evaluation**, a reductive activity.
People continually move between these twin modes of exploration and evaluation, repeating the cycle as many time as necessary to arrive at a final purchase decision.



Self Communicate: how does it end?

What does motivates them to share reviews and recommendations?

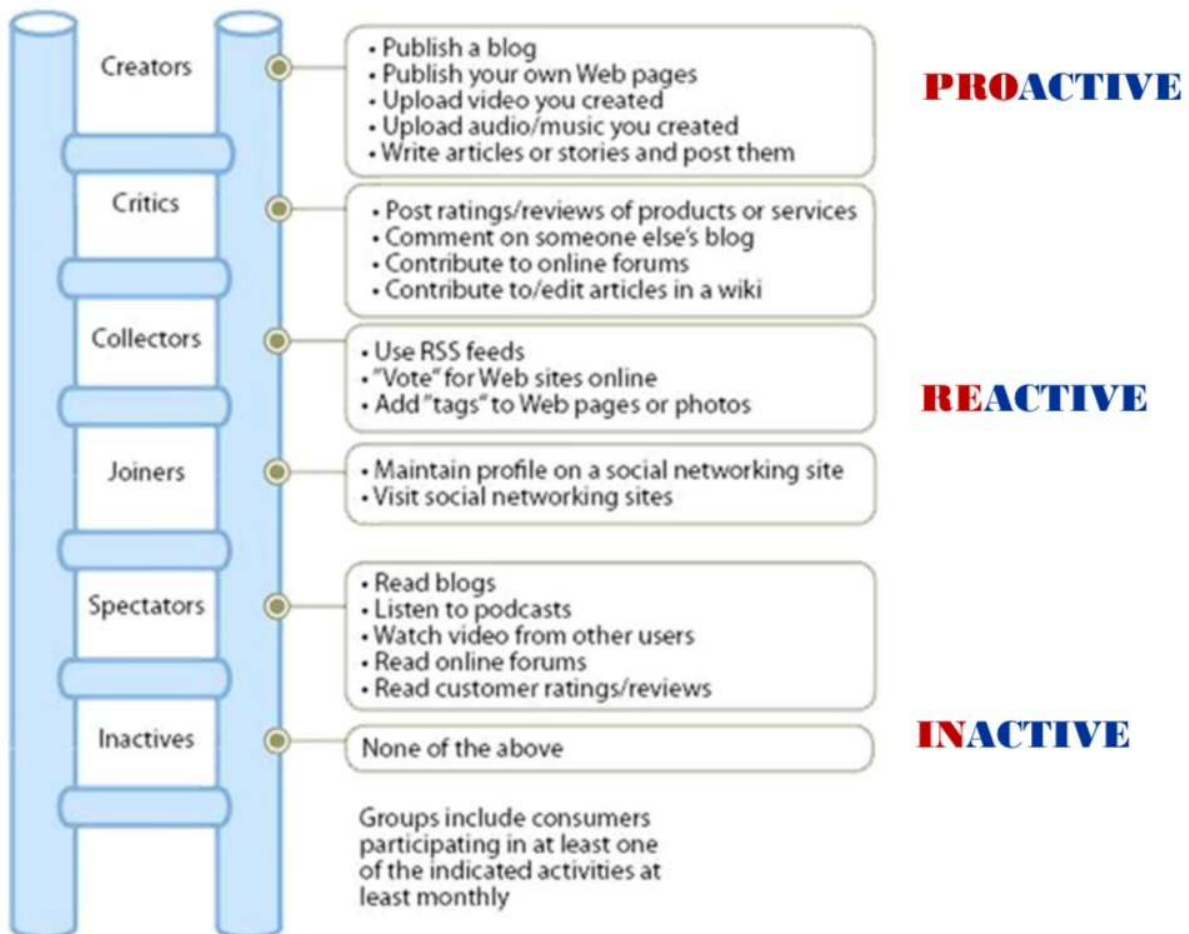
Consumers can comment on products (strengthening or damaging the brand image) and increase the power of word-of-mouth power, outside the circle of friends.



Multitasking: (i.e. able to perform multiple task simultaneously) -> speed up each process, but reduce the level of attention for each activity -> not just related to the youngest generation

importance of website design -> don't make me think -> reduce the span of attention

Co-creator: they do not find value in a standard proposal/offer but look for a customised solution and want to participate in its definition; they are co-creators.



Social Technographics Ladder

This model explains that online we can divide customer accordngly to their willingness to contribute to the

content that is shared online.

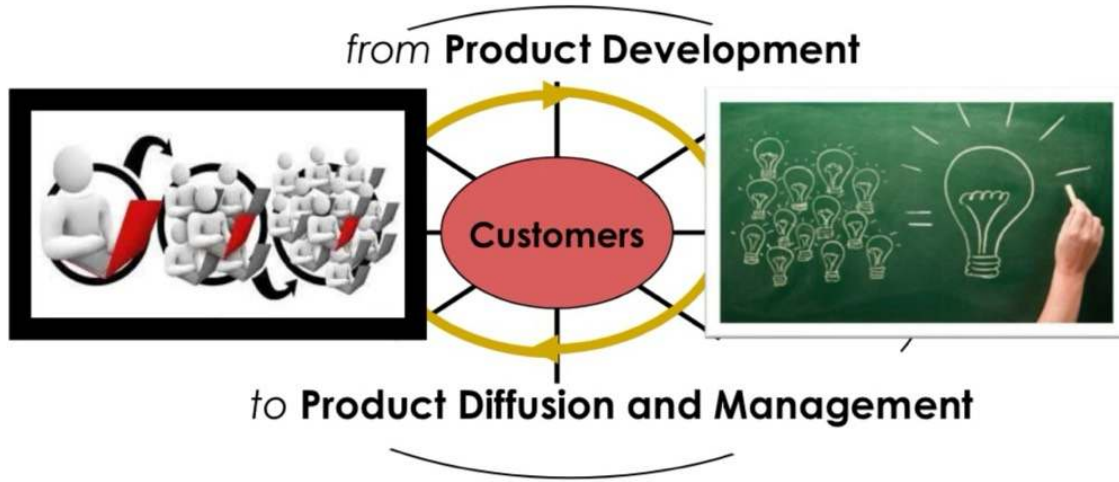
If their are **inactive** people, that means that they are not doing anything and maybe they do not even have an account.

The **reactive** people are those kind of people that usually put likes, share content, comments on contents shared by others.

Finally, the **proactive** people, are those uploading, posting and creating new contents.

Recognising who is your customer, how much willing they are to contribute, is extremely relevant from a marketing perspective.

Customer empowerment and involment



“Armed with new connective tools, customers want to interact and co-create value” (Prahalad and Ramaswamy)

How do you get a **persona** to move through the stages of your **funnel** and closer to a purchase?

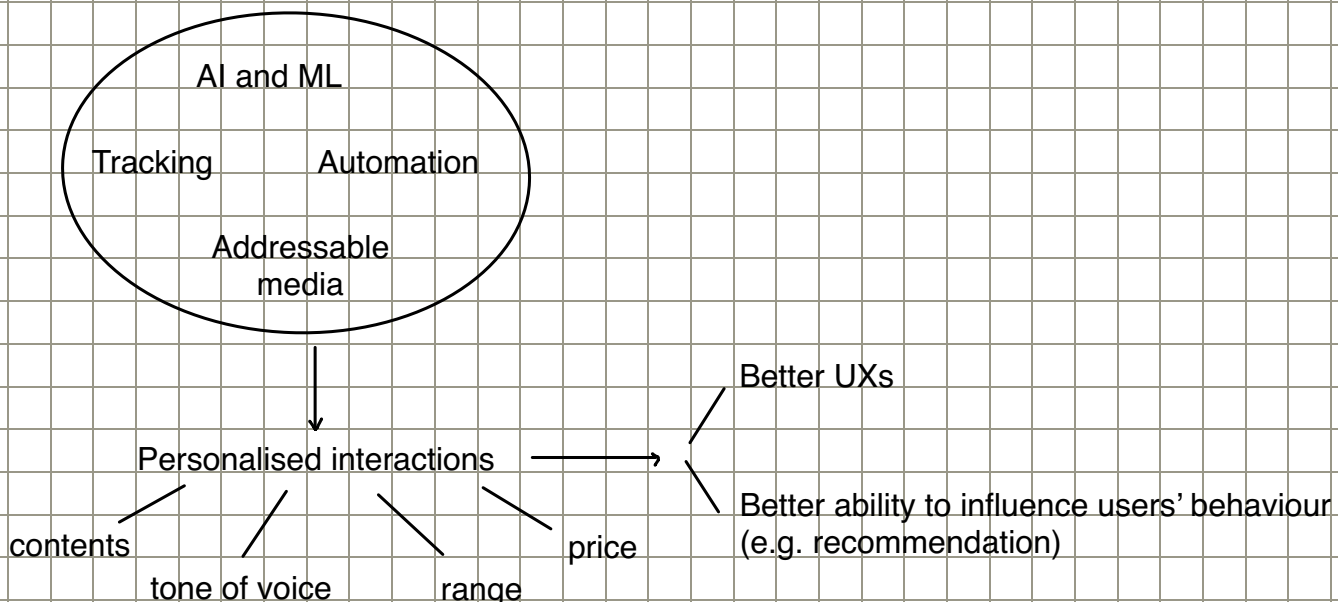
The digital ecosystem and the e-CRM: customer journey and inbound communication for profiling

The first aim of any digital effort is to profile those people who are both outside and inside the market. Some of them will become customers, some of them not, but as we know our algorithms need to know who are not likely to become our customer, to understand who will be our customer. In order to do so, we need to use all the touchpoints that allow us to start a relationship with people.

=> **The main aim is PROFILING.**

Then we need to transform people into customers, even though just some of those who we are able to attract will become our customer -> **this step, without understanding the people is very difficult to be rich in an effective way. Without understanding the market, we will not be able to achieve the other objective, since they are based on market research insights**

Personalised interactions



Artificial intelligence algorithms, machine learning algorithms, generative AI but above all, the automation behind the usage of these tools is one of the main drivers of personalised interactions.

Then we also have tracking, which means being able to see in a very fine-brained perspective, the behaviour of the single person -> **the main data that we can get and use are the behavioural data**

Finally, there are addressable media, that are able to send message, to send contents that are very personalised on the person -> **today, we are very close to the idea of the one-to-one marketing, which looks like the most effective marketing, since it is able to start conversations with people**

There are a lot of different ways in which we can start a personalised interaction, such as: the point of view of the content, the tone of voice, the range of the assortment if we are selling online or in a digitized environment, and also the prices -> **if we look on a website prices are less visible than in the past, in order to allow companies to change them easier, to more them more and more personalised**

The main aim is to provide, at first, a better user experience, but also the ability to influence the behaviour of the users.

Remember that all these tools are available also for our competitions, which means that if we and our competitors follow the same patterns, we will be both better in influencing the users' decisions; in order to differentiate ourselves we need to become the best in influencing users' behaviour and this is possible thanks to **high quality data**, that must be more reliable than those collected by our competitors, and in the **quality of our algorithms**, that of course is connected to the data quality -> **it is no longer a matter of intuition, but it is just a matter of the quality of the data. The more touchpoints we have, thanks to which we can collect data, the better is for the company**

The value of the personalisation, from the company's point of view, is linked to the fact that the cost for better understanding of each single person is lower than the value obtained from that personalisation; while from the user's point of view means better benefits at lower costs.

A different perspective on digital

How can we collect data? How can we be sure that the quality of the data is the one that we need?

Of course it is quite difficult to answer those questions, but it is necessary to do so in order to do the right investment. For this reason there are some tools that we can use for collecting data:

1. Digital properties (website, fanpage, app): everything that is digital and it is our property is under our control. So through software, like for example Google Analytics, we can see what the single person is doing on our properties

2. SEM (Search Engine Marketing): we need to be able to answer to the questions that people do on search engines -> **in order to do so we need to be visible.**

Talking about search engines, it is also really important to check to **bounce**, which happens when the content of the page is not consistent with the promise done and the interest raised through the title of the page

3. Social: social platforms are totally different from search engines, because in search engines people ask things, while on social platforms people nurture their own interest. Social platforms can, in fact, be seen as repositories of contents able to nurture people's interest.

Moreover, on social platforms people are recognisable because of the required account, which is something missing while talking about search engines

4. Marketplaces: are more or less like malls, but in a digital environment. In marketplaces we are able to find a lot of stores, from different category as we are able to do in shopping malls.

The biggest example of marketplace is Amazon, but it is not the only one.

Marketplaces are particularly attractive, because they are very big islands where people are there for seeking the right product, for seeking a solution to their needs.

As a company, I can pay marketplace in order to become more visible, as in offline malls I pay more to be in the main corridor, or in the bigger shop.

5. Influencers (affiliate): they are those creators who are able to create contents of interest for people.

As a company, I can exploit their ability to attract people on their own islands, in order to become visible in front of those people and attract them into my smaller island.

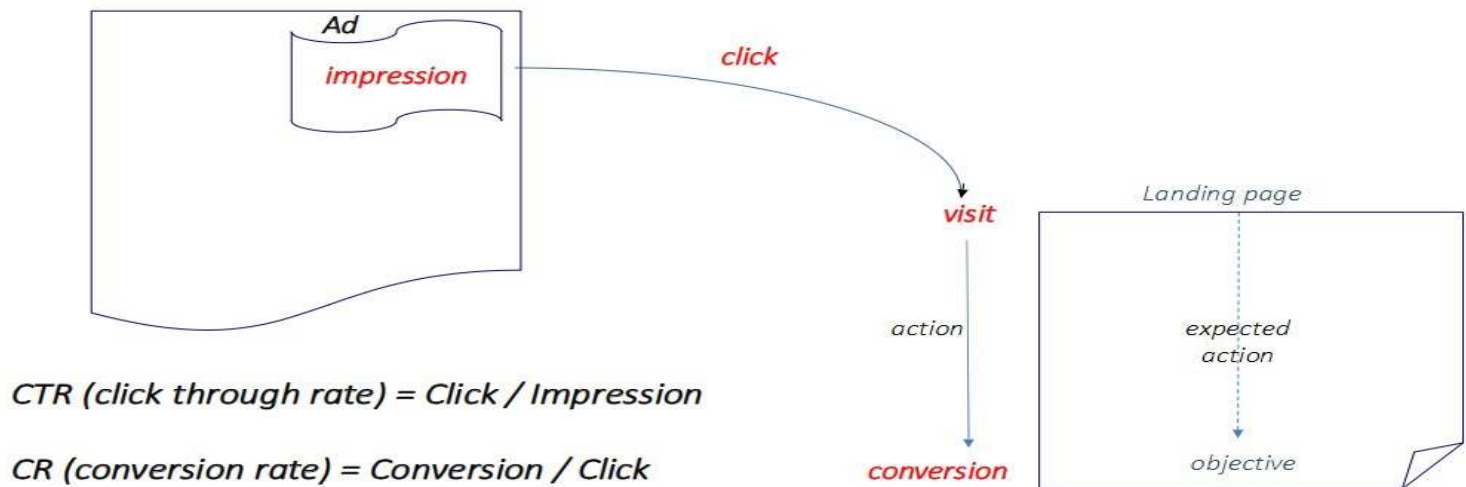
N.B. Search engines and social media are the most difficult tools in terms of managing

We can interact with people directly but also indirectly, which means taking them from the bigger islands and allow them to land to my island because I have contents that can be of interest for them.

Main objectives: **interact**, in order to:

- Build relationships
- Profile
- Provide customers with valuable products (=personalization: reduce efforts to the customers, increase her/his ability to use the product)
- Feed owned databases

CTR (Click Through Rate) and CR (Conversion Rate)



Click Through rate: the ability to convince people to exit the bigger islands, that can be social platforms, search engines or e-commerce, and land on my island, the is the website or a particular page, is called click through and the click through rate measures **how many people have been exposed to mu stimulus and have positively answered to it** -> the CTR is one of the golden metrics in the digital market, because it means the ability to become not only visible, but also effective in attracting people and so making them visible

I have contents on my pages, and my main goal is to become visible to the people. My visibility is call **impression**, which is not exactly the visibility, but represents just the potential visibility of my pages. Of course, I would prefer the best place in the screen, which is the upper left corner since we are familiar with starting reading from the upper left -> I want to do that since the impression is the potential visibility, the stimulus, the reason why a person should click on it and land on my pages starting an interaction with me.

As soon as the person click on the link in the impression, they become visible to me, and I can start collecting data about them. I will be able to know where the person is coming from, which source the person has clicked on to landing on my page, and so on.

Each click is presumed to be a **visit**. For this reason it is very important that all the pages are designed according to a specific goals, that can be presenting, distributing, selling, and so on -> the home page is generally made for distributing

Regarding the specific goals of each page, the general goal is to always keep the interest of the visitors high, in order to interact with them in mor effective way, for better profiling the potential customers. I cannot miss this opportunity, because missing it means miss the opportunity to start a conversation and so collect important data

=> There is always an objective behind each website page, and this is the reason why that page exists in the perspective of the company -> we create website pages not only for benefitting customers, but also for understanding and profiling

Conversion rate: this metric is able to track the behaviour of people on the page in order to understand if they do the action for which the page has been designed for.

In Google Analytics, this metric is called **key event**, since it represent the moment in which the visitor is doing the action behind the design and the goal of the page (subscribe to the newsletter, scroll down, see a video, and so on).

=> it measures the ability to design the page but also the consistency between the content of the page and the promise done, that convince the person to click

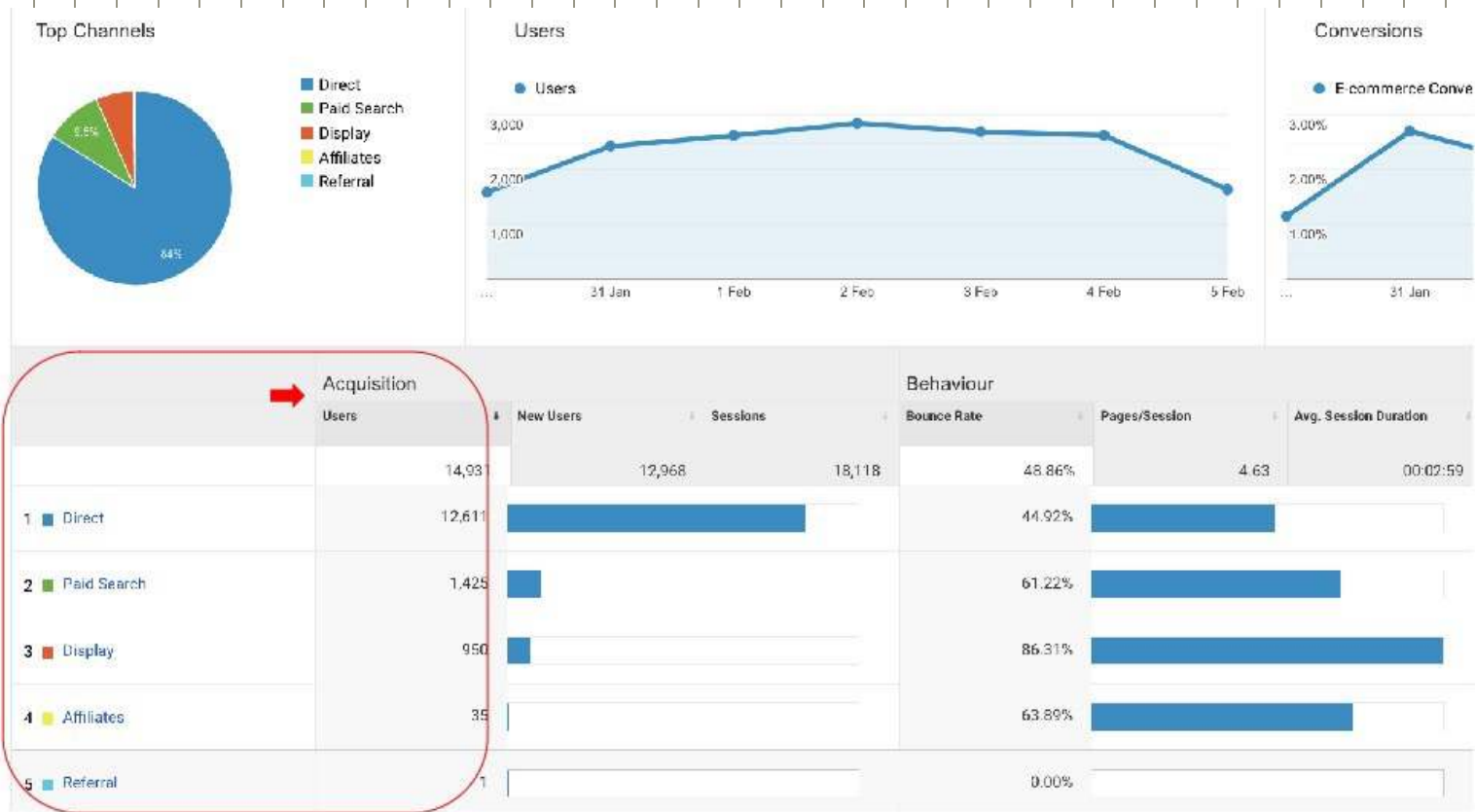
Of course it is also important to collect **feedback**. The feedback is the mechanism of the digital

environment, if I don't receive feedback I am missing an opportunity (bounce).

Of course there should be a connection between the content of the impression on the one on the landing page, otherwise it is really likely that people will exit the page, raising the bounce rate.

The reason why we click on one impression is that I am interested in its content, meaning by this that I want consistency with the content of the landing page -> **the impression is the promise that the company does to people**

Google Analytics

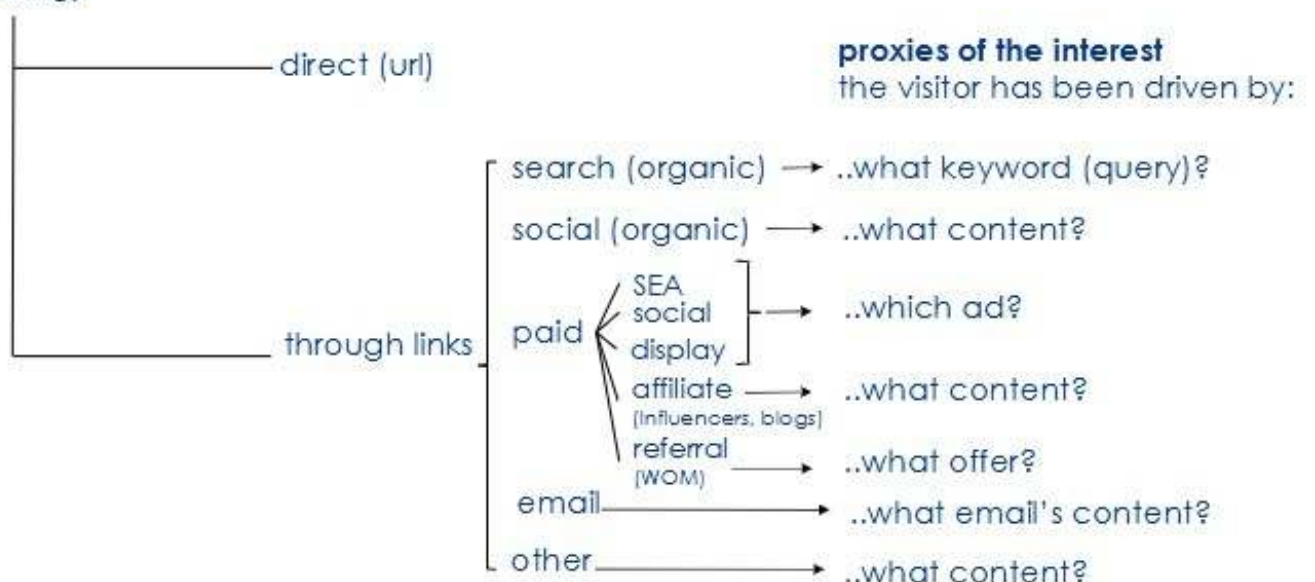


This software reports all the sources of visits, helping companies the effectiveness of the impression and the different displays, but also if and how many people directly search for the website, by writing the address of the page -> **this will help companies to measure also the general awareness of the brand**

The idea is that, according to the source where people are coming from, I can have a rough idea of the reason why they are there, and which is their behavior, but above all interests.

The sources of traffic

Access to a webpage (landing)



Main used digital communication means

a. Search (search engines, marketplaces: responses to a specific query = search interest)

-> we have both organic results, so the best pages about our query, but also paid results. It is a balance between very good pages and advertisers who are willing to pay to become more visible. We not always see the advertiser that pays the most, but we get the result among those who pay the most that best fits with our query

b. Social (places of entertainment, based on either social relationships or user-generated contents) -> the fanpage is one of the most well-known platform.

The owner of the platform just provides the infrastructure, meaning by this the software and the hardware and the algorithms for creating these contents.

-> organic communication: post that we create and make available for others

c. Display (evolution of banners accompanying editorial content, logic of target audience, timely communication)

-> paid communication

d. Influencer

e. Email: ways for interacting with people outside the organisation who are interested in keeping in touch with us, are interested in what we are able to provide.

SERP: Search Engine Result Page

The SERP is the page where the search engine lists, in order of relevance links to web pages whose content it recognises as consistent with the query.

The image shows a screenshot of a Google search result page for the query "digital analytics". The search bar at the top shows the query and the Google logo. Below the search bar, there are tabs for "All", "Images", "News", "Videos", "Shopping", and "More". The search results show "About 155,000,000 results (0.70 seconds)".

The first result is an advertisement for "Advanced Digital Analytics | Access Your Data Quickly | mixpanel.com". The ad includes a link to "discover.mixpanel.com/digital/analytics" and a description: "Track & Measure User Data to Truly Understand Your Customers. Get a Free Demo. Instant Insights · SaaS · Free Account · Consumer Tech · Financial Services · Media & Entertainment Services: Engagement Measurement, Retention Tracking, Funnel Visualization, A/B Testing, Notificati...". Below the ad, there are links for "Autotrack for Web", "Automated Insights", "Mixpanel Pricing", and "Mobile A/B Testing".

The second result is a snippet from "Receptional" titled "What is Digital Analytics? - Receptional" with the URL "https://www.receptional.com/blog/what-is-digital-analytics/". The snippet text reads: "Digital analytics is the analysis of qualitative and quantitative data from your business and the competition to drive a continual improvement of the online experience that your customers and potential customers have which translates to your desired outcomes (both online and offline) Nov 14, 2013". To the right of the snippet is a small image titled "What are Digital Analytics?" showing a bar chart.

The third result is from "AT Internet" titled "What is digital analytics? - Definition - AT Internet" with the URL "https://www.atinternet.com › Home › Glossary". The snippet text reads: "Using digital analytics data, companies can optimise the customer experience on their websites, mobile sites, and mobile apps, and also optimise their marketing ROI, content offerings, and overall business performance. Also called 'web analytics'".

The fourth result is from "Digital Analytics Association" titled "Digital Analytics Association" with the URL "https://www.digitalanalyticsassociation.org/". The snippet text reads: "The Digital Analytics Association - 'Advancing the use of data to understand and improve the digital world through professional development and community.'".

The fifth result is another snippet from "Receptional" titled "What is Digital Analytics? - Receptional" with the URL "https://www.receptional.com/blog/what-is-digital-analytics/" and the date "Nov 14, 2013". The snippet text reads: "Digital analytics is the analysis of qualitative and quantitative data from your business".

Annotations on the left side of the image point to specific parts of the search results:

- "SEA Search Engine Advertising" points to the advertisement for Mixpanel.
- "Snippet" points to the text of the second search result from Receptional.
- "SEO Search Engine Optimization" points to the list of search results below the snippet.

SEA and the keywords perspective

Alphabet made very big investments for developing algorithms that are able to understand the intent behind query's, even though they are really short.

The pages in the **SEA** space, which is the space for advertising, the company paid Google, or other search engine, for appearing here. Moreover, they also won an auction against the other advertisers who aimed at being exposed here, in the upper left corner. As we seen before, the result that appears in the best position is not the one that paid the highest price, but it is the advertiser that has the best balance between the content of the page and the money put on the table -> **the advertiser will pay only for the clicks its announcement will receive. It is very interest, but above all, it changes completely tha way advertisers appear on the search pages.**

In the middle we have the **snippet**, which is a service provided for free by Google. It represent in pills what we want to get from a search engine: a reliable answer as soon as possible.

Finally, the pages proposed in the **SEO** space are the most consistent with the query; the owners of these pages have not paid Google, or other search engine, for appearing in the first page, where there is the 90% of possibility the be seen, since the fact that people are used to stop at the first page -> **if you here, you can be visible, you can be clicked, otherwise it is very difficult. For scaling up the position and becoming visible here, a lot of effort is needed in terms of optimisation of the page, meaning by this optimisation of the content and of the readability.**

In traditional advertising, I can create an announcement and then I ask a publisher to make those announcements visible in front of the people that I define as my target audience.

On the other hand, on Google, I am not able to define the target audience since I don't know who is doing the query. The only thing that I know is that I want to be there when someone ask a question, in order to answer to it and get information -> **it makes very difficult to announce to those people who are behind the raised hand, and that is the reason why announcements on search engines are less effective than the announcements display on social platforms.** In fact, on social platform I am able to recognise who is doing the query, thanks to the login mechanism, and so I am able to define who are those I want to be exposed to.

Example: Amazon

Amazon is a marketplace, and it is able to see everything that is done inside its properties.

The most part of the profitability of Amazon, is not selling products, but it is selling advertising. That means that, as no Google, brands pay the platform for making their store more visible in front of queries.

Also in this scenario, the sponsored pages are put on the left, and the mechanisms is the same as Google search engine: the stores buy keywords that are associated with the queries in order to be in the best space.

Then we have publishers, creators, editors, those who have their own audience online and they make this audience available to advertisers, in a way that is a bit different from the traditional way of advertising on magazines -> **when we advertise on magazines as an advertiser, we buy a page that will be the same for all the readers, regardless if they are interested or not in the advertisement.**

When we are online, we can show the advertisement, also called **display**, only to those readers who are more likely to be interested -> **the same content, the same article can have different displays, according to who is the reader. Of course the display should be consistent with the expected interest of each single person.**

Display: is defined as the online advertising activity that combines texts, images, and a URL linking to an external page (=landing page) where the customer can find information about the advertiser or purchase products.

There are different ad formats: they can be **static** and include an image, or **animated** with multiple images, videos, or dynamic text (also called rich media ads).

The display perspective

How can I increase the likelihood that I will catch the attention of a person when I personalize the display on a page that has its own audience?

1. Similarity of content

The display accompanies an editorial content on the same topic -> it is the easiest, but the most important thing to do.

2. Tracking of the user

The display is shown to a subject who is recognised for having performed certain actions in the past:

a. Cookies

b. Retargeting -> it works on the ability of the publisher, who is the owner of the page where the content is,

to propose the right content to the right person.

The publisher is able to recognise and profile people, in order to be the best in its own business, which is sell advertising -> the publisher are able to collect information about the people's behaviour on the websites thanks to the usage of cookies, which are codes used to:

1. Allow customers to read the page -> if they do not accept they will not be able to read the page
2. Allow the owner of the page to track the behavior on the page
3. Third party cookies own by publisher used to recognised the visitor to proposed them personalised contents in the future

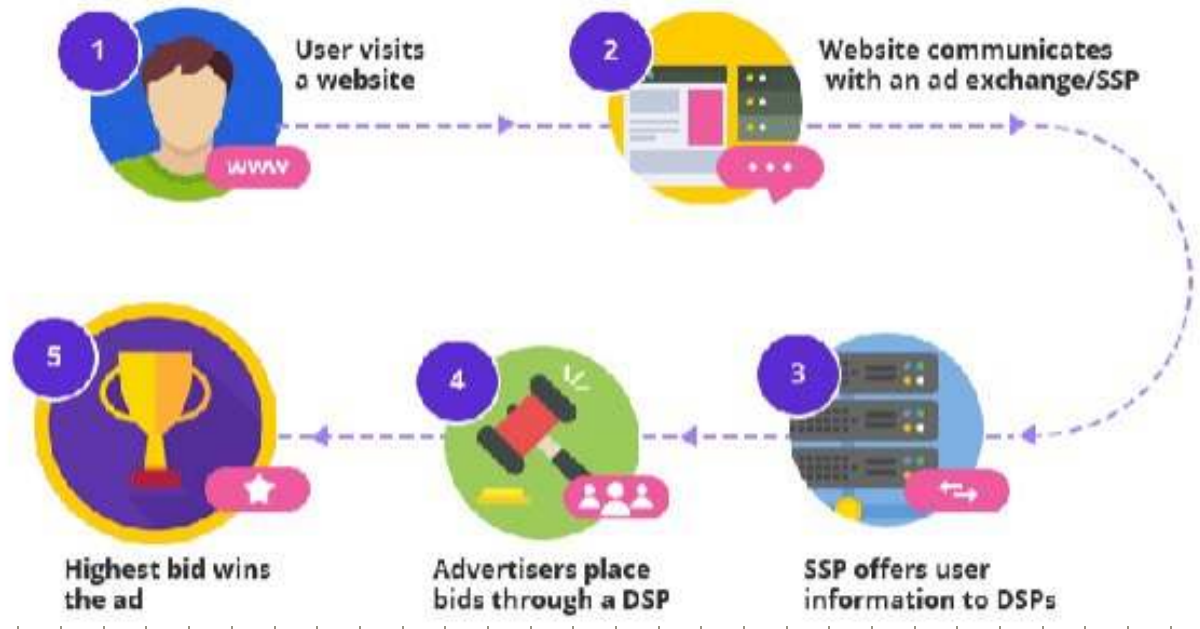
N.B. In most of the Western Europe country the cookies are deleted as soon as the visitor exit the page -> these procure is so far linked just to third parties cookies, but probably in the next further also Chrome's cookies will not exist anymore.

On the other hand, there are some information that regardless the cookies will be always there; this information are:

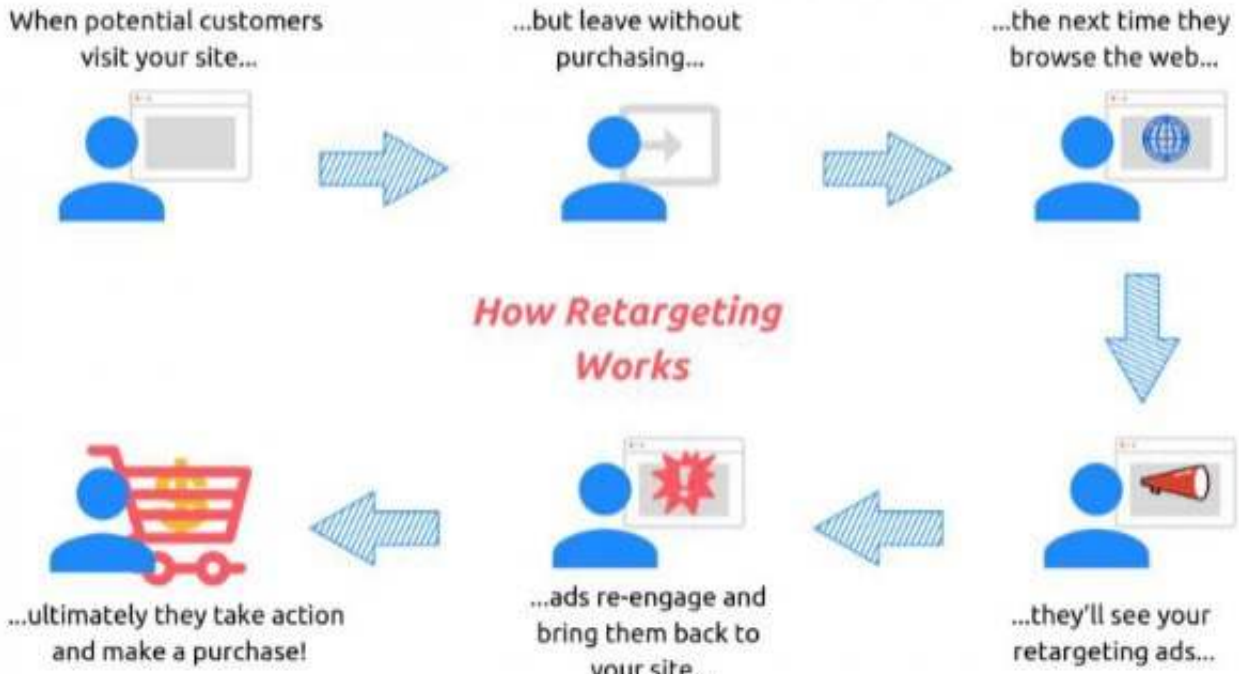
- a. The browser used
- b. The language
- c. The place where we come from -> this information is provided by the provider of the internet access
- d. The time when you enter the page

Programmatic display

It is based on the ability of the algorithms to to predict which is the interest of the person, making each publisher, each provider of this service better than competitors -> if I am the best in predicting the potential interest of the person and choosing the right display accordingly, I will get more clicks



Retargeting



Digital Ad: Display VS. Search VS. Connected TV (US market)

A connected TV can be seen as a website, since it is a digital device.

US Display and Search Ad Spending, 2023

billions, % change, and % of total digital ad spending

	Ad spending	% change	% of total digital ad spending
Display	\$147.40	7.9%	55.9%
—Social network display	\$68.45	3.4%	25.9%
—Connected TV (CTV) display	\$25.09	21.2%	9.5%
Search	\$110.20	8.3%	41.8%
—Retail media search	\$29.69	18.7%	11.2%

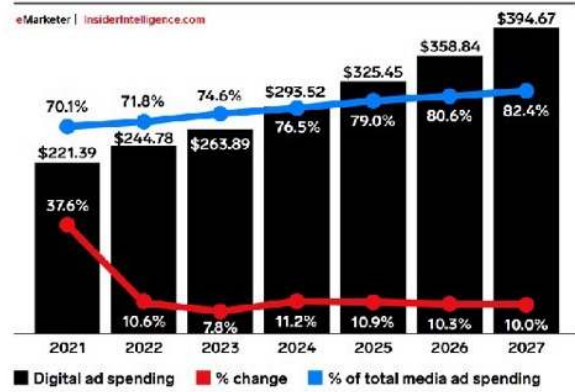
Note: display includes banners, rich media, sponsorships, video, and ads such as Facebook's News Feed Ads and Twitter's Promoted Tweets; social network excludes payments to influencers or other creators to produce sponsored content; includes branded content amplified as paid media; CTV includes digital advertising that appears on CTV devices; includes display ads that appear on home screens and in-stream video ads that appear on CTVs from platforms like Hulu, Roku, and YouTube; search includes contextual text links, paid inclusion, paid listings, and SEO; retail media search includes digital advertising that appears on websites or apps that are primarily engaged in retail ecommerce or is bought through a retailer's media network or demand-side platform (DSP); includes ads purchased through retail media networks that may not appear on ecommerce sites or apps
Source: eMarketer, March 2023

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eMarketer | InsiderIntelligence.com

US Digital Ad Spending, 2021-2027

billions, % change, and % of total media ad spending



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms
Source: eMarketer, March 2023

What is a social media platform?

A social media platform is defined as a web-based or mobile-based internet application that enables the creation, access, and exchange of user-generated content (UGC) -> the important thing to take into consideration is the fact that social media platforms, which are considered as editors, but actually they do not create anything, since they do not have journalists; in fact, they only provide the infrastructure and the algorithms for mastering the contents.

Pillars of social media marketing

- User Generated Contents:** hedonic motivations underlying the use of platforms and spontaneous creation
- Network effect:** amplifiers -> virality, network effect
- Selectivity:** affinity -> we usually connect with those who are similar to us
- Trustworthiness:** peers

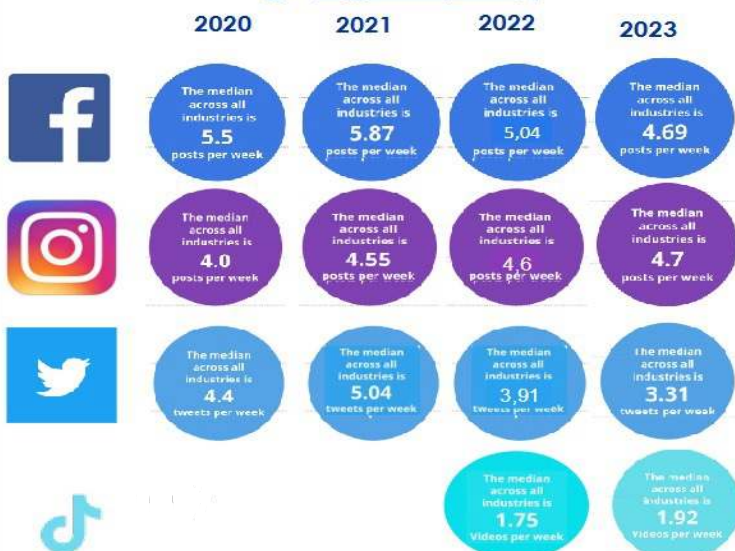
Communication on social platforms

There are three main ways in which we can communicate on social platforms:

- Organic contents:** news feed based on algorithms that considers the *how likely the content is to engage the user* -> *now brand's organic contents have about 1% opportunity to be shown*
- Paid messages (adv):** based on *relevance* and bid
- Influencers' content:** organic contents provided by influential users (=influencers) in exchange for money/products

Organic posts and engagement

Average organic posts per week



Average engagement rate per post



Engagement rate= (engagement activities)/(total impression) -> it is a metric that measures how many people have done a certain activity with a specific content on a social platform.

According to a specific platform we have different things that can be measured -> it can be considered a proxy of the **influence**, since the engagement is a measure of how pleasant the content is

Engagement is measured as activities made on posted contents:

- a. On a website: scroll depth (length), average time on page, average page views, bounce rate, share and form conversions
- b. On social media:
 - Facebook: reactions, clicks, comments and share
 - LinkedIn: interactions, clicks, followers acquired and impressions
 - Instagram: likes and comments
 - Twitter: retweets, comments and likes
 - Pinterest: likes, comments and pins
- c. On email campaigns it includes open-rates and click-through rates



Ads: Facebook campaigns

- Set the objective (one per campaign)
- Define the ads (more than one possible)
- Target the audience (one per ad group)
- Bid (one per ad)
- Measure
- Optimize

Search VS. Social advertising

Search

Paid search helps prospective customers find your business.

Social

Paid social helps your business find prospective customers.

Between organic and paid aids: influencers communication (marketing)

influencers by size		influencers by engagement rate		
	Instagram	YouTube	Facebook	TikTok
Micro < 15K	57.8%	51.37%	3.86%	17.96%
Regular 15K-50K	23.57%	11.84%	2.39%	9.75%
Rising 50K-100K	7.07%	6.67%	1.87%	8.37%
Mid 100K-500K	8.62%	16.43%	1.62%	6.67%
Macro 500K-1M	1.40%	4.98%	1.36%	6.20%
Mega 1M+	1.55%	8.71%	1.21%	4.96%

Amazon's affiliation program

Affiliation is one of the way in which influencers can monetise their ability to influence people. Amazon but also other players leverage on this to get higher visibility.



Email marketing

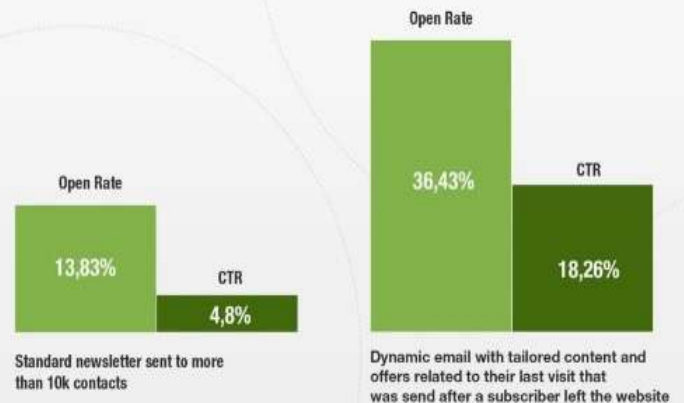
Being able to do email marketing means that we have the email address of that person and so being able to collect information to better personalised the content of the emails.

Email Marketing

1. Promotional Emails
2. Newsletters
3. Welcome Emails
4. Cart Abandonment Emails
5. Customer Re-engagement Emails
6. Onboarding Drip Campaigns
7. Holiday or Event Emails
8. Ratings and Reviews Emails

The infographic features an illustration of a man holding a megaphone, with a smartphone displaying an email interface and several envelopes floating around it.

Comparison of the effectiveness of emails depending on the number of recipients



Main used digital communication means

a. Search (search engines, marketplaces: responses to a specific query = search interest) -> **Logic of keywords as indicators of interest, logic of content.**

b. Social (places of entertainment, based on either social relationships or user-generated content) -> **Logic of target audience, logic of content of interest.**

c. Display (evolution of banners accompanying editorial content, logic of target audience, timely communication).

d. Influencer (logic of trust, intermediation).

e. Email (logic of personal interaction based on spontaneous target engagement) -> avoid discounts since the reason why marketing exists is because we don't want to reduce prices

The customer journey

"We just want to track your customer journey so that we can engage with you better"

That is the main aim of companies, and in order to do so they have to start and maintain relationships with the customer through a lot of different means of communication.

Especially for grocery products, that are still mainly sold offline, having a website, a form or a fanpage can be a competitive advantage against the competition

The Stacy's journey to buying a car

Customer journey: is a model that connects, in a meaningful sequence, raw pieces of information (=analytics) that represent individual customer behaviours in **specific contexts (=touchpoints)**. These connections are therefore able to give meaning and evidence to the entire process of purchasing and using a product.

1 Consumer = 900 digital interactions

Stacy's car-buying journey included over 900 digital touchpoints* in a 3-month period



Explored
14 Brands



Considered
6 Brands

Decided Between
2 Brands

source: Google, 2019

This kind of journey which starts with 900 interactions online with a lot of different touchpoints and that ends presumably offline is what we call **funnel mode** -> it represents the path to purchase and it can be divided into three main moments:

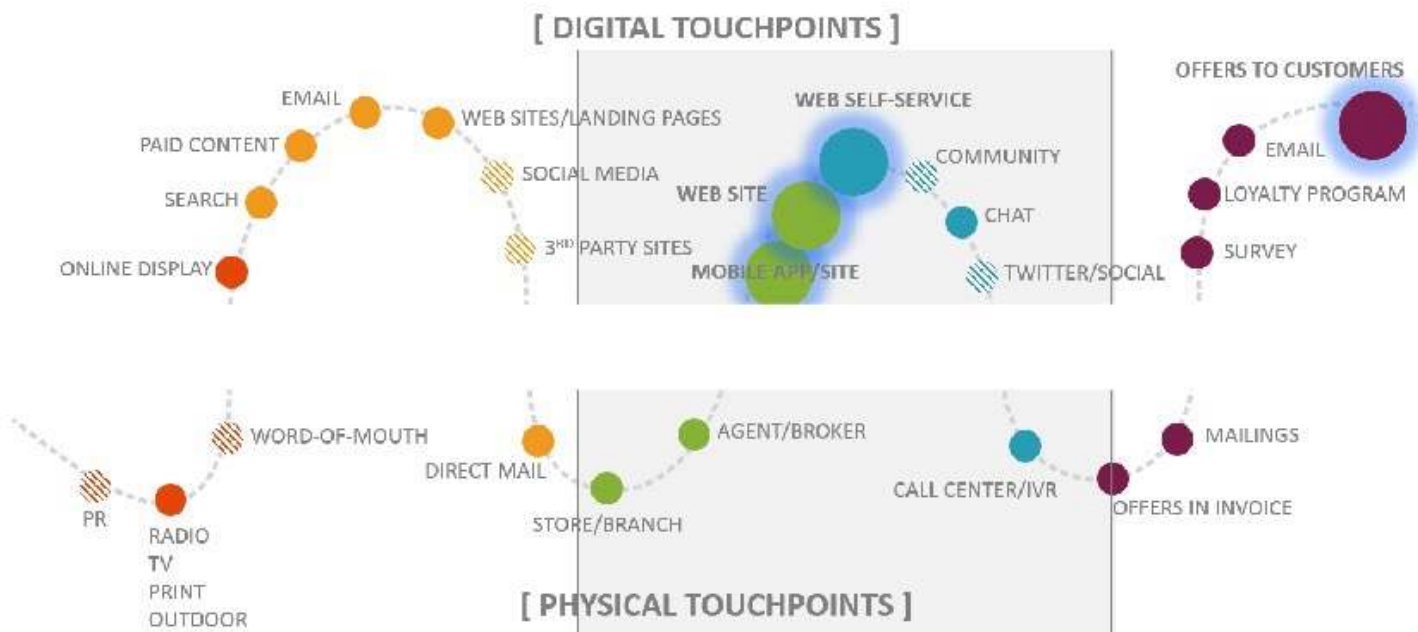
1. Awareness
2. Consideration
3. Conversion

In each moment the mindset is presumed to be different as well as the activity performed and the information sought online.

What are touchpoints?

Touchpoints are **moments of interaction** between the customer and the company (its communication, products, or staff).

They are **opportunities to collect data to profile the customers** and understand their behavior.



Entering into contact through a touchpoint means that the person has landed on the website of the dealers to get information.

It is a bit obvious that, in a marketing perspective, we want to use these touch point for pushing customers towards our funnel model -> this is valid regardless if the customer will purchase or not, because this still represent the opportunity for collecting data and profiling -> **this is the reason why we distinguish between the physical and the digital touchpoints; in the digital environment, we can collect information that costs less than their economic value, on the other hand offline it is very difficult, unless we digitize this world.**

The decision process as part of the customer journey



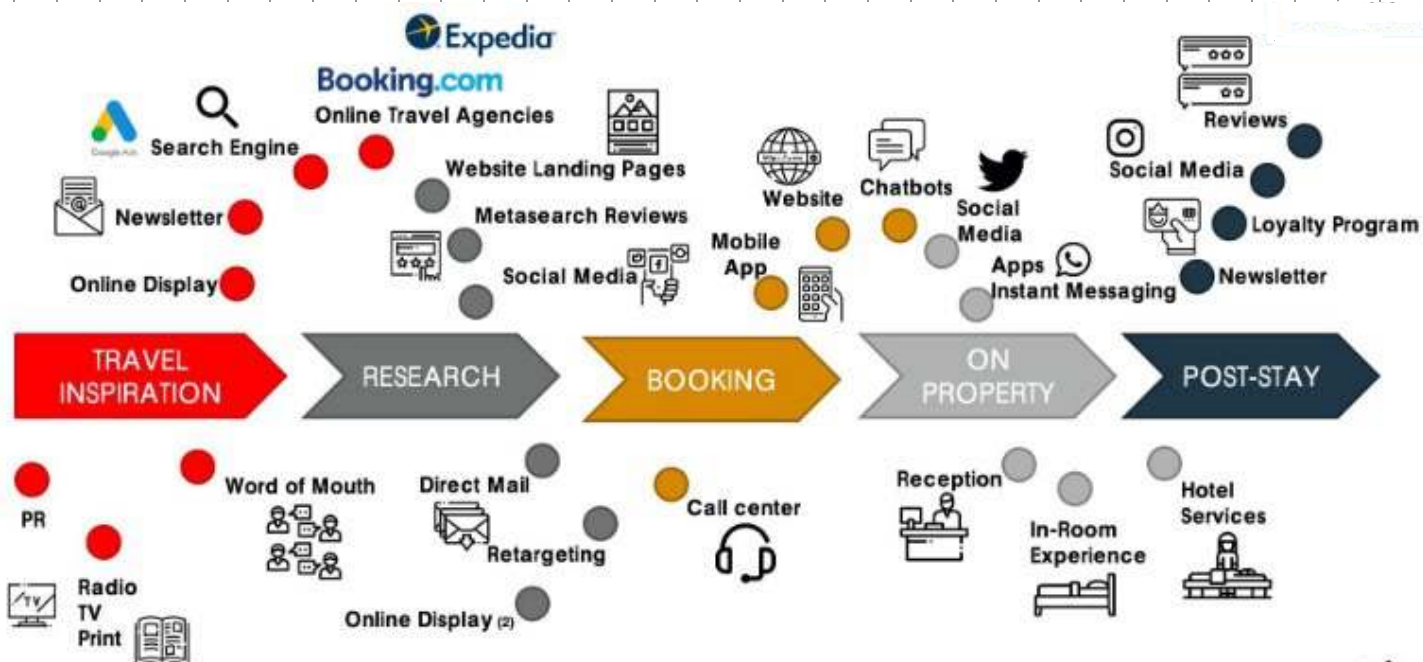
The journey is made of this process; the big challenge for advertisers is to try to understand where the person is along this process.

Looking the queries, we can infer ore or less where the person is.

Lead: a customer with an interest in what we are selling. The interest is expressed by sharing contact information, like an email ID, a 0phone number, or even a social media handle

Touchpoitns are diff3erent according to the industry, even though some patterns exist

Example: hospitality customer journey

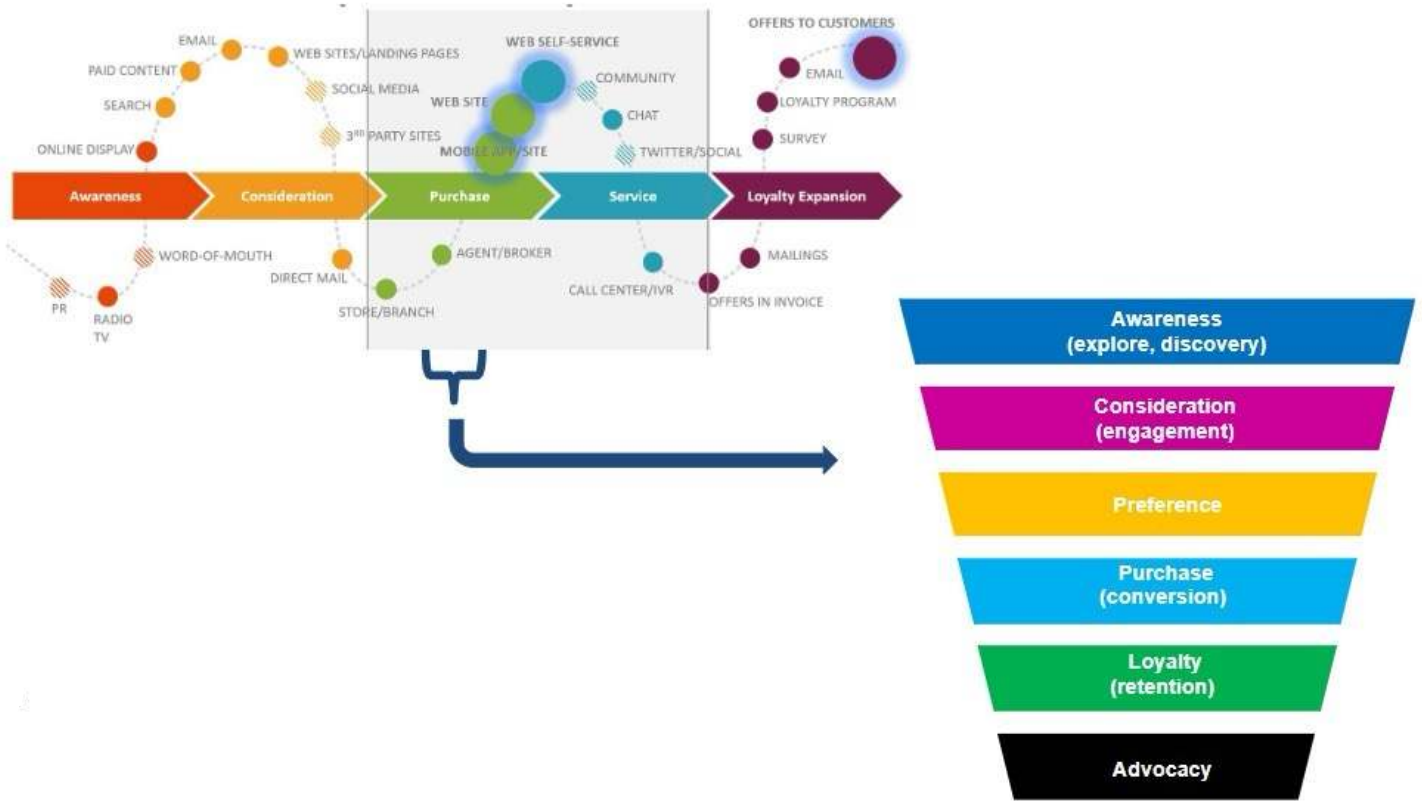


The journey typically begins with a travel inspiration that usually provide advice. Then there is the research, where the person is looking for all the different destinations, attractions and so on -> **in this phase there is the first touchpoint Booking: if we have an hotel, an attraction we must be there.**

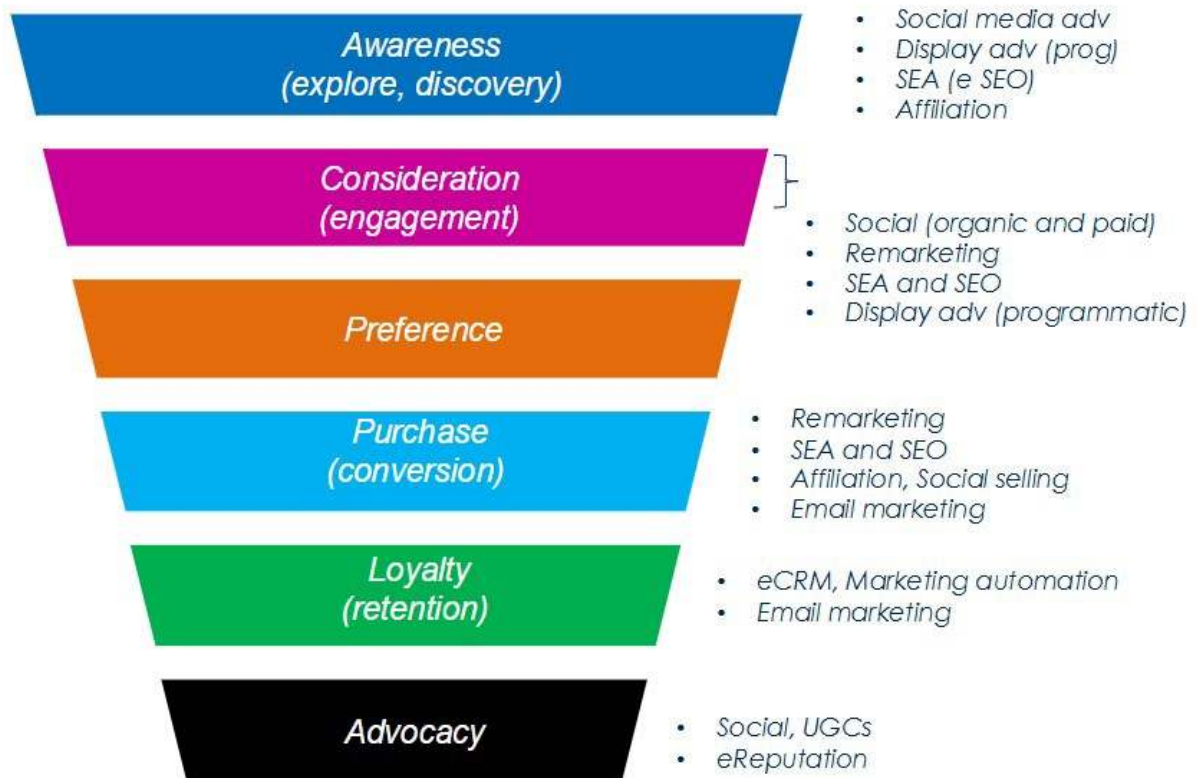
According to the specific step in which the person is, is more likely that the person will use specific touch points. Be able to understand which are these touchpoints is very relevant, and part of the deal.

The development of the journey resperesents the purchase and use of the product. The points of interaction between the customer and the product (or the company) are called "touch points" and constitute, among other things, a potential point of collection of data on customer behavior.

The funnel is a different way to represent the customer journey



Funnel and Digital Communication Means



It is really important to be there also for those customers that are not directly interested in my products, but above all we need to speak the same language of people if we want to nurture their interest -> especially if we are not interesting (EX: refrigerator and the blog pages to answer to questions linked to "how preserve fish/cheese or whatever")

Moreover, we need to be specialist to talk with people, otherwise we will just imitate others; in this case, the only reason why we are chosen is linked to the fact that we have lower prices and not because we are innovative.

This is the realm of **content marketing**, which is the ability of creating content that are of interest for people, not customers. This is the world of **inbound**, and organic contents.

Inbound and Outbound marketing

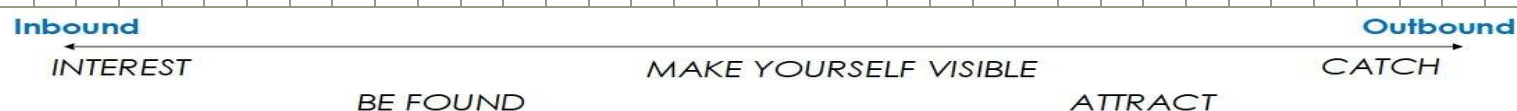


Inbound and Outbound digital communication

When the user spontaneously searches for inspiration or information
(this is the domain of Content Marketing)

	INBOUND	OUTBOUND
Search Engine	Search engine optimization SEO	Search engine advertising SEA
Social media	Fanpage	Social media adv
Influencer, Affiliation	Blog, influencer	Affiliation
Email marketing	Email (newsletter subscription)	Email (pushing)
Digital advertising	--	Display, programmatic
Other	Communities, blogs, UGCs	--
Digital properties	website, app	--

When the message is sent by the company to potential customers



You find me because **you are looking for content and I am among the best to offer it** on the web

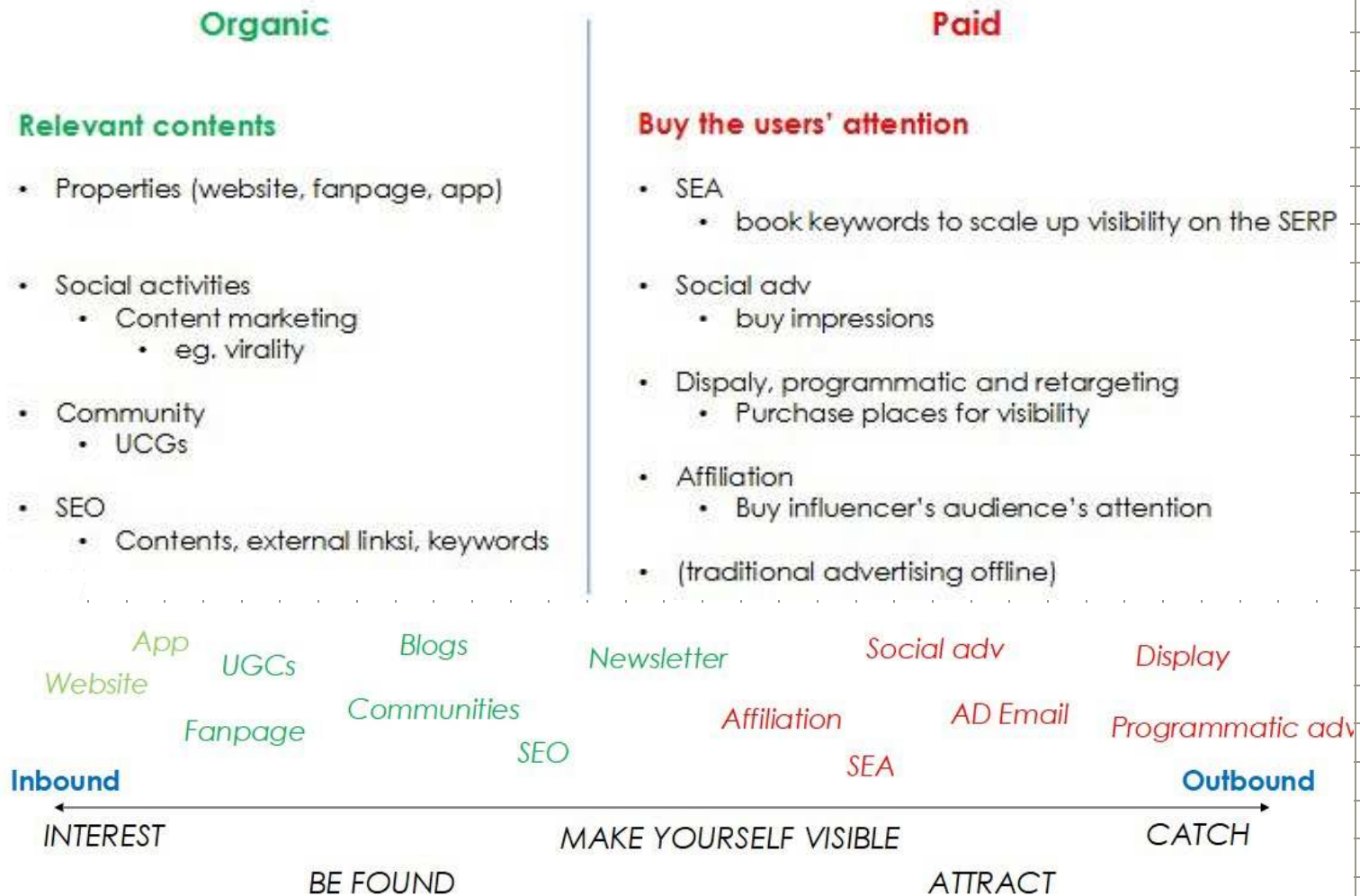
You find me because **your contact has highlighted (sharing, referral) my content**

You see me because **I show myself to you at a time when you are paying attention to a content** (consistent with mine).

You see me because **I recognize you and I am sending you content that is consistent with the content that is consistent with the interest you have shown so far**

You see me because **I show myself to you in a context that you are paying attention to**, with content that I assume is of interest to you

Organic VS. Paid



Practice 01 - Nimble

The funnel represent only a small part of people's online activities

The idea is that the most part of time people are online is not within a funnel; this is why we should invest a part of our budget in creating contents, not for pushing sales, but for interesting people. If contents are done, people will self-select them, so they will be exposed to contents of interest for them; while they are exposed, we have the opportunity to track them, to see who they are.

Marketing strategy in a digital world

What is the main objective of a digital strategy, in a digital environment?

The main objective is to attract – retain : *how can the analytics help us?*

1. FIRST OF ALL, I BUILD THE RELATIONSHIP, then we have the sale. Selling is the outcome of a path in which I first of all I build a relationship with my potential customer

- If I look for the customer just in order to sell her the product, I am meeting her only when she has already started the journey. I'm not part of the trigger. **I would like to meet her before the journey starts!** I would like to be her reference point when she thinks not about the product, but about the moments and situations when (I know) the product could eventually be used (in this way I could make him discover new solutions, new products, new ways of getting what he wants).
- I (the brand) am the specialist of those moments and situations: I can suggest what to use, I can inspire.

⇒ This relationship means take the person to our island!

2. TRUST and LOYALTY: how do I get them?

- Focusing on the person (not the «customer»)
- Balancing Inbound and Outbound

⇒ The main goal is to provide people outside, topic of interest to start a conversation with them and so, get information. Then the sales will come, and they will be even higher than those of our competitors since we will have a better understanding of the market, thanks to the information collected previously → we will be better in improving our product but also in interacting with the people

What content to build

Once the product is defined, I build the relationship strategy, working from an inbound and outbound perspective, with two objectives plus one:

1. Build a relationship based on trust
2. Collect information that allows for managing the relationship:
 - a. Profiling (tags for differentiating content, engagement activities, etc.)
 - b. Prediction (score)

-> We have to main types of information: the **behavioral** information, which are very thick in terms of knowledge and data that are richer in terms of information that I can derive from them, that are called **attitudinal** information (preferences, attitudes and psychological profile)

+ Convert (eventually)

The role of tags for profiling

Tags have the function of associating meaningful information to the content, and then to use these information for profiling.

- a. Tags can collect behavioural information (e.g. how much or what part of the video was viewed) and psychographic information
- b. **Tags should capture elements related to the structure of preferences, attitudes and the psychological profile** of the individual

Each content (e.g. a page) must be created with the aim of collecting profiling information, as if each visit were a filled survey: the content must therefore be sufficiently **discriminating**



=> Tags are pieces of information that we use by associating labels to a specific person -> the tags are very thick information, linked not only to behavior but also the interest, the tastes, the demographics of a person.

Discriminating landing contents

There are two ways to discriminate people online:

1. Ask them a direct question: use a pop-up, as soon as they land on the page, asking for preferences in exchange of a more personalised experience on the website
2. Use different pages characterised by specific labels

Example: Vegan VS. Meat-based recipes

Let's assume that in a specific market be a vegan or a meat lover means to be different kinds of customers with different decision process and different preferences in terms of products.

My products are appliances for cooking, and I decide to put some recipes in my website as well.

I need to define the best strategy, and I have to options:

1. Non discriminating page



2. Discriminating pages



If I provide recipes that are a mix of vegan and for barbecue recipes, the time spent on this page doesn't provide me any kind of information.

Creating two different pages, one for the vegan recipes and one for meat-based recipes, allows us to add a specific tag to those who spend more time on one or the other

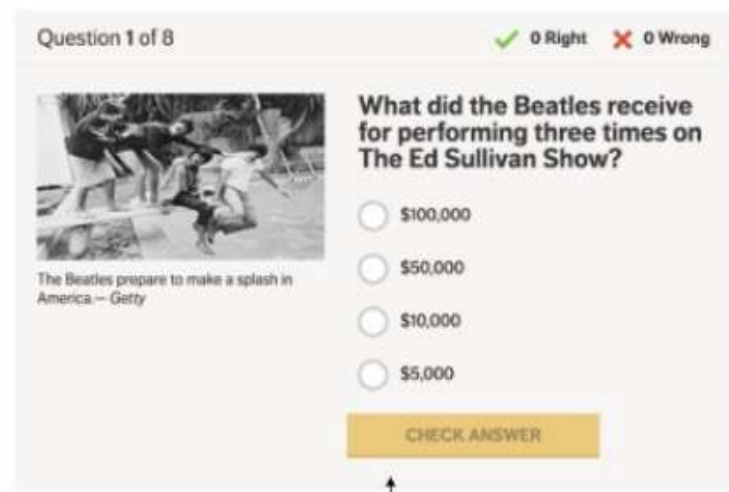
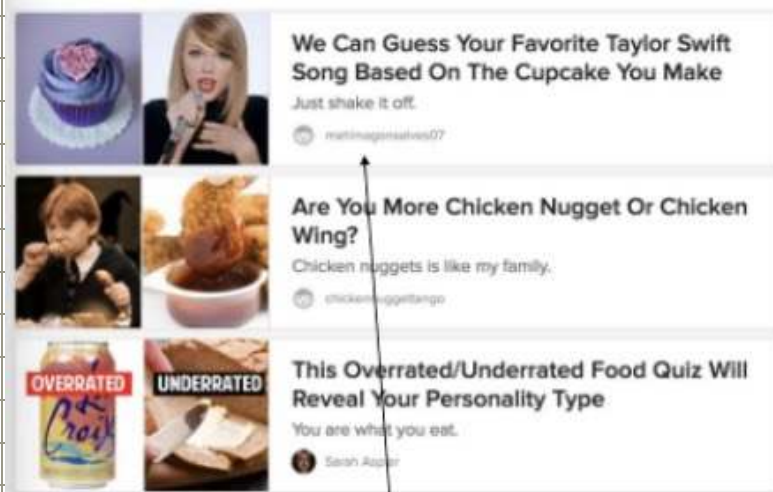
This analysis can be done only because of the assumption that be a vegan or a meat lover means be a different consumer -> also in a digital environment we need to have some ideas of who customers are, and data are there only for providing us confirmation or dis confirmation of our hypotheses and assumptions

Other ways to profile: engagement activities

Another way for collecting these deep data about preferences, about gender, about the age, or anything else we consider meaningful for understanding the interest of our customer outside, is using engagement activities.

Engagement is important because, if people spend a lot of time on my pages, I can collect more information about them. In fact, during that time that people spend on my pages, on my properties, I can communicate with them collecting information -> we cannot miss this opportunity

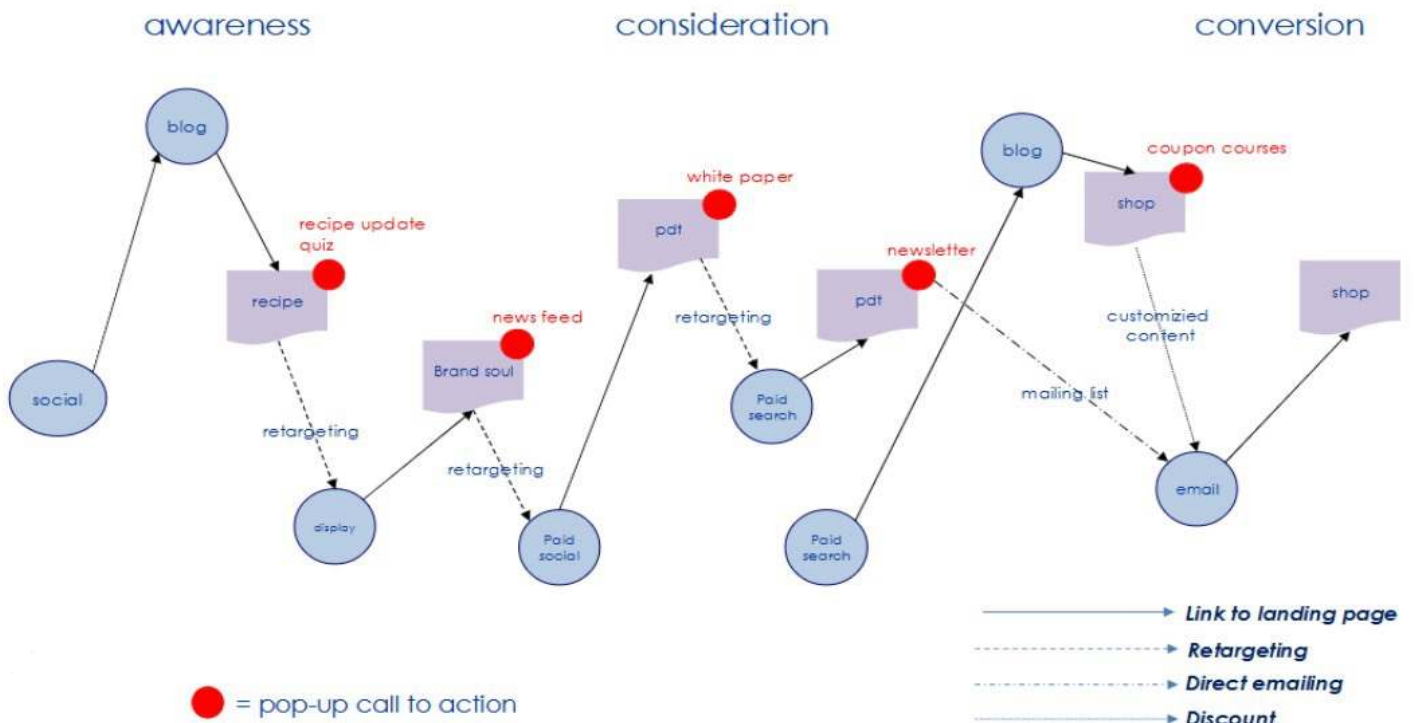
=> we need to design engaging activities in a way that allows us to take home something about the customer.



Info: the cupcake the person is used to make

Info: how much the person is keen on Beatles

Marketing strategy for profiling: example



The marketing strategy is the map of a journey that we design at the beginning, and it should be the optimal journey thanks to which we can get the information from the customers, but at the same time push them to buy from us.

Of course each persona will have a specific journey according to their characteristics.

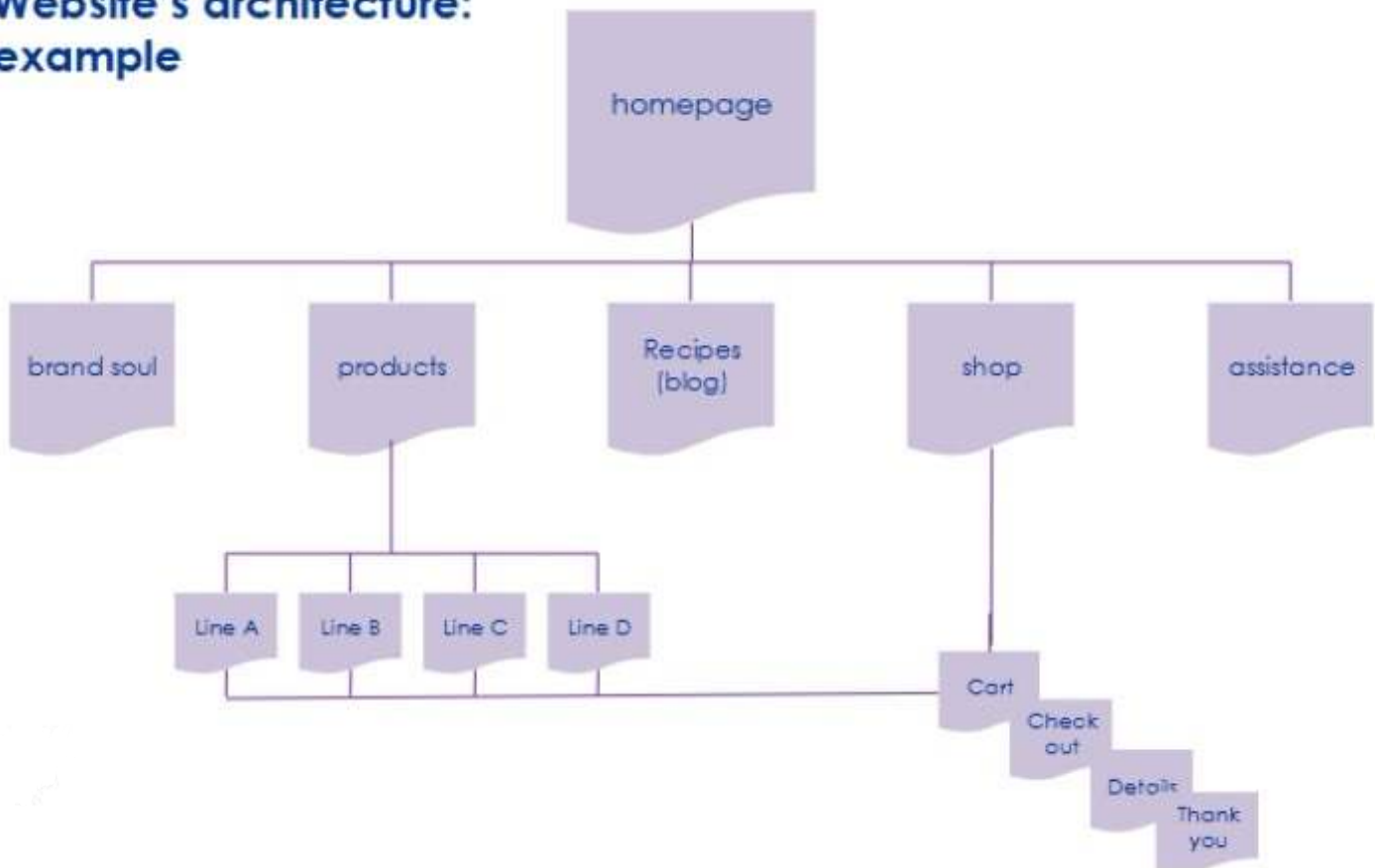
In this journey we have several touchpoints, both internal such as a display, a social platform, a paid social, a paid search, and external such as a third party blog, out of our direct control.

This journey is the starting point of the relationship with the customer/persona that we have in mind. Then, while the persona will start to do activities with us, we will see if our hypotheses were right or if we need to change something.

N.B. I cannot start with retargeting at the beginning, because the person has not visited my properties yet, so is not visible for me.

Moreover, we cannot do retargeting through a paid search, unless it is on YouTube.

Website's architecture: example



As we can easily understand from this schema, the website has a lot of pages, so it is not the best practice to send the person immediately on the **product page**. In fact, it is very unlikely that the person is ready to buy after the first interaction with our website -> **our effort is behind the idea that we are doing inbound.**

Any time we work on inbound and content party, we should have a blog.

Only when we see that the person is reading a special kind of paid social that talks about the products and their characteristics, we can start showing the range of offers.

N.B. We can do direct emailing only if we have had at least one opportunity for collecting the email, otherwise is of course a mistake in my strategy.

Finally we have to send discounts only when the person has visited the shop, because it means that they are ready to buy.

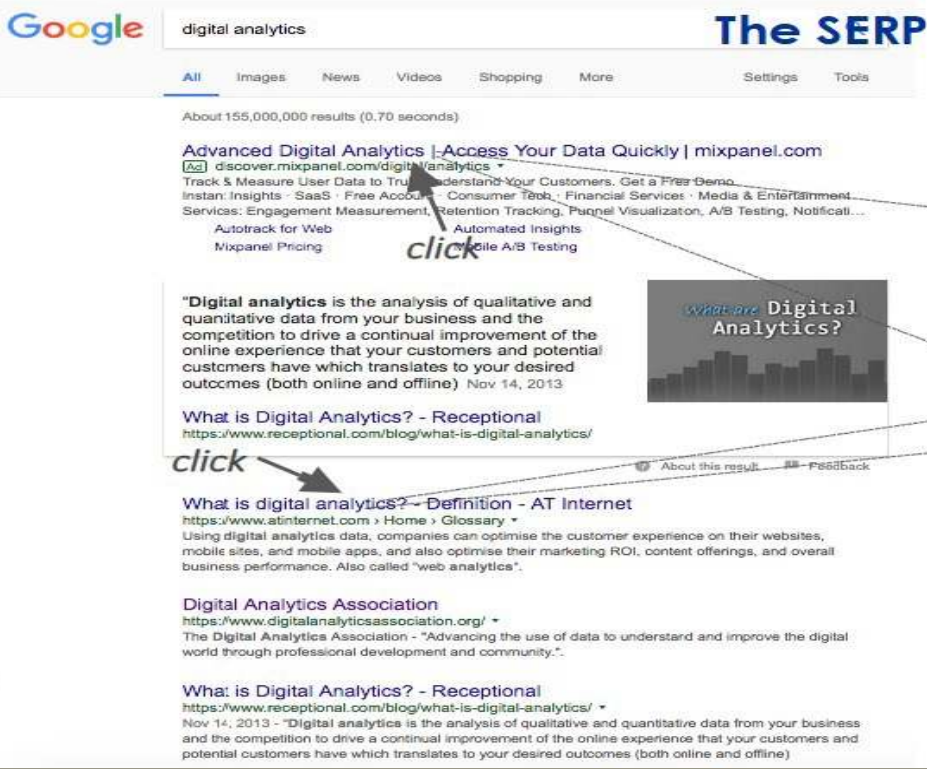
SEM: SEO and SEA - Search engine marketing: optimisation and advertising

The search engine are very important points, especially in some industries.

How an online search engine works?

We are going to understand how a search engine works in two perspectives:

1. Optimisation of the contents
2. Usage of these platforms for promoting projects and pages



The first that we are going to analyse is the SEM (Search Engine Marketing), and how Google has the 90% of the market share.

We will see the SEO (Search Engine Optimization): we need to make our contents not only very good and interesting, but also visible, usable and readable providing experiences that the user can enjoy. Finally, there is the SEA (Search Engine Advertising): it is the users of the platform for promoting, by paying the platform, the contents.

As we can easily understand the SEO and the SEA are two different perspectives for looking at the same thing: **the quality of our contents**. Quality in terms of the relevance of the contents in answering a specific question that is embodied into the query of the person outside.

We have two different kinds of pages:

- 1. Organic pages:** pages that are relevant with the query, and so perceived as quality contents
- 2. Ad pages:** pages which represent a good balance between the quality of the content and the money paid to the platform

SEM: Search Engine Marketing

Web search engine: online service, that provides the opportunity to search information on the World Wide Web

Search engines work on the basis of the **match between user's research (=query) and webpages (=landing pages) in the web** -> **N.B. We do not know anything about who is behind the queries, unless we run them to our properties and we convince them to unveil who they are**

SEM - Search Engine Marketing: make our properties' page visible in front of an interested person in a SERP

The role of search engines

Search engines - online services that search for information (=web pages) within the World Wide Web

Search engines work based on the **match** between the user's search (=query) and the content of pages present on the web, providing in response a series of links to pages (=landing pages) ordered according to relevance criteria. The search engine response is divided into:

- a. Organic links:** pages ranked starting from the most relevant based on content value and usability
- b. Paid links (advertisements):** listed pages are a balance between content quality and usability on one side, and compensation paid by the advertiser to the search engine to appear in the search on the other

Search engines therefore use two result ranking (a list ordered in a meaningful way) algorithms:

- 1. Organic:** for pages listed solely based on quality and usability -> **organic results (based on the search engine algorithms) are the best pages available on the web consistent with the search internet**
- 2. Paid:** for pages that, while maintaining good quality and usability, an advertiser pays to promote

Search Engine Marketing aims to climb rankings and make the page link as visible as possible from a dual

perspective:

1. Acting on organic SEO content: with the goal of optimization to climb positions in Search Engine Optimization ranking (SEO or Organic Search)
2. Acting on SEA paid advertisements (or Paid Search): with the aim of climbing visibility positions thanks not only to the page quality but also to the payment of compensation to the search engine

Regardless if we are considering the organic results or the paid ones, the reason why people click on a link (that can be an hyperlink or an URL, which is the exact address of the page) is the **description**, which is the promise that they receive from us, the owners of the page, to find in the page what they are searching for.

Of course, the competition among these links is very tough; moreover, this competition can be compared to a perfect competition scenario, since the fact that users are totally free to decide to click on a link or another without suffering any kind of obstacle.

=> The first competition that we need to win is to appear in the first page of the search engine. That we also need to compete against those which are in our page, and this is event tougher because of the limited number of words available in the description.

SEO (Search Engine Optimization) and the content

SEO - Search Engine Optimization is a way for optimizing contents associated to the webpage and becoming more relevant (= visible among results) -> it works on inside and outside the webpage

SEO objective is to climb-up positions in the organic search results (=not paid!) (SERP search engine result pages): be in the first page of SERP among organic results

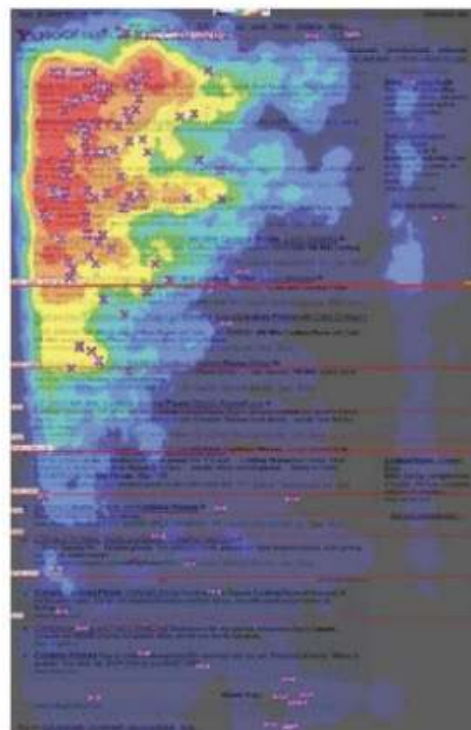
Position in the SERP depends mainly on how much relevant the content is with respect to the query and against all the other relevant similar contents in the web

How important are the "Page number" and the "Position on the page"?



The Golden Triangle Why Position in the SERP Matters

Warmer colors (red, orange and yellow) represent the area of the screen on which the user's attention focuses most. The contents positioned in the upper left corner are more likely to be seen and clicked. When the SERP appears on the screen, the links at the top left are in the best possible position in terms of visibility.



Is SEO enough for emerging in the SERP?

Since 40% of SEO depends on incoming links (=backlinks), without visibility it's very difficult to obtain links from high-quality websites

Doing some paid promotion is recommended to make the content able to stand out among millions of contents available on the web. SEO and SEA (and Display and paid social) should be done together, at least at the beginning

A minimum budget is necessary to be visible on the Web

SEA: pay the search engine to promote the webpage

SEA= to buy the right to be shown in the best (=most visible) position in the (first) page (among ads)

Paid results: advertisement (search advertising, paid). These are relevant pages for which, however, the advertiser is willing to pay to obtain the best possible visibility

What SEA is and how it works?

Search Engine Advertising is the **paid communication** activity aimed at **purchasing spaces on the SERP** for **announcements that are consistent with the specific search** carried out by the user.

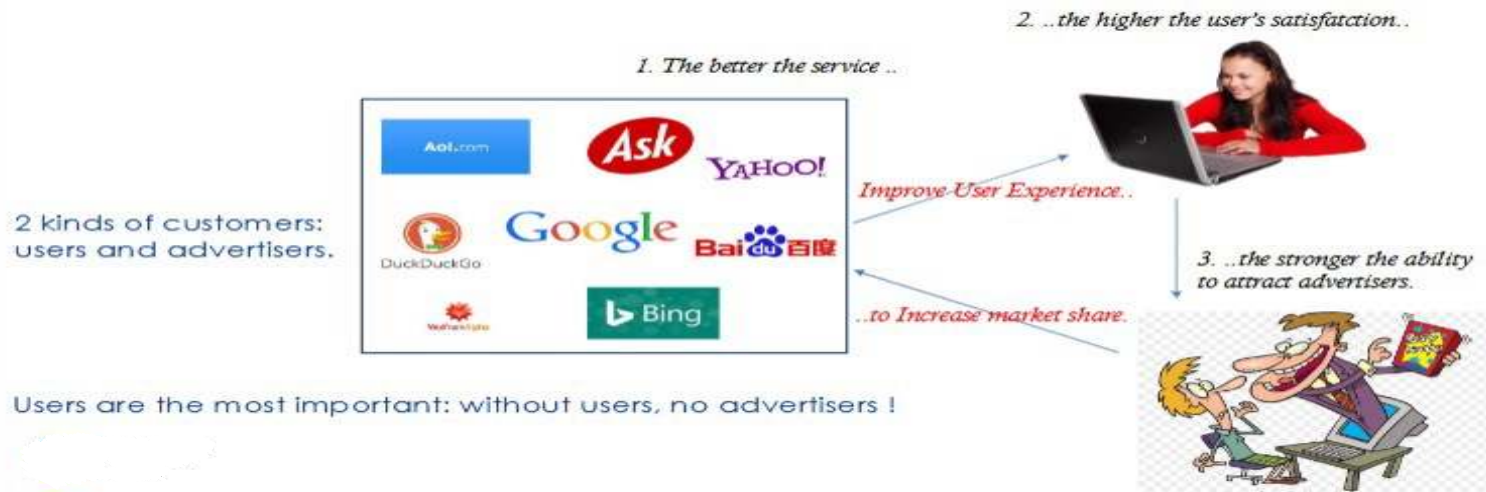
The advertiser buys from the search engine the right to appear in the SERP when the user types certain words in the query -> these words will be the keywords for making the announcement to appear in the SERP

The more the announcement is consistent with the user's research interest, the more satisfied the user will be (= not frustrated) if he will click on the announcement, perceiving as if it were suitable to satisfy his search (since the announcement has appeared in the SERP).

How Google Search Engine works

Google is the most used search engine in the world by far

Search Engines: a Two-Sided Business



The first objective of a SEM is to highlight the quality of the content, helping good pages to become visible in a quicker way.

We need to keep in mind that for quality of the content, we mean that the page is relevant for specific kind of queries, it is able to find an answer to the people interest => **pages which are more focused, more specialised, are more willing to become very relevant, while broader pages are less willing to become very relevant.**

That is the reason why search engines have two different algorithms: the first one masters the organic contents (in the case of Google the most sophisticated algorithm for organic contents is called **PageRank**), and the second one which masters the position of the announcements (in the case of Google it is called **AdRank**)

NITMAP: represents where the attention of an individual focuses when it looks at a specific place

What does recommending means when talking about search engines?

Google is more or less a sort of curator; Google doesn't create anything expect for a list of things already in the world.

As a curator, the main problem for Google is find the criteria to use for selecting and ranking the different pages in its list.

One of the criteria is for sure the **rights**, meaning by this that there is a match between the query and the content of the pages, but this is not enough.

That is the reason why Google also uses **recommendations**, which are the link from one site to another. If a page receives a lot of these links, which are called **back links**, this means that the page deserves to be recommended.

=> **30% of the decisions about the position in the organic ranking is based on these kinds of recommendations**

Another thing that we need to keep in mind when talking about search engines is the fact that we only know the query and anything about the person behind it, while in the traditional advertising we are very familiar with the idea of knowing very well who is the target of the communication, and this is useful for defining the tone of voice, the content of the message and so on.

With search engines, no one knows who has done the query, or the first difficulty for the SEA is to work with no target, but just with an interest which is embodied into a query -> this mechanism uses **keywords**

-> **What we need to do is so firstly understand what the interest refers to, which is the intent of the query, and only then create a page that is able to answer and so promote it**

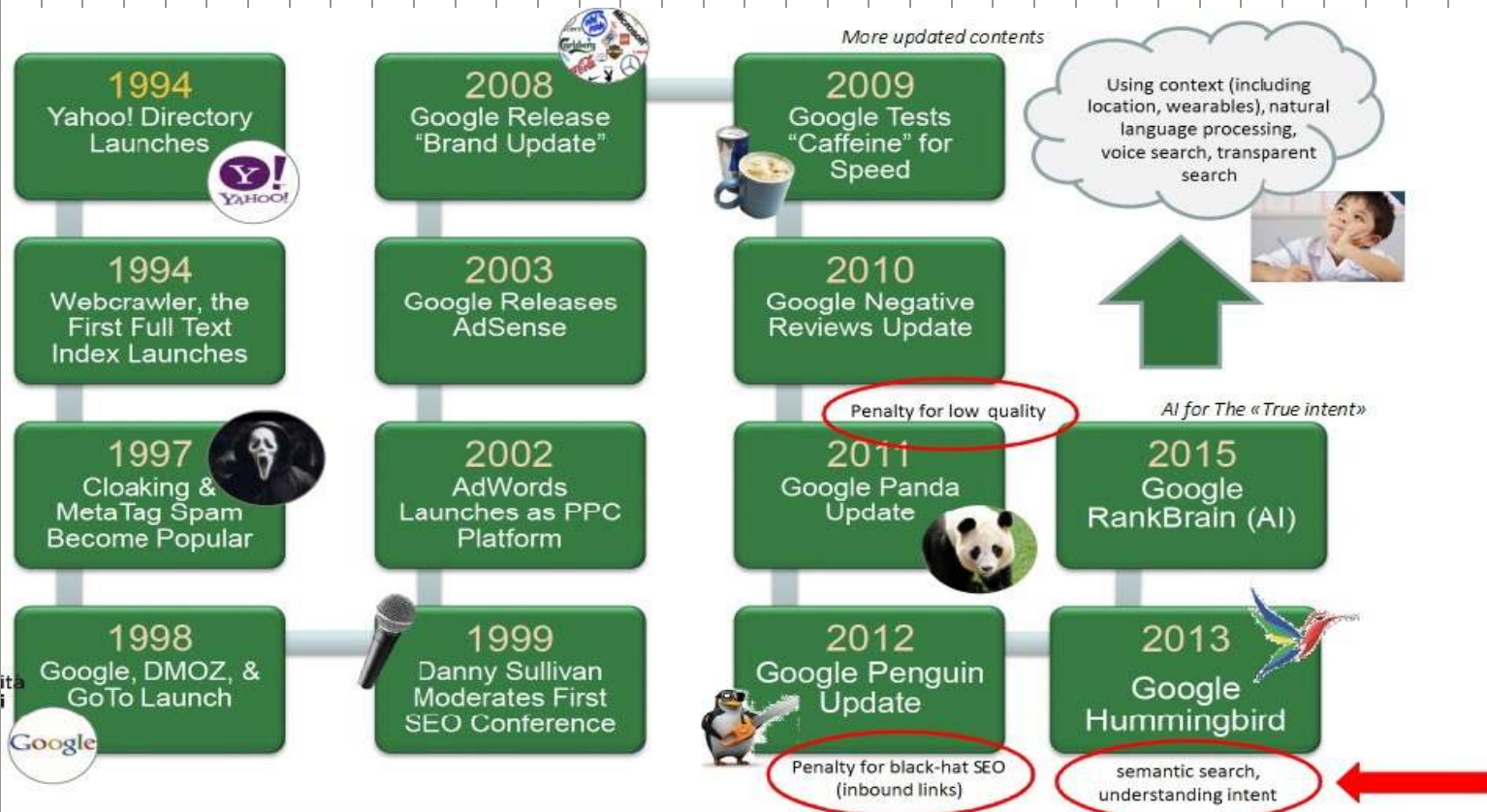
The second thing that we need to define is which queries we want to answer to, and so create the pages for answering to them, remembering that the effectiveness of our message, our ability to convince, to persuade, is lower (this effectively is calculated approximately with the click-through rate).

As we said before, search engines, including Google, are two-sided market business model, meaning by this there they have two different customers:

- 1. The users**, which are the most important customers
- 2. The advertisers**. Which are willing to pay for attracting the users on their properties

Moreover, the more people are on Google, the better Google's algorithms are in helping advertisers talking effectively with the users.

Google: UX first, always



Hummingbird: is an algorithm able to predict the intent behind a query, by looking at the few information that Goggle has about the user, if the cache was not deleted.

Snippets: the Snippets are a format which is supposed to provide users with a concise, direct answer to

their questions – right there on the search results page, without the users having to click through to a specific result. It is provided for free, since it is extracted from a website that is considered as the most relevant.

The three main activities of search engines



1. Read websites' allowed pages (web **crawling**)
2. Process the page's content (web **indexing**)
3. Create the pagerank (**ranking**)

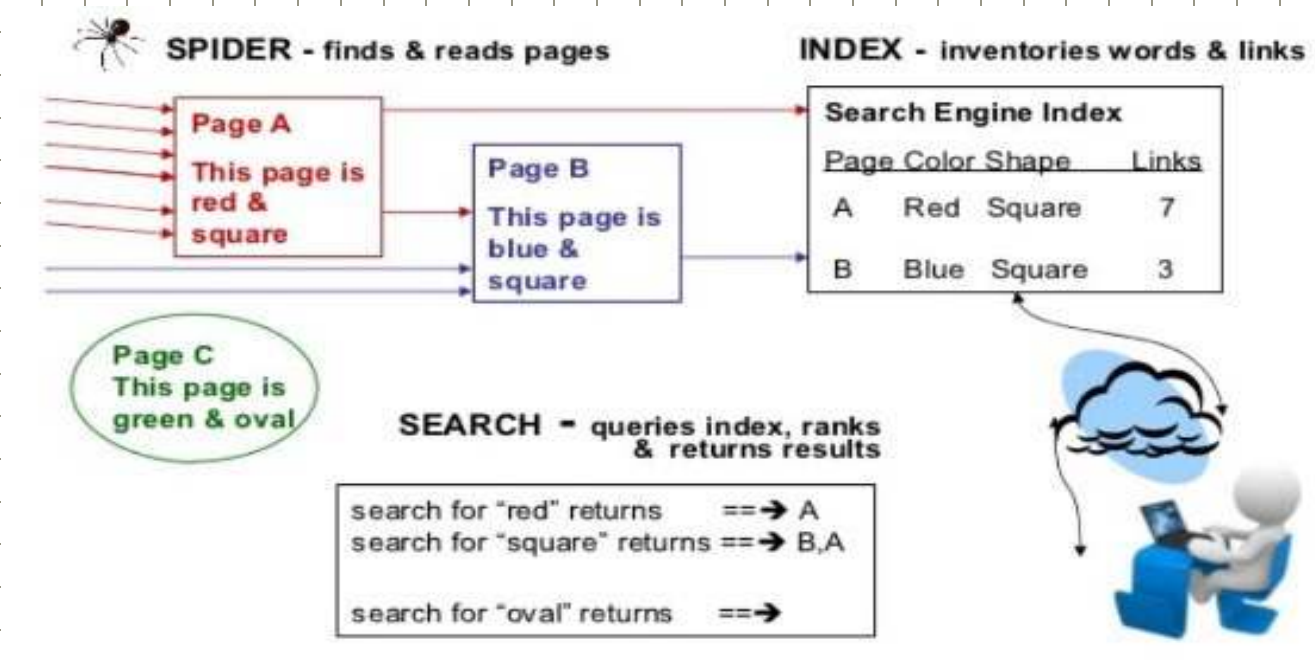
Crawling

The crawling is the activity made by codes/software that are going around the web **randomly**.

A web crawler (also called web spider or web robot) is an automatic software that **surfs the web through the hyperlinks on html pages**. Each hyperlink defines the next place the spider will visit:

- > the web pages are all connected to each other: there are no isolated pages
- > hyperlinks identify networks of pages inside the web

Indexing and back links counting



Search engines are text driven. Search engine crawl the web, looking at particular site items mainly text to get an idea what a site is about. Crawler does not see images, flash movies, JavaScript, Frames, password protected pages and directories, they are not spidered, not indexed, not processed.

The process of indexing is identifying the words and expressions that best describe the web page and assigning the page to particular keyword or key phrases

1. **Title tag** -> very important
2. **Description** and **Keyword tag** -> less and less relevant to Search Engines, **relevant to the user**
3. **Header tags (H1, H2, H3)**
4. Image file name and Alt tags -> Alt are image descriptions
5. Keyword diversity

=> Google will crawl all the pages with different but similar keywords, and will skip pages with same

keywords

Moreover, in terms of indexing, also the speed in uploading and the possibility to easily read the page even on small screens is evaluated.

Ranking

When the user asks a query to the search engine, all of the pages which are deemed to be relevant are identified from the indexing program and an algorithm is used to hierarchically rank the relevant pages into a set of results (the SERP).

The algorithm considers several variables, weighting subsets of them with the main objective of providing the best SERP possible: a list of links that will satisfy the most the user behind that query.

Example

Academic careers are based on the citations obtained from the articles of each author: the citations are a proxy of the value of the article.

A higher number of citations means greater relevance, in terms of the importance of the content and the ability to impact the discipline.

The community of academic authors themselves, through their citations, indicate that a certain article is interesting for the discipline.

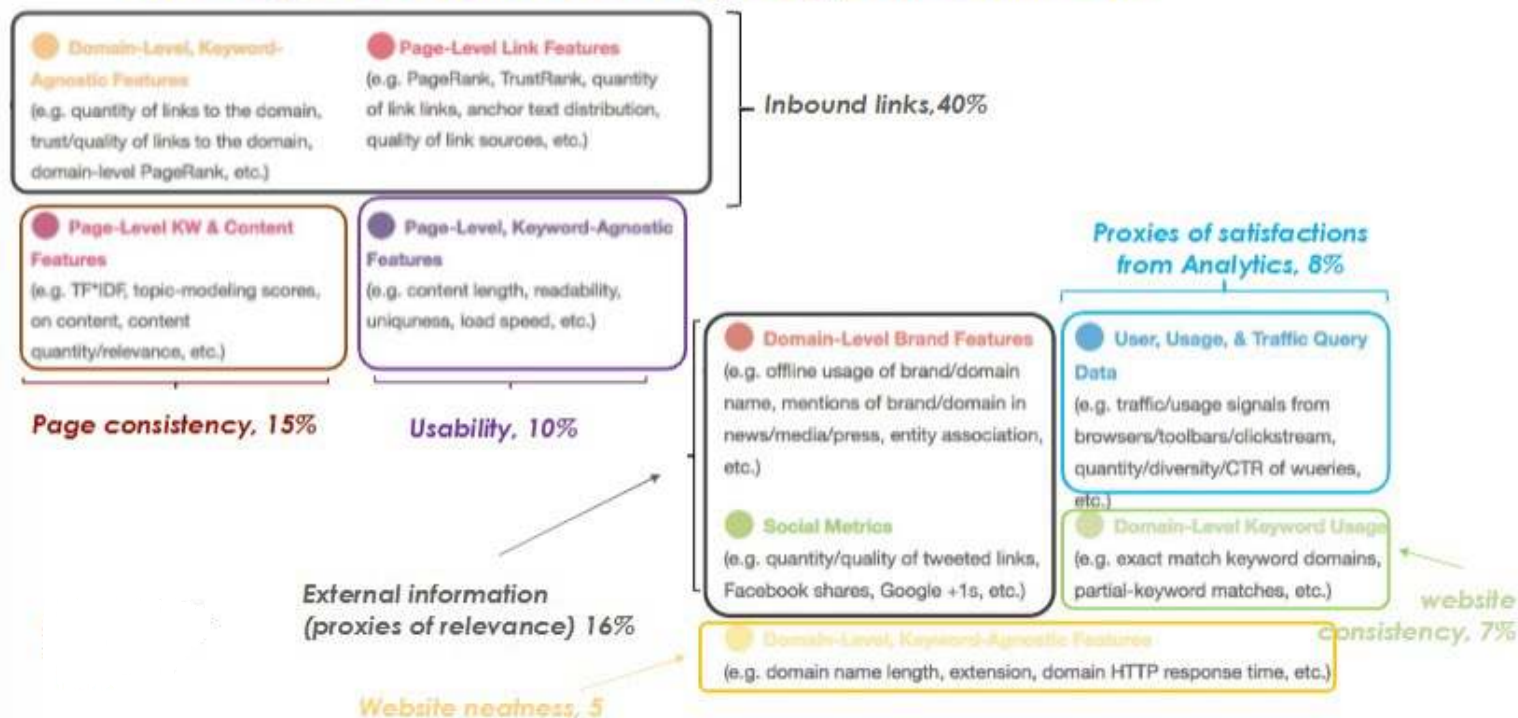
SEO: the relevance of inbound links (40%)

The position of a page (based on the logic of the PageRank algorithm) depends on the probability that the user would have reached that page by browsing the web at random (and for an unlimited time), starting with her query.

PageRank is 40% positively impacted by:

- a. amount of inbound links
- b. the importance of the page that generates the link

Ranking: which variables Google PageRank considers



As we can easily understand, ranking is very important, but since it is based on indexing we need to optimise these function as well.

One element in which we need to invest a lot are models able to read pages, which are written in HTML, the code in every page that is online. In this codes there are the title of the page, the description rription of the page, which is exactly what appears in front of the users in the SERP, and then the keywords, which are a sort of summary of the content of the page.

=> Those are the things that the SEO should take into account.

SEO: how to optimise?

The SEO deals with the POSITIONING of the web page in the first organic positions of the SERP

-> Indexing, at the opposite, is to let the search engine know of the existence of the site, so that it can be inserted into its own index (index)

SEO should make crawling activities (of spiders) more fluid and the easiest possible

a. Site Speed: Spiders should see as much of the site as possible; they avoid returning often to sites that are too slow

b. Simple site architecture

Information content

1. Clear descriptive texts, consistent with the contents of the page

2. **Significant links from authoritative sources**

Consistency between keyword and landing page

a. Estimated with Google Analytics suite: bounce rate and other metrics of engagement

b. Other quality factors: CTR click-through-rate, bounce rate, load time, updates, quantity, grammar/spelling, etc.

SEO: what to consider for the SEO?

ON PAGE

a. Title tag -> very important

b. Description and Keyword tag -> less important for the engine, very important for the user

c. Header tags (H1, H2, H3)

d. File name in the image, Alt tags -> Alt are descriptors of the image

e. Keyword diversity

1. Google will scan all pages with different but similar keywords and will skip pages with the same keywords: **relevancy**

2. Consistency among title, keywords and text

f. Usability and Readability of the page

OFF PAGE

a. Backlinks from high reputation web pages (the same mechanism as the academic citations).

Inbound links (backlinks) and how to get them

1. Relevant content (the most natural way)

a. Page content quality

b. Dissemination activities

c. Ease of sharing

2. Natural links are provided editorially without any action from the page owner.

EX: a food blogger adding a link to a post pointing to their favorite product far as is a natural link

3. Outreach (asking for links: generally in a reciprocal way)

a. Quality visibility (peer to peer)

b. Offering benefits to referrers

4. Manually built links are acquired through deliberate link building activities

EX: you invite users to link to your website or ask influencers to share your content

5. Self-created (but don't overdo it!, otherwise Google penalises...)

a. Creating off-site content (YouTube, slideshare, etc) and then linking them to your site

b. Forum signatures

c. Blog comments

6. Self-created links are created by practices such as adding a back link in an online directory, forum, blog comments signature, or a press release with optimised anchor text

a. Some self-created links are created building tactics tend towards black hat SEO and are disapproved by search engines

Black hat SEO

Black hat SEO refers to tactics used to make Goggles think that one's site is more interesting than what the network actually considers it to be

BLACK HAT



BLACK HAT STRATEGIES

- Duplicate content
- Invisible text and stuffed keywords
- Cloaking or re-directing the user to another site or page
- Links from sites with non-relevant content

WHITE HAT



WHITE HAT STRATEGIES

- Relevant content
- Well-labeled images
- Relevant links and references
- Complete sentences with good spelling and grammar
- Standards-compliant HTML
- Unique and relevant page titles

SEA: the Google perspective

Now it's time to talk about the ways we are going to use the platform for promoting on the servers. We are not talking about banners, but we are talking about announcements as an answer, as a reaction to a query. **Google Ads** is a set of tools available for advertising in this specific way.

There are different types of ads in the Google search network:

- 1. Text Ads:** in this case we have the title, which is the most visible part, but it is also the link, the URL address, which is the address of the page, and then the description.
- 2. Shopping Ads:** it is very common when search products online
- 3. Ad Extension:** we have the main ad, and then there are the different ads that are promoting specific products, or specific part of the website
- 4. Call-only Ads:** when we click the link of the page, we directly call that specific provider

The search engine advertising (SEA) logic

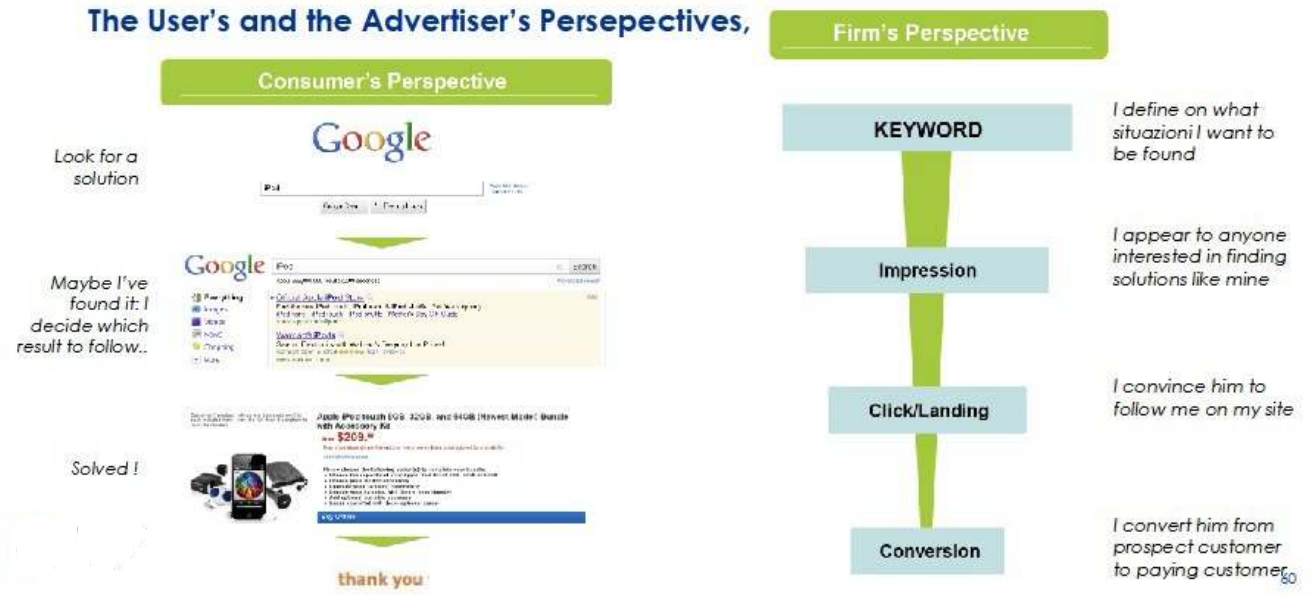
Each time a user searches on a search engine through a **query**, he **reveals an interest** in finding something: information, a product, a place, a solution, an inspiration. Be in the place he's considering for finding that specific thing makes the announcement more linkely to be considered.



As we know, the main goal is to answer to a question, a query. Sometimes it is very simple, other times it is very detailed.

On the advertiser perspective, the query is made is made because the user has a specific interest, meaning by this that the query is the queue of the interest, and if we are able to collet all the queries made in a specific time, in a specific place, we can have the overview of the interest of people.

The User's and the Advertiser's Persepectives,



The keyword is the mirror of the search term, which is the query. The query is made of words, such as the keyword that can be made of either one word or a set of words. As an advertiser, I am able to book keywords and I participate to an auction, since I am not the only one who wants to be exposed in front of this query. So there is a competition, which is sold through an auction, and the winner will be exposed, and so will gain impression, meaning by this that will become more visible. Then, if I get the click, the person who clicked will land on my page, and I have to do everything to convert this person.

The mechanism, from the point of view of the user, is that the user seeks for a solution. Google provides the user with a set of solutions, and among these solutions there can be also our one. The user will click on our announcements because it is very well done, very attractive, landing on our page and eventually they will be converted.

N.B. What is going to happen in our page is not autonomous, but it is more or less connected to the click, to the announcement, which is the promise, the mindset and the expectation that the person has in mind when clicks on the announcement.

So, it is not only a matter of the way the landing page is designed, but it is also a matter of the consistency between the announcement and the landing page.

PPC and the win-win perspective that made Google successful

Now, it is time to address the way in which we can pay Google.

SEA on Google is based on a win-win pricing strategy

- PPC (Pay Per Click on the ad): the advertiser pays only for real **clicks**
- Both Google and the advertiser are aimed at displaying only ads of interest to the user
 - a. Google in order to get money
 - b. The advertiser in order to be clicked -> moreover, there is also a shift of the risk to the platform, to the publisher rather than on themselves
 - c. As a consequence, the user gets higher value in terms of more consistent results (both ads and organic)

The cost of SEA: a little bit of terminology

PPC: Pay Per Click -> sales method that requires the advertiser to pay only the clicks obtained on the ad -> this is the method chosen for paying Google

PPM: Pay Per Mille (impressions) -> sales method that involves the purchase of views (impressions) instead of clicks

CPC: Cost Per Click -> price paid by the advertiser for each click obtained -> this is the cost of the promotional campaign divide by the number of people who have been converted

CPA: Cost Per Acquisition (sometimes "action") -> the price paid each time the click reaches the bottom of the funnel, i.e. the expected action (e.g. sale, lead generation, etc.). It is calculated by dividing the total cost by the number of conversions (or actions: sales, leads, etc.)

Example: CPA

- case:
 - ✓ impressions: 200.000
 - ✓ clicks: 1.400
 - ✓ conversions: 70
 - ✓ Total cost of the campaign: 2.100€
- CTR: $1.400/200.000 = 0,7\%$
- CR: $70/1.400 = 5\%$
- CPA: $2.100€ / 70 = 30€$

Case A

PPC

- CPC = 1,20€ per click
- CTR = 5%
- Impressions: 10.000

- Clicks obtained: $10.000 * 0,05 = 500$

- Total cost: $500 * 1,2€ = 600€$
- Costo per click = 1,2€

PPM

- CPM = 20€ per 1.000 impressions
- CTR = 5%
- Impressions: 10.000

- Clicks obtained: $10.000 * 0,05 = 500$

- Total cost: $20€ * 10 = 200€$
- Costo per click = $200€ / 500 = 0,4€$

Case B

PPC

- CPC = 1,20€ per click
- CTR = 1,2%
- Impressions: 10.000

- Clicks obtained : $10.000 \cdot 0,012 = 120$

- Total cost : $120 \cdot 1,2€ = 144€$
- Costo per click = 1,2€

PPM

- CPM = 20€ per 1.000 impressions
- CTR = 1,2%
- Impressions: 10.000

- Clicks obtained : $10.000 \cdot 0,012 = 120$

- Total cost : $20€ \cdot 10 = 200€$
- Costo per click = $200€ / 120 = 1,66€$

In the two scenarios the only thing that changed is the CTR, which is our ability to attract the click. The right announcement is the one able to attract the click, which is of course very difficult since we do not know who is behind the query until they reach our island.

CTR, in fact, depends on the advertiser's ability to effectively capture the attention and click of the Google user. This ability increases the more:

- The advertiser knows the target segment of the ad (and can therefore correctly modulate the keywords and tone of voice)
- The target segment of the ad is homogeneous (very heterogeneous targets require more generic and therefore less effective ads), and thus smaller

=> When we know the receivers it is better to choose impressions, because we have a good idea of who is the receiver, otherwise clicks are cheaper.

CPC vs CPM: when each of them is appropriate

CPC	CPM
<ul style="list-style-type: none">• Very large target audience• Performance campaigns (Sales or Lead generation objectives)• New target, little known• Small budget	<ul style="list-style-type: none">• Narrow and focused target• Branding campaign on a well-known and profiled target• Well known target, Retargeting• Large budget

Test

A paid campaign gets CTR of 5% and CR of 10%. The CPC is €2, the CPT (cost per thousand impressions) is €100, the CPA (cost per acquisition, or for each conversion) is €20.

In light of these results, which pricing method is most efficient (minimizes cost) for the advertiser?

- pay per click (PPC)
- pay per impressions
- pay per acquisition
- all are the same

$$CPC = 2€ / \text{click}$$

$$CPT = 100€ / 1000 \text{ impression} \rightarrow 1.000 \cdot 0,05 = 50 \text{ click} \left. \begin{array}{l} \\ \\ \end{array} \right\} \text{PPC} = 2€ \text{ in both scenarios}$$

$$100 / 50 = 2€ / \text{click}$$

$$CPA = 20€ / \text{acquisition} \rightarrow 50 \cdot 0,1\% = 5 \left. \begin{array}{l} \\ \\ \end{array} \right\} \text{The overall cost } 100€ \rightarrow \text{Since } CPA = CPT \text{ and } CPT = CAC \Rightarrow CPA = CAC$$

$$5 \cdot 20 = 100€$$

test

For an advertiser who is retargeting in the conversion phase (also called purchase), a pricing method is more efficient (minimizes the unit contact cost):

- a) pay per click (PPC)
- b) pay per impressions (PPT)
- c) both PPC and PPT
- d) none

In this case the keyword is **retargeting!** In fact, since we already know our target, the CTR should be quite high and so PPT is more convenient.

SEA campaign on Google: a Google paid campaign structure

1. **Ad Campaign:** the target and the main objective (branding?, performance?)
2. **AdGroups:** for each campaign, specific sub-targets and objectives according to the moment along the client's journey
3. **Keywords and match type:** consistent with the objectives and budget of each AdGroup
4. **Ad Copy:** stimulate the click
5. **Landing pages:** starts the potential conversion within the page/site; impacts on QS

The key variables for the SEA

Keywords

Bid: it is the minimum price that we should be willing to pay for participating to auction

Copy

Landing page

Match type

There are cautions to be placed on:

- a. *Language* (the keywords are in the specific language)
- b. *Location* (it is possible to have geolocated announcements)
- c. *Time* (different times of the day or week highlight different interests)

The choice of the keyword

In choosing the keywords to buy, the elements to consider are:

1. The searches in which we want to be found (=that correspond to our product)
2. The probability of getting clicks
3. Competition on the keywords (reduces the probability of appearing first)
4. The cost of keywords

Many tools help in choosing: **Keyword planner** is offered for free by Google.

Keyword Planner is a free software (only for business accounts) provided by Google, that gives insights on which keywords to use, according to our goal.

Keyword match types

How can the advertiser match the keywords with the queries?

The keywords match tenors define how "aggressive" or "restrictive" it intends to be the link between the ad (and its keywords) and the words used by the user in his search for a solution on the search engine.

4 keyword match types exist:

1. **Broad match**
2. **Modified broad match**
3. **Phrase match**
4. **Exact match**

Broad match

With **broad match** the ad is eligible to appear **whenever it appears in the user's query at least one of the keywords**, regardless their order.

EX: *broad match* with "luxury cars," the ad could be shown both when the user types "luxury cars," or "fast cars," or "luxury apartments»

Since broad match is a choice that leads the ad to be shown to a larger audience of potential visitors, the user could click on the ad even when he is looking for inconsistent topics for the ad and this can considerably increase the costs of campaign (and then testify against future QS). It is a very aggressive setting mode

N.B. broad match is the defaults match type proposed by Google

It is a very expensive method, since we will participates in a lot of auctions.

How can we create some restraints in order to not participate to auction and interest that are very far from our pages?

We can opt for the modified broad match

Modified broad match

Modified broad match allows you to reach a large audience but with a **greater degree of control over keywords**, which can be blocked in key phrases using the logical operator «+». It emphasizes the role of a specific word (that must always be there)

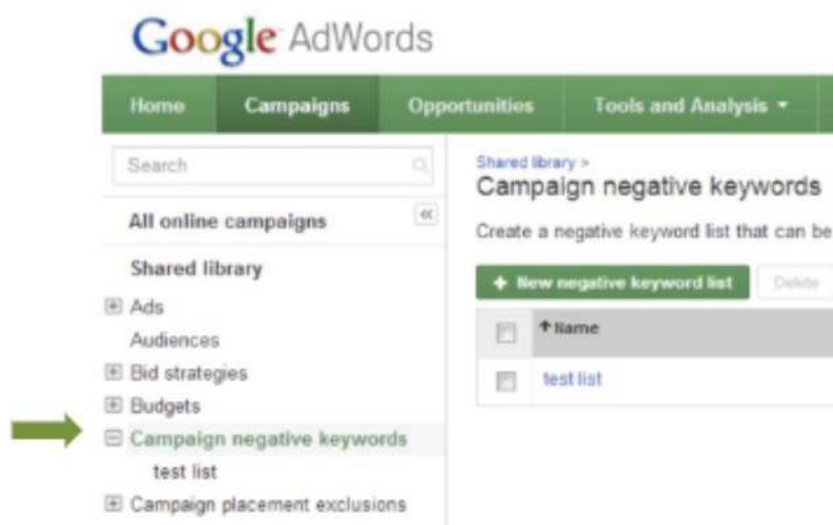
Keyword	Match Type	Potential Matches
+Gel Batteries	Modified Broad Match	gel batteries, gel, gel cells
Gel +Batteries	Modified Broad Match	gel batteries, rechargeable batteries, car battery

EX: modified broad match with "luxury +car," the ad could be shown to anyone looking for "luxury cars," "fast cars," or "luxury accessories for cars » (but no «luxury apartments»).

Modified broad match type with the use of negative keywords

Negative keywords allow to limit the show of the ad.

Within an AdGroup it is possible to define both the words on which to bid (bid) and their variations on which the offer is not intended



This kind of approach to communication, to advertising, requires a continuous fine tuning.

Phrase match

With **Phrase match** the ad appears only to users who have entered the **keywords in the exact order that has been defined in the bid** (although there may be other words in the search before or after).

The phrase match is as versatile as the broad match (other words that had not been considered in planning) but - as in the modified broad match - it introduces a greater level of control.

EX: Phrase match "pet supplies": the ad may appear when a user searches "pet supplies," "discount pet

supplies," or "pet supplies wholesale," but not for searches such as "pet food," "pet bird supplies," or "art supplies"

Smarter Exact match

In the past, with **exact match type** the user would have seen only the ads that exactly matched the word order defined in the bid. Today even when using the exact match type the ad is shown to those looking for **similar words**, synonyms, plurals or other variations on the keywords of the bid.

Keyword	Query	Why it matched
yosemite camping	yosemite national park ca camping	Implied words
	yosemite campground	Paraphrase
	campsites in yosemite	Same intent

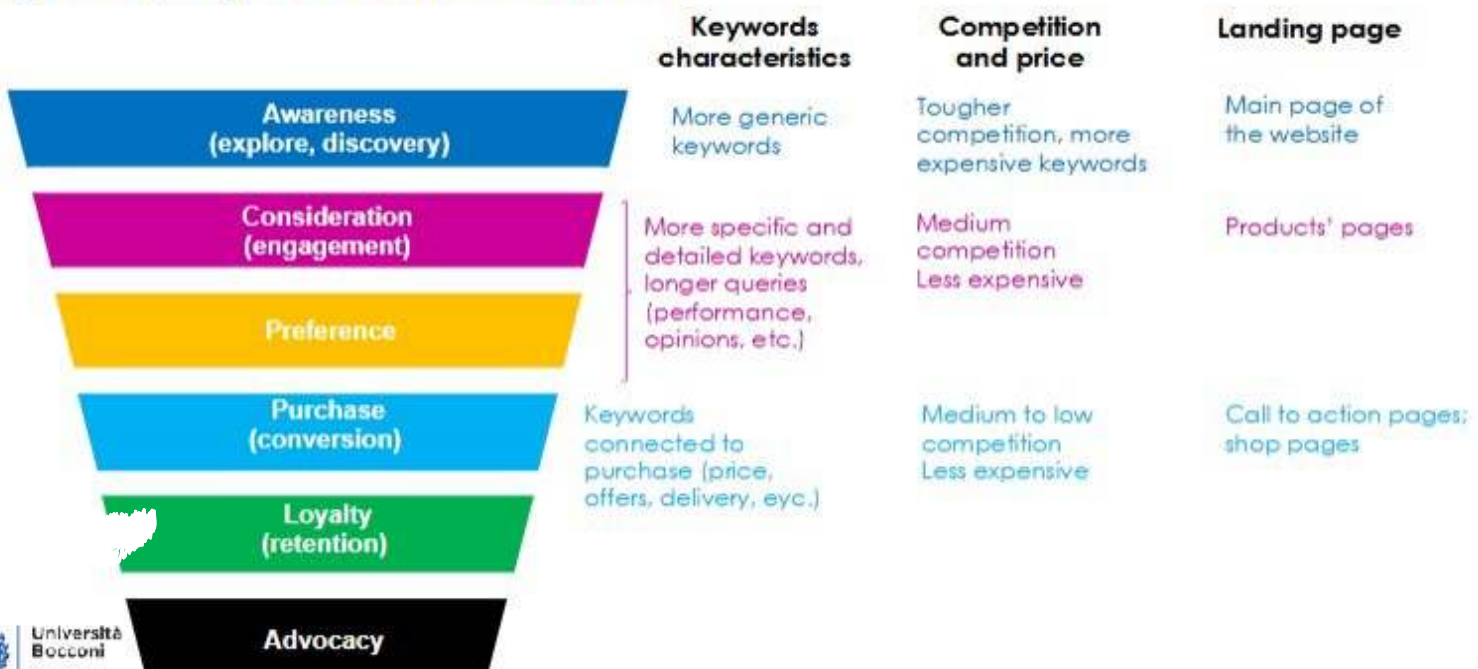
The user who clicks on the ad may be interested in the product / service, therefore doing so raises the CTR

test

A paid search campaign gets a CTR of 0.98%, a CR of 0.98% and a CPC of €1.7. Which of the following interventions would you prioritize to reduce the cost of the campaign?

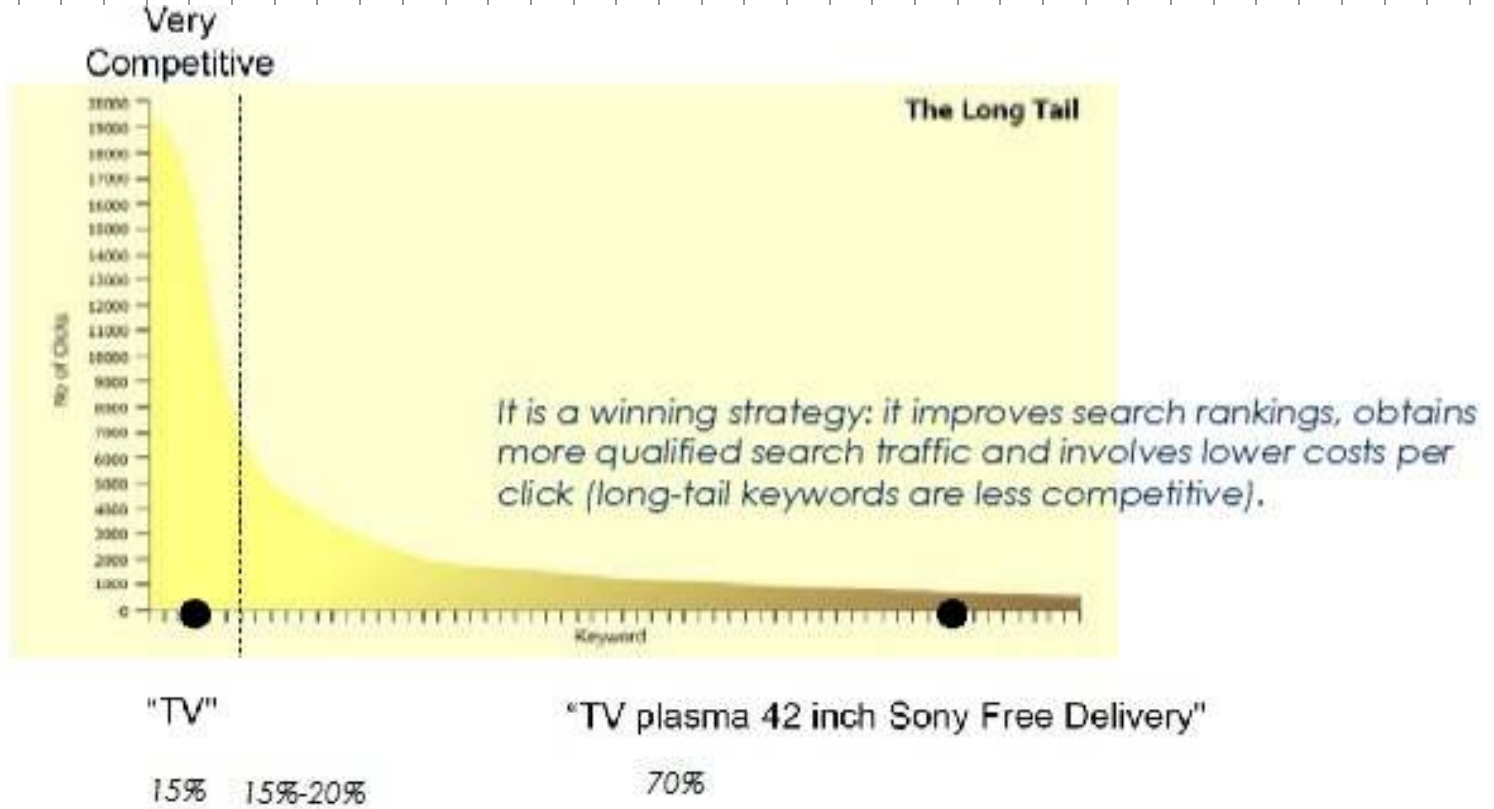
- a) Landing page
- b) Ad copy
- c) Keyword
- d) Keyword matching**

Queries, Keywords and the Funnel



The long-tail keywords: the "qualified search"

Long-tail keywords are a niche strategy that reduces total traffic, but satisfies the search for more focused, more committed and eager users of the solution.



Bid - How Google analytics works

The advertiser puts an offer (bid) on the keyword he is interested in, associating a certain ad to the keyword (note: a keyword can be composed of several words)

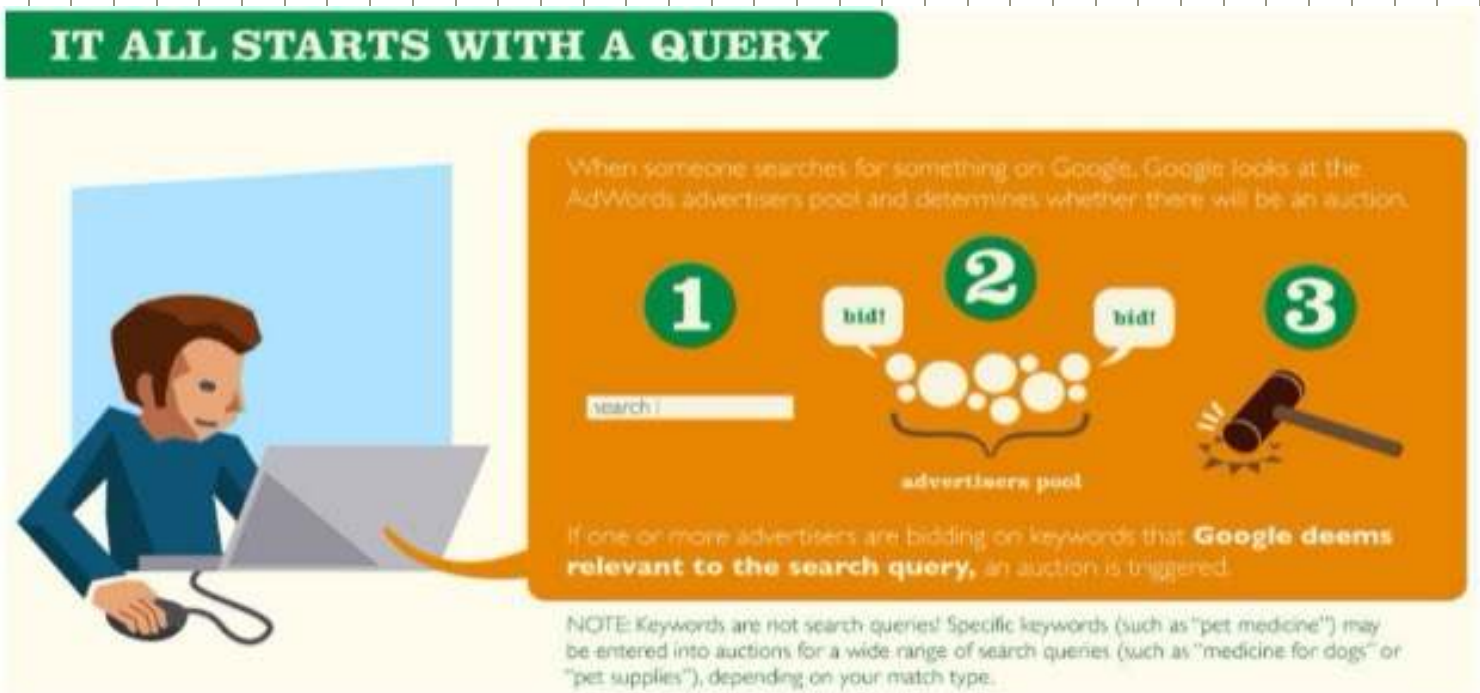
- "Keyword Planner" helps him predict how many clicks he might get with those keywords
- In defining the keyword the advertiser can choose "exact match" or "broad match" (default) according to the correspondence between the search and the keyword

The bid is required and it is the only thing that the algorithm considers, since as we know the algorithm finds the perfect balance between the money and the quality of the announcement

The position in the SERP (which page? Which position in the page?) is given by the formula $\text{Bid} \times \text{QS}$ **Quality Score** (~ predicted CTR)»

The real price -> the price paid depends on the AdRank of who is next divided by its QS

How Google AdRank works



Only one keyword at a time is considered

WHAT GETS ENTERED INTO THESE AUCTIONS?

Advertisers **identify keywords they want to bid on**, how much they want to spend, and create groupings of these keywords that are paired with ads.

Google then enters the keyword from your account it deems **most relevant** into the auction with the maximum bid you've specified as well as the associated ad.

NOTE: You can only have one entry into any query auction from your account.



HOW DOES GOOGLE DETERMINE WHICH AD IS SHOWN WHERE?

Once you are entered into the auction, Google looks at two key factors to determine where your ad ranks: your **maximum bid** and your **quality score**.



$$\text{AD RANK} = \text{CPC BID} \times \text{QUALITY SCORE}$$

The best combined **CPC Bid x Quality Score** gets the best position.



This is the maximum bid you specify for your keyword.



This is a metric to determine how relevant and useful your ad is to the user (components are CTR, relevance, and landing page). The higher your quality score, the better.



Relevance + Landing Page = QUALITY SCORE

Max Bid × Quality Score = Ad Rank → Position

The Quality score

The Quality Score is a rating given by Google **to the single keyword associated to the specific advertiser**; it is based on the quality and relevance of both the site and the ads.

QS considers:

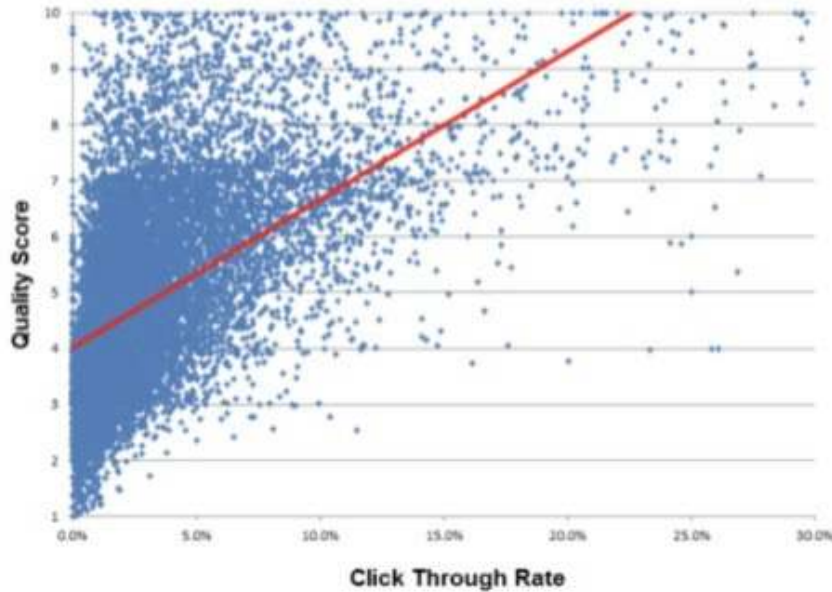
1. **Expected click-through rate (CTR)** -> Click Through Rate [= Total Clicks on Ad / Total Impressions]
Note: CTR indicates conversions for Google, not necessarily for the advertiser! For the advertiser, the visitors just landed on the page
2. **The relevance of each keyword** inside the AdGroup (the set of keywords associated with an ad)
3. The expected experience on the landing page and its relevance (bounce rate, measured with GA)
4. **The relevance of the ad text (copy)**
5. The historical performance of the keyword inside the adgroup

The main idea behind the quality score is the consistency between the keywords and the landing page, which means that the keywords match with the query.

If something is inconsistent, the experience will be bad and the overall announcement will not work.

The relationship between CTR and QS

There is a positive relationship between CTR and QS: the higher the CTR, the higher the quality of the ad and the landing site.



How Google determines the price to pay for a click on the announcement

$$\text{YOUR PRICE} = \frac{\text{THE AD RANK OF THE PERSON BELOW YOU}}{\text{YOUR QUALITY SCORE}} + \$0.01$$

The user finds the most relevant announcement he's looking for;

The advertiser pays the minimum amount it can for the position it wins.

	Max Bid	Quality Score	Ad Rank	Actual CPC
Advertiser I	\$2.00	10 (5 stars)	20	$16/10 + 0.01 = \$1.61$
Advertiser II	\$4.00	4 (2 stars)	16	$12/4 + 0.01 = \$3.01$
Advertiser III	\$6.00	2 (1 star)	12	$6/2 + 0.01 = \$4.01$
Advertiser IV	\$8.00	1 (0 stars)	8	Highest CPC

Notice how Advertiser I can pay less for a higher position due to his high quality score.

- The Auction gets run billions of times each month. The results are such that
- Users find ads that are relevant to what they're looking for
- Advertisers connect with potential customers at lowest possible prices

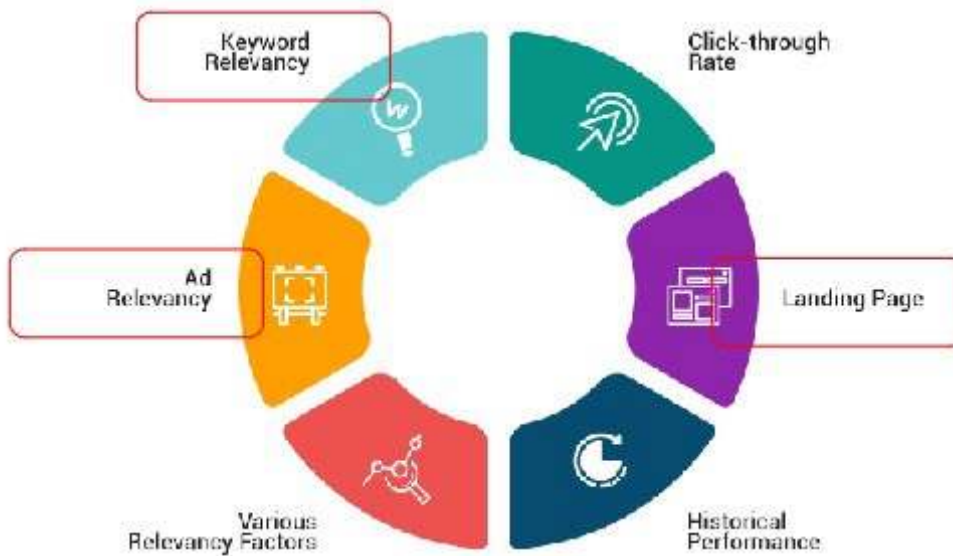
The impact of the QS on cost per conversion

The better you are, the less you will pay.

There is a negative relationship between QS and the CPC. The price of a click is an inverse function of the QS: the higher the QS, the lower the price paid for a click.



What can impact on Quality Score



Ad Group:
the box behind relevancy

Keywords
Ad text
Landing pages

AdGroup: what is it?

An AdGroup in Google is the container for all the campaign keywords associated with an ad.



Google Ads requires first to create an account, then a campaign and then insert all AdGroups into the campaign. AdGroups contain:

- a. Keywords
 - b. Ad text (=copy)
 - c. Loading pages
- } *Consistency!*

AdGroups are among the most important tools for SEA campaigns with Google Ads

Integration and consistency

To determine the usefulness of the click to the user, the search engines considers also the **AdGroup**:

- a. In response to which **keywords** the ad will be shown;
- b. What is the **text (=copy)** of the ad **compared to the keywords** it is associated with;
- c. **Where the visitor will land** after clicking on the ad.

A good AdGroup respects these two principles:

1. **Integration: keyword, copy and landing page** are strictly integrated
2. **Consistency** – the ad text (=copy) is consistent with the query and with the landing page's content. The ad text and the landing page speak directly and consistently with the user who carries out a query, in order to guarantee the best possible user experience of the engine itself.

The Ad Copy: structure and limitations

The goal of an ad text is to stimulate the click.



	Max Length in Characters	Example Ad
Headline:	25 characters	Exciting New Offer
Description Line 1:	35 characters	You Don't Want to Miss This!
Description Line 2:	35 characters	Sign Up for a Free Trial Now
Display URL:	35 characters	www.example.com/trial

How to improve the Ad Copy

The page description that will appear on the SERP should be written to attract the user's attention while reading the SERP.

FAB principles:

Feature: what is it

Advantage: what it does

Benefit: why it is a positive thing
then, the Call to Action, or CTA

We show you how to optimise your webpage for SEO. With our guide you can rank better and get more organic traffic. Read on to find out exactly how.

feature

advantage

benefit

call to action

How to improve the QS

- 1. Keyword Optimization** - add new, more relevant keywords to the AdGroup, including long-tail ones
- 2. Keyword Organization** - split keywords into subgroups to be linked more coherently with individual messages
- 3. Improve Ad Copy** - test new copy, better targeted at smaller targets (A/B testing). More effective messages obtain higher CTR (one of the best ways to increase QS).
- 4. Optimize the Landing Page** - create pages truly connected with the AdGroup and design a coherent user experience, from keywords to conversion.
- 5. Add Negative Keywords** - continuously search for irrelevant terms and exclude them from keywords

Query and keywords in a competitive perspective

Query: the specific contextual interest of the user

User queries represent their interest at that moment

Google has a detailed representation of user interests over time (and with geolocation, also where these interests manifest)

This information is relevant and partially available to anyone

Google trend

Google Trends allows you to **have an immediate (and free) representation of search interests** conducted around a specific category in a specific country

GT offers a **profile of who performed the search**, where, along with what other keywords, and how this search has developed over time. It is an agile and free tool to **analyse, as a first approximation, the size of a market, its extension, its seasonality, and its characteristics**

Autocomplete

Autocomplete is a proxy for the diffusion of interests related to a search (identify by one or more keywords). In fact, changing the geography we will obtain completely different results, which allow us to understand better who can be our target.

Social media marketing

Our main goal with social media marketing is understanding our target even broader than the search engine. As we already said our purpose is not only communicating with our target market, but also try to understand better who is part of our target. In fact, the main idea is that the people, when they are in social media platforms, nurture their interest -> what we need to do is look at what people are interested in on social media platforms without any constraints; this is due to fact that on social platform people can find, ans so interact, even with those products or services that are too expensive for them, and normally do not attract their interests while searching on search engines.

According to "[social.com](#)" data, the main reason why people use internet is for **finding information**. The second important thing is that more than half of people spend the most of their time on social (time spending using social media apps) on **TikTok**, even though the social media app session duration is mainly on **YouTube**.

What is a social media platform?

A **social media platform** is defined as a web-based and mobile-based Internet Application that allows the **creation, access and exchange of user-generated**.

=> The main idea of the social network is to connect people, and this is the reason why they were created.

Then we have **consumer networks**, which connects people as well even though the main idea is to collecting reviews or suggestions about a specific product or service.

They can also be in the form of blogs; in this case we have interest based networks which create connection among people who are sharing the same interest (EX: Goodreads, for reader. If we are a publisher we cannot ignore Goodreads) -> **all these contents are created for free by community**

Another type of social media, which is called **anonymous social network**, that allows people to communicate anonymously.

Ten different types of social media, 1/2

Typology	Definition	Examples
Social networks	Connect with people	
Media sharing networks	Share photos, videos, and other media	
Discussion forums	Share news and ideas	
Bookmarking and content curation networks	Discover, save, and share new content	
Consumer review networks	Find and review businesses	

Ten different types of social media, 2/2

Typology	Definition	Examples
Blogging and publishing networks	Publish content online	
Interest based networks	Share interests and hobbies	
Social shopping networks	Shop online	
Sharing economy networks	Trade goods and services	
Anonymous social networks	Communicate anonymously	

Some more drivers of differentiation



Level of ability required for. Creating contents: TikTok is provided with a lot of functions and a lot of app also by third parties for making users able to create videos with enough quality for being released on the platform. On the other hand, YouTube is not offering these functionalities, meaning by this that is up to the users to use their own software to be able to create their own video.

Specialisation: there are platforms that are more specialised than others. On the right side there are those platforms which have a lot of tools, such as Instagram; while on the other side, the competitors are very specialised both in terms of contents and in terms of format, meaning by this that they will have less users, about who I can know almost everything.

The profiling of users

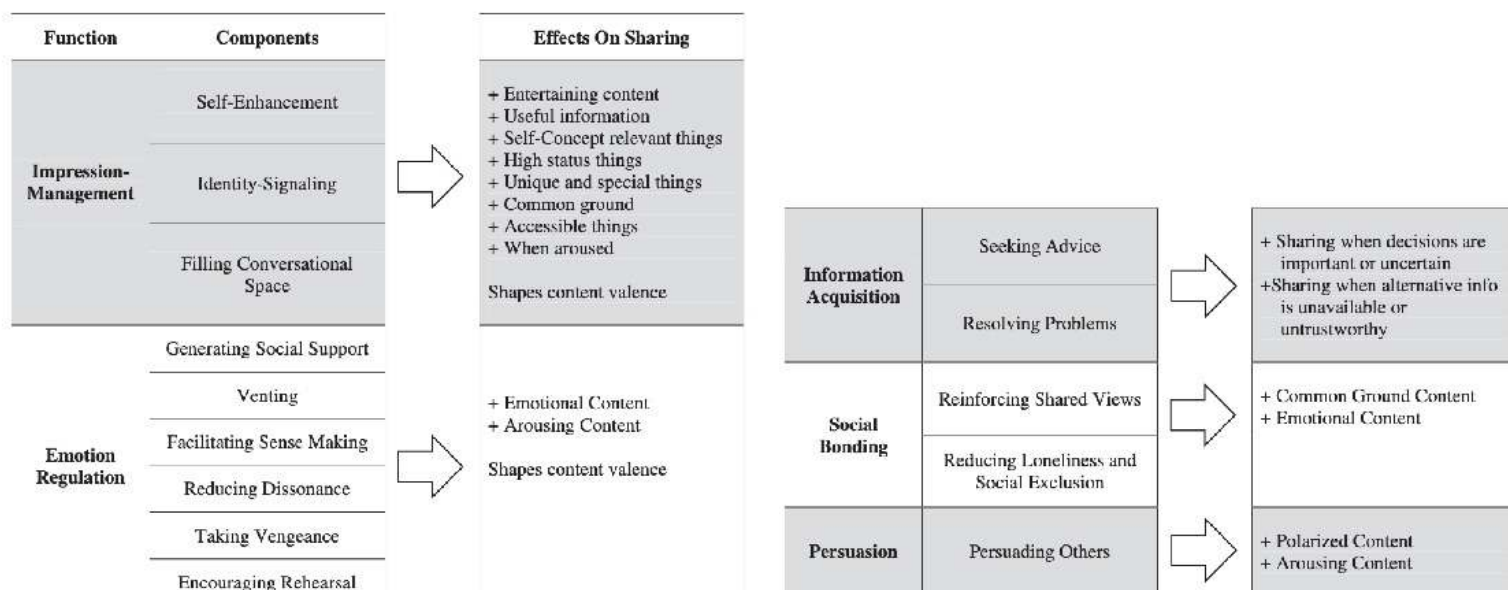


The main idea is that without an account we have simply visitors, and we need to understand if these visitors are all different or if some of them have behind the same person. For example Google, even though is spending a lot of money trying to understand who are the visitors is not able to actually see them longitudinally -> **longitudinally means from the first time the person started to use their own software surface**

On social media platform, since the login is required, it is far easier and also more effective to advertise, because we are dealing with people, we are dealing with profile.

=> **The trade-off is between having a lot of “invisible” visitors or less “visible” people**

UCG: why do people create contents and interact with others?



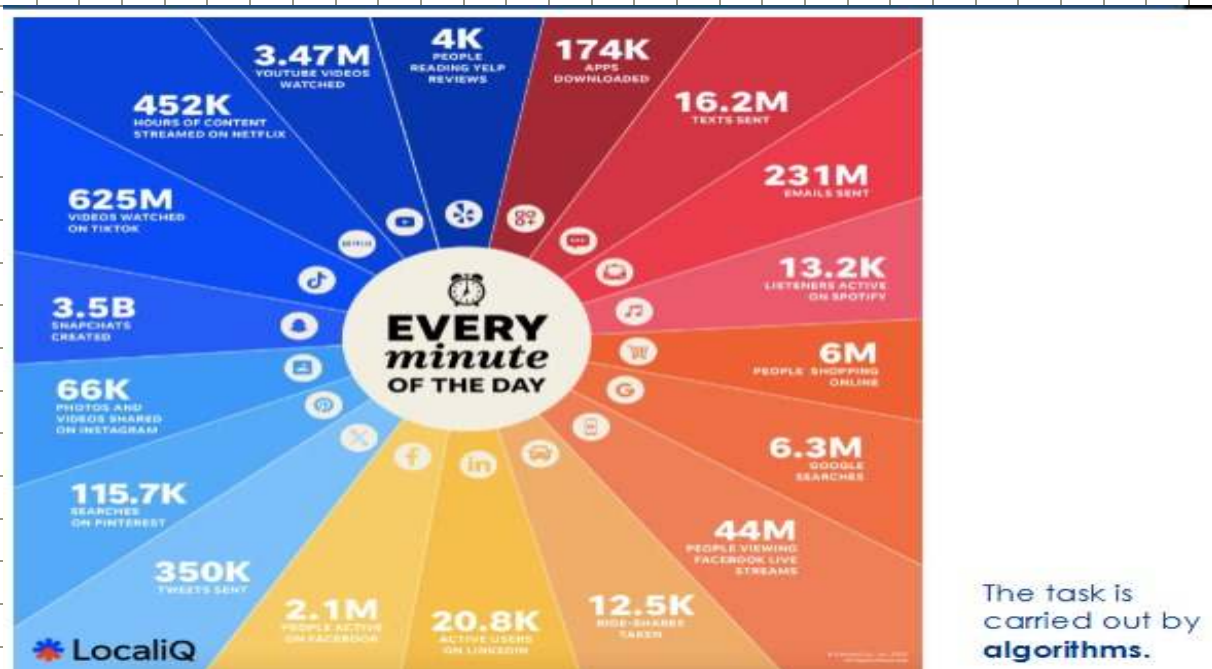
This kind of contents have the main goal of creating common grounds for a meeting. In this kind of contents we use a lot of emoticons, a lot of questions points or other kinds of punctures, and finally a specific kind of text.

The persuasion is one of the most interesting goal of UGC; the main idea is to polarise, to persuade people, forcing them to take a problem.

EX: an example of polarised contents are those published by Donald Trump
"Brutal and extend cold blast could shatter ALL RECORDS - Whatever happened to global warning?"

Instead of sharing content that are in favour to us, we need to understand what a single person is more willing to do in a specific moment and how we can help them do to this

How users could select contents?



Algorithms are the reason why we are there, and are what define a platform as successful or not.

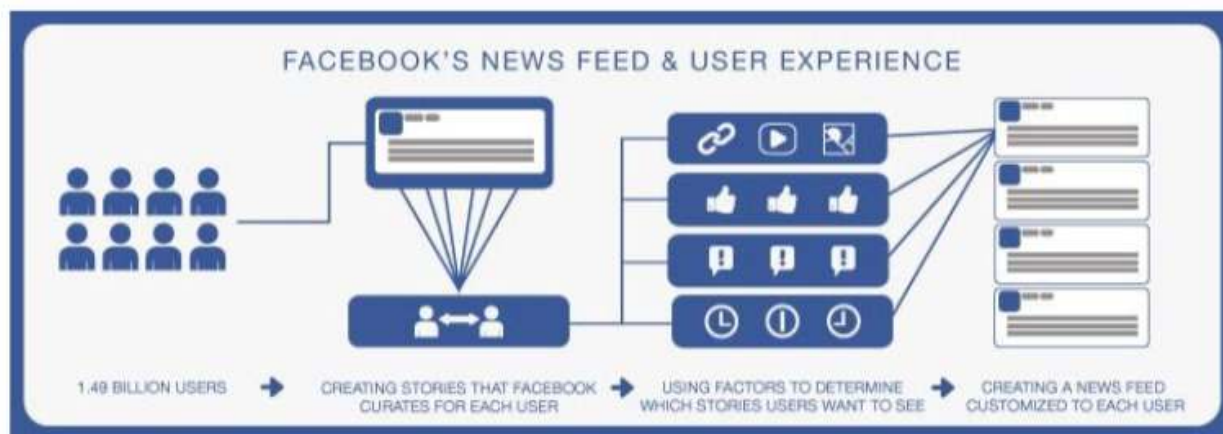
The aim of the platforms is always to satisfy users, but also to satisfy them better than competitors because in this way they will come back again -> since time is a scarced source the competition is very tough

The last Facebook's statement

Social platforms are based on two-sided markets business model: two customers (users and advertisers), the former are the most important. The priority of platforms is to offer always a satisfactory experience (= in line with expectations and meaningful) in order to stimulate returning

=> Offering meaningful interactions are the expected competitive advantage of Facebook

The News Feed created for improving the UX



Facebook defines itself as a «curator of stories» built with user content

The algorithm is the curator

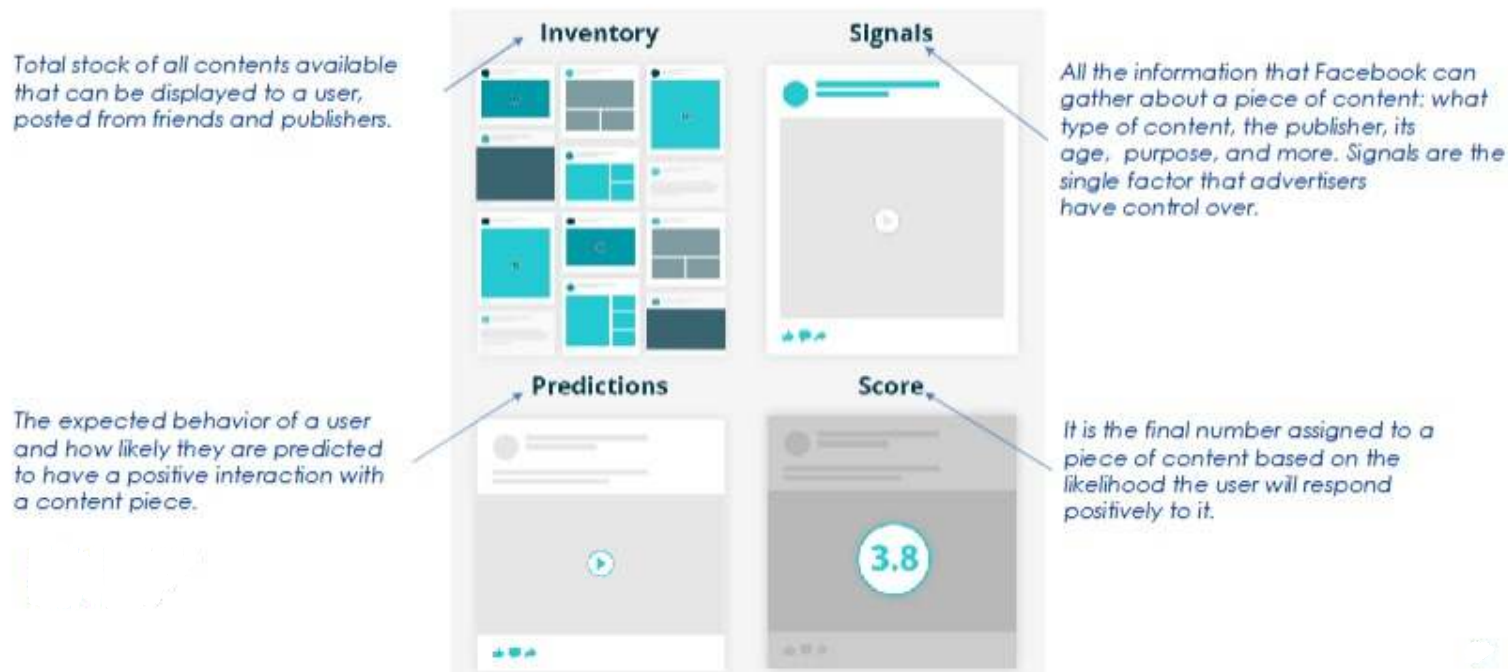
«Meaningful» comes from personalization

Personalisation on social platforms can be done first of all thanks to the login, moreover, as soon as we enter a new social platforms, it asks us about our interests, in order to influence the selection of contents -> this happens especially on Instagram

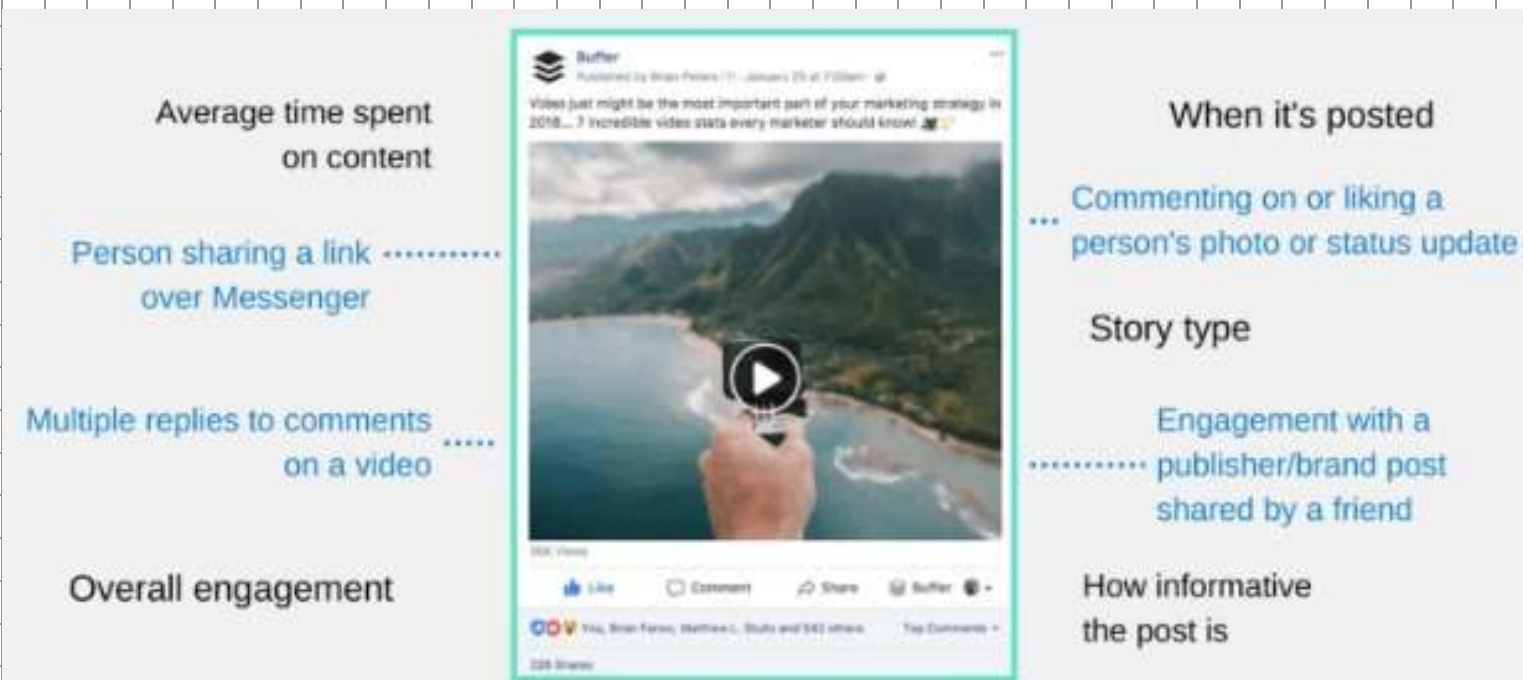
The News feed for meaningful interactions

- a. **Friends and family come first:** stories from your friends and family appear higher in your feed
- b. **Your feed should inform:** stories that are interesting and informative to you appear higher in your feed
- c. **Your feed should entertain:** stories that Facebook finds entertaining to you appear higher in your feed
- d. **A platform for all ideas:** Facebooks doesn't favour source or ideas. It delivers stories that are most meaningful to you
- e. **Authentic communication:** Facebook will only show stories that are genuine, not "misleading, sensational and spammy"
- f. **You control your experience:** post features such as "see first", "unfollow" and "hide" let you choose what you want to see
- g. **Constant interaction:** Facebook is dedicated to continued improvement

The 2018 statement translated into the News Feed algorithm



Signals: active and passive

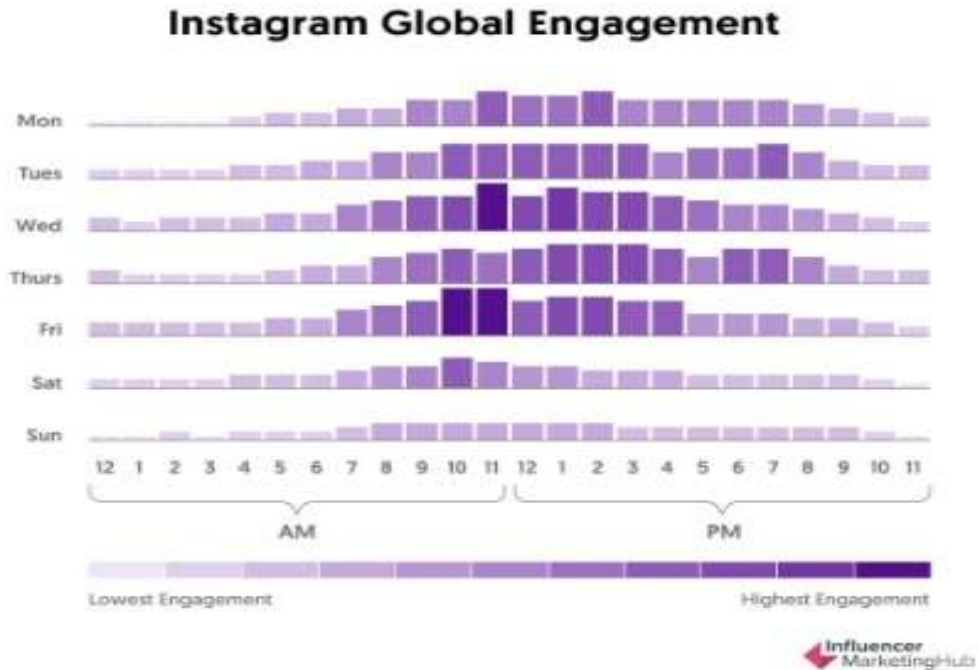


Active signals include likes, shares, comments, and other active events that prompt engagement
Passive signals include view time, story type, time posted, and other non-active metrics.

The new algorithm prioritises active interactions like commenting and sharing over likes and click-through

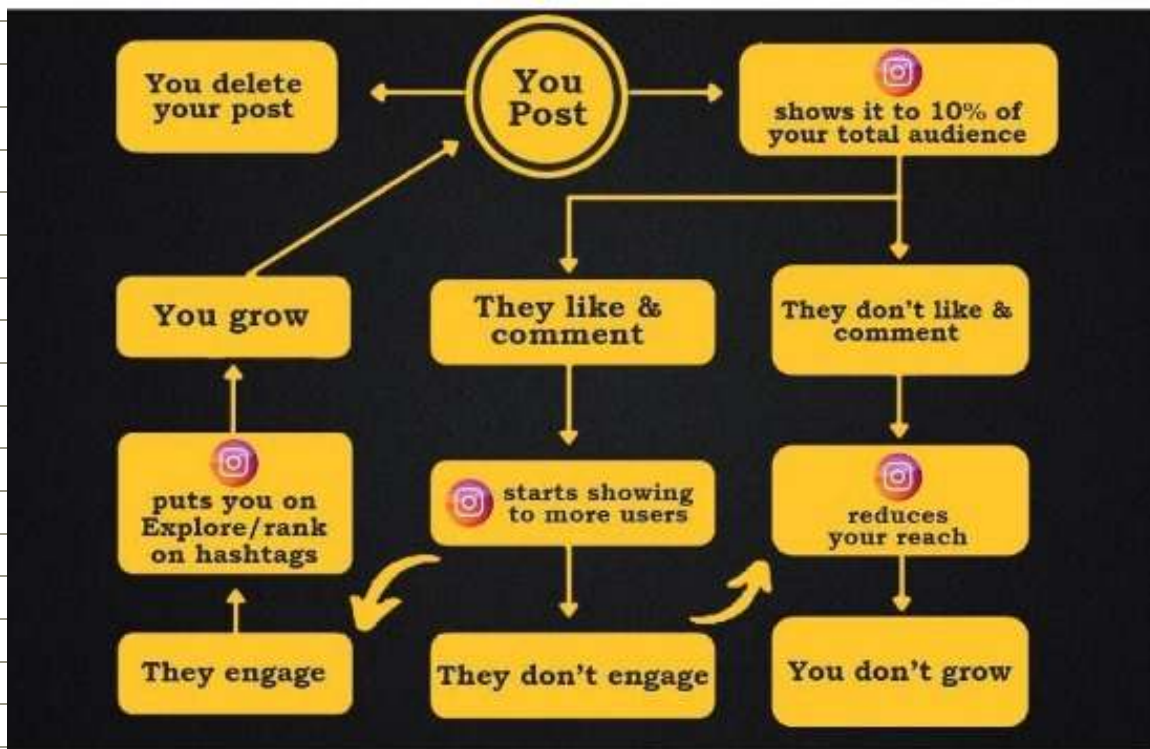
(passive interactions) - the idea being that actions requiring more effort on the part of the user that are of higher quality and thus more meaningful.

Time of posting matters (Instagram)



Instagram algorithm

It is similar to Fb's News Feed: it too predicts the expected engagement according to passive and active signals (also the light of the comments)



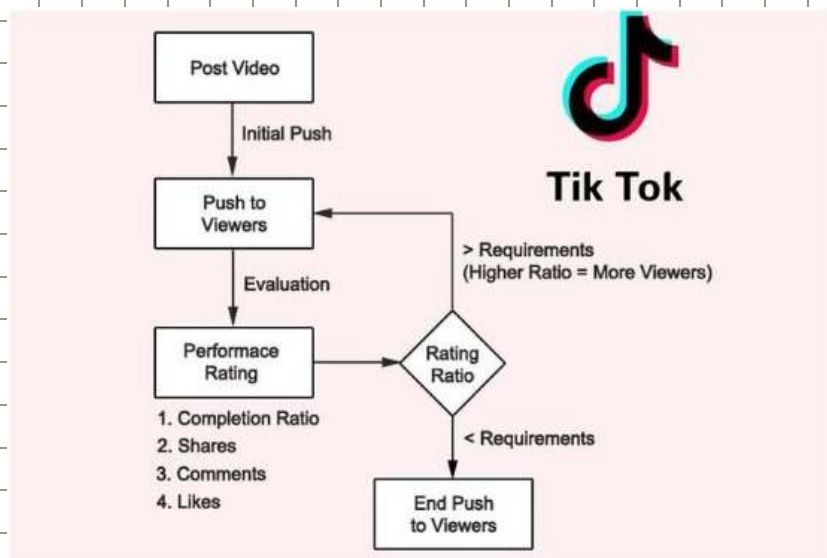
TikTok algorithm

According to TikTok: "The system recommends content by ranking videos based on a combination of factors - starting from interest you express as a new user⁴ and adjusting for things you indicate you're not interested in, too"

The factors include things like:

- 1. User interactions:** such as the videos you like or share, accounts you follow, comments you post, and content you create
- 2. Video information:** this might include details like captions, sounds, and Hashtags
- 3. Device and account setting:** like your language preference, country setting, and device type

Towards pure entertainment: how the TikTok's algorithm works



Generally speaking, the more users the platform has, the better this classification will be.

Talking about TikTok, we can easily state that the structure and the element of the algorithm are less sophisticated, less complex than Instagram ones. At the same time, this simple approach to the selection of contents, still has an outcome that is consistent with the idea of the person -> it is more likely that the person will be exposed to something unexpected, which is part of a pleasant experience when we want to be entertained.

=> Personalisation is a benefit to specific moments and specific situations; it depends on what the single person is seeing. For entertainment, personalisation is good, but it should be moderate.

How brands can use social media platforms?

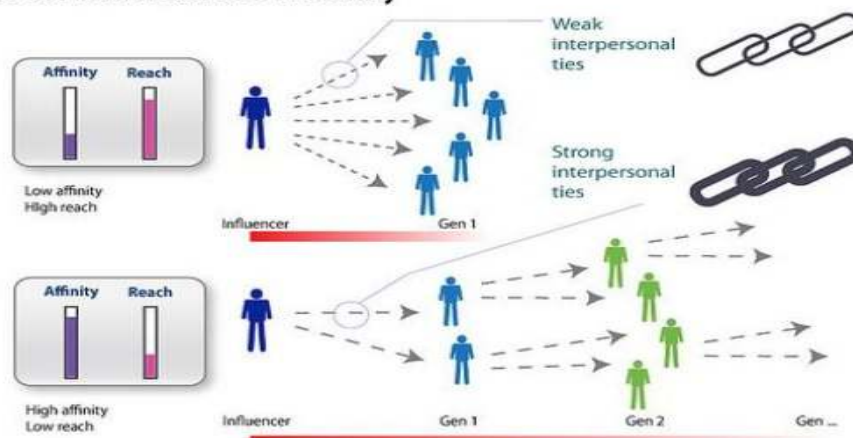
- Be part of the public discourse (content marketing) -> strengthening the brand as part of that discourse
- Send personalised messages (addressable means of communication)
- Leverage on individual social ties (amplification, trustworthiness)
- Listen to people (Social Media Listening)
- Profile people -> we need to take them out of the platform, since the data are exclusive of the platform, which does not want to share them with us

The pillars of social media marketing

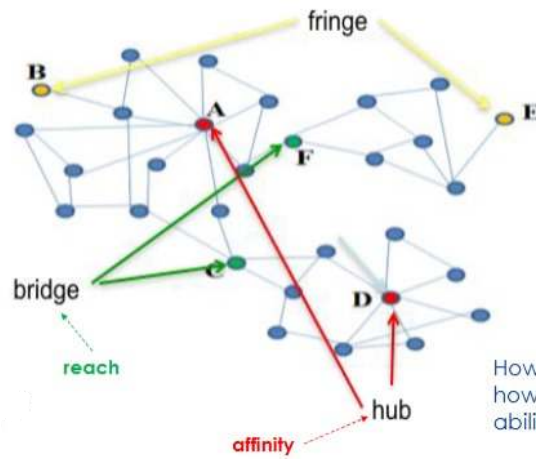
- User generated contents -> spontaneous creation and sharing of contents
- Network effect**
 - Amplifiers
 - Vitality
- Selectivity**
 - Affinity
- Trustworthiness** of the source
 - Peers
 - Recommendation/rating

Reach VS Affinity: the trade-off of social influence

Social Influence: reach vs affinity



Reach VS. Affinity: the different roles of people in the network (=nodes)



However, it is not just a question of how many connections, but the ability to influence.

This table suggests us that it is always better to target those who are connected, since connection work as amplifiers of the message

What are our smartphones?

They are great credit cards
They are great psychological questionnaires
They are Big Brothers
They are great identity cards
They are great diaries

The power of "like"

Every like is a piece of information that allows the platform to profile the user based on their personal tastes and preferences.

Computational psychologists: predicting psychological traits from digital footprints

According to David Stilwell and Michael Kosinski, the personality of a person is exactly the driver that decides the purchasing behaviour of a person, but also the decision about the good of a person, since it is because of our personality that we react to specific messages that are targeted to us. In fact, some messages are able to work on our personality traits, and they are better and more effective than those which are not based on them.

In order to do so, Facebook used a specific scale for measuring the personality of the individuals, which is called **the OCEAN model**.

The OCEAN model for measuring the personality

This model is largely used, and it measures through 60 questions the five dimension of the personality. In fact, our personality is measured in terms of:

- Openness (be open to new experience)
- Conscientiousness (be organised on result oriented)
- Extraversion (be sociable)
- Agreeableness (collaborative and respectful of others)
- Neuroticism (easily troubled and prey to anxiety)

The power of the algorithm

"In addition to creating psychological profiles from our data, the model works as a search engine by identifying specific categories of people based on their psychology" Kosinski 2008

In 2013 the algorithm developed by Kosinski and Stilwell was able to predict an individual's personality:

- better than **work colleagues after just 30 likes** on Facebook pages
- better than **friends after 70 likes**
- better than **parents after 150 likes**
- better than the **partner after 300 likes**

The Cambridge Analytica approach to communication

They started with the idea that if we knew the personality of the single person, we could influence their

decision by framing and fine tuning the message consistently with the personality of the individual



Cambridge Analytica: the power of microtargeting

1. Demographic and geographic personal data are purchased from various third parties (automotive registers, loyalty programs, club memberships, etc. In the USA it is easier to purchase them, in Europe much less easy), then they are merged into large datalakes that allow to profile in detail the single individual.
2. These data are crossed with the party/movement members, also using other online data such as likes on Fb (in the specific case of CA it seems that the data collected through an app on the personality created by Kogan were then compared with those on 50 mln American citizens that the researcher could download for academic purposes (at that time Fb allowed massive downloads but only for academic research)).
3. The profiles are then filtered through an algorithm that works in a very similar way to the OCEAN model, obtaining "profile-type" personalities, to be used as prototypes for campaigns based on look-alike targeting
4. For each electoral theme, CA creates numerous variants of promotional communication, one for each type of psychographic profile -> **32 personalities, 175.000 message variants**
5. Diversified social media advertising campaigns targeting micro-groups of people were created. Each of them sends personalised messages in real time, often concentrated in topical moments (e.g., a TV debate), in which the volume of conversations is such as to obtain a double effect: the ability to quickly test with A/B testing mode, and the possibility of obtaining maximum amplification in the shortest possible time

How can we use the platforms for convincing some people to exit from the platform and to land to our island in order to create our own data set?

We should use longitudinal data set, otherwise, if the data set is not longitudinal we cannot work with this approach, since it is very unlikely that we will be able to segment and classify customers in this way due to the fact that we have only visitors and not accounts.

Social advertising

Facebook advertisers outperform businesses that aren't advertising to the average tune of:

- a. 77% more page fans
- b. 96% more page clicks
- c. 126% more page impressions
- d. 90% more fans reached
- e. 111% more friends of page fans reached

Paid social: boosted posts VS. Ads

Boost post

Post made more visible by paying Fb

- easier to create (suitable for amateurs)
- mainly focused on engagement
- targeting is very limited (few variables)
- limited in creativity
- no control on placement

Facebook ads

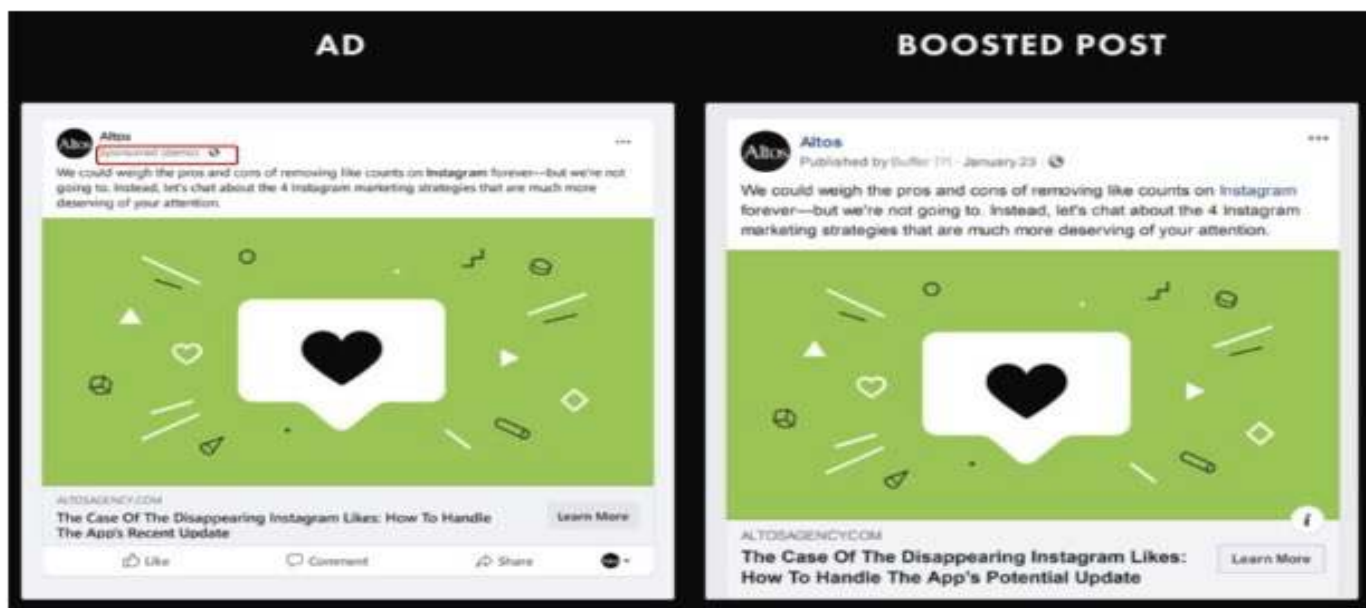
Ads created from scratch

- more difficult to create (for pros)
- several different business goals
- targeting is very sophisticated
- richer in creativity (formats)
- control over the placement

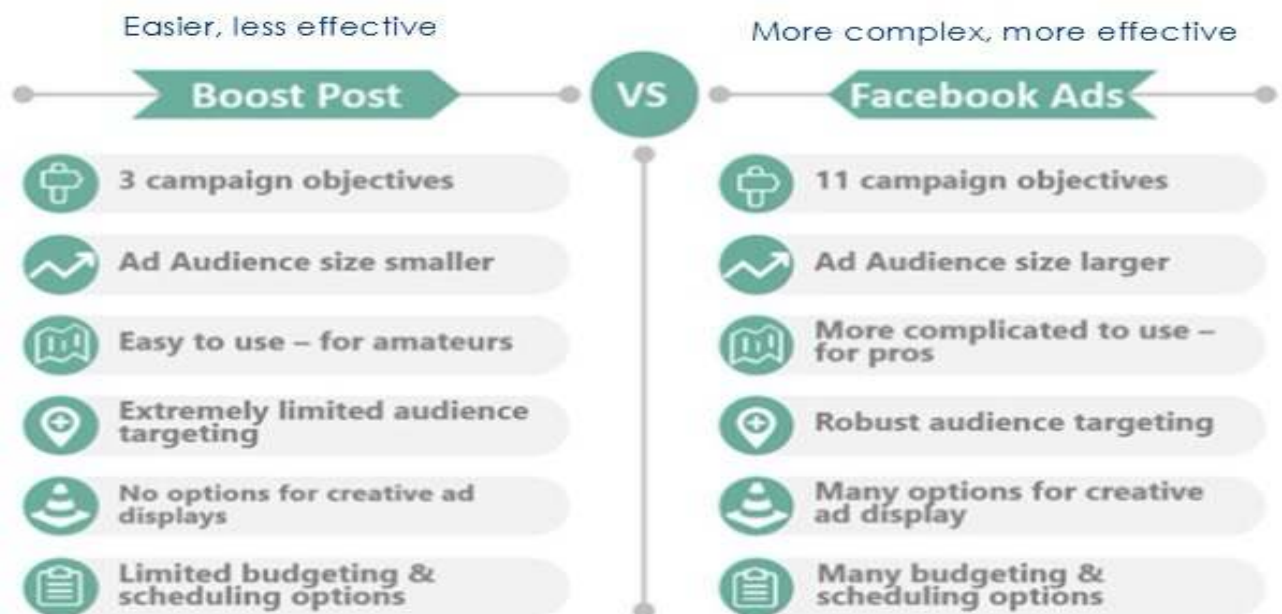
Facebook started as a platform for advertising, started targeting very small businesses, meaning by this the the main aim at the very beginning was to make the activity of advertising as easy as possible for very small businesses, micro-businesses, the store at the corner, the restaurant and so on. That is why the boosted posts were the first way for advertising on these platforms.

On the other hand we need to always remember that there a lot of limitations behind, whichever are referred to the definition of the audience and are referring to the objective of the campaign, which are overcomes with the Facebook ads.

Boosted posts and Ads: they can look very similar..



..but they are definitely different.



Ads: Facebook campaigns

Set the objective (one per campaign) -> our campaign objective is the business goal we hope to achieve by running our ads, over each one for more information.

There are six campaign objective:

1. Awareness -> being at the very top of the page

2. Traffic

3. Engagement -> receive like leads the creation of a list of potential customers

4. Leads

5. App promotion

6. Sales

Define the ads (more than one possible) -> we define what the message is, which format we are going to use, which text and so on

Target the audience (one per ad group)

Bid (one per ad)

Measure

Optimise

The structure of a Facebook campaign



Campaign: set the objective of the campaign

Group of Ads: audience, budget, time length, purchasing method (either PPC or PPM)

Advertisement: format and content (=creativity) (image/video, copy, landing page)

N.B. Since these platforms are for entertainmen, the announcements must be refreshed very often, so no more than 48 hours

The importance of setting an objective

Facebook uses several variables for **carrying out the campaign in order to maximize the results according to the objective**

EX: It will use the information about the willingness to click - or interact - or submit - etc. for **sending the ad to individuals who are more likely to complete the action that fulfil the objective**

Leave Fb make its own job!

Fb knows almost everything about everything about its users and it uses these information for optimising the campaign, given the objective set by the advertiser

The Fb's algorithm optimises the impressions based on the campaign's objective

Objective is set at the level of campaign

Brand (or local brand) awareness: optimise for attention

Opting for a local awareness or a brand awareness depends on the objective that we previously define and it means to reach people who are more likely to pay attention to our advertisement

Funnel	Objective	Sub-obj	To whom it will be shown among people in target
AWARENESS	Brand awareness		People who are more likely to pay attention to the type of creativity
	Reach		The maximum number of people possible (bridge)
	Traffic		People who are more likely to click
CONSIDERATION	Engagement	interaction	People who are more likely to interact
		page like	People who are more likely to put likes
		event response	People who are more likely to take part to events
		offer claims	People who are more likely to promote offers
	App install		People who are more likely to download apps
	Video views		People who are more likely to watch videos
CONVERSION	Lead generation		People who are more likely to submit
	Message		People who are more likely to share
	Conversion		People who are more likely to convert
	Catalog sales		People who are more likely to scroll catalogue/purchase
	Store traffic		People who are more likely to enter the store

13

Facebook advertising formats

Some formats perform better on certain objectives

- Photo:** simple visual ads
- Video:** sound and motion
- Stories:** immerse people in the content
- Carousel:** up to 10 videos or images in the same ad, each with its very own link
- Slideshow:** sound, copy and motion to tell brand stories
- Messenger:** start conversation with the board
- Collection:** showcase products from store's catalog
- Playables:** interactive preview before downloading of an app
- Instant experience (Canvas):** mobile-optimised and full-screen experiences for customers

The target audience

There are three ways for defining the target audience:

1. Custom audience: connect with the **accounts center accounts** who have already shown an interest in your business or product with custom audiences. You can create an audience from your customer contacts, website traffic or mobile app

=> **Custom audiences**

2. Lookalike audiences: reach now **accounts center accounts** who are similar to audiences you already care about. You can create a lookalike audience based on people who like your page, conversion pixels or any of your existing custom audiences

=> **Lookalike audience**

3. Saved audience: save your commonly used targeting options for easy reuse. Choose your demographics, interest, and behaviours, then save them to reuse in future ads

Target audience: 3 ways for defining the target

Facebook audience

Audience is broken down according to demographics, interests, behaviors



CORE AUDIENCES

- Target by Demographics, Location, Interests and Behaviours
- Personal data** such as relationship, education, hobbies and interests, likes and dislikes



The main benefit of Facebook advertising vs. Google AdWords!

Custom audience

- eCRM
- Website
- Mobile app
- Engagement list

} retargeting



CUSTOM AUDIENCES

- Website Custom Audiences can be created via FB Pixel (website tracking code)
- Import your own contact lists – email addresses or phone numbers similar to Google customer match

Lookalike audience

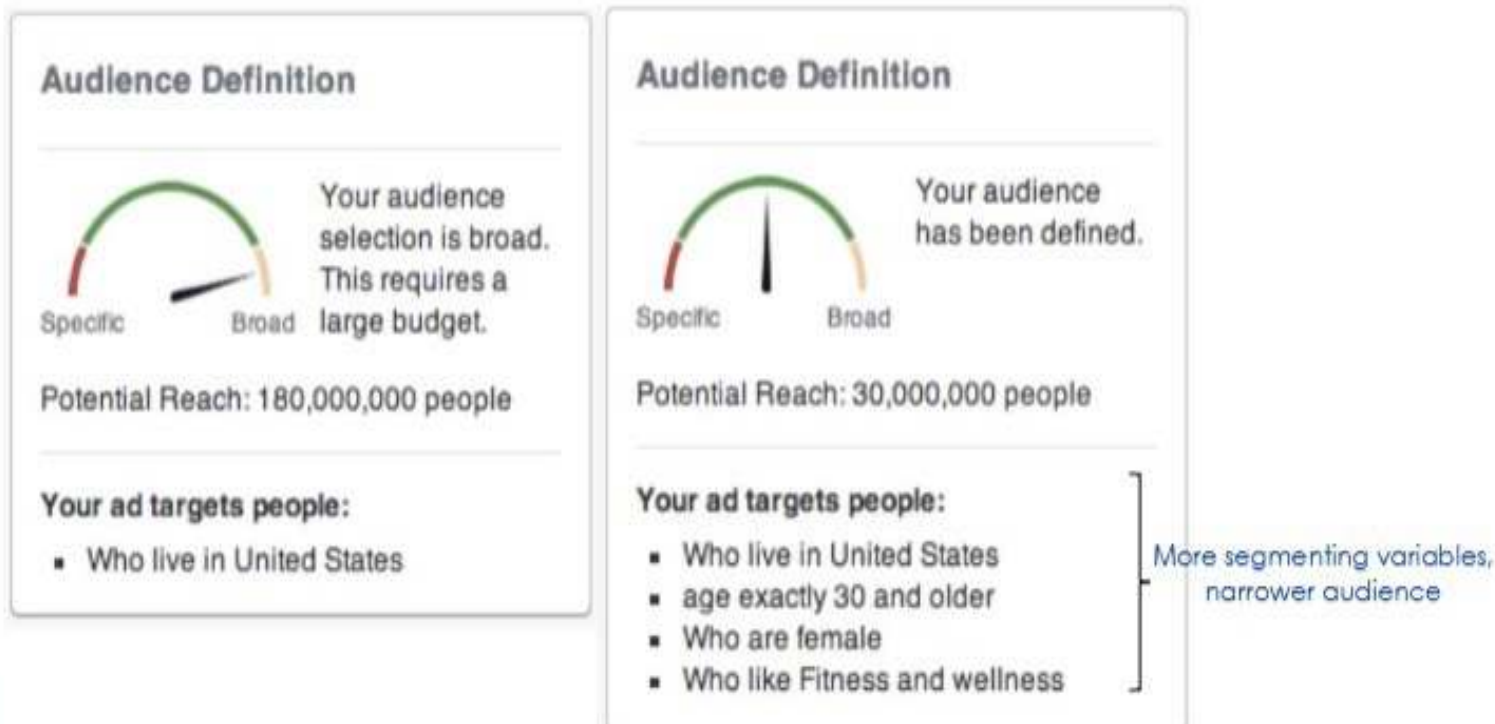
Matching between customer list and Fb audience



LOOKALIKE AUDIENCES

- Find people who share similar characteristics (job titles, page likes/follows, demographics) to your existing customers
- Great option for expanding reach if you're maxing out reach on existing customer lists

The size of the audience

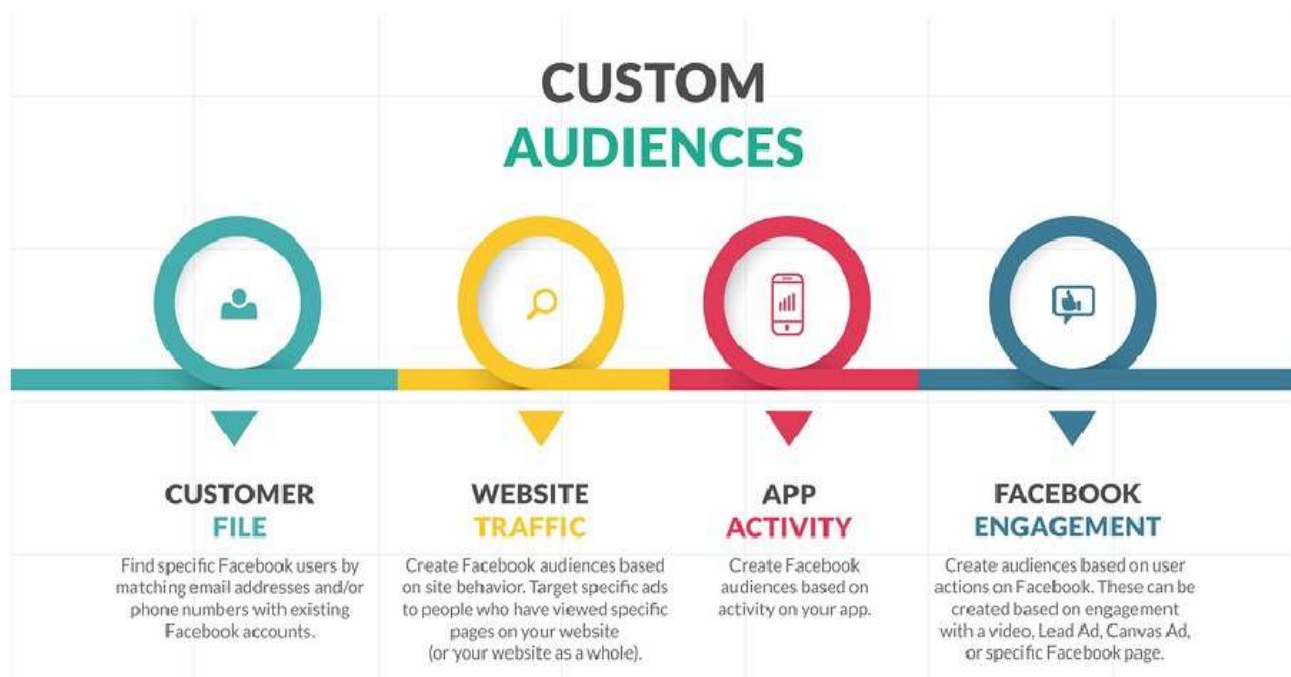


The target audience cannot be too narrow, otherwise it will be too hard to reach it, since the system does not work.

A way to overcome this problem we need to define the audience through layers; in fact, the more layers (=target variables), the smaller the audience will be and the more effective and cheaper the campaign will be, since:

- It will be expected to get **more qualified engagements** (if the segmentation is done properly)
- It will cost less -> this is due to the fact that the effectiveness of an announcement is measured through the click through rate

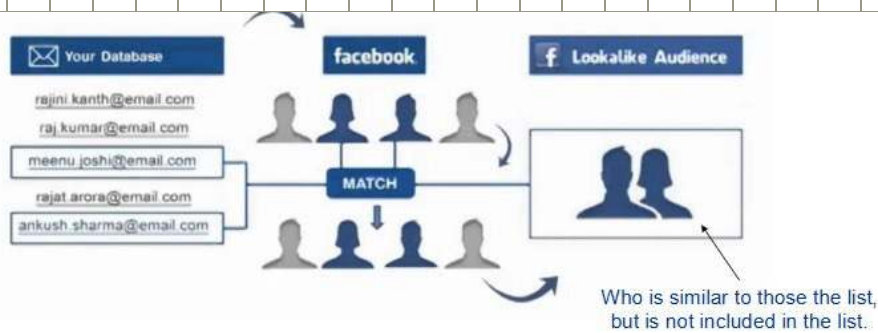
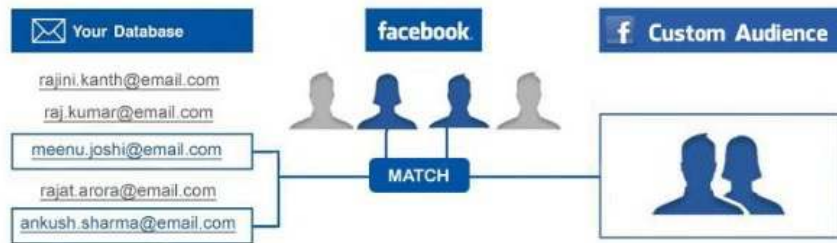
Custom audience



The custom audience is something really powerful, and it represents who are those we want to talk with. The custom audience can be defined in two ways:

- The easiest one is the retargeting -> we can do that only with those users who have interacted with our content previously
- Lookalike -> it is a target solution that can be applied to any kind of audience

Custom audience
↳ retargeting



Lookalike audience

The lookalike audience method is really powerful for the purpose on enlarging our market, our potential customer base (matched audience follow the lookalike approach)

Lookalike perspective sets the CRM as the destiny of digital marketing

Creating a CRM is the way to capitalise relationships with customers in order to leverage on the opportunity of lookalike audience for fostering the next growth of customer base

-> Facebook recommends using a **source audience of between 1,000 to 50,000 people** when creating lookalike audiences

Relevance score (quality score on Google): the algorithm behind ads show

Facebook is interested in enhancing the single user's overall experience, so it **shows ads that are relevant to the single user.**

Relevance score determines:

- How frequently Fb will show the ad
- CPC on Fb

How to improve the relevance score:

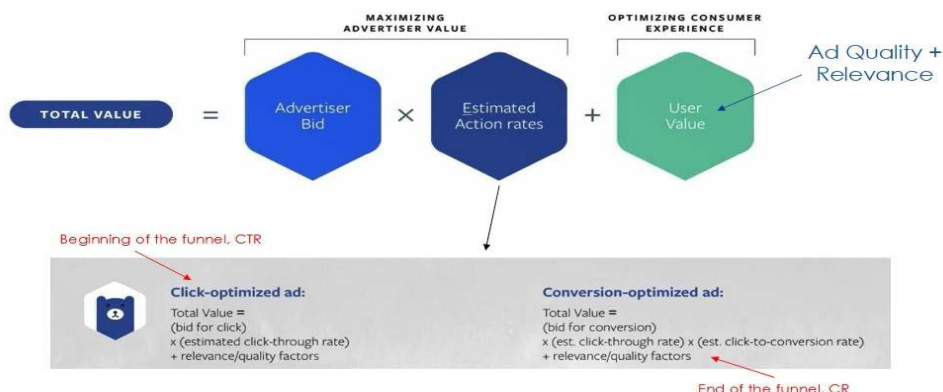
- Narrow the audience -> get qualified impressions
- Improve the ad copy -> test it before launching
- Refresh frequently

How much engaging is an ad; what is the level of expected engagement the ad will bring to Facebook and to the user experience, based on expected feedbacks (either positive or negative)?


After more than 500 times the ad has been seen (impressions) Facebook calculates an audience's anticipated response to the ad using the campaign goal and audience granularity to determine the likelihood of the desired action being taken (positive feedback) or the ad being hidden or flagged (negative feedback).

Factors such as the volume of clicks, likes, and shares are included in this calculation, as in general feedbacks on an ad.

Facebook auction



Optimization

 **Click-optimized ad:**
Total Value =
(bid for click)
x (estimated click-through rate)
+ relevance/quality factors

Top of funnel, Reach
CTR

Conversion-optimized ad:
Total Value =
(bid for conversion)
x (est. click-through rate) x (est. click-to-conversion rate)
+ relevance/quality factors

Bottom of the funnel,
Conversion, CR

Facebook advertising cost

Fb ad cost depends on:

TIME: *When the ad campaigns run*

time, date, during peak hours when completion is fiercer

TARGET: *The specific audience*

generally speaking, the narrower, the cheaper
other factors like age and demographics impact on the cost
due to competition on the same target

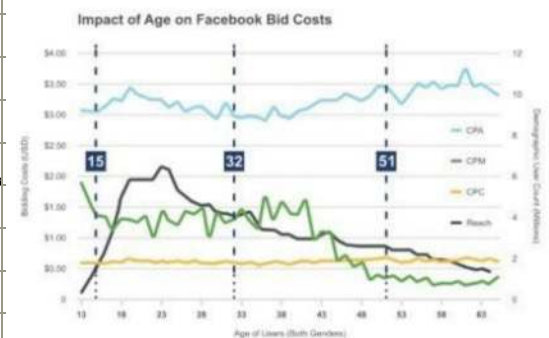
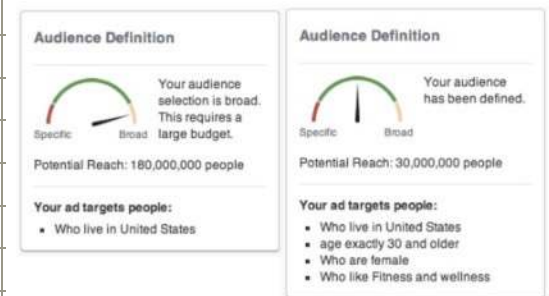
RELEVANCY: *The relevance score*

the more engaging the ad, the more relevant

PLACE: *Advertisement placement on the page*

BID: *The bidding method*

the lower the degree of control, the cheaper
the add



Facebook analytics

Through the Fb pixel it is possible to monitor both the interactions on the pages of the platform and the interactions on the website external to the platform (Google Analytics cannot map the interactions with the pages of the platform, but only if the visit comes from a specific page of the platform and nothing else) -> the code behind is called **Pixel**

Facebook Ads Reporting provides information about the activities of people on the webpage where Pixel has been put inside. Activities are called "events"

The social golden metric: the engagement

Engagement measures how much a content is able to trigger an individual' action. It is a proxy of how much relevant (=meaningful) the content is

"Engagement rates are healthy metrics to monitor because they underline how frequently your following interacts with your content, and rather than vanity metrics (like the number of followers you have)"

The definition of engagement slightly changes according to the social considered

Reach VS Impressions

Reach is the number of people who saw any content from your page or about your page. **This metric is estimated.**

Impressions are the number of times any content from your page or about your page entered a person's screen

Impressions and Page Likes

Impressions: While reach tells how many people saw the posts, impressions measure the number of times the posts were seen. That includes if one post was seen multiple times by a single user.

Page Likes: Page Likes is the number of people that follow a brand on Facebook. They liked the brand's page or opted-in to be able to have its posts show up in their feed. The brand can think of them as fans or subscribers.

Social media monitoring and listening

The social media monitoring means to observe what is going to happen and to measure, while listening means to interpret behaviours, the contents that we can see online on these platforms.

To monitor: *"To observe, record or detect"* with instruments that have no effect upon the operation or condition

Social media *monitoring* is about *collecting* quantitative data (analytics):

- How many times was the brand mentioned?
- What is the overall brand awareness?

To listen: *"To give attention with the ear"*; attend closely for the purpose of hearing

Social media listening (or social listening) is about **understanding and analyzing qualitative data** (often semantic analysis on texts, images, videos). Why is this happening and how can you leverage this data to grow the brand:

- Who is talking about the brand?
- Where was the brand mentioned?
- How are they talking about the brand?
- What are the trends the brand should worry about?
- How does the brand compare to the competition?

(Public accounts on) Social media allow to:

- Know what is said about a brand (as it happens)
- Track mentions on platform
- Evaluate the tone, influence and reach of those social messages
- Analyse relevant data and identify trends

Monitoring vs Listening

Social media **monitoring** tells **what is happening**

Social media **listening** explains **why something is happening**

While **monitoring is often reactive** (= measuring in order to react to what is happening and optimizing), **listening is more proactive** because it allows the brand to interpret behaviours to be used for strategic decision on positioning, communication, channel and pricing.

Monitoring: Fan interactions in Sports

The screenshot shows a monitoring tool interface with two tabs: 'Cristiano Ronaldo' and 'Lionel Messi'. Below the tabs are filters for Media Types, Countries/Regions, Languages, Devices, Sentiment, and Demographics, along with time range options (1D, 7D, 30D, 3M, 6M, 13M). The main table displays data for two influencers: Cristiano Ronaldo and Leo Messi. The table columns are: Influencers, Posts, Reach, Reach per mention, Engagement, and Engagement per mention.

Influencers	Posts	Reach	Reach per mention	Engagement	Engagement per mention
Cristiano Ronaldo, instagram.com	13	1.6B	123M	60.1M	4.6M
Leo Messi, instagram.com	5	445.6M	89.1M	19M	3.8M

As we can easily see both Ronaldo and Messi have a lot of followers, but in terms of the ability to engage the audience, they are a little bit different; in fact, Ronaldo is able to reach many people, he is more engaging. One way to evaluate an influencer's **engageability** is by assessing their **reach**, since engagement serves as a proxy for visibility.

Another important kind of data available online are the reviews, score and so on, which help us in understanding how our brands are going on in the perception of customers that we want to engage, meaning by this only those who are active online.

In fact, many millennials and some GenZ consumers view **brand fan pages** as direct **communication channels**, using them to interact with brands much like they would do with a person. They personalize the brand, as a way to complain, giving feedback and suggestions.

Monitoring to improve customer care and prevent threats

Consumers are increasingly consider brands on social media as individuals, to interact with at any time and for any need, even for complaints, form which they expect to be listened to and fulfilled, otherwise they will use the social media as an amplifiers of their dissatisfaction and (sometimes) anger.

=> **Monitoring represents not an interpretation of what is going on outside, but a way for measuring it (for using the data that are available online site for measuring the ability to engage, for measuring the awareness, for measuring the preferences and many other things). Moreover, these data can be interpreted through the action of listening**

Social media listening

When we listen to what people are saying about something of interest for us, we need to keep always in mind that it is something of interest also for our competitors.

By just looking at the comments that are posted online in different countries, we can have an idea of where the brand (EX: a football team) is considered (by analyzing the sentiments of our consumers).

When we start to interpret, to listen and to understand who are the people that are talking (through pictures, videos) we can start doing many things; we can even investigate if influencers have similar audiences or if they are actually competing for the same attention (and the same can happen for brands).

For example, Messi is primarily followed by Spanish-speaking audiences. Depending on the target country, choosing Messi as an ambassador might be more effective.

The **sentiment analysis**, used for understand the positive/negative/neutral perception of the people outside, requires the semantic analysis of texts, images (including emojis) and videos. The sentiment analysis is the understanding of a **language** (which is not just text, but also pictures, videos, emoticons).

One of the most important software for this kind of analysis is **Talkwalker**.

A faster (and cheaper) way to analyse trends: the hashtag

"Hashtag are powerful. They can help your posts reach a target audience, attract followers in your niche, increase engagement, and develop a more positive and recognisable brand image."

Competitive analysis: which competitor focuses on the same target as yours?

The analysis of the contented posted online on the brands allows us to trace which targets are involved and therefore immediately understand which brands are in direct competition.

If we are advertisers and we want to better sponsor brands we need to understand who are the direct competitors, which aren't just industry rivals but also the brands that customers see as **real alternatives**, which are the hardest ones to fight.

The offer could be an alternative to another brand: the two brands are competing for the attention of a person. By analyzing followers, post interactions, and profiling users, you can gain insights into their behaviors—what they engage with, what they post, and how they interact with different brands.

EX: Samsung VS. Huawei

Samsung and Huawei face intense competition because their target audiences are highly similar, except at the executive level. If key audience characteristics differ, the competition may not be as strong as it seems.

Brand perception analysis can also provide valuable strategic insights.

Moreover, we can use those data for understand if the launch of a new product might be effective or not.

EX: Avocado Bar

Avocado bar was a format of a new bar that was mostly based on avocado products. They decided to launch the new format after six months of tests online on platforms where they created fake menus, and fake pictures to gauge interests and engagement and adjusting the contents with the preferences of customers.

EX: Movie industry

By analyzing online mentions from the previous year, movie producers can track content posted by audiences and compare engagement. They collected data: one film generated 1.7 million mentions and the other 1.5 million, with a similar share of positive comments. However, we have to understand the intention to buy (and in this case one movie is better than the other). So we have to investigate the intention to buy, especially if we are managers or in retail.

Managers can take two approaches:

1. Wait for user-generated-content to appear, then scrape and analyze online data
2. Encourage content creation by motivating users to post about their brand

In fact, another thing that we can do, in order to collect meaningful data is to analyze UGC to discover new insights.

EX: Louis Vuitton

The SML also uses image analysis, both to find out what is associated with the brand, and to identify new and potential creative insights related to it.

LV in 2019 unearthed 51,000 images on the net that carried its logo without the brand being named in the text, in order to understand better the perception of the brand itself.

The analysis on **trendy topics** (positive sentiments) allows to write content in line with what people (target) are paying more attention to.

EX: Pasta packaging

After the lockdown, an online community emerged around a simple yet frustrating issue: there was no standard placement for **cooking times** on pasta packaging. This seemingly small problem resonated with consumers, leading to 8,000 likes in just three weeks. The buzz caught the attention of pasta brands, who saw an opportunity to engage with their audience. This success was driven by listening and identifying a new consumer trend. By recognizing a widespread pain point, brands acted quickly and turned it into an opportunity.

The cost of the campaign was minimal:

- a. A few thousand euros for initial engagement.
- b. Less than a few hundred euros to monitor the trend.
- c. Under €15,000 to adjust packaging production.

The impact? 1.8 million people were exposed to the message. This is a prime example of brands actively monitoring online conversations to spot creative ideas worth investing in.

EX: Digital influencers

Michela Susa is a digital influencer, but unlike traditional influencers, she isn't a real person: she's a brand-created virtual persona designed to engage with audiences in the fashion industry. Every piece of content she shares is strategically crafted based on **listening and data** analysis (perfectly aligned with trends, understanding the positive and negative topics). Brands listen to their customer persona and take into consideration their feedback.

Analyze influencers carefully. Many young female influencers on Instagram seem ideal for teen-focused brands, but a closer look at their followers often reveals a majority of older men.

EX: Starbucks' Dragon Drink initially struggled after launch. However, when a Starbucks cup mistakenly appeared in a Game of Thrones episode on May 6, the brand seized the moment. The blunder generated 82K mentions, and on May 13, Starbucks cleverly joined the conversation with a comment that capitalized on the hype, boosting awareness of the new drink to 30K mentions.

EX: During Trump's second campaign, a group of teenagers booked all the seats at a rally, leaving the stadium empty when he arrived.

SML for positioning: the analysis of engagement

In the video game sector, the launch of Minecraft Earth at the end of 2019 was fueled by a communication campaign that emphasized the contents of **entertainment, comics and animation**, which were among the most cited elements by those who posted content on the 5 video games based on the most famous and played ARs in the world.

Each step of the marketing process relies on **understanding**. For example, while Jamaica is known for its beaches, to stand out from competitors, you could highlight waterfalls, the second most mentioned feature.

The strategic use of Monitoring and Listening: sum up

1. Understand the brand positioning

- a. Study the resonance of the contents
- b. Monitor the brand's reputation and emotional attachment
- c. Identify potential threats

2. Keep an eye on competitors

- a. Benchmark and/or imitate competitors

3. Identify influencers

- a. Relevant for the target

4. Get insight from the audience

- a. Improve product's characteristics
- b. Test new products before the launch
- c. Support strategic and operational decision making

5. Analyze trends

- a. Discover Trendy topics (and use them for automated content creation)
- b. Discover new opportunities
- c. Exploit unexpected resonance

N.B. In a world where technologies, generative AI and other tools are available for everyone, mostly for free, the thing that makes the difference is the ability to use these technologies, the ability to ask the right thing in the proper way. There will no longer be a room for monopolies in terms of technologies, unless these monopolies are the data available.

Of course the output received from these tools is just a baseline, just the minimum that we can get, and that also our competitors can obtain. If we want to differentiate we need to take the strategy offered by these tools and leverage it.

Automation and optimisation

CDP: marketing automation and personalization

The **cost** of this analysis is low and decreasing (the cost is lower than the economic value of the single piece of information). With AI, there's a balance between user satisfaction and accuracy. Google gives quick answers, provides snippets, but generative AI allows you to ask in natural language and get useful responses, even with imprecise queries. The real advantage today is not just knowing how to use software, but how to leverage AI to ask the right questions and uncover valuable insights. Even with imprecise queries, AI is revolutionizing how we gather insights, supporting our research by leveraging machine capabilities. Today, what matters isn't just knowing how to use software, competitors can do that too. The real difference is your ability to leverage technology to **ask the right questions and extract valuable insights**.

Sentiment analysis involves understanding language to label posts as positive or negative based on context. You can input datasets into AI systems like Claude, which can then cluster the data and suggest strategies. This is the baseline: what any competitor can do. The true advantage comes in using **AI creatively**. It's not just about running algorithms but transforming general data into your **own data**. You need to exploit your ability to turn scraped data into something uniquely valuable to your business. The requirement to make our efforts more competitive than our competitors is to exploit my target and use a dataset (available to the outside). We can have a competitive advantage thanks to the data that the brands have, the one built by their own, that our competitors don't have.

How can I attract people, be more effective and efficient?

Through automation and optimisation. To attract people and be more effective, consider these strategies for improving the data collection and processing process:

- a. Decreasing cost of **data collection**.
- b. Decreasing cost of **data analysis** (analyzing data has become faster and cheaper, saving both time and money).
- c. **Automation**: there are areas where automation can boost efficiency, there are support areas (not for **customer interaction**). In marketing, automation includes:
 1. Segmentation and target marketing.
 2. Product recommendation engines.
 3. Addressing customer churn (with discount).
 4. Prediction.

5. Dynamic pricing.
6. Content creation deployment.
7. Sentiment analysis.
8. Chatbox (personalised customer experience).
9. Lead scoring: assessing a customer's score for their readiness to buy. If they aren't ready, you can optimize content, channels, and promotions to increase their readiness.

Rather than traditional broad segments, automation helps create **micro segments** (behavioral, demographics and attitudes criteria to create **niches**) highly detailed groups based on behavior and other factors. This allows for more precise targeting and more effective interactions. By integrating these automation strategies, you can streamline processes and better support customer engagement and conversion.

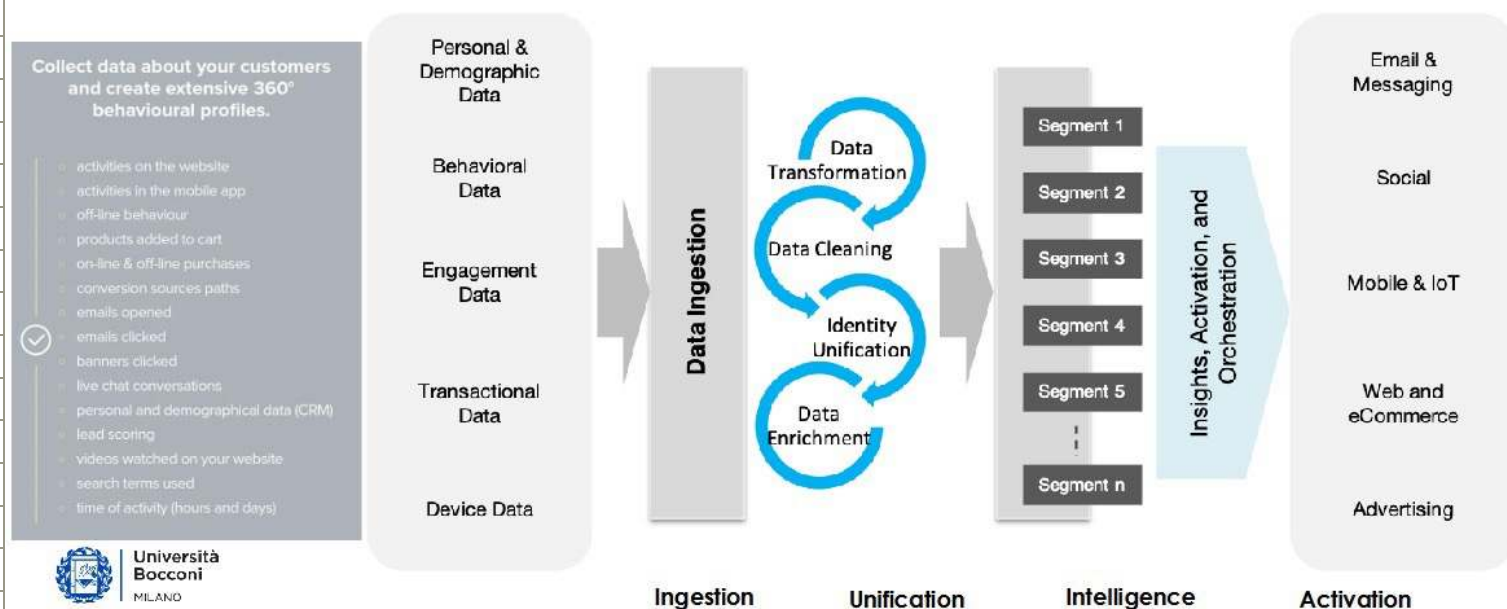
CDP customer development platforms

ML algorithms and machine-based interaction systems allow us to achieve these results. However, to make ML algorithms work and to create profiles, we need large volumes of data.

Customer Data Platforms (CDPs) primarily integrate data from multiple sources.



How CDPs work



The main task is **segmentation**, and these segments evolve in real time. The first time I visit a website, I'm classified into a micro-cluster, predicting my behavior. If I don't fit that cluster, I'll be reassigned to another. This process involves **collecting data**, the more diverse, the better. Each platform uses proprietary algorithms that are **fine-tuned**. Teaching you a specific jargon is easier if you already know the language: teaching a **dialect** just builds on what you know. Every platform develops a specialized algorithm. You feed it data, and it learns your dialect, adapting to your unique situation. Your competitors may use the same algorithm, but your data will reveal the specific dynamics of your market, creating a different dialect (they are created based on our reality, not the one of our competitors). The key to success lies in how well your **algorithm is fine-tuned**.

ML in e-commerce



Smart Segmentation



Sentiment Analysis



Natural Language Processing



Product Recommendations

Smart segmentation involves algorithms that create profiles based on behavioral similarities. These algorithms are able to predict a customer's profile (membership of a profile) based on a little information of a behavioural nature and continuously refine this prediction. They then estimate the customer's maturation, attributing a readiness score with respect to the conversion, and defining the subsequent tactics that have the greatest probability of success.

Marketing automation in eCommerce

Profiling

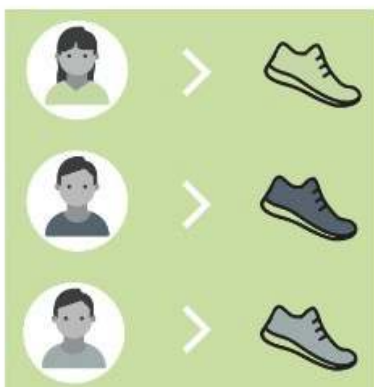


Use the data:

- personal data (name, localization, title, etc.)
- contact's details (gender, age, loyalty points, etc.)
- transactional data
- behavioural data
- segmentation
- device and channel

75% of consumers will be more likely to purchase from someone whose offerings are personalized according to individual preferences (Accenture).

Personalization



39% of customers leave a website and buy from a competitor after receiving too many irrelevant choice options. *Medium.com*

86% of customers are ready to pay more for a better customer experience. *CEI*

Personalize:

- e-mail subject and sender info
- message content across channels (eg. e-mail, push notification, SMS)
- campaign delivery time
- website content
- ads

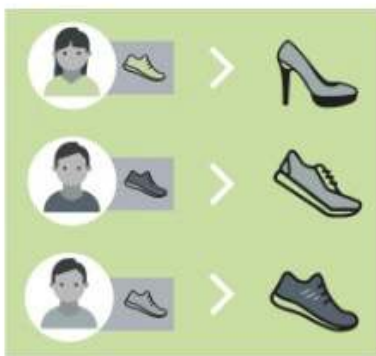
Integrated communication channels



Use integrated communication channels:

- E-mail marketing
- Website personalization
- SMS
- Web push
- Live chat
- Mobile app
- Mobile push
- Social media
- Ad networks
- POS

Prediction and Recommendation: the store is a curator



91% of customers are more likely to shop with brands who provide relevant offers and recommendations.
Accenture PLC



Use intelligent product recommendations:

- to save abandoned carts and browses
- in cross-selling and up-selling campaigns
- in win-back campaigns
- in product retargeting campaigns
- to increase website conversion



Place them in:

- website content
- popups/exit-ups
- sidebars
- emails
- live chat
- web pushes
- push notifications
- FB Messenger

Content optimisation and knowledge creation: A/B testing

An experiment confirms or disproves your hypothesis, ideally in a strong, causal way. In a real funnel for a real company, with half a million website visitors per month, there are critical moments that affect conversion. Companies have lost customers between page visits and the decision to buy something (cart view). The companies have lost many customers between the payment and the order (the check out): almost 78% of people.

- There is a drop in visitors when switching to the cart: how can I reduce it?
- There is a fall between the payment data page and the actual conclusion of the order. How can I increase those who complete the order?
- Are there any elements in the page design that hinder the passage? Is there the possibility of eliminating these barriers by creatively redesigning the page and redefining the copy?
- Which page design and copy changes are best for increasing page performance?

Acquisition Funnel - Desktop



How could we fix these two critical moments?

We have to work on the second situation: we are closer to the purchase moment. To limit the drop of customers we need to test an hypothesis to the A/B testing. To address these issues, one could test the hypothesis that some users are abandoning due to laziness, but this is an assumption, not a hypothesis. A proper hypothesis would be tested through A/B testing, not guesswork.

For instance, when testing a new drug, the hypothesis might be that the drug will be **effective** in increasing protein production. However, to determine the drug's true effectiveness, we need to account for any bias, such as whether the patients who improved were non-smokers or living in specific conditions (mountains). It's essential to eliminate **structural biases**, not only based on the person but also on environmental conditions, before confidently attributing the change to the drug's effectiveness.

Anytime we **randomize** we eliminate the structural bias. It is very unlikely that the two groups are gonna have the same natures. But also the situation must be the same: we cannot test one advertisement on one group during the weekend and one during the working days. There's an **assumption** if we were doing so: it is very likely that people will have different behaviors in different times.

When conducting tests, we often test one element at a time, like changing the text on a page, while keeping everything else constant. However, it's also possible to test multiple elements simultaneously. When we do this, we observe two main effects and one interaction effect, which allows us to see what happens when the elements appear together. For example, we might change both the header and the color on a page. Testing different combinations of these elements helps us understand their individual impact and their interaction. It's like running an A/B test where one version is just a slight modification, and the other is a completely different design. While you may achieve better conversions with one version, the real insight comes from the knowledge gained in the process.

Let's say we tested two fundraising pages during Obama's campaign. One version might seem simpler and more compact, making it more effective at gathering donations. In this case, we see a clear outcome: **more conversions**. But there's more to this than just effectiveness. Testing something new also gives us knowledge, like understanding which design is more likely to engage a donor.

However, when we only test dramatically different versions without understanding the underlying factors, we miss out on valuable insights. The test result might tell us which version converts better, but it doesn't help us understand why one works better than the other. That's why every test should aim to provide two outcomes:

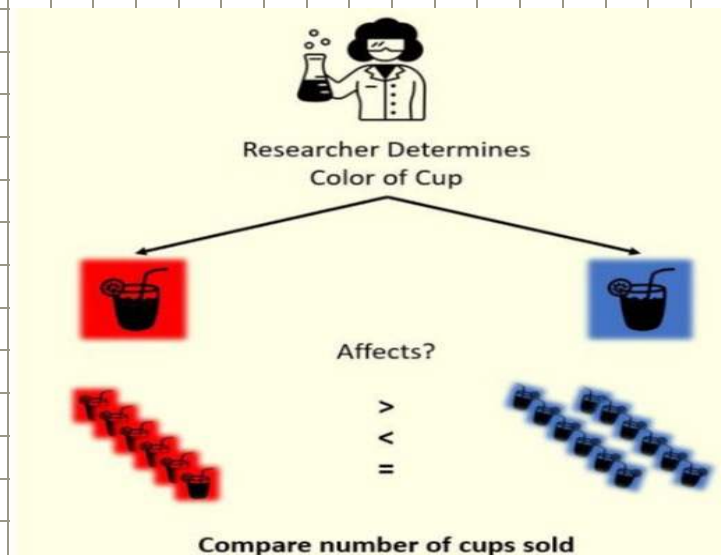
1. **Knowledge**: you gain a deeper understanding of your market and customer behavior.
2. **Effectiveness**: you improve your ability to drive conversions, confirming (or not) your hypothesis.

Even if a test confirms that one design is more effective, the real value comes from understanding why it works and how we can apply those insights to future tests. Every time you run an A/B test, you gather knowledge about the **world outside** your assumptions, helping refine your approach and better understand what resonates with your audience. While many A/B tests are done without considering this, any test should provide insights into why one version performs better than the other.

The perspective of the experiments

Hypothesizing a (causal) relationship between an independent (manipulable) variable and a certain result (the color of the cup and number of cups sold: does the color have an impact on sales? and in particular, does the blue color generate (cause) a greater volume of sales (in the same unit of time)
Essential elements of an experiment:

- a. **Hypothesis to be tested** (what relationship do we hypothesize between the two variables: x (independent, stimulus) and y (dependent, result)).
- b. **Comparability of results** (same metrics, same conditions of administration): control over all other variables that may affect the result.



A/B testing: simple test

Only one independent variable is tested at a time (the so-called **main effect** is tested).

EX: An A/B testing of two variants of a product page (A and B). Variant A has a blue photo, while variant B has a red photo.

Multi-variate A/B testing

More than one independent variable are tested at a time.

Interaction effects between independent variables are tested.

EX: You can test two headlines (original "H1" and variant "H2") and three hero images (original "A" and variants "B" and "C") simultaneously, which would produce:

2 **sections** (the headline and the images), with

3 and 2 **variants** (respectively), for a total of

6 **combinations** (the number of variants multiplied by each other, or 3×2)

Redirect test

Two very different pages are tested (multiple independent variables, among which the contribution to the final effect is not distinguished).

EX: Test two different landing pages, with different URLs:

a. Original - www.example.com/landing1

b. Variants - www.example.com/landing2

Test redesigned page hosted on a subdomain:

a. Original - www.example.com

b. Variant - new.example.com

How to create a test

Hypotheses from data. There is data about the behavior of people, of visitors, and the need to extract the hypothesis. Once you have a hypothesis, the testing process becomes like cooking. A machine can run the test, but it can't create the hypothesis because it lacks the understanding behind it. You, on the other hand, will gain knowledge and expertise through this process.

1. Identification of the **critical issues** to be solved -> analytics.

We look at the funnel and estimate where drops happen, then focus on the stages with the highest drop rates. These are the critical areas to address. We have to prioritize: prioritizing the last stage because it has the most significant impact on revenue. This is an assumption, but it helps us prioritize our tests

2. Exploration of **possible solutions** -> creativity.

3. **Test construction:** design the test by combining hypothesis formulation and creativity.

a. Hypothesis formulation.

b. Sample sizing and test duration.

4. **Test prioritization** -> feasibility, relevance and priority assessment

5. **Conducting the test(s)** -> measurement of results

6. **Conclusions and learning**

Identification of the critical issues to be solved

When analyzing **critical issues**, we look for:

a. Obstacles: are there difficulties, delays, complicated procedures that prevent visitors from proceeding?

These are the obstacles we need to address. For example, if we design a page but forget that users have to scroll to see a button, this becomes an obstacle. Scrolling can be a barrier for users, so we need to consider that.

b. Distractions: is there anything that distracts visitors from proceeding? If there's a video or other content that diverts attention, users may be distracted from completing the task. Identifying these distractions is key to improving the user experience.

c. Motivation: is the visitor adequately motivated, incentivized to continue? Is the page design optimized to do so?

d. Relevance: are the elements on the page each relevant? Can some of them be eliminated because customers are distracted?

e. Clarity: are the messages on the page clear enough? Is the desired action adequately made visible?

To identify visual issues, rely on data. User behavior, tracked through tools like Google Analytics, provides insights into how people interact with the page. You can compare internal benchmarks and past performance, using a control group to see what happens if no changes are made.

How to identify the critical issues?

1. Analysis of the analytics of the pages.

2. Comparison with **internal benchmarks** -> What are the characteristics of those who continue browsing the website? How are they different from those who abandon?

Exploration of possible solutions

When generating ideas **creativity is crucial**. Never limit your creativity, and focus on the goal: creating a better experience for users. Generating **ideas, regardless of the constraints**.

- a. Assume that everything is possible.
- b. Be guided by the goal.
- c. Focus on the problems that emerged from the analytics analysis.

Removing obstacles, minimizing distractions, and enhancing motivation are all key strategies. Focus on data: start with data analysis. Look for issues in the user funnel where people drop off, and focus on solving these problems.

Test construction: how to build hypotheses

Ideas generated in the divergent phase must then be formalized into **hypotheses**, needed both to grasp the **foundations of each idea** and to design the experiment. The hypothesis explains **how the idea should impact on the objectives and how we will measure this impact**.

This is the structure of a hypothesis that translates the idea into a sequence of elements required for designing the test and understanding its results:

1. **Having seen that** (evidence from analytics: few visitors, visitors who have seen the video are more likely to continue to the cart page: seeing the video might be an antecedent of continuing to the check out).
 2. **I expect** (the change you want to test: bringing the video to the fore for making it more visible) **will cause** (the impact you expect: increase in visitors who see the video).
 3. **I'll measure it with** (metrics: ex. clicks on video or time_on_video). Confirmation or supporting phase.
- N.B.** Use metrics directly impacted by the change you are proposing in the hypothesis.

Test construction : sample sizing and test duration

Size: how many visitors should be exposed to the test?

Time span: how long should the window test take? (at least as long as a "cycle", in order to avoid structural effects - holidays, particular times, etc. - and to be sure to include all possible situations in the test duration)

Sample size and duration depend on the choices regarding:

- a. Minimal detectable effect MDE (%).
- b. Volume of page visitors (#).
- c. Conversion rate (of the page) (%).

The conversion rate refers to the percentage of users who complete a desired action, like making a purchase. The lift is the increase in this conversion rate due to an intervention or change in the process. For example, if your current conversion rate is 20%, and you see an increase of 10%, the new conversion rate will be 22% (which is 10% more than the original 20%). It's important to note that this 10% is a percentage increase in the conversion rate, not the absolute difference. So, you're measuring the relative growth in conversion rate, not just the final value or points difference.

Thus, lift focuses on the percentage increase rather than the raw numeric difference in conversion rates (e.g., the 2 percentage points between 20% and 22%). The concept is used to understand how much an intervention has improved the conversion rate in terms of percentage change.

Sample sizing and time duration

a. Baseline CR: % of visitors who convert **on the page**.

1. Number of treatments refers to the number of different drugs (or versions of a test) you're testing, excluding the control (placebo). For example, if you are testing a new page against the previous one, the number of treatments is one.
2. The number of variations is essentially the number of treatments you're testing, which could be one or more.
3. The weekly traffic is the number of people landing on your webpage.
4. This impacts the span of time you need for your experiment. For example, if you need 1,000 people to run a test and you get 1,000 visitors per week, the test would take 10 weeks to complete if you need 10,000 people (1,000 people per week for 10 weeks). The more visitors you have, the shorter the time needed for the test. Conversely, fewer visitors mean the test will take longer.

b. Confidence level.

1. For a 95% (even 90%) confidence level, the goal is to achieve a minimum detectable effect (MDE) of

20%.

2. If you are testing two variations (treatments), you will need approximately 2,863 people in each group, meaning a total of 5,626 people. If you test more variations (e.g., two drugs instead of one), the sample size per group will increase. This means the experiment will require more time, as you'll need a larger sample size. For example, with 10,000 visitors per week, two weeks may be needed for your test.

- c. Statistical power: test's ability to avoid errors type I and II (false positives and false negatives).
- d. CR lift: expected increase of CR **of the page**
variants: control included (eg. simple A/B test has 2 variants)
- e. MDE (improvement to be detected): it measures how sensitive an experiment is.
daily visitors: how many visitors everyday on the page
- f. % traffic in the test: 100% unless we are testing specific visitors' segments

The power of a test

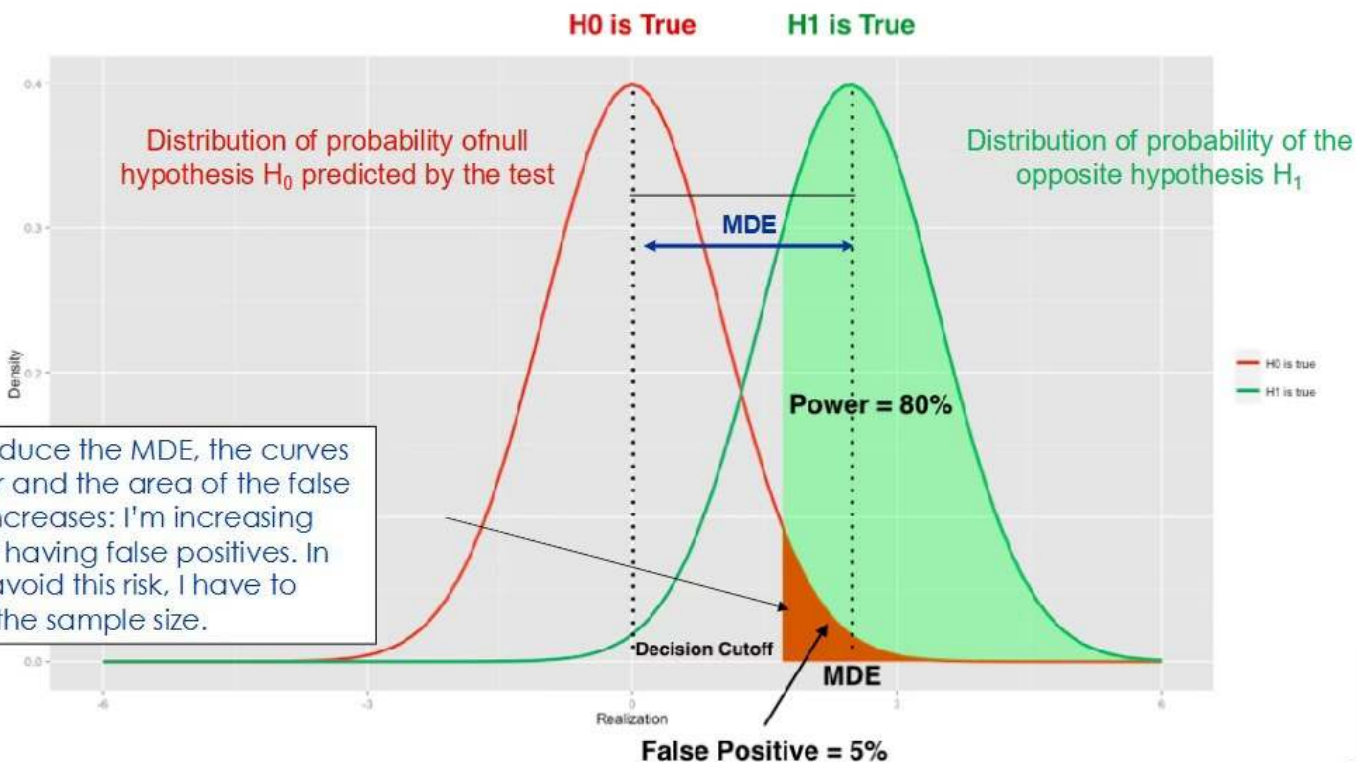
The power of a test is the ability to reject the null hypothesis when it is right to do so. It consists of specificity and

	H ₀ is true Truly not guilty	H ₁ is true Truly guilty
Accept null hypothesis Acquittal	Right decision	Wrong decision Type II Error
Reject null hypothesis Conviction	Wrong decision Type I Error	Right decision

The higher the **sensitivity** of a test, the lower the risk of **false negatives**: high sensitivity means a high probability that negative results are correctly identified by the test (negatives are not false).

The higher the **specificity** of a test, the lower the risk of **false positives**: high specificity means a high

MDE: Minimal Detectable Effect

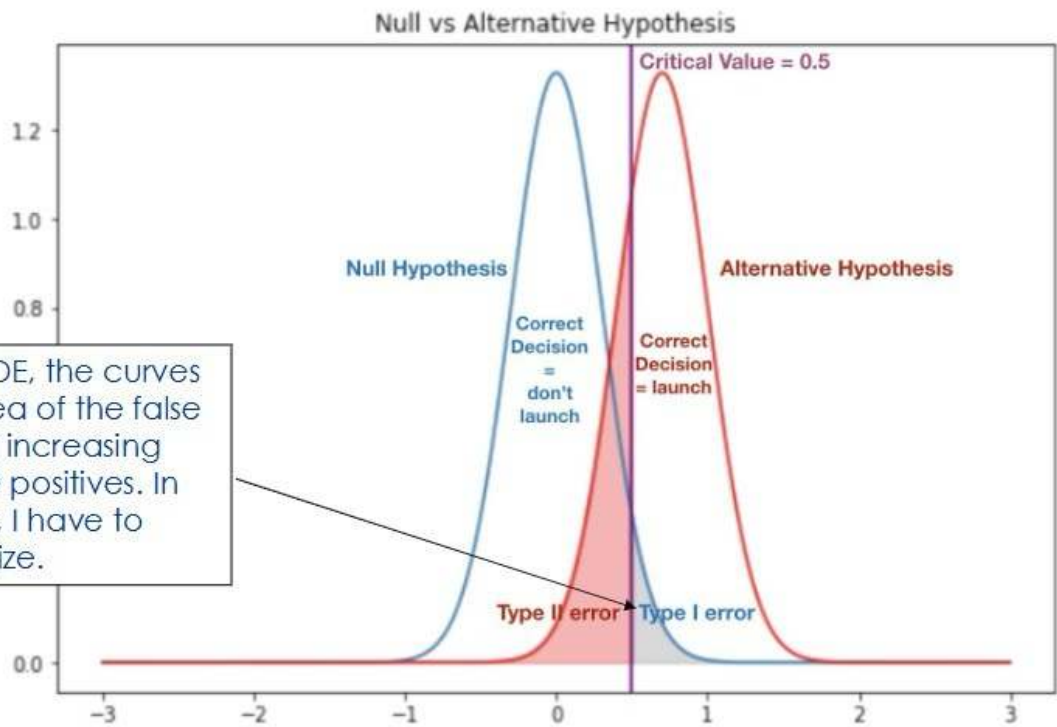


The MDE is the smallest difference you want to detect between two variations. If you're measuring the difference between two trees, for example, you can decide that a difference of one meter (100 cm) is detectable, which is very visible. But if you decide the difference is just one centimeter, it's harder to see, and you need more measurements to detect that difference. This concept is similar to how experiments work. The smaller the difference you're trying to detect (the MDE), the more measurements (or participants)

If we lower the minimum detectable effect (e.g., from 20% to 14%), the number of people required for the test decreases because it's easier to detect smaller changes. Conversely, if we increase the MDE (e.g., from 10% to 5%), the number of people required increases.

EX: Imagine you're comparing the heights of two trees. If the difference is large, like 1 meter (100 cm), it's easy to detect, and fewer measurements are needed. If the difference is small, like 1 cm, it's harder to detect, so more measurements (people) are needed to confidently determine the difference.

MDE and Type I and Type II errors



When I reduce the MDE, the curves get closer and the area of the false positive increases: I'm increasing the risk of having false positives. In order to avoid this risk, I have to increase the sample size.

The smaller the minimum detectable effect, the more measurements (or participants) you need. This is why smaller differences require more data to identify reliably.

For large, visible differences, fewer people are needed to confirm the difference. The MDE is related to the error of the first type (false positives), which measures how likely you are to incorrectly reject the null hypothesis.

Feasibility and priority

The testing process in marketing or research requires careful management of costs, time, and resources. A key element is the power of the test and the management of false positives. The distance between the distribution curves of the measurements affects the likelihood of obtaining a false positive: the further apart the curves are, the lower the risk of errors, but fewer observations will be needed to maintain statistical power. If the differences between the curves are small, the risk of false positives increases, but this can be controlled by increasing the sample size.

Since tests require time, money, and resources, it is essential to prioritize the hypotheses to test. An effective way to do this is by using a scoring model, where each hypothesis is evaluated based on specific dimensions, such as impact and ease of implementation. For example, one hypothesis might score 10, while another might score 13, indicating the latter should be prioritized.

There are three popular ways to evaluate the feasibility and priority of tests. Each is applied to each test to be evaluated, to then build a ranking based on the final score of each:

a. The **PIE** model:

1. Potential: improvement potential.
2. Importance: how much traffic the page has.
3. Ease: how difficult it is to build the test.

b. The **ICE** model (impact, cost, ease): helps rank hypotheses based on their impact, implementation cost, and ease of execution. In this system, the scores for cost and ease are inverted: a high score indicates low cost or easy implementation, while a low score suggests greater complexity and higher costs.

1. Impact : what is the benefit for the company if the improvement works (2 if high benefit; 1 if low benefit).
2. Cost: how much it cost to implement the improvement (2 cheaper; 1 expensive).
3. Effort: how many resources are available and how much time is required for carrying out the test (2 if high availability, short time; 1 if low availability, longer time).

Each item is given a score of 1 (negative) or 2 (positive).

Applying these models helps determine which tests are most beneficial to implement, maximizing return on investment and optimizing resources. Scores are binary (unless otherwise reported). This method is more effective because it is more objective than the impact and ease of implementation.

Results and learning

The results of the test are already significant, if we respect the sample size and duration. In the case of rejection of the improvement (null hypothesis confirmed), it is advisable to make sense of the result, clarifying the lesson learned (if the hypothesis was considered valid, its disconfirmation is counterintuitive and therefore full of insights into the behavior of visitors). It is advisable to keep track of the tests carried out even if they failed, as they represent a repository of lessons learned.

A/B testing simulation

We're running A/B tests on 3 key pages of the website:

1. Home Page (general product categories)
2. Last Chance Page (discounted products nearing the end of their life cycle)
3. Checkout Page (final purchase step).

Problems and observation

- a. **Visitor Behavior:** 9,000 visitors were split into two groups: those who continued to the next page and those who did not. Their behavior was tracked across the home page, last chance page, and checkout page.
- b. **Scrolling Behavior:** visitors who continued to the product page scrolled more and spent more time, which correlates with a higher likelihood of purchasing.
- c. **Insight:** encourage users to spend more time on the product page to increase purchases.
- d. **Shipping Options:** users who clicked more on shipping options were more likely to proceed to checkout.

Hypothesis: increasing clicks on shipping options may drive users to checkout, though this could be biased by user preferences.

- a. Users who checked out spent less time than those who abandoned. Those who altered items in their cart tended to abandon.
- b. Faster checkout leads to better conversion, but eliminating the ability to change items may cause friction. Anticipate decisions earlier in the process.
- c. Visitors who interacted with the "Show the Look" section were more likely to proceed with the purchase.

Insight: make the "Show the Look" section more visible to increase conversions.

Next Steps:

1. **Test Scrolling and engagement:** design product pages to encourage longer visits.
2. **Optimize Shipping Options Clicks:** experiment with placing shipping options more prominently.
3. **Improve Checkout Flow:** speed up the checkout process while offering preemptive item confirmation.
4. **Boost "Show the Look" visibility:** make the section more prominent on the last chance page.

While PIE doesn't factor in cost, ICE helps assess the cost vs. benefit, guiding prioritization based on impact and ease of implementation.

ROAS and attribution models

The reason why of attribution modeling

Each touchpoint in the customer journey plays a role in conversion.

It's crucial to identify which touchpoints have the most impact and optimize spending based on their contribution. Attribution models, such as A/B testing and probabilistic models, help to evaluate which touchpoints are most impactful (the one i could give up and the one inventing in it).

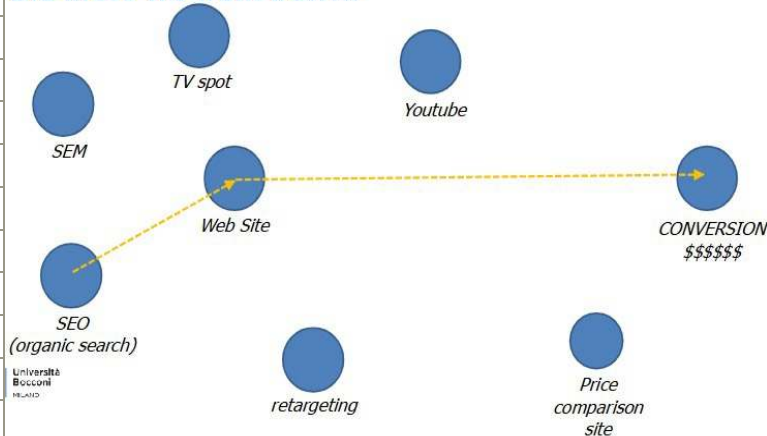
From awareness to conversion in B2B: the potential TPs



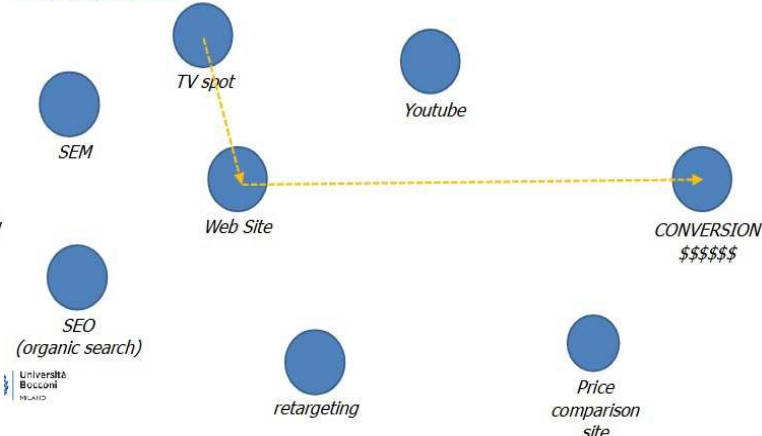
Some useful questions

1. Which journey is more likely to generate conversions?
2. How much did each touch point contribute to conversions?
3. What is the touch point that has had the best performance?
4. In which touch point is it more effective to invest?
5. Which touch points could be deleted or resized without diminishing conversions too much?

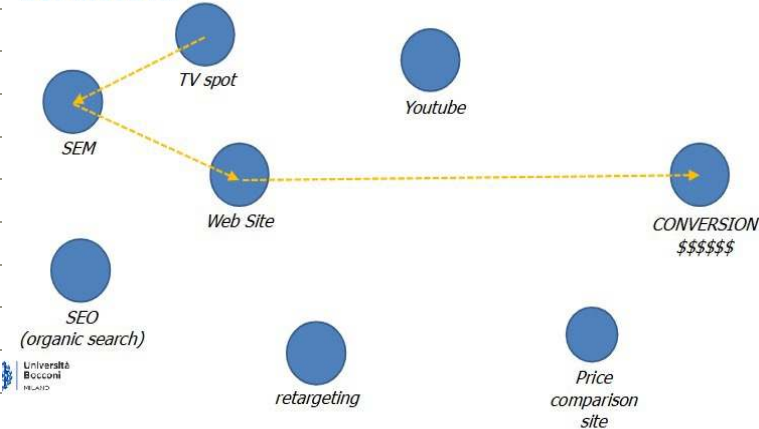
Did these TPs work best?..



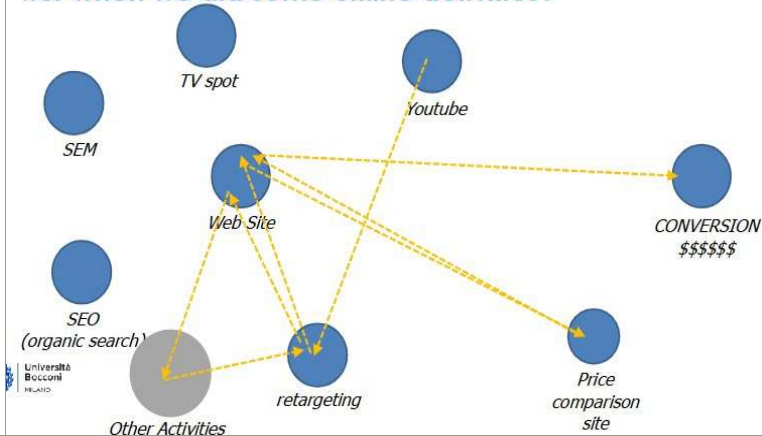
..or these?..



..or these?..



..or when we did some offline activities?



The representation of a CJ is a bit more complex

A real customer journey is **much more complicated** and becomes not possible to represent when you add information about the keywords used in the queries, the content of each ad, and so on. But there is no need for too much detail...

but there is no need for too much detail

...to understand the contribution of a touch point to the customer's final decision.

I need to define which are those touch points that are most important, and so those we should invest more on, but also those that we could give up without investing.

We also need to keep in mind that is very unlikely that all the customers will have the same journey, but what it is always true is the fact that each moment of interaction, each touch point, acts as an assist to the conversion, meaning by this that our aim is to understand which are the touch points that assist the most the conversion, with the idea to understand which we can avoid, and those we should invest more on.

=> This is another phase of optimization of the content. A/B testing is optimising the content, attribution is optimising the spending along the journey of our customers.

Google Analytics helps in understanding flows and especially in doing basic analyses.

Attribution models

Identify the responsibility of each touch point in explaining the conversion, in order to attribute (a share of) the value of the conversion (and its cost) to the right touch points.

=> It is a matter of the so-called **credit allocation**. In order to run this kind of analysis, what we are interested in, is to understand what is the return and what we want to improve.

The attribution models are useful for understanding what the cost of the conversion is, and therefore estimate the ROI of the investment in online activities (eg **ROAS: Return On Advertising Spend**).

Return on Ad Spend (ROAS) Formula:

ROAS= Profit from Advertising/Cost of Advertising

Which models are currently used

The models currently used are distinguished in:

- 1. Single touch:** they analyse the CJ by attributing to a single TP the role of influencer of behaviour
- 2. Multi touch:** they analyse the TPs that characterize the journey of the individual customer to give each a specific weight

Which are the ways touch points are credited today?

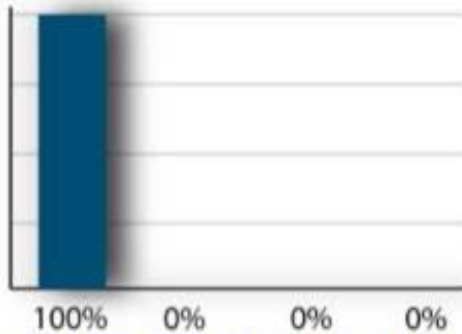
The MTA perspective distinguished between two different ways:

- a. A priori models:** they assume which TPs had the dominant role in influencing the customer's journey -> we assume that there are some touch points that are relevant and others not, and so, we pre-define what is the role, what is the credit, of the specific touch point that stays in a specific position along the journey.
- b. Probabilistic models:** they define the probability that a certain TP has contributed to the choice of the individual customer, through Bayesian analyses that compare the CJs that have had positive conclusions with the others that have had negative results -> this model is more precise and more sophisticated

A priori models

Single touch point attribution model: first click

First-touch attribution



Full attribution is given to the first TP.
The model assumes that the customer decides to convert to the first TP.

This model is useful if the market has a **short buying cycle**. If there is a **tendency to convert customers immediately**, their first point of contact is especially important.

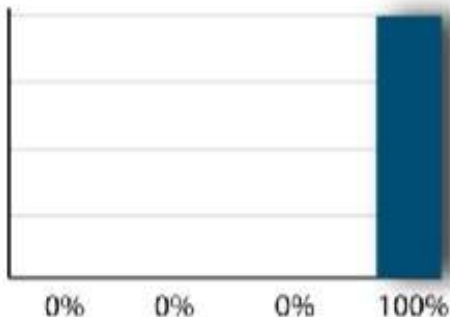
Or, if the main business goal is to bring new customers to the top of the funnel, First Interaction is an interesting model for evaluating each journey.

EX: if a customer first finds your business on Pinterest, then Pinterest gets all of the credit for any sale that happens after that interaction. It doesn't matter if the customer found you on Pinterest, then clicked a display ad a week later, and then went to your site directly. Pinterest, in this example, gets the full credit.

=> when we estimate the ROAS, we will compare the total touch point with the total conversion.

Single touch point attribution model: last click

Last-touch attribution



It assumes that the customer decides to convert in the last TP.
The total attribution is given to the last TP.

It is the **simplest model** to implement and evaluate.

The downside is that **this model ignores everything that happens before the final interaction**. Many of the interactions and touchpoints prior to that last click will be just as important.

This model might be suitable if you have a **short buying cycle**. If there aren't many touchpoints before the conversion, only tracking the last one will give you a good idea of the most effective TP.

EX: a visitor finds your website through organic search. A week later they see a Facebook Ad and click the ad. Later that day, they go to your website directly and make a purchase.

The direct traffic, in this instance, gets all of the credit for that purchase. 100% of the value is assigned to that last touchpoint.

Single touch point attribution model: last NON direct



100% of the value is still assigned to a single interaction. But, with last non-direct click, it **eliminates any "direct" interactions that occur right before the conversion.**

Direct Traffic is when anyone goes directly to a website by manually entering the url or clicking a bookmarked link, which means this visitor already knows about the company. How did they learn about your company? What prompted them to go to your website directly? By eliminating direct traffic in a last-click model, **it can better assigned value to the TP that led to the conversion.**

Eliminating direct clicks makes this a more insightful model than last interaction.

However, it still assigns 100% of the value to one interaction. If your customer had 4 touchpoints prior to that last non-direct click, it's completely ignored.

Multi touch point models (MTA)

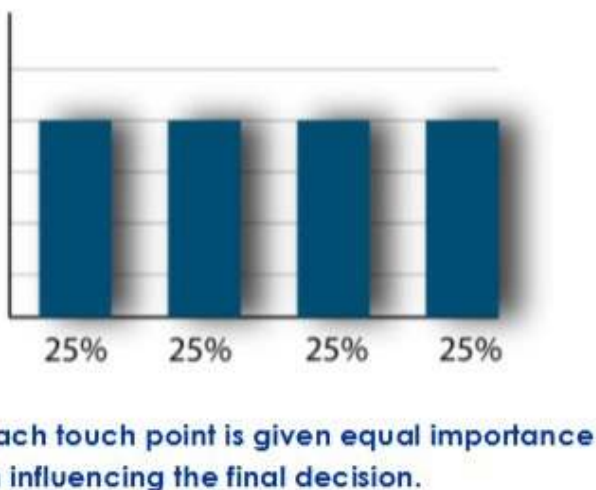
A priori MTAs attribute a weight to the different TPs of the individual customer's journey on the basis of assumptions:

Linear: every TP intervened in the CJ had equal importance in the choice of conversion

Time decay: TP further back in time had less impact on the conversion decision

U-shaped: some TPs (in particular the first and the last, but sometimes also a central one - W-shaped) played a more important role in defining the conversion choice.

Linear models



EX: a customer finds a company on Instagram, subscribes to its email list and then clicks on an email link. The next week, go directly to the site and make a \$120 purchase.

There are 3 points of contact in this situation. Each touchpoint gets an equal 33% credit or \$40 conversion value attributed to the TP when the purchase was made.

Pro and cons

1. Linear attribution offers a **more balanced view of the entire journey strategy** than a single event attribution model.

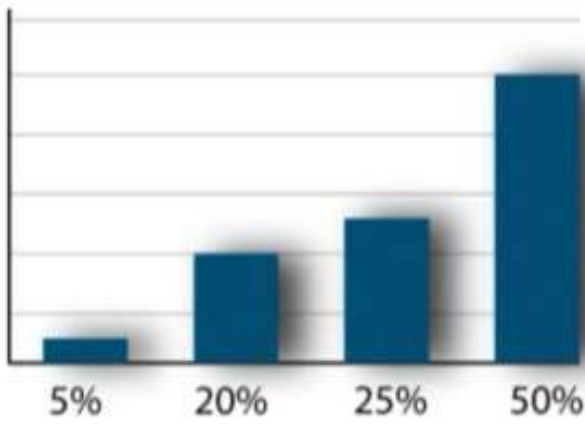
2. However, this means that it also assigns equal importance to everything, **reducing the visibility of those strategies that are more effective than others.**

It offers the big picture, but not allow to better understand how things went right or wrong.

3. Furthermore, the model does not take into account the flow of time or the specific type of touch point of the sequence.

Time decay

This model is largely used when dealing with promotions.



The model recognizes that **touch points further away in time have less force in influencing the conversion decision**. The first interaction gets less credit, while the last interaction gets the most.

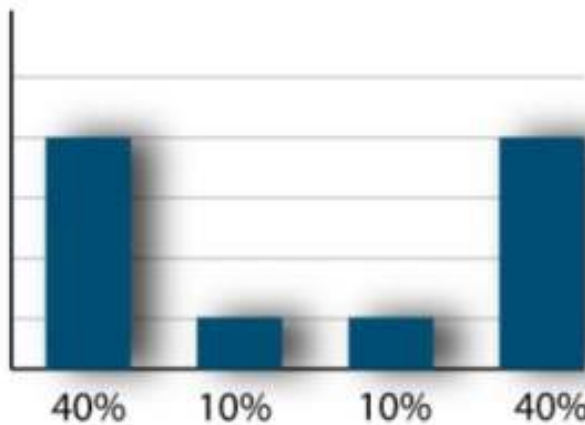
The percentages attributed to each touch point should be able to **capture the decay of the role of the touch point over time** (therefore, the weight should be inversely proportional to the temporal distance). The percentages are in any case attributed a priori

Pro and cons

If **relationship building** is an important factor in the success of the business, using Time decay attribution can be a useful way to conceptualize it, since the model take into more consideration efforts made during time. This model **minimizes the effect of top-of-the-funnel** marketing techniques.

The Time decay model is also useful when the market is characterized by a particularly **long sales cycle**, as typically in B2B.

U-shaped (position based)



The model considers that the first and last touch points have a greater role in influencing the conversion: **the first** because it **creates awareness**, **the last** because it **convinces to convert**. The remaining weights are distributed between the intermediate touch points.

EX: 40% of the credit is assigned to each of the two extremes, the remaining 20% is distributed among the other interactions that occurred in between. If a potential customer comes into contact with the company via a Google search, looks at the Facebook page and then signs up for the newsletter, the first and third clicks each receive 40% of the credit and the Facebook visit receives the remaining 20. %.

Pro and cons

Also in the case of the U-Shaped model, the percentages are chosen arbitrarily and should reflect the specificity of the category purchasing process (in terms of duration, complexity, level of involvement).

U-Shaped attribution is a good model for many types of businesses that have multiple touchpoints prior to a conversion, as it recognizes a portion of credit with each interaction.

However, it gives greater weight to the two most important interactions: the first time a customer interacted with the company (awareness) and the interaction that resulted in a conversion.

More suitable models for B2C and B2B

There is no a priori best model, but only the one best suited to the specific market context.

a. B2C: even with some distinctions, consumer journeys are expected to be shorter and more influenced by emotional elements (compared to B2B). First touch models are therefore a valid alternative in the case of consumer goods with just one utility cycle (consumption goods). But for durable consumer goods, multi-touch point models are more suitable.

b. B2B: decision-making processes are expected to be more articulated and complex, with intermediate decision-making moments. Multi-touch point models are therefore more suitable.

Limits of the a priori model analysis

A priori attribution models encounter various limitations due to:

1. Digital signal bias: the completeness of the journey is not at all obvious, many interactions with the brand or the product can take place in non-digital (or digitized) touch points and therefore not be mapped.

2. Correlation bias: attribution models assume that each touch point causes the next, but this is

not necessarily true;

3. Brand bias: a priori attribution models underestimate the relationship each customer has with the brand (it is not captured by the CJ)

4. Content bias: attribution models do not consider the content of the different touch points, unless there are more detailed analyzes which, however, clash with the logic of the parsimoniousness of the models.

In class simulation: example of a priori application

You are a marketing analyst at an e-commerce company. The company uses different marketing channels (Facebook Ads, Google Search, Instagram Ads, Email Marketing) to acquire customers. Your task is to analyze the effectiveness of these channels using different attribution models and calculate the ROAS (Return on Ad Spend) for each channel.

Questions to address:

1. Which channels appear most effective according to each attribution model?
2. How does the evaluation of channel effectiveness change across different models?
3. Which attribution model do you consider most appropriate for this specific case and why?
4. How could these results influence marketing budget allocation decisions?

Five customer journeys

customer_id	touchpoint	data	spesa_touchpoint	conversione	valore_conversione
1	Facebook Ad	01/01/24	25	0	0
1	Google Search	03/01/24	15	0	0
1	Email	05/01/24	5	1	150
2	Instagram Ad	01/01/24	30	0	0
2	Facebook Ad	02/01/24	25	0	0
2	Website Visit	04/01/24	0	0	0
2	Email	06/01/24	5	1	200
3	Google Search	01/01/24	15	0	0
3	Facebook Ad	03/01/24	25	0	0
3	Instagram Ad	04/01/24	30	0	0
3	Email	07/01/24	5	1	175
4	Instagram Ad	01/01/24	30	0	0
4	Email	03/01/24	5	0	0
4	Google Search	05/01/24	15	1	125
5	Facebook Ad	02/01/24	25	0	0
5	Website Visit	04/01/24	0	0	0
5	Email	06/01/24	5	1	225

Objectives

Implement three attribution models:

1. Last-touch attribution
2. First-touch attribution
3. Linear attribution (weight equally distributed across all touchpoints)

For each attribution model:

- a. Calculate the value attributed to each channel
- b. Calculate ROAS for each channel ($ROAS = \text{Attributed Value} / \text{Channel Spend}$)
- c- Compare results across different models

Critical Analysis:

1. Explain differences in results obtained from different models
2. Identify advantages and disadvantages of each model
3. Provide recommendations on which model might be more appropriate in different scenarios

Basic data analysis

5 customers

4 main channels:

1. Facebook Ads,
2. Google Search,
3. Instagram Ads,
4. Email

Channel expenditure:

- Facebook Ad: €25 for interaction
- Google Search: €15 for interaction
- Instagram Ad: €30 for interaction
- Email: €5 for interaction
- Website Visit: €0 (organic)

Last touch point

Last-Touch:

Results by customer:

- Customer 1: Email (€150)
- Customer 2: Email (€200)
- Customer 3: Email (€175)
- Customer 4: Google Search (€125)
- Customer 5: Email (€225)

Results by channel:

- a. Email: €750 (4 conversions)
- b. Google Search: €125 (1 conversion)
- c. Other channels: €0

ROAS for channel (Last-Touch):

- a. Email: $€750 / (5 \times €5) = 30.0$
- b. Google Search: $€125 / (3 \times €15) = 2.78$
- c. Facebook Ads: $€0 / (4 \times €25) = 0$
- d. Instagram Ads: $€0 / (3 \times €30) = 0$

First touch point

Results for First Touch:

Results by customers:

- Customer 1: Facebook Ad (€150)
- Customer 2: Instagram Ad (€200)
- Customer 3: Google Search (€175)
- Customer 4: Instagram Ad (€125)
- Customer 5: Facebook Ad (€225)

Results by channel:

- a. Facebook Ads: €375 (2 conversions)
- b. Instagram Ads: €325 (2 conversions)
- c. Google Search: €175 (1 conversion)
- d. Email: €0

ROAS for channel (First-Touch):

- a. Facebook Ads: $€375 / (4 \times €25) = 3.75$
- b. Instagram Ads: $€325 / (3 \times €30) = 3.61$
- c. Google Search: $€175 / (3 \times €15) = 3.89$
- d. Email: $€0 / (5 \times €5) = 0$

Linear

Results for Linear:

Results by customers:

- Customer 1: 3 touchpoint (€50 each)
- Customer 2: 4 touchpoint (€50 each)

Customer 3: 4 touchpoint (€43.75 each)
Customer 4: 3 touchpoint (€41.67 each)
Customer 5: 3 touchpoint (€75 each)

Results by channel:

- a. Facebook Ads: €168.75
- b. Instagram Ads: €135.42
- c. Google Search: €135.42
- d. Email: €260.42
- e. Website Visit: €125

ROAS for channel (Linear):

- a. Facebook Ads: $€168.75 / (4 \times €25) = 1.69$
- b. Instagram Ads: $€135.42 / (3 \times €30) = 1.50$
- c. Google Search: $€135.42 / (3 \times €15) = 3.01$
- d. Email: $€260.42 / (5 \times €5) = 10.42$

Key insights

Email marketing:

excellent ROAS in last-touch (30.0)
Good ROAS in linear (10.42)

No values in first-touch -> Suggests that it is very effective for final conversion but not for acquisition

Paid Search (Google):

Good ROAS in all the a priori models (2.78 - 3.89) -> Indicates a reliable channel across all funnel stages

Social Ads (Facebook and Instagram):

Best performance in first-touch

Lower ROAS in linear, no results in Last, good ROAS in First -> Indicates effectiveness in the awareness phase

Recommendations

Budget Allocation:

Maintain investment in email marketing due to its high efficiency
Balance investments between social ads for awareness and search for conversion
Consider cost optimization for social ads

Attribution Strategy:

Use the linear model as a basis for strategic decisions
Monitor last-touch for tactical optimizations
Consider first-touch to evaluate lead generation effectiveness

Optimizations:

Develop more effective email marketing sequences
Test different creative approaches for social ads
Optimize landing pages to improve paid search conversions
Let me help create a comprehensive dashboard to track these recommendations and their implementation

Advantages and disadvantages of each model

Last-Touch:

Easy to implement and understand
Highlights channels that close conversions
Completely ignores the contribution of previous touchpoints
Undervalues awareness channels

First-Touch:

Highlights channels that are effective in initial acquisition
Helps understand which channels generate interest

Ignores the importance of subsequent touchpoints
May overestimate channels with high reach but low conversion effectiveness

Linear:

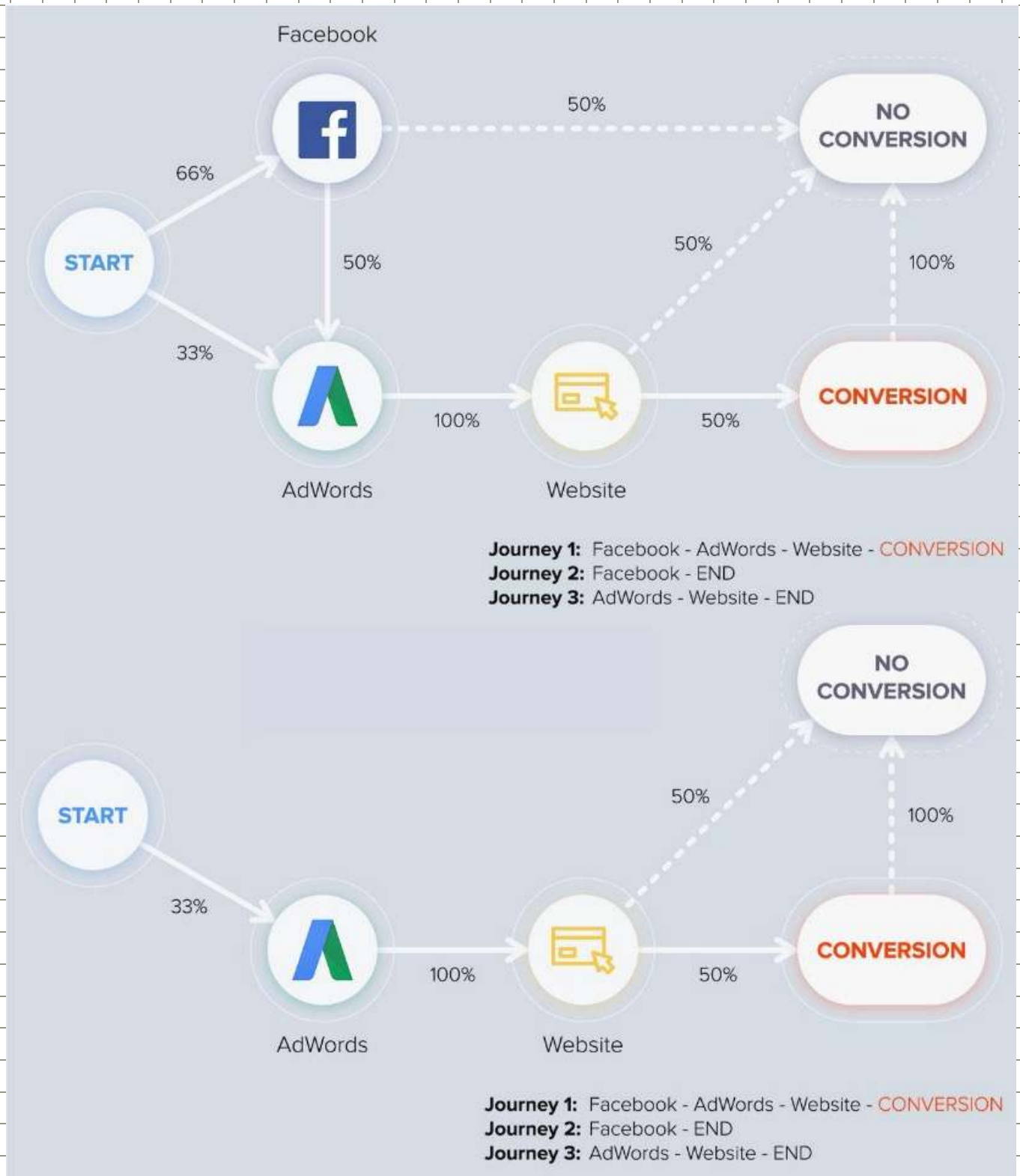
Recognizes the contribution of all touchpoints
More balanced in evaluation
Does not distinguish the relative importance of different touchpoints
May underestimate critical touchpoints

Probabilistic models

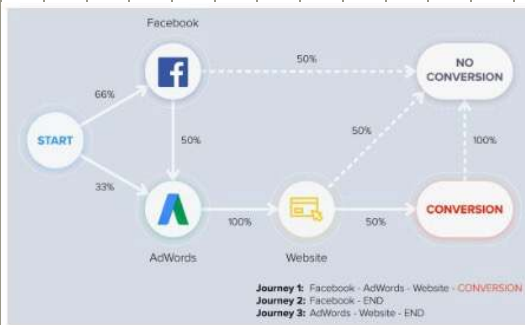
Having large volumes of data and sufficiently complete representations of customer journeys, it is possible to predictively analyze the role of individual touchpoints, measuring their weight on the probability of conversion.

To run this analysis, I need a very high volume of data about a lot of different heterogeneous journeys, each with its own conversion. What is behind this kind of algorithm is the so-called **Markov chain**, which is the investigation of the probability given a specific situation.

Example



How does the choice not use Facebook affect the probability of conversion?



33% di probabilità di conversione



16,5% di probabilità di conversione

Some attentions in the analysis of the CJ

The proper **time range**:

a CJ analyzed in a certain period may be the continuation of a journey started before the beginning of the analysis, as well as the behaviors observed in the touch points may be the results of company's actions carried out in previous periods (e.g. branding activities)

The **extent of decision-making processes** and **length of purchasing processes**

the specific product category and the **level of involvement** (situational or lasting) significantly affect both the choice of the time range and the number of touch points of the CJ

In class simulation: example of probabilistic model of attribution

customer_id	touchpoint	timestamp	spesa_touchpoint	device	utm_source	utm_medium	utm_campaign	conversion_value	conversion_type
1	Social_Ad	01/01/24 10:15	35.50	mobile	facebook	cpc	spring_sale	0	null
1	Display_Ad	01/01/24 14:20	25.75	desktop	google	display	retargeting	0	null
1	Email	02/01/24 09:30	5.00	mobile	mailchimp	email	newsletter	0	null
1	Organic_Search	02/01/24 16:45	0.00	desktop	google	organic	none	150.00	purchase
2	PPC_Search	01/01/24 08:00	12.50	mobile	google	cpc	brand_terms	0	null
2	Social_Ad	01/01/24 11:30	35.50	mobile	instagram	cpc	influencer_collab	0	null
2	Email	02/01/24 10:15	5.00	desktop	mailchimp	email	abandoned_cart	0	null
2	Social_Ad	02/01/24 15:20	35.50	mobile	facebook	cpc	retargeting	0	null
2	Display_Ad	03/01/24 09:45	25.75	desktop	google	display	retargeting	200.00	purchase
3	Organic_Social	01/01/24 13:20	0.00	mobile	instagram	organic	ugc	0	null
3	Email	02/01/24 11:45	5.00	mobile	mailchimp	email	welcome_series	0	null
3	PPC_Search	02/01/24 14:30	12.50	desktop	google	cpc	category_terms	0	null
3	Display_Ad	03/01/24 10:15	25.75	tablet	google	display	prospecting	0	null
3	Social_Ad	03/01/24 16:20	35.50	mobile	facebook	cpc	special_offer	175.00	purchase
4	Display_Ad	01/01/24 09:30	25.75	desktop	google	display	prospecting	0	null
4	Organic_Search	01/01/24 14:15	0.00	mobile	google	organic	none	0	null
4	Email	02/01/24 10:30	5.00	mobile	mailchimp	email	product_launch	0	null
4	Social_Ad	02/01/24 15:45	35.50	mobile	facebook	cpc	retargeting	125.00	purchase
5	PPC_Search	01/01/24 11:15	12.50	desktop	google	cpc	competitor_terms	0	null
5	Social_Ad	01/01/24 16:30	35.50	mobile	instagram	cpc	story_ads	0	null
5	Organic_Social	02/01/24 09:15	0.00	mobile	facebook	organic	ugc	0	null
5	Email	02/01/24 14:45	5.00	desktop	mailchimp	email	promotional	0	null
5	Display_Ad	03/01/24 10:30	25.75	tablet	google	display	retargeting	225.00	purchase

Methodology

Markov Model

- The implemented model uses a Markov chain to:
- Calculate transition probabilities between touchpoints
- Evaluate the impact of removing each channel
- Determine the marginal contribution of each touchpoint

Key Metrics

- Conversion probability
- Removal effect by channel

- ROAS by channel
- Time patterns
- Behavior by device

Results

Attribution per channel

```
Social_Ad: 28.5%
Email: 25.3%
Display_Ad: 20.7%
PPC_Search: 15.2%
Organic_Search: 8.1%
Organic_Social: 2.2%
```

ROAS per channel

```
Email: 12.4
PPC_Search: 4.8
Social_Ad: 3.2
Display_Ad: 2.9
Organic_Search: ∞ (costo zero)
Organic_Social: ∞ (costo zero)
```

Time pattern

- Average time between touchpoint: 14.3 ore
- Most effective sequences:
 - Social_Ad -> Email -> Conversion
 - PPC_Search -> Display_Ad -> Conversion
 - Organic_Search -> Email -> Social_Ad -> Conversion

Device analysis

- Mobile: 45% of interactions, 38% of conversions
- Desktop: 40% of interactions, 48% of conversions
- Tablet: 15% of interactions, 14% of conversions

Channels effectiveness

Social Ads

1. High impact in starting the conversion journey
2. Particularly effective on mobile
3. Moderate ROAS but significant volume

Display Advertising

1. Effective in retargeting
2. Best Performance when followed by email
3. Lower ROAS but relevant in nurturing

Email

1. Best ROAS among paid channels
2. Particularly effective as an intermediate touchpoint
3. Superior performance on desktop

Search (PPC)

1. Strong intent-to-purchase
2. High ROAS
3. Very effective on desktop

Behavioural patterns

Device Switching

- 60% of conversion paths involve multiple devices
- Desktop dominant in final conversions
- Mobile crucial in initial stages

Timing

- Email peak effectiveness: 2-4 hours after social interaction
- Display ads most effective within 24 hours of PPC
- Conversions more likely within 48 hours of first touchpoint

Recommendations

Budget optimization

1. Increase

- Email marketing budget (+30%)
- PPC on high-conversion terms (+20%)
- Social ads for awareness (+15%)

2. Maintain

- Display retargeting
- Branded search

3. Reduce

- Display prospecting
- Generic PPC terms

Tactical optimization

1. Email Marketing

- Segment by device preference
- Optimize timing post-social
- Personalize by funnel stage

2. Social Ads

- Focus on mobile-first creative
- Optimize for micro-conversions
- A/B testing on retargeting timing

3. Search

- Bid adjustment by device
- Personalized landing pages
- Keyword expansion on performing terms

From touchpoints to content

How do you get a **persona** to move through the stages of your **funnel** and closer to a purchase?

Now that we have learned the different dimensions that are related to web analytics and digital marketing, we are ready to understand how to set a framework for efficiently and effectively design a digital strategy -> the next move is going to be from knowing the tools to the implementation of the tools themselves inside a strategic framework.



We are going to start from here and we are going to recall concepts already seen, but positioning them inside a framework.

We have discussed about the concept of persona, we have seen that these kind of personas usually address a specify journey; we have discussed about the decision process that can be compared or named

in a digital environment as a customer journey, and while making the customer journey we were paying attention to the action that were actually performed and the decision that were taken by the different personas.

It is not just a matter of moving from A to B, but it is also a matter of understanding what is done and what not.

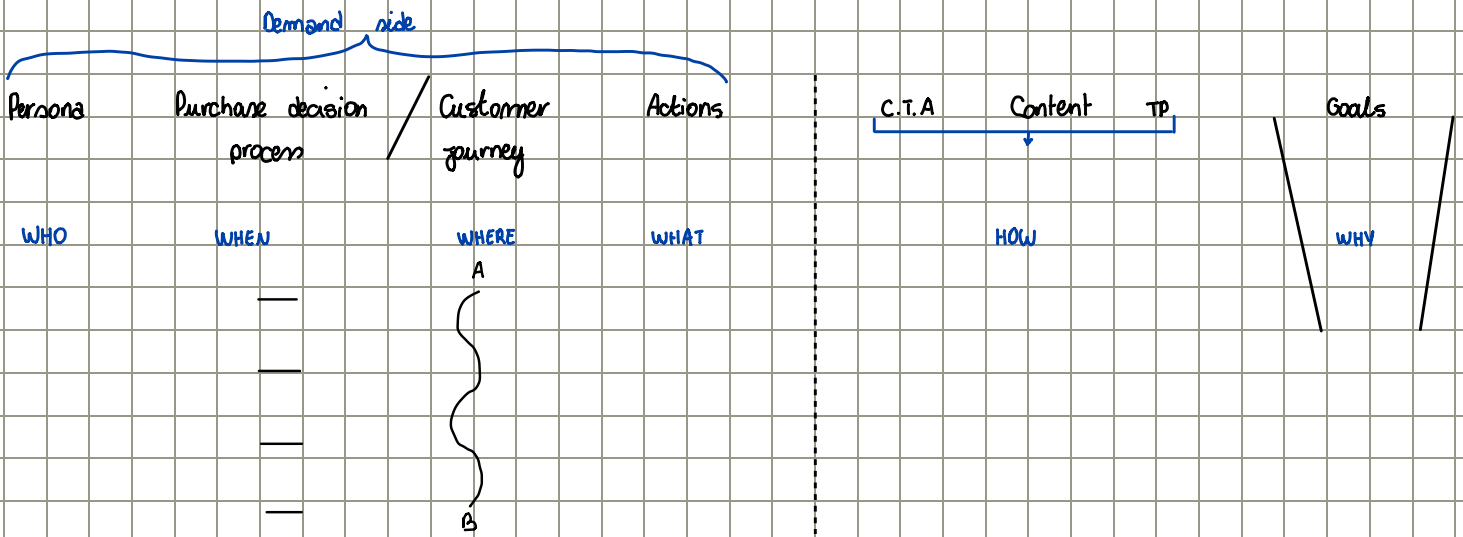
=> **This is everything form the demand side**

We have seen that the impact and so the analysis needs to be double-faced, needs to address first of all what is done from a customer-center ed perspective and everything starts with the understanding of the demand for shaping and designing the strategy according to the goals that we have in mind as a business, as a company, as an organisation, identifying the most important and relevant touch points that we are going to implement, setting and defining the right content for them and co-hearing the most hedonistic call to action (CTA).

It is a matter of understanding, it is a matter of identifying, starting form the whole, the how and the what, and this is the typical strategic planning framework, applied and implemented in a digital framework.

So, we moved form here, identifying a connection between consumer behaviour and marketing strategies, and we are going to end up in finding a way to make the traditional conversion funnel, meeting the customer journey in different stages of the purchase decision process.

What we are going to do is to rebuild a typical customer journey, and according to that, setting the right digital strategy.



When we talk about content we refer to everything that goes inside the **3C**.

The touchpoints can, in fact, either refer to commerce touch points as well as communication touch points, and for both of them we are going to analyze which kind of content is going to be more effective and intelligent in their own interpretation -> **everything g that we are going to discuss in terms of content and touchpoint will recall to be content as a starting point as well as different different touch points referring to communication, CRM and commerce.**

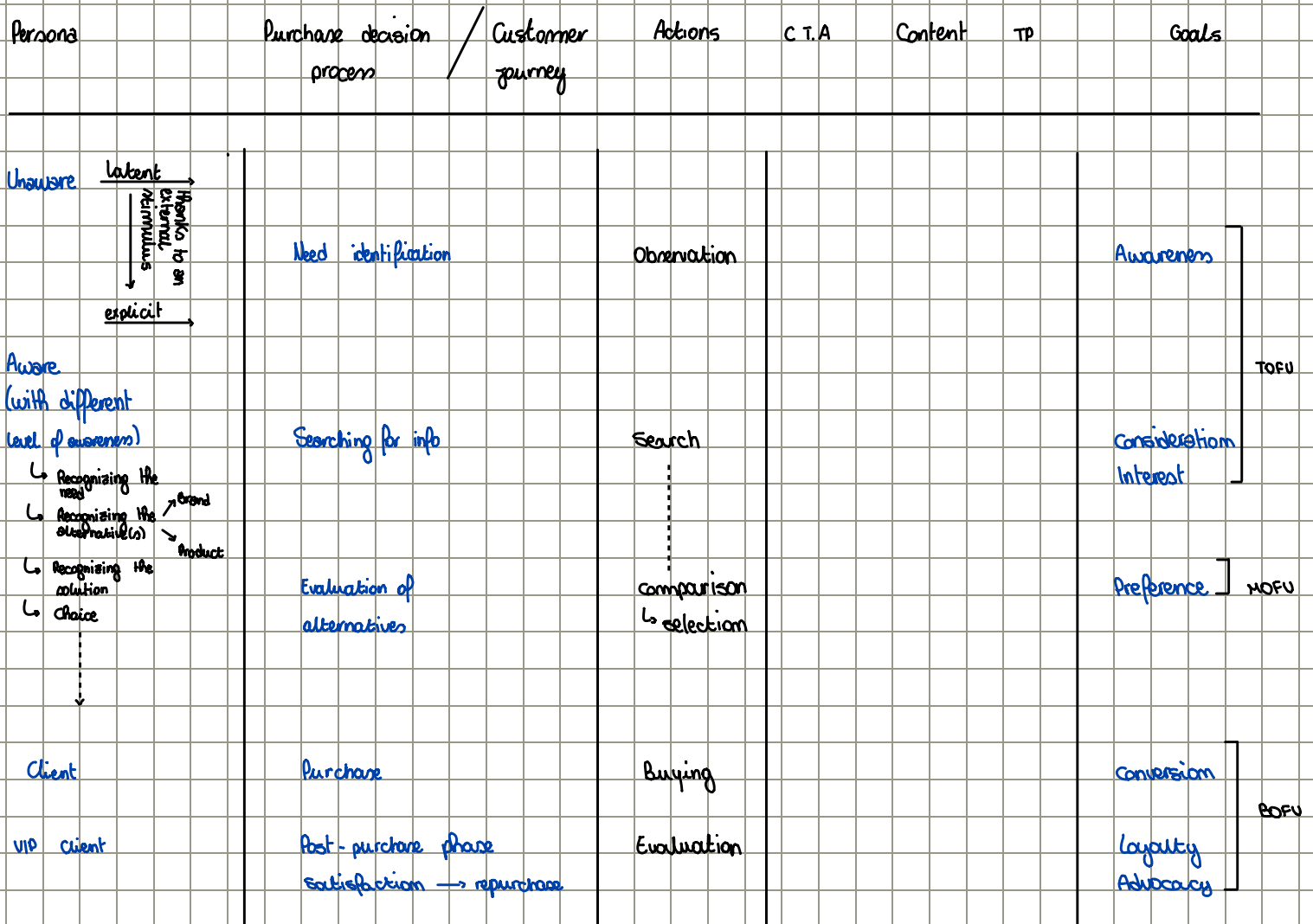
Now we are going to start building the framework, starting with the personas.

WHO	WHERE WHEN	WHAT	HOW	WHY	
Persona	Customer journey	Action	Content	Touchpoint	Conversion Funnel
Unaware					Awareness
Problem/ Pain aware					Consideration
Solution/ Product aware Most aware					Interest Evaluation
Client					Purchase
VIP Client					Loyalty Advocacy

We have discussed about the contemporary customers, we have said that we need to go a little beyond the concept of segmentation, the concept of analytical description of the different kind of customers, and we need also to understand the different phases that have been addressed and so the different goals that they might have while they are going to go along with their journey.

We can distinguish personas into 4 or 5 category:

1. **The unaware:** we put in this category those who are not aware that they have a need. The need can be explicit and manifested or, as in this case, **implicit and latent**, meaning by this that it is something that, if properly activated, will become explicit.
2. **The aware (here we have different levels of awareness)**
3. **The client**
4. **The VIP client**



TOFU: top of funnel, awareness stage. Multi-buy offers and bundling can attract attention.

MOFU: middle of the funnel

BOFU: bottom of funnel, conversion stage. Price discounts are more effective in driving purchases.

Unaware (need identification): at the beginning we don't know we have a need, at a certain point, because of external stimuli (marketing) we start getting a need and we move from being latent to being explicit. We move from being somehow pulled by the process to being pushing the process itself.

1. **Manifested need:** if I am invited to a wedding, I need to start a search for fancy shoes (solution to my problem).

2. **Latent need:** all the windows in different stores show a specific kind of shoes, we start to have a latent need. At the beginning, we don't want them, but seeing that the people I trust and the influencers I follow show them, I activate a process and I start moving towards a decision purchasing process.

Aware with different levels, degrees of awareness: they have a manifested need. At the beginning we might just know that we have a need, then we might want a good from a specific brand, or a specific model. We know the broad solution and getting into the solution, knowing what I really want.

1. **Recognizing brands** that can solve a specific need (knowing that there are different alternatives).

We start searching for information.

2. Knowing the alternatives we might have: brands and products. We are gonna start evaluating the alternatives, taking the right decisions.

3. Knowing the final solution, what we want to buy and going into the final choice.

In this phase we are in the **search phase**: we search for information and then we start evaluating the alternatives because we get all the information needed for making the right choice.

The client: we turn the different levels of awareness into a client. Once we know what we want, we buy it. The goal is conversion, convincing the individual to purchase.

The VIP: for becoming a VIP client, we need people to come back. In the post purchase phase evaluate how the satisfaction leads to a repurchase.

Different personas in different stages and evolving across different stages of their journey. For some brand the journey starts at the unaware phase, while for other in the awareness phase since we already know the different solutions. No matter who we are, any brands need to be able to serve and find needs, and design a strategy for all the different customers

The goal of the company in the conversion funnel is to meet the need:

a. Customers must know that the brand exists: create awareness through brand positioning.

b. The value prospecting in awareness are declined into product, based through a strategy.

We move from awareness into consideration, towards interest, preference up to a phase that we are gonna call conversion (purchase), up to the post purchase that see two key moments:

1. Loyalty.

2. Advocacy.

The brand strategy is mirroring the customer journey, even in actions that customers do, that reflect and define the implementation component.

When the unaware customer is in the observation phase, he is just browsing around (**passive observation**). The customer is found by the strategy of the brand.

The aware searches activity for information: the customer finds. We are gonna progressively deepen the knowledge, until the point in which the customers take a decision. Before the customer selects and compares the options: the knowledge depends on how much the brand and the product are important for customers. The selection implies the purchase (**buying**).

At the beginning was a matter of choices of brands and product, the decision is taking into consideration the where and the why (**availability**).

Then we are gonna have an assessment of the post-purchase: an evaluation phase in which we try to understand which are the most relevant elements that made out the overall experience and satisfaction. Sometimes we are gonna come back simply repurchasing, other times we are gonna think about giving something back.

Satisfaction is always a balance between the idea that the amount of time we have put in the process, what we have paid and if it is worthy compared to what we got in terms of overall experience.

Possible touchpoints

Our perspective is beyond the channel: it is going to be an integration of online and offline. Our goal is to convert, and we do this through the help of **touchpoints**, and by meeting the expectation and the relevance for consumers.

What are the main touchpoints we are exposed to during the journey?

1. Social media:

a. Paid media:

1. Advertising

2. Influencer

b. Organic media: social media are there and they are gonna have organic social media presence. It can be determined by the brand itself or by users generated content.

2. Stores:

a. Online: ecommerce.

1. D2C: direct to consumer

2. Marketplace

3. Digital retailer, eTailers

b. Offline.

3. Brand website pages (homepage, product, cart and checkout page).

a. The homepage of a retailer and a marketplace is created for both aware and unaware customers, while the brand page is only for the aware one.

b. The product page is considered for the aware form solution to the choice phase. We have two different product page:

1. Product listing page (PLP): solution phase.
2. Product description page (PDP): choice phase.

4. Search engine:

- a. Paid: SEA.
- b. Owned: SEO.

5. **Advertisement**: advertising within editorial platforms, blending ads with content related to consumer interests.

- a. Offline: on TV, billboards, out of home (transit advertising, guerilla marketing, ambient marketing), radio, testimonials.
- b. Gaming and product placement.
- c. Online: on search engines (banners), pop-ups. It can be displayed or video advertising (some of them are shippable, others no, in this second case the most relevant information should be put at the end of the video where the attention starts again to be at the maximum level)

6. **Events and testimonials**: play a crucial role in marketing, particularly in the upper part of the funnel. They help brands create connections with customers through direct marketing and experiential engagement. Exhibitions, product launches, and conferences are key tools used across industries like fashion, automotive, and tech (Apple and Samsung). However, events are not primarily conversion tools but are effective for brand awareness and positioning. Different marketing tools perform best at various funnel stages, with events being more impactful at the top. It enhances brand visibility and credibility.

7. Key digital channels include **newsletters** and **direct email marketing**, which differ in that:

- a. Newsletters require opt-in consent, where users actively subscribe and select preferred content.
- b. Email marketing, on the other hand, often includes promotions and sales-driven messages. can include purchased lists, targeting unaware customers based on their interests. Why do brands use purchased email lists?
 1. Helps reach unaware customers by appearing in relevant contexts (passions or interests).
 2. Low cost per contact makes it financially viable despite low conversion rates.
 3. More effective in B2B than B2C.

Engaging customers through direct communication.

8. **Sales promotions** (mainly offline) can be both content for newsletters and a direct touchpoint to engage consumers. Sales promotions are **temporary**: if they last forever, the brand is simply lowering its price positioning.

- a. **Price reductions**: discounts applied for a limited time. A price discount or reduction is effective in incentivizing first-time purchases. Consumers might feel reassured that if the product isn't good enough, they haven't paid full price.
- b. **Coupons**: discounts granted via vouchers. Coupons are linked to sales promotions, mainly online.
- c. **Rebates**: customers pay full price first, then get a partial refund.
- d. **Multi-buy offers**: *2 for 1* or *3 for 2* deals focus on quantity rather than price
- e. **Bundling**: offering a main product with a complementary one, often used for new customers. Even if a customer doesn't use a coupon, receiving one can drive them to visit the store or website. Promotions create a sense of appreciation, making the customer feel valued (emotional impact).

9. **Lead generation**: pop-ups asking for emails before a user leaves a site help retain potential leads, effective at moving users from consideration to conversion. Encouraging content sharing to maximize reach. Viral marketing is a strategy where content (often video) is shared spontaneously, driving word-of-mouth. Guerrilla marketing tactics can also become viral through a cross-media approach.

10. **Apps**: people download apps either before purchase (for a benefit) or after purchase (to stay updated). Some brands push app downloads by making mobile websites non-responsive. Apps are activated close to or after conversion.

11. **Comparative Websites**: Skyscanner, Trivado, [Facile.it](#) (Italy), Geico (US insurance).

12. **Loyalty programs** are also sales promotions as they are temporary (credits collection ends, prizes are given). Contests also fit into this, as they must end with a winner.

13. **Customer service** takes different forms:

- a. Pre-purchase: Seeking information before buying.
- b. Post-purchase: Refunds, support.
- c. Less direct customer service: FAQs, user chats, chatbots.

14. **Display ads, banners and pop-ups**: key digital advertising tools.

15. **In-Store communication and packaging**: packaging serves a strategic role, especially offline.

16. **Podcasts**: includes paid ads and owned content, allowing brands to engage through discussions or direct ads.

17. **Direct sales and referral programs**: word-of-mouth strategies, such as inviting friends for discounts

and rewards.

18. Reviews: play a strategic role in the middle phase of the customer journey, influencing decisions.

19. Search engine advertising and SEO: improving visibility through paid and organic search.

20. Social media presence: leveraging platforms for brand awareness and lead generation. **21. Content creation:** video content is a popular format for viral marketing, encouraging organic sharing among audiences.

22. Advertorial: is advertising on editorial platforms. While reading an article, we can find some communication about a brand/product.

23. Blogs

Developing content and touchpoints that align with the customer journey, ensuring effectiveness and efficiency (strategy implementation).

Above and Below the Line

Advertising (Radio-TV-Print-Guerrilla Marketing-out of Home)

Advertorial

App

Blog

Companies Websites

Comparison Website

Coupons

Customer Loyalty Program

Customer Service

DEM

Newsletter
Email marketing

Display Ad

Banner
Pop-up

eTailers' Websites

Events

Influencers

In Store Communication

Packaging

Podcast

Referral

Review

Sales Promotion

Search Engine Advertising

Search Engine Optimization

Social Media Ad

Social Media Presence

Video Ad

Viral Marketing Word of Mouth

Touchpoints definition, characteristics and examples

The first knowledge is the persona (the who component) then we move to analysing and mapping, in a customer-centric perspective, the behavior of the persona while they are interacting with the branding (understanding the **purchasing decision process**: in a digital environment it is represented to the **customer journey**). This is the when and where components. We have to understand the action they have been undertaking in order to manage and solve the different issues, the challenges and pain point that they have to overcome (what they have been doing, it is not a matter of meeting the customers, we also have to bring them into our strategy). It is important to understand where the customers are and what they have been doing. It is not just a matter of implementing an outbound strategy; we also need an **inbound strategy**. It is about meeting the customer and bringing them into our strategy. Recognizing demand signs, we move toward the strategic phase, identifying relevant touchpoints, content, and calls to action for the overall strategy and brand goals.

According to the demand side, we have to decide which **touchpoints, contents and call to action** are gonna be relevant for the overall design of the strategy and the companies' goals. We can't have access to every touchpoint because of the **budget, time** and the kind of **persona** we are mainly referring to.

Above (more traditional) and below (more innovative) the line advertising

Advertising in general, especially the one offline, has one characteristic: it is particularly expensive, requires a planned schedule (we can't easily adjust the strategy, we can only measure it at the end of the period). Also the process of learning through the implementation of touchpoints is really slow and requires a lot of investment.

We talk about **mass media**: we reach masses of people with the same message.

a. **Broadcast**: TV and radio.

b. **Support**:

1. **Outdoor**: billboards in an alternative way, interacting one, in order to catch the minimum amount of time and attention people are willing to understand.

a. In store advertising needs to catch attention.

b. Transit advertising: possibility to have inside, outside, platforms different kinds of communication

(interacting to deepen knowledge too).

2. **Product placement:** having the product inside the movie, adding brands into songs (higher recall than any other case), building the movie around the product.

a. In-game advertising: combining offline/analogical and online advertising. It is really effective because players are focused and are gonna catch the ad (7 times more effective than TV ad).

Close to the podcast advertising.

b. Esports is growing, and advertising in gaming follows. Podcast advertising embeds ads within content.

3. **Guerrilla marketing:** is a small market with the main goal of moving people towards the development of word-of-mouth and at least some kind of recall and memory of the brands themselves. Storytelling is key. Kit Kat's "Have a break, have a Kit Kat" campaign used benches to reinforce its message. Foggers Coffee used steam vents in New York for creative exposure. Coca-Cola's UK campaign differentiated Coke and Diet Coke, aligning with sugar tax policies.

c. **Print:** magazine and newspaper.

d. **Billboards:** require creative content to catch attention. Interactive billboards help capture attention. In Japan, projections on doors ensure exposure. Alternative approaches, such as content marketing combined with billboards, enhance engagement. In-store advertising aids sales promotion, guiding people toward specific products.

These strategies are not just about placing ads but integrating them into broader campaigns.

Understanding advertising effectiveness helps determine target personas. Advertising plays a role in different customer journey phases: identification, consideration, and conversion. The goal in the media identification phase is brand or product awareness.

Advertorial and referral advertising

The primary goal for any brand is awareness. This is crucial because it is the first step in the consumer journey. Without awareness, customers cannot move into the consideration or conversion phases.

An **advertorial** is a type of advertisement presented in the form of an editorial article; its content is designed to resemble a standard article or editorial content, with the aim of providing useful or interesting information to the reader while promoting a product, service, or idea.

Advertorials can appear in various media, including newspapers, magazines, websites, and even television programs. They are usually labeled with terms like advertisement, sponsored content, or special promotional feature to distinguish the advertising content from the editorial content.

The goal is for readers to perceive the advertorial as informative rather than direct advertising, thereby increasing the effectiveness of the advertising message advertisement and editorial. In a native way. At a certain point we are gonna read an article and we are gonna find some content on how to choose a product and how to solve the problem.

Referrals: where consumers are incentivized to refer others to use a service or buy a product, often through a reward system.

It refers to the process of encouraging and incentivizing existing customers to recommend a brand, product, or service to their friends, family, or colleagues.

This method leverages the trust and relationship that customers have with their peers to generate new leads and potential sales.

It leverages the trust and personal relationships between existing customers and their networks. The difference stands that referrals are mainly borne from peers (no professional). If we have already bought on a certain web and they want to expand the network, they could have some promo to share with our friends.

1. A user buys a product and receives a referral code. When they share this with friends and the friend makes a purchase, the original user and the friend might both receive a reward (discounts, points, bonuses, etc.). This is a type of word-of-mouth marketing but incentivized, which encourages consumers to spread the brand message.

2. A company sends out newsletters with discount coupons. The user can share the coupon with a friend, and when the friend uses it, the original user gets extra points or a free gift.

Referrals work well because they leverage trust between peers. People are more likely to try something if it comes from someone they know and trust.

Word of mouth: although similar to referral marketing, word of mouth is typically organic. It occurs naturally when consumers talk about a brand or product without external incentives.

Aspect	Referral Marketing	Influencer Marketing
Participants	Existing customers	Influencers (celebrities, industry experts, etc.)
Incentives	Rewards for both referrer and referred (e.g., discounts)	Compensation for influencers (money, free products)
Trust Factor	High personal trust	Trust based on influencer's reputation
Reach	Limited to personal networks	Potentially very large and diverse audience
Cost	Generally lower cost per referral	Can be expensive, depending on the influencer's reach

Native advertising is a form of advertising that matches the form and function of the platform on which it appears. It is an effective way to capture user attention and increase engagement. It is a form of advertising where ads are seamlessly embedded into editorial content, making them look and feel like part of the content itself.

a. Sponsored articles: articles that appear in a news feed or on a website and that have been paid for by an advertiser.

b. In-stream ads: video ads that play before, during, or after another video.

c. Promoted listings: products or services that are highlighted in a search results list.

Benefits of native advertising:

1. **Higher engagement:** Users are more likely to interact with ads that blend in with the content they are already consuming.

2. **Better targeting:** you can target your ads to a specific audience based on their interests and online behavior.

3. **More positive perception:** native advertising is less intrusive than other forms of advertising and is therefore viewed more favorably by users. Examples:

a. You're reading an article about mattress issues. Inside that article, there might be a mention of mattress brands that could solve your problem, along with innovative companies that produce new materials for mattresses. This content is presented in a way that it doesn't disrupt the user experience, but it still promotes a specific product or service.

b. The brand might be inserted as a native ad: a company may not be directly selling but providing additional value in the form of information that is helpful to the user. In this case, the content would reference doctors, CEOs, or even other articles that help support the claims.

Apps

Apps are an essential part of the mobile ecosystem, integrating mobile advertising, commerce, and communication.

Apps can be used to send alerts and updates about new products, special offers, or content that could engage users directly.

They can have special sections like exclusive content or a quick checkout feature that directly impacts conversion rates (how likely a user is to make a purchase).

Push Notifications: apps can send push notifications to alert users about new products or discounts, improving engagement.

Apps must be considered during conversion or customer retention phases rather than the awareness stage. Users are less likely to download an app unless they are already familiar with the brand.

Apps become strategically important in certain stages of the customer journey:

Top of Funnel (ToFu): awareness phase: apps may not be the most relevant as customers are still learning about the brand.

Bottom of Funnel (BoFu - decision or conversion phase): apps are crucial here as users are ready to make purchases or engage in deeper brand interactions.

Different kinds of apps for different purposes: the app is part of an ecosystem that mainly refers to digital advertising. An app is strategic for the ROPO (research offline, purchase online).

Blogs, influencer and content creators

In a manner of speaking, everyman's way of communicating with others and establishing digital communities wherein individuals can exchange their views on issues of personal relevance. Bloggers need to be some kind of experts: we need to position them related to one specific category. A blogger can become even an influencer, the contrary is tougher.

In a website, we need to identify what to say and where to position it to add the value of the customer journey.

Bloggers are experts in specific niches (travel, tech, health) and provide deep content (articles, reviews, guides) around that niche. Their authority and influence are typically based on their specialized knowledge.

- a. A company can have internal or external bloggers. An internal blog promotes content on the company's website, while an external blog promotes content through third-party sites and platforms.

Unlike bloggers, **influencers** are individuals with a strong presence on social media platforms like Instagram, TikTok, or YouTube. They leverage their following to influence purchasing decisions. Influencers are defined by their ability to reach and **impact a large audience**.

Content creators receive a brief for a brand and then produce content for the brand or the influencer related to a brand. There are always **mix and matching** (content creators could be influencers), but content creators usually stay behind the scene.

- a. Content creators might not have as large a following but are highly skilled in producing high-quality content that resonates with the audience.
- b. A TikTok content creator might create engaging videos about a brand's product, which influencers then share.

How big is the creator economy?

The creator economy is estimated to be a \$100 billion industry and set to reach half a trillion by 2027 — but it's tricky to glean actual creator numbers. Some estimates say there are upward of 50 million creators, but a study by Adobe in 2022 suggests that number could be much higher at around 303 million. It's thought that half of these creators joined the economy post-2020.

The best 2023 creator economy statistics

While there may well be 303 million creators as per the Adobe study, the number of full-time creators is likely much lower. There are estimated to be around 450,000 full-time creators, of which only 12% make more than \$50,000 per year.

So what kind of content are these creators making? Patreon provides an example of the types of content creators are generating, with 47.4% of users working in video, podcasts, music, and gaming.

According to Linktree, 58% of creators create 2-4 types of content, with full-time creators focusing mostly on social media content, emails or newsletters, and articles or blogs.

With the added trust that comes with a pre-built audience, it's no wonder that brands are jumping on the chance to work with self-made creators. In fact, 52% of marketers choose to work with creators to strengthen their social communities, while 41% want to work with creators to promote their brand values.

Company website, eTailers' website and marketplace

Company website: owned media, directly managed by the brand, and we can have the ecommerce section. It is called direct to consumers (D2C)

1. **Direct-to-consumer (D2C):** brands selling directly to consumers. This allows them to control the customer experience from start to finish, including pricing, promotions, and customer service.
2. **E-commerce section:** many company websites also include e-commerce sections where products are sold directly to consumers.

eTailers: if we are producer, we could reach the final consumers through:

1. Direct selling, direct channel.
2. Asking for support to intermediators, third parties (indirect channel).
 - a. Long channel: selling to the wholesalers and then to the retailers.
 - b. Short channel: selling directly to the retailers.

Online we go with a direct channel: ecommerce.

If we use electronic retailers we are going to have a B2B approach.

Sometimes it is a matter of using eTailers, other to ask for an innovative approach. These are websites operated by retailers who sell products from various brands. They often provide a wider range of products than the company website itself and are essential for expanding the reach of the brand.

In the **marketplace** they pay a fee to have the product displayed on a specific platform and the demand joining the platform to find the products. A marketplace is an online platform where multiple merchants can sell their products (Amazon, eBay).

1. A marketplace can host multiple vendors, each responsible for their own products, while the platform handles the traffic, searchability, and transactions.
2. A brand may choose to sell its products on Amazon, which is a marketplace. The company pays Amazon to display and facilitate the sale of its products.

Comparison website

They are a content aggregator, offering a service. The business model we have here is that brands need to pay in order to appear on this website. If the comparison website.

Comparison shopping engines collect product information, including pricing, from participating retailers and then display that collective information on a single results page in response to a shopper's search query. In this way, shoppers can compare each retailer's price, shipping options, and service on a single page and choose the merchant that offers the best overall value. The **business model** is made out of:

- a. Brands pay fees to appear on comparison websites.
- b. Comparison websites may also receive a commission for conversions (e.g., if a customer buys something after clicking the comparison link).

Examples: Trivago (for hotel comparisons), Skyscanner (for flights), and various price comparison tools for shopping.

When renting a car or shopping online, comparisons can happen off-site (across different locations) or on-site (within a specific platform).

1. On company websites, comparison sections allow users to evaluate different models within a brand (e.g., Apple) -> **mono-brand**.

Retail sites like Amazon compare multiple brands, sometimes automatically highlighting newer models.

2. Offline, comparisons focus on brands, while online, they may include products, retailers, and features. Though often seen as separate touchpoints, they can be integrated for a seamless experience.

Ultimately, comparisons serve different goals, from evaluation to purchase decisions.

Coupons, customer loyalty program and in-store communication

Affective in the evaluation and post purchase phase. Price discount, where is it effective? Evaluation, in the MOFU, relevant if the customer is price sensitive: it's useful even post-purchase to try and become a VIP client. It could even be that an unaware person sees a promotion while searching for something else and starts to be interested in it and thinking about acquiring and being impulsive.

3 different phases where to use it, 3 different personas.

1. In-store communication could be good in unawareness because you still don't have a direct online contact with Deborah so she will not see it.
2. Newsletters for post-purchase phase
3. In the evaluation phase, a pop-up can be used to show it.

Sales promotion

Sales promotions can be designed to drive different customer behaviors, whether through discounts, value-added offers, or volume-based deals. Understanding when and how to use them effectively is key to influencing decisions at various stages of the customer journey. For example, a 10% discount can serve different purposes depending on the phase:

- a. In the evaluation phase, it acts as a nudge to encourage purchase, especially for price-sensitive customers.
- b. In the post-purchase phase, it can drive retention and repeat purchases, such as offering a returning customer an exclusive discount.
- c. For impulse buying, a higher discount (e50%) might push undecided customers to make a spontaneous purchase.

The same discount can be delivered through different touch points depending on the customer's awareness and engagement. A VIP client might receive an app notification or personalized email, while an in-store shopper might engage with a physical promotion. If a customer is unaware of a product or brand, a digital notification wouldn't be effective, whereas an in-store discount might initiate engagement.

Promotions should integrate with other communication strategies like newsletters, in-store signage, and loyalty programs. The key is aligning promotions with the right call to action and channel, ensuring they match the customer's journey phase and business objectives.

Customer service

Customer service serves different purposes, from requesting information to filing complaints (but mainly to **complain**). It's valuable not only after a purchase but also before, especially for customers in the consideration phase who may be unfamiliar with the product or its use.

Websites often provide tools like FAQs, chat support, and product guides to assist in deepening product knowledge (same tools applied in different ways).

If it's post-purchase, you also need to consider phone calls and email support.

Chatbots, once seen as ineffective, have become more valuable with generative AI, especially among younger users. Studies show AI is improving chatbot perception, making them a key part of marketing strategies.

At Bocconi, a meta-human chatbot, Luigi, is being tested in the library. Similarly, Audi uses meta-human chatbots to enhance customer interactions, as adding a human-like face increases engagement and trustability. Some chatbots now respond with voice, creating an experience closer to voice assistants. The technology is evolving, it's just a matter of application.

01 Great customer service can help you become a market leader - to the level that companies are now using customer service as a way to stand out against the competition.

02 An overwhelming majority of consumers expect customer service reps to know their contact, product, and service information history.

03 According to the a recent report, 1 in 4 customers is willing to pay up to 10% more in almost every industry if they receive excellent customer service!



Direct email marketing (DEM)

It is a strategy where businesses send targeted promotional emails directly to a specific audience. These emails typically contain offers, advertisements, product launches, or other marketing messages aimed at driving sales, conversions, or customer engagement.

- Targeted: emails are sent to a segmented list of recipients based on certain criteria (demographics, past purchases, behavior).
- Promotional: the primary goal is to promote products or services, often including calls to action (CTAs) like buy now, sign up, or learn more.
- Metrics-Driven: success is measured using specific metrics such as open rates, click-through rates, conversion rates, and ROI.

We've already distinguished between newsletters and mail marketing.

1. Newsletter is for customized content and requires an opt-in will help position newsletters as a touchpoint in this framework. You can't use newsletters immediately for the unaware.

Marketing can be effective from the beginning, especially for the unaware, so we recognize its relevance.

What kind of content is inside a newsletter and what call to action is used?

It depends on the phase and the audience. We previously discussed combining newsletters with sales promotions. Sometimes it's just about offering informative newsletters to encourage VIPs to return and

explore more. You've seen how to measure performance. We talk about impressions and click-through rates. Now it's a matter of recognizing how they work according to the metrics you know and when it makes sense to use them.

Pop-Up and banners

Pop up is a verb that means to appear suddenly.

A small ad window that is displayed on top of the existing windows on screen corporate sponsor; it appears without any customers request.

Pop-ups are **intrusive** and often in decline, as users tend to dismiss them by clicking the X. They typically offer standard content such as discounts, newsletter subscriptions, or last-minute offers, aiming to capture attention and keep users on the site. Unlike banners, which display content based on previous searches and observed behavior, pop-ups lack analytics-driven personalization.

Despite their intrusiveness, pop-ups can be effective at various stages of the customer journey, especially for **engaging unaware** users who are simply browsing. Understanding the meaning and relevance of each touchpoint is crucial to designing an efficient and effective strategy.

Pop-up Advertising KPIs

KPI	Description
Impressions	Number of times the pop-up was displayed.
Clicks (CTR)	Percentage of impressions that resulted in a click on the pop-up.
Conversions	Number of times a click on the pop-up led to a desired action (such as a purchase or a sign-up).
Close rate	Percentage of users who closed the pop-up without interacting with it.

Banners:

It enables the seller to repeat a message many times.

Creating recognition and IMC (contest or direct marketing).

It is not particularly effective: average click from 5% to 0.2%.

1. Banner blindness phenomenon.
2. It is impersonal.
3. Just one-way communication approach

The clickthrough rate of an advertisement is defined as the number of clicks on an ad divided by the number of times the ad is shown (impressions), expressed as a percentage. For example, if a banner ad is delivered 100 times (100 impressions) and receives one click, then the clickthrough rate for the advertisement would be 1%.

Banners do not have standard content, but content based on what we have searched (personalized). Banners can't be used for unaware people because the company doesn't have knowledge. When the unaware starts becoming aware or you already have an aware customer, you can start inserting banners as touchpoints.

Events as a business communication tool

Events evolved from mere get together to strategic tools that deliver brand messages and change the behavior of those attending.

Different kinds of marketing-based events. Events are used to **guarantee an ongoing relationship** with

customers. During events, you present new products to create awareness, particularly for those who are not yet clients and for those already familiar with the brand.

Events are particularly effective here for VIPs and for those who are partially aware or unaware.

What is event marketing?

It is the promotion of a product, brand, or service through in-person interactions.

There are many forms of marketing event and each can be catered to address a marketer's specific goals. Marketing events can be hosting an event to build stronger relationships with prospects and customers. It could also be attending an event as an exhibitor to educate potential customers on your company's product offering. Marketing events can even include digital events such as webinars or live-streamed workshops. The main goal is to leverage the power of live experiences to achieve business goals.

1. Meetings
2. Incentives
3. Conferences
4. Exhibitions

Product launches: Apple's Product Announcements: Apple periodically holds keynote presentations where they unveil new products, such as the latest iPhone, to a live audience and viewers watching the live stream around the world.

Conferences:

1. Google I/O: Google's annual developer conference where they discuss upcoming technologies, tools, and platforms related to their ecosystem.
2. TED Conferences: While not strictly marketing, these events elevate the TED brand and spread innovative ideas.

Workshops & seminars: HubSpot's Inbound Marketing Workshops. These events educate businesses about inbound marketing techniques and promote HubSpot's suite of tools.

Trade Shows & Expos:

1. CES (Consumer Electronics Show): held annually in Las Vegas, it's a major platform for tech companies to showcase their latest innovations.
2. Frankfurt book fair: a significant event where publishers from around the world showcase upcoming books, rights, and other related products.

Loyalty if you want to guarantee an ongoing relationship so you do an event for the community (VIP clients) and you are going to present and show new products to create awareness. This awareness is for loyalty to those who already know the brand but it can even be used for people who are unaware or partially aware, because by showing you create more awareness.

- a. **Pop-Up shops:** Kylie cosmetics PopUp shop (Kylie Jenner's cosmetic line has used pop-up shops in various locations to promote and sell products).
- b. **Brand activation events:** Red Bull Flugtag (an event where competitors attempt to fly homemade, human-powered flying machines. This event enhances Red Bull's brand image as adventurous and daring)
- c. **Networking events:** LinkedIn local (these are locally organized networking events where LinkedIn connections meet in person, further promoting LinkedIn as a platform for genuine professional connections).
- d. **Webinars:** Neil Patel's digital marketing webinars (digital marketing expert Neil Patel frequently hosts webinars promoting his tools and services while educating attendees on different aspects of digital marketing).
- e. **Company anniversaries or milestone celebrations:** LEGO's 60th anniversary event (LEGO celebrated its 60th anniversary with events at their stores, showcasing unique builds and promoting their history).
- f. **Customer appreciation events:** T-Mobile Tuesdays (while more of a campaign than a single event, T-Mobile's weekly appreciation initiative offers deals and gifts to its subscribers, enhancing brand loyalty).
- g. **Contests and competitions:** Doritos crash the Super Bowl (Doritos has held contests where fans submit their own Doritos commercials, with winners getting their ads aired during the Super Bowl).
- h. **Festivals:** Budweiser's made in America festival (an annual music festival sponsored by the beer brand to connect with a younger audience and promote its image as a brand that supports music and culture).
- i. **Virtual events:** Adobe summit online (due to the COVID-19 pandemic: Adobe pivoted their annual

submit to a virtual format, offering insights and content related to digital marketing, advertising, and more).

Social media adv and social media presence

Being online nowadays means, for most, being in a **social environment** where we can have access to knowledge that is perceived as **exclusive** and **valuable**, and which can provide insider knowledge from the brand itself.

Social media advertising refers to the practice of using paid advertisements on social media platforms to promote products, services, or brands. These ads are designed to target specific audiences based on their demographics, behaviors, and interests, leveraging the extensive data available on social media platforms. Specific segments (unaware) who may be relevant to the brand: the goal is to let them know the brand exists and push them toward reconnecting (introduce or engagement).

Social media presence involves maintaining and actively engaging on social media profiles without necessarily using paid advertisements. It includes posting content, interacting with followers, responding to comments, and building a community around the brand organically. The brands engage users who have already shown interest by following the brand (they have voluntarily chosen to engage). It might be ineffective if too passive.

The first case involves targeting a segment that may not yet know your brand, while the second case involves users who have already chosen to engage with it.

When creating content for social media, you can use different formats. These may include:

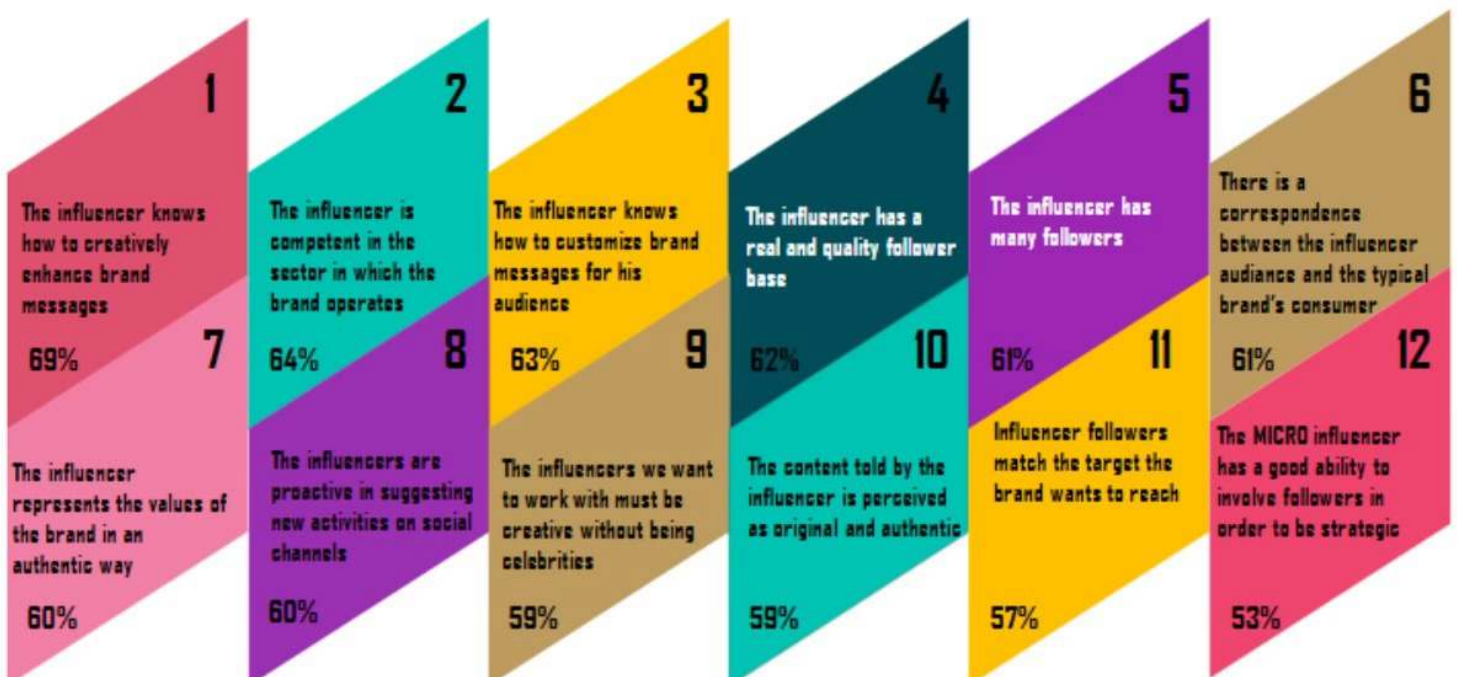
- a. Display advertising.
- b. Combination of visual content with text.
- c. Video advertising: prominent on YouTube, which is a major platform for this type of content. YouTube offers various formats, such as:
 1. Skippable and non-skippable ads, that can be tailored to suit the: audience, message and the stage of the customer journey.

Customers today use YouTube not just for branded content but also for advertising.

Initially, YouTube was mainly a tool for **brand awareness**, but it has become a critical platform for evaluation and consideration as well.

The concept of micro-moments (I want to know, I want to go, I want to try, I want to do moments) represent key moments when customers are actively seeking out information, making YouTube an effective platform not only for raising awareness but also for assisting in the evaluation phase. Understanding how your customers **behave across various platforms** helps in crafting the right strategy. The right strategy will ensure a return on investment. You invest in X, and you get X + 1.

Influencers



Viral marketing

It is a communication strategy based on the word of mouth principle used in order to spread around information about a specific product and brand.

Social media advertising: it focuses on a specific target that you discover has an online affinity with your brand and starts displaying advertising to them. Idea of coming back and reconnecting.

Social media presence: you have a profile as a brand, you have followers that are going to see the content that you offer on social media. Having someone who spontaneously decides to follow you. This can't be affecting unaware personas while the advertising can reach them.

Video advertising mainly is on YouTube and different formats: skippable or not skippable. Recognizing that according to the message, the audience, and the moment of the journey of the customer, you apply different formats of video ad. YouTube is mainly used for the evaluation phase so probably this is the moment of the journey to assess.

EX: Procter & Gamble's campaign for moms highlighted time-saving products, enabling more family engagement. Liao Barbie collaborated with influential women like Amanda Cristoforetti and Michelle Obama to promote empowerment, focusing on real beauty rather than specific dolls. Similarly, Dove's latest campaign rejects AI-generated beauty standards, reinforcing its message of authenticity and inclusivity.

Packaging

The impact of packaging design products on purchasing intentions. Find a way to emerge between all the others (eYoghurts).

The packaging of a product designed upside down is different from normal. And even thicker yoghurt with respect to others.

a. Offline, packaging plays a crucial role because after purchasing a product, customers are exposed to the brand.

b. Even with brand loyalty, finding a specific product can be time-consuming. The goal is to make packaging stand out, not only for loyal customers but also for those seeking a new experience.

Packaging Design As A Powerful Marketing Tool



EX: A great example is Rio Play, a U.S. yogurt brand that redesigned its packaging by placing the bottom at the top and the lid at the bottom. This solved the common frustration of retrieving the last bit of yogurt. The unique, patented design set Rio Play apart and led to a larger version catering to those preferring a thicker texture.

EX: Similarly, Pavesini's Gocciolate, an Italian brand under the Varela Group, introduced a reversed packaging design aligned with its campaign claim, reverse your day. The campaign creatively played on the reversal theme, integrating it into north design and marketing strategy.

Podcast marketing

Podcast marketing is a strategy that implies promoting and selling your product or service through audio content. It helps reach new audiences, tell the brand's story, build authority, and encourage word-of-mouth marketing. It's perceived as more effective by younger generations compared to social media advertising. The voice trend is growing significantly, and this will continue to increase, especially in e-commerce and communication.

Reviews

Products with more reviews tend to sell more.

Based on personal stories (extremely important)

Presence of both pros and cons. If only positive, they seem not trustworthy. Different kinds of countries have different ways of evaluating so in the reviews it should be specified where the person comes from.

Reviews are a must and should be integrated into your strategy. It's not just about having reviews: it's about how you present them. Reviews should always be based on **personal stories** because they are more credible and relatable.

Additionally, reviews should balance both pros and cons:

- a. We don't trust reviews that are entirely positive or negative. There should always be a but: it shows the reviewer's experience is real and filtered through a genuine lens.
- b. It's important to provide quantitative information along with qualitative feedback.
- c. Another critical aspect of reviews is knowing who the reviewer is. According to research, 43% of people consider it important to know the reviewer's profile. This provides context on how knowledgeable the reviewer is. The most significant factor is how many reviews that person has written. If a reviewer has written multiple reviews, it gives you an idea of their level of **expertise** or credibility. Moreover, the average **score** assigned by the reviewer is crucial.
- d. Finally, another important aspect is the **nationality** of the reviewer, as this can provide insights into cultural differences or preferences. Some factors are more important in certain countries than in others.
- e. Studies show that 55% of consumers read at least four reviews before purchasing a product, and 49% of shoppers say they trust reviews as much as **personal recommendations**, even when they know the reviewer might have received a reward or free product in exchange for the review.

Amazon has recognized the importance of reviews to the point where it created the **Early Reviewer Program**. When merchants first launch a store on Amazon, their products often have no reviews because they haven't been sold yet. However, when products appear in searches, customers are often **reluctant** to buy something without any reviews. This creates a negative cycle. To address this, Amazon offers the Early Reviewer Program, where they give products to trusted reviewers (those with a long-standing relationship with Amazon) before the product even launches.

When using search and video advertising, **keyword** selection is key. While brands often purchase keywords directly related to their products, a more advanced approach includes targeting unrelated keywords. This strategy reaches potential customers who may not be actively searching for your product but can still be introduced to your brand.

Messy middle (Recap)

Before the purchase, there is the messy middle (continue going back in the journey because you can't take a decision). Consumers are looking for specific information needs in both the **exploration** and **evaluation** mindsets of the messy middle.

When we're in an **exploration** mindset we want to understand the brands and retailers in the category, what range of products might be available, and the range of prices on offer, and maybe find some inspiration. This helps us understand what is **available** and what we need to keep in mind while making our purchase decision.

1. Range of options.
2. Brands and retailers in category.
3. Price range.
4. Inspiration.
5. Contextual category information.
6. Company ratings and reviews.
7. When we're in an evaluation mindset.

When we're in the **evaluation** mindset we are narrowing down our options, we might be more interested in

things like availability, delivery terms, and payment plans. We want to understand when and how we are able to get our preferred product or service, and if what we're considering is right for our needs.

1. Availability.
2. Delivery terms.
3. Price.
4. Payment plan.
5. Product rating and review.

The trigger shifts consumers from exploration to evaluation and purchase. Key factors include:

- a. Policies and warranties
- b. Expert guidance
- c. Product features and benefits

We may use different strategy in order to address this phase:

- a. **Category heuristics:** shortcuts or rules of thumb that aid us in making a quick and satisfactory decision within a given category. We need to use the right tone of voice: if you use technical words while describing a product, the customer tends to copy the codes and search what they mean, but while they search, they could find your main competitor, which explains these characteristics, and you lose the potential customer.
- b. **Social proof:** the tendency to follow the opinion, advice, and behaviour of others in one's own decision-making. Someone else who has experienced and has already shown an evaluation.
- c. **Power of free:** the tendency to focus on today rather than think about what tomorrow might bring. We discount the future in favour of today. The tendency to overvalue free products. It assumes that when a product becomes free, its intrinsic value for consumers increases. If you buy now, you will get something for free (10% off, free shipping, last minute offers).
- d. **Scarcity bias:** based on the economic principle that time, quantity, or access-limited resources are more desirable (only some left, not too much possibility). Gives a sense of urgency.
- e. **Power of now:** based on the economic principle that time, quantity, or access-limited resources are more desirable (if you buy now, you have 10% off. Related to the power of free).
- f. **Authority bias:** the tendency to attribute greater accuracy and knowledge to the opinion of a perceived authority figure, unrelated to its content, and be more influenced by that opinion. Certifications, having some authorities demonstrating that our brand is good.

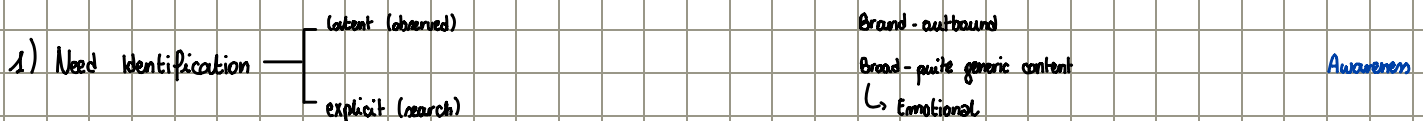
WHO	WHERE WHEN	WHAT	HOW		WHY
Persona	Customer journey	Action	Content	Touchpoint	Conversion Funnel
Unaware	Need identification – pull	Observation	xxx	<ul style="list-style-type: none"> • Offline Advertising • DEM-email • Sales Promotion • Events • Pop Ups • SM/Podcast Adv • Influencer • Homepage • Video Ad/Viral Mktg • Advertorial • Store 	Awareness

WHO	WHERE WHEN	WHAT	HOW		WHY
Persona	Customer journey	Action	Content	Touchpoint	Conversion Funnel
Problem/ Pain aware	Need identification – push Information Search	Search	xxx	<ul style="list-style-type: none"> • Store • [Solicited Word Of Mouth] • Search Engine Ad + Landing • SEO + Landing • Banner • eCommerce Website • Product (Listing) Page • SM Presence • Podcast • In Store Communication - Packaging 	Consideration

WHO	WHERE WHEN	WHAT	HOW		WHY
Persona	Customer journey	Action	Content	Touchpoint	Conversion Funnel
Solution/ Product aware Most aware	Evaluation	Comparison	xxx	<ul style="list-style-type: none"> • Packaging • Review • Comparison Website • Marketplace • Product (Description) Page • FAQ 	Interest Evaluation

WHO	WHERE WHEN	WHAT	HOW		WHY
Persona	Customer journey	Action	Content	Touchpoint	Conversion Funnel
Client	Purchase	Buying	xxx	<ul style="list-style-type: none"> • Chat/ChatBot • Store Promotion • Coupons • eCommerce Website (Design) • Checkout Page • Newsletters 	Purchase

WHO	WHERE WHEN	WHAT	HOW		WHY
Persona	Customer journey	Action	Content	Touchpoint	Conversion Funnel
VIP Client	Post Purchase	Appraisal	xxx	<ul style="list-style-type: none"> • DEM - newsletters • Customized Solution • Lock In Strategies (Subscription/Membership, Voice...) • Event 	Loyalty
				<ul style="list-style-type: none"> • (becoming) Influencer • Reviewer • Referral 	Advocacy



Contents in the unaware phase

Where the persona is not focused on the brand but is usually searching for something else

The focus on content here should be on the brand and its values. The focus is mainly on brands.

a. **In-bound strategy:** the customers are looking for the brand.

b. **Out-bound strategy:** a brand tries to be seen.

In the latent need phase, we are using an **out-bound** strategy. The main touchpoint is **advertising**, offline

and online. When we are exposed to advertising (guerrilla marketing, viral marketing), we are interrupted in the process, we are not looking for the brand, it is popping up, trying to distract the customers from what they are being doing.

We are talking about generic and **broad content**: the content needs to be mainly emotional (must be shareable). We expect the customers to move towards a phase of search.

WHO	WHERE WHEN	WHAT	HOW		WHY
Persona	Customer journey	Action	CTA/ Content	Touchpoint	Conversion Funnel
Unaware	Need identification – pull	Observation	Soft: CTAs should offer interesting content that is not aggressive, as the user is still exploring. No pressure: The aim is to build trust and interest, not to sell directly.	<ul style="list-style-type: none"> • Offline Advertising • DEM • Sales Promotion • Events • Pop Ups • SM Content • SM Adv • Influencer • Homepage • Video Ad/Viral Mktg 	Awareness

2) Info search

Brand + Products – Inbound
Specific – Rational

Interest
Consideration

Content in the aware phase

Then the focus might be a combination of brands and products.

We are moving from the homepage to the product page: the strategy here is gonna be an in-bound strategy (the customer is looking for something) through search engine and in store suggestion (SEO and SEA main touchpoints). Now that the customer searches for something, there's a combination of keywords (level of communication): we might have generic and specific keywords, related to the long tail. It is less generic than before. It is a combination of elements that are gonna become relevant for the target. The content, in terms of involvement, is rational.

WHO	WHERE WHEN	WHAT	HOW		WHY
Persona	Customer journey	Action	CTA/ Content	Touchpoint	Conversion Funnel
Problem/ Pain aware	Need identification – push Information Search	Search	In-depth content: CTAs should offer added value to guide the customer in their choice. Personalized engagement: Elements that answer the user's questions are introduced.	<ul style="list-style-type: none"> • Store • [Solicited Word Of Mouth] • Search Engine Ad • Banner • Landing • eCommerce Website • Product (Listing) Page 	Consideration

3) Alternatives evaluation

8 messy middle

Power of - Power of - Scarcity
 •/- now Free •/-
 Authority - Social proof - Heuristic
 bias ~ -

Product: Brand + Experience
 + Service / In + Outbound
 Detailed - Rational + Emotional

Reference

Content in the evaluation of the alternatives phase

We are in the phase of **messy middle**: the strategy that can be implemented for moving the customers from the messy middle is composed of six elements.

- Power of free** (free shipping, free gift): emotional content, related to product and services.
- Scarcity of bias**: emotional content.
- Power of now**: related to the power of free, they are related to products and service. Emotional content.
- Authority bias**: related to products and brands, rational content.
- Social proof**: made by reviews, related to products and experiences (in-bound strategy, emotional and rational component).
- Category heuristics**: a matter through which we describe the product, the information that might attract the customers (out-bound strategy, rational content).

The strategy is a combination of out and in-bound strategies. The content will combine rational and emotional engagement. **Specific** content is going to be used since details are important.

WHO	WHERE WHEN	WHAT	HOW		WHY
Persona	Customer journey	Action	CTA/ Content	Touchpoint	Conversion Funnel
Solution/ Product aware Most aware	Evaluation	Comparison	Direct and action-oriented: CTAs should prompt the user to complete the purchase. Sense of urgency: Time levers and promotions incentivize an immediate decision. Value Emphasis: Emphasize the benefits of the purchase.	<ul style="list-style-type: none"> Review Comparison Website Marketplace Product (Description) Page Store 	Interest Evaluation

4) Purchase

Service + Product - "No bound"
 "Ad Hoc" lead - Rational

Conversion

Content and purchase in the conversion phase

The content is mainly on **service** (refund, shipping, customer service) and obviously products. The strategy is **no-bound**: Most brands tend to use the phase of checkout for proposing up-selling or cross selling, but it's a phase in which a lot of people leave and do not convert, so it's important to stay.

The content is going to be **specific** and **ad hoc** (it is the phase where, from a user, you become a client): we are gonna have the lead generation.

The content is **rational** (no emotion): this is the phase with the highest level of functional content. Our goal is to conclude the transaction.

The content proposed should be related to the **touchpoint** used and to the **call to action**.

- a. In the unaware phase, **soft** content because there shouldn't be a call to action based on selling but should focus on something that builds around interest development. The focus is not on the transaction, so we need to focus on something that builds around interest development and this is the key point here.
- b. In the search phase, the content should **increase an understanding** of the brand and product, more specific content, and elements that answer key questions asked by customers. Questions are going to start with the understanding of the brand and move towards product, experience and services (more complex).
- c. In the evaluation, the main idea is to help the customer have a full understanding of the choices to help them **decide what to buy**. There should be benefits that they will get from the purchase.
- d. In the purchase phase, we need to remove any kind of call to action except the ones that help go to the **checkout and convert** (no distractions).
- e. In first loyalty and then advocacy, the main call to action should be to give them incentives to act and share. We need to find a way of turning the customer into an ambassador.

Content management

Integrating content and touchpoint means to focus on **content creation** (what) and **content distribution** (where): in content management we refer to both (on site and across platforms).

Why do we need to create and distribute content?

We are going to recognize that the contemporary customer requires the need of content. If the customer is always on, the customer is always online, we need to be able to offer them new, fresh, updated content. Otherwise, they are not going to see us and buy from us: they don't find any utility in being online. At the same time, we need to provide the customer with content perceived as relevant. This is what helps the customer to move from step 1 to step 2 and then step 3, to satisfy the different goals in the different phases (understanding, evaluating, buying, building a relationship). The customer is always in the messy-middle: lot of stimuli, different capability of declaring the relevance of what he is observing and reading. We need to address high quality content.

The customer is **multitasking**: it might be difficult to focus on many things at once. It is not only a matter of fresh and updated content, but also a content that customers might immediately find and explore. The level of patience the customer have is really low-span of attention, and so the concept of relevance is linked once again with the usability. It is not just a fresh and updated content, but it is also a content that consumers can immediately find and explore, otherwise the customer is going to leave the page.

The customers are also **co-creator**: add them actively in the creation and give them the possibility of creating content and sharing their thoughts (active social media page, hashtags, reviews platforms). We would miss the opportunity to move from loyalty to advocacy if we do not have any touchpoint built for sharing opinions. We need to structure them.

We need to create a content able to answer the following questions:

1. Can my customer immediately find the right information?
2. To find what he is looking for?

If yes, the creation and distribution of the content is working in the right direction.

1. Immediately: means that we have a time component (distribution)
2. Find: means that we have a space component (distribution)
3. Right information: referring to the level of perceived quality, the capability to convert. The right quality component and capability to convert (creation). If we manage to have the right quality of the components (brand, product, experience and service) and the right information, we have a great management strategy.

Subjectivity, we need to recognize we have different kinds of customers with different kinds of needs and in different stages of the journey.

Content **creation** is based on the definition of the right content.

Content **distribution** refers to the distribution of the content on site and across platforms.

The combination of the two (immediately find the right content and what customers are looking for) builds around the concept of usability. It is our capability to offer both relevant content and give the customer the possibility to experience this kind of content.

The definition of the content dimension doesn't only refer to the understanding of the methods companies can use to bring traffic to their own websites, but it might also assume a visitor has already arrived and so it is a matter of encouraging him/her to spend time on the site and do something as a result.

Content marketing is focused on creating and distributing **worthy, relevant, and consistent** content to attract and retain a clearly defined audience and to drive profitable customers to action.

Consistent: means maintaining consistency with your **identity** and image and between contents. The goal is having the customer moving from the attraction to the retention.

Content management is applied in any stage of the conversion funnel as well as in any steps of the customer journey.

Content marketing is a **game of relevance** (not numbers): it is a matter of relevance, of quality. Before you create any great content, think how you are **going to market** it first: any strategy is a combination of touchpoints and contents. Broadcasting something on TikTok is different from the content of Instagram.

Content marketing is a **commitment** (not simply a campaign or a tactic).

“Content builds relationships, relationships are built on trust, trust drives revenues.

Build relationships not links.”

A central aspect in content understanding the matter of measurement. We need to have the capability to move the customer across the channel and the capability to optimize the strategy designed. Content is not only a matter of management but of optimization too. The content should be:

a. **Findable**

b. **Readable** (relates to find and to time - immediately)

c. **Understandable** (quality)

d. **Actionable** (conversion)

e. **Shareable:** you need to find some interest in what you are going to share as well as the possibility to share it across different platforms. Shareability is a combination of quality and find.

It means working around content creation, content conversion, content distribution and content measurement (capacity to succeed).

Content creation

What is the customer looking for?

Focus needs to be on identifying the right information and the content that we are going to perceive as relevant, high quality .

We need to stop interrupting what people are interested in and be what people are interested in: shifting from outbound towards inbound.

Offer something that is high-quality, understandable: it refers to things that go beyond the idea of offering something that is based on sales promotions. Customers do not want content that is aimed to offer promotion, low levels of engagement, difficult to be found, obsolete, or not frequently updated.

What we do not want:

a. Visiting web pages that do not satisfy their wants and needs.

b. Pages with content lacking insight or value.

c. Content that does not give answers nor shows empathy and added value.

d. Content that looks like a machine created it.

e. Content primarily targeted to search engine ranking with no relevance.

f. Audiences give too much self-promotion providing low-quality content.

On the opposite site, if the focus needs to move from promotion to being an integration of **emotional** levels, **authenticity**, and **realism**.

AI is not able to offer these things: there's a key challenge.

We need to train a machine in being able to show emotion. If the machine is not trained in understanding customers, we are gonna lose them. Customers move in a direction beyond AI.

Content marketing is like a first date: if you only talk about yourself, there won't be a second one. Stop sharing only the brand, start finding solutions for customers' needs.

A lot of websites are still very **product-centric**, reflecting how the company is organized rather than how their customers are organized and how the market is organized. No website that we **search products by needs**.

Stop organizing everything around algorithms: they are relevant for optimization but far **away from the content** that customers want to see.

Focus on content **distinction** and not differentiation:

1. Patagonia differentiates itself through the use of sustainability.

2. To move it into distinction, we move towards an action (move from saying and telling to start showing).

Move from what you have been saying to showing what you can do. Is not enough to say to be a sustainable brand, the new generations prefer numbers and facts, they want to see.

Knowing your audience is the first step toward creating great content. You need to learn your audience's language, aspirations, desires, and the things they don't like. Find your audience's pain points (problems they face) so you can create content to solve those pain points. The best content is content that people can read, understand, and use to solve a specific problem.

Our content need to be **CURVE**:

1. Generate **curiosity**: difference.
2. Respond to **urgency**: respond to specific needs.
3. Be perceived as **relevant**.
4. Create **values**.
5. Leave room for **emotions**.

3H Google model for content

1. **Hero**: inspirational content for people who browse, used on TOFU (unaware who need something emotional). Just do a video from Nike talking about women. The brand wants you to find her and be inspired to start a relationship with them and be curious to know more. Focused on storytelling, large-scale high-impact content.

- a. It is typically large-scale, high-impact content designed to capture the audience's attention and create a significant impact.
 - b. Also known as hygiene content, is designed to provide valuable information and assistance to the audience. It addresses specific questions, concerns, or problems that the target audience may have. It serves to build trust, establish authority, and meet the informational needs of the audience. It is crucial for attracting and retaining an audience through search engines.
 - c. Aims to generate widespread awareness, engagement, and brand recognition. It is usually visually compelling and emotionally resonant.
- Hero content often serves as the flagship piece in a marketing campaign.

2. **Help**: relevant content for people who **search**, starting from information searching to conversion. That's related to micro-moments such as I want to know, I want to go, I want to buy, how to do: answer specific questions that are related to developing knowledge, go, buy, and do. It's also called **hygiene content** that provides information and assistance to the audience. It addresses a specific question, concern or problem that the audience could have and it helps in moving from the final TOFU to the initial BOFU phase. Content should be actionable and informative, requiring both expertise and relevance. However, even the best content loses its value if customers can't find it quickly. Effective on-site and cross-platform distribution is essential. When discussing usability, we must consider the entire system, one that seamlessly integrates relevance and experience, ensuring users can easily access and engage with the content. We might have the best content ever, but it needs to be findable immediately. Otherwise, it becomes irrelevant.

Usability:

- a. The capacity of a system to provide a condition for its users to perform the tasks safely, effectively, and efficiently while enjoying the experience.
- b. It is the degree to which a software can be used by specified consumers to achieve quantified objectives with effectiveness, efficiency, and satisfaction in a quantified context of use.
- c. It considers user satisfaction and utility as quality components, and aims to improve user experience through iterative design.

Content conversion

We want to find something immediately, both time and SPACE matter.

In the top left corner we usually have **Brand name and Menu**, while in the top right one we have **Log in/Sing up** as well as **Change language**.

Then we need to highlight the fact that the whole page is developed vertically -> all the website are designed with a specific pattern, called **F-design**, which is related to specific need linked to online users' behaviors. In fact:

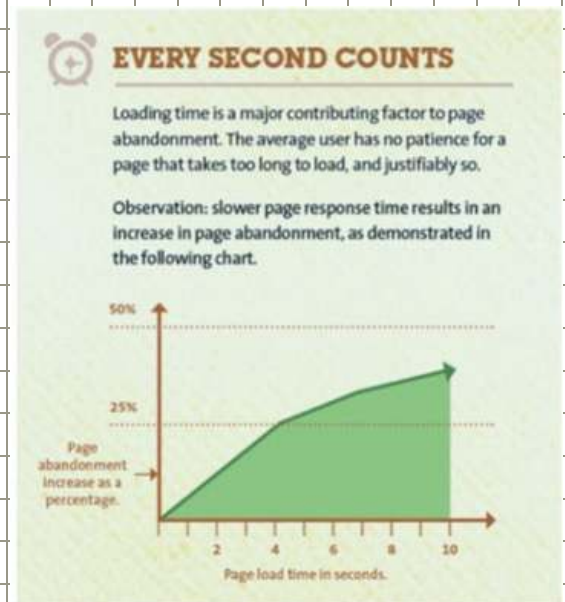
- a. People develop tunnel vision -> they should find things where they expect them to be.
- b. People won't hang around on your homepage
- c. People don't have patience
- d. People's gaze trails are manic - the navigation across the top and down the left hand side (F)
- e. People are willing to click through more than 3 levels in a site as long as they feel they are making progress towards their goal
- f. People don't read
- g. People don't take in what they look at
- h. People are happy to scroll

The worst area where published something is the bottom right corner, since according to eye-testing is the less checked area of a website. There reason why this is a gray area are mainly two:

1. We assume that people leave the page before reaching that point
2. In the past it was the banner's space.

Navigation Efficiency– fast response time

Speed of response plays an important part of visitors perceptions of quality of the site: «When it comes to design, less is (really) more » It also affects the capability of the site to achieve its goals of communication and dialogue: «Don't make me think. Let users to concentrate on the objectives of their visit»



Website Page Load Time Statistics

- 82% of consumers say slow page speeds impact their purchasing decisions
- 47% of users expect a maximum of 2 seconds loading time for an average website
- The average page speed of a website is 3.21 seconds
- 86% of pages from B2C sites load in 5 seconds or less
- 73% of users encounter slow sites when browsing mobile sites from their phones
- According to Google 61% of users are unlikely to return to a site on mobile if they had trouble accessing it and 40% visit a competitor's site instead
- Sites that load in 1 second have a 7% bounce rate
- 3 sec = 11%
- 5 sec = 38%
- Conversion rates are 3x higher for ecommerce sites that load in 1 second
- Slow-loading websites cost retailers \$2.6 billion in lost sales each year.
- For every additional second a page takes to load, 10% of users leave
- EXIT
- For lead generation, sites that load in 1 second have conversion rates of 39%
- 6 sec = 18%
- 39% of people will stop engaging with a website if images won't load or take too long to load

From th3e functional to the aesthetic component: the role of Visual content

If given **15 minutes** to consume content, two-thirds of people would rather read something beautifully designed than something plain.

*“[...]when the same content is presented using different levels of aesthetic treatment, the content with a higher aesthetic treatment was judged as having higher credibility. We call this the **amelioration effect** of visual design and aesthetics on content credibility” (Aesthetics and credibility in web site design Information Processing & Management, Vol44 (1), January 2008 David Robins, Jason Holmes)*

The same study found that **46%** of consumers in the study based their decisions on the credibility of websites on their visual appeal and aesthetic.

Content distribution

Content distribution refers to the process of disseminating content to your target audience via a variety of channels, including owned media, shared media, earned media, and paid media.

Effective content distribution helps to increase brand awareness, generate leads and sales, and establish a

strong online presence.

Developing a clear content strategy will help businesses identify their target audience, create content that speaks directly to them, and establish goals for distribution.

The basic idea is finding a way to disseminate the content on different platforms. It is so important to figuring out how to turn a content that is distributed on a iPad media into something that can be moved to other media, such as earned media, shared media and old media.

Piso model:

- a. Paid
- b. Earned
- c. Shared
- d. Old

HUB Content

[...] is regularly scheduled, recurring content that is designed to keep the audience engaged and encourage regular visits to a particular platform. It forms the backbone of a content strategy and often revolves around a specific theme or topic.

[...] helps to build a loyal audience over time. It is not necessarily tied to a specific campaign or event but is consistently produced to maintain audience interest.

Examples include regular blog posts, video series, or podcasts that are released on a consistent schedule.

This is a relationship content, a content aimed to keep a regular and ongoing conversation. We want the customer to go back to the different touch points, we want the customer to start again searching, activating the process. In order to do so, we need to plan, we need to create a transmedia strategy that positions itself across different platforms, different typologies of content.

It's a collapsing relationship with the audience. Having an editorial plan requires recognizing that there are certain kinds of content, and every time you need to produce something new, to create different content, publish everywhere is not an effective strategy.

PESO model for content distribution

Paid channels: involve the promotion of content through paid advertising and sponsored content. Paid channels offer immediate and measurable results in terms of reach and engagement. However, they require a dedicated budget and are best suited for short-term gains, rather than building exposure and reach for the long term. The key content type for paid channels is targeted and eye-catching content that encourages clicks and conversions.

Earned channels: involve the sharing and promotion of content by external sources, such as social media users, backlinks, and media coverage. Unlike owned channels, businesses do not have complete control over distribution on earned channels. However, earned channels offer the potential for increased or even viral reach and can serve as a validation of the quality and authority of the content. The key content type for earned channels is shareable content that encourages engagement, such as videos, thought leadership, and testimonials.

Shared channel: is content posted on a brand's social media channels that isn't promoted or boosted. This is also referred to as "organic social." Shared media also includes a brand's participation in social audio apps, review sites, and forums.

It could be considered a sector of owned media because you own the content that is published to your social media platforms. However, each social platform has its own quirks and characteristics that require different content and campaigns.

Owned channels: are online platforms and assets that businesses own or control, such as websites, social media pages, and blogs. With owned channels, businesses have complete control over content creation and distribution. However, the reach of owned channels is limited to existing followers and subscribers. Examples of content types typically used for owned channels include blog posts, ebooks, and case studies.

Commerce & CRM

Commerce is the set of transactions for the marketing of goods or services between producer/supply and consumer/demand, carried out through the Internet.

e-commerce operates in 4 main market segments, with different business models:

1. B2C is a business selling to customers. You have a retailer that sells to the final customer (ex: Zara).
2. B2B (ex: Salesforce, Alibaba)
3. C2C (Ebay, Vinted) customers directly selling to customers.
4. C2B (Shutterstock) marketplaces that are offering visibility to some competencies and products that might be offered by the customer and the business demands this type of competencies/products.

For being declared as e-commerce we need to have a transaction, that must happened online.

We have different level for defining the concept of commerce:

- a. Simply booking and then collecting offline can be defined as a source of e-commerce. Most of the cases the transactions are mediated by third parties, for the customer to the business; we might have offline a producer selling to an e-tailer and the e-tailer selling to the final customer B2C.
- b. Offline there is the logistical transaction of the purchase and then the electronic retailer sells to the customer -> here there is a change of property of the product, the e-tailer is going to be responsible with its own capabilities to reach the target, the producer has already been paid.
- c. Marketplace offline: a producer or a retailer offline is going to use a third-party marketplace to present and sell their offer to the final customer. Here the merchant pays a fee to the marketplace or/and % on sales. Everything is directly managed by the producer or retailer, not the marketplace.

Another way to classify e-commerce is linked to the exclusive/integrated online presence:

1. **Brick&Mortar (OFF)**: stores that have an offline-only presence and do not have any type of e-commerce activity; The sale is therefore made exclusively through the physical channel.
2. **Pure Player (ON)**: stores that have an exclusively online presence without physical points; The only way to get in touch with these companies is through the web. All businesses born with the advent of Internet.
3. **Brick&Click (OFF+ON)**: companies that over the years have added online sales to offline sales. Fundamental for companies that move from Brick and Mortar to the Brick and Click business model, consistency with the in-store experience, consistency with the levers of the marketing mix and the need to identify a strategy for entering the online market that allows them to capitalize on existing strengths by trying to replicate them and adapt them to digital logic.
4. **Click&Mortar (ON+OFF)**: sellers who have integrated offline from online, who have added e-commerce to traditional commerce; very often the physical presence is linked to flagship stores, corners or popups. Click and Mortar represent a strategic choice of Pure Players who want to make their offer come to life in a credible way by exploiting the physical channel to overcome all the barriers related to the use of the online channel.

It is also important to take into account some key aspects when it comes to the understanding of how to effectively manage e-commerce, by taking a customer-centric perspective. The first thing to understand is which is relevant in terms of gain point and pain points, meaning by this understanding which elements are going to be mastered or deprived for having a successful e-commerce, which are the main barriers that customer are going to find online, or by reversing the question, which are the key drivers that are going to push a customer to choose to purchase online rather than offline.

These elements are:

1. Shipping (Price&Timing) & Returns
2. Checkout process
3. Payment
4. Product accessibility

High shipping price

Price perception OFFLINE: full price= product price

Price perception ONLINE: full price= Product Price + Delivery Price + Return Price

The online seems inconvenient BUT with the offline, there are actually some costs: time is the first one as it takes time to browse, do the line at checkout, and arrive at the store (probably even pay for transportation -> our time costs). One key strategy is to minimize shipping costs and maximise the shipping experience.

Removing all the costs and negative perception of returns.

If we want to succeed in an online ecommerce strategy, turning the ecommerce to a pain point to a gain point we need to act on these to component:

- a. **Minimize shipping costs**: threshold for the free delivery or doing some kind of subscription like Amazon prime (we have already paid for something).
- b. **Maximise the shipping experience**: minimising the time and guarantee the maximum flexibility in the delivery itself.
 1. **Minimising time**: expectation set by the brands. **How could we compete with Amazon standards?** Designing innovative strategy to minimise all the possible time for shipping. We could work by using stores as a logistics base. Target, from minimizing timing, has designed the proposal shipped from the store. We decrease the selection of items but the product will be shipped directly from the store and not from the warehouse to minimize time.
 2. **Flexible shipping**: time slots to deliver at a proper time in the hands of the customers. We use tools such as lockers, small stores to have the product shipped there. We could even collect the

product directly from stores (brick and mortar stores). Thanks to this strategy we are gonna minimize the risk of return: going to the store we could directly open the package and try the product. If we don't want it, we can immediately return it.

3. **How can we prevent people from returning products?** We could charge a return fee, but we could have less orders. We could act on content, the way we are going to show the characteristics of the products itself. If the customers have the possibility to experience the product, thanks to virtual and augmented reality, the chance of return is gonna be slower. Adding reviews could be one strategy (higher accessibility towards the product).

Checkout process

Checkout is the page where there is the highest abandonment of customers: we need to minimize the amount of information let consumers know the total cost as soon as possible, and we could provide the possibility of completing the payment without registration.

Reduce the number of form fields in the checkout flow: research shows that the number of steps in the checkout sequence counts less than the number of inputs required in each step.

Minimize the number of form fields on each page by eliminating unnecessary fields such as title and middle name, combining first and last name in a single field, and hiding elements such as the second address line and billing address. If you can, try to work down to no more than 6-8 form fields.

Making small changes such as using auto-zip code detection, guiding people to fill in each field, providing autofill and auto-save options, and briefly explaining why data is needed can also improve conversion rates.

Provide a description of the checkout process, to make it smoother.

Configure Cart recovery system.

Use graphics and copy to reassure customers about the security of the site. Many people are reluctant to share their credit card details online. Visual cues, such as badges and seals of trust, can help them feel comfortable entering payment information into a site.

Payments

Payment methods are also important:

1. One-click & Express checkout: implement auto-filled payment details and express checkout options.
2. Buy now, Pay later (BNPL) services: offer BNPL options to reduce price sensitivity and make high-ticket items more accessible.
3. Cash on delivery for emerging market: for regions with low credit card adoption, offer COD and digital wallet payments
4. Guest checkout with Auto-save prompt: allow guest checkout but offer a one-click account creation option post-purchase.

Product accessibility

We have to offer the customer to virtually test the product and to give them useful information (for the sizing in particular). Product accessibility is really important.

Another important strategy to implement on the customer's end, **subscription services provide a regularly-delivered, always-as-expected experience through every engagement.** Depending on the type of service provided, the value to the consumer comes in the form of things like personalisation, convenience, and monetary savings.

To sum up:

- a. **A replenishment service** that regularly delivers consumable items to the customer
- b. **A curation service**, providing collections of highly-personalized products to customers on a scheduled basis
- c. **An access service**, in which your customers pay a recurring fee in exchange for access to your products or services

Digital campaign analysis: KPIs

The **click through rate** (CTR) measures the ability of an advertisement to generate clicks from impressions; it is a measure of the effectiveness of the ad from the advertiser's perspective (ad copy).

$$CTR = \#clicks / \#impressions$$

The **conversion rate** measures the ability of the page to generate action from visits (clicks). It allows evaluation of effectiveness in generating sales from obtained clicks and measures the effectiveness of the

copy and design of the page, website (website copy)

$$CR = \#sales / \#visits \text{ (clicks)}$$

The **engagement rate** comes from comparing the activity made on the content and the number of visits (how many people have seen it). Comparing the action on the landing page with the number of visits: how many people have done something (attraction side) or perform an action. It is the attractiveness of the ad.

$$\text{Engagement} = \text{actions on ad} / \text{visits}$$

The **cost per click** measures how much each click has cost: the pricing methodology established by the provider or from estimating the cost of the impression on the number of clicks (thanks to the announcement).

$$CPC = \text{spend} / \text{clicks}$$

The **reach** is how many people have potentially seen the announcement: the impression is how many times it has been on the homepage of a user. How many times and adv was visible.

$$\#impressions$$

Dispersion rate: the comparison between the number of clicks and the number of visits. Not necessarily the clicks are the same as the visits, we usually miss someone in between. Visits cannot be more than clicks. Detects any technical problems in the transfer from the advertisement to the landing.

$$\text{dispersion} = \#visits / \text{clicks}$$

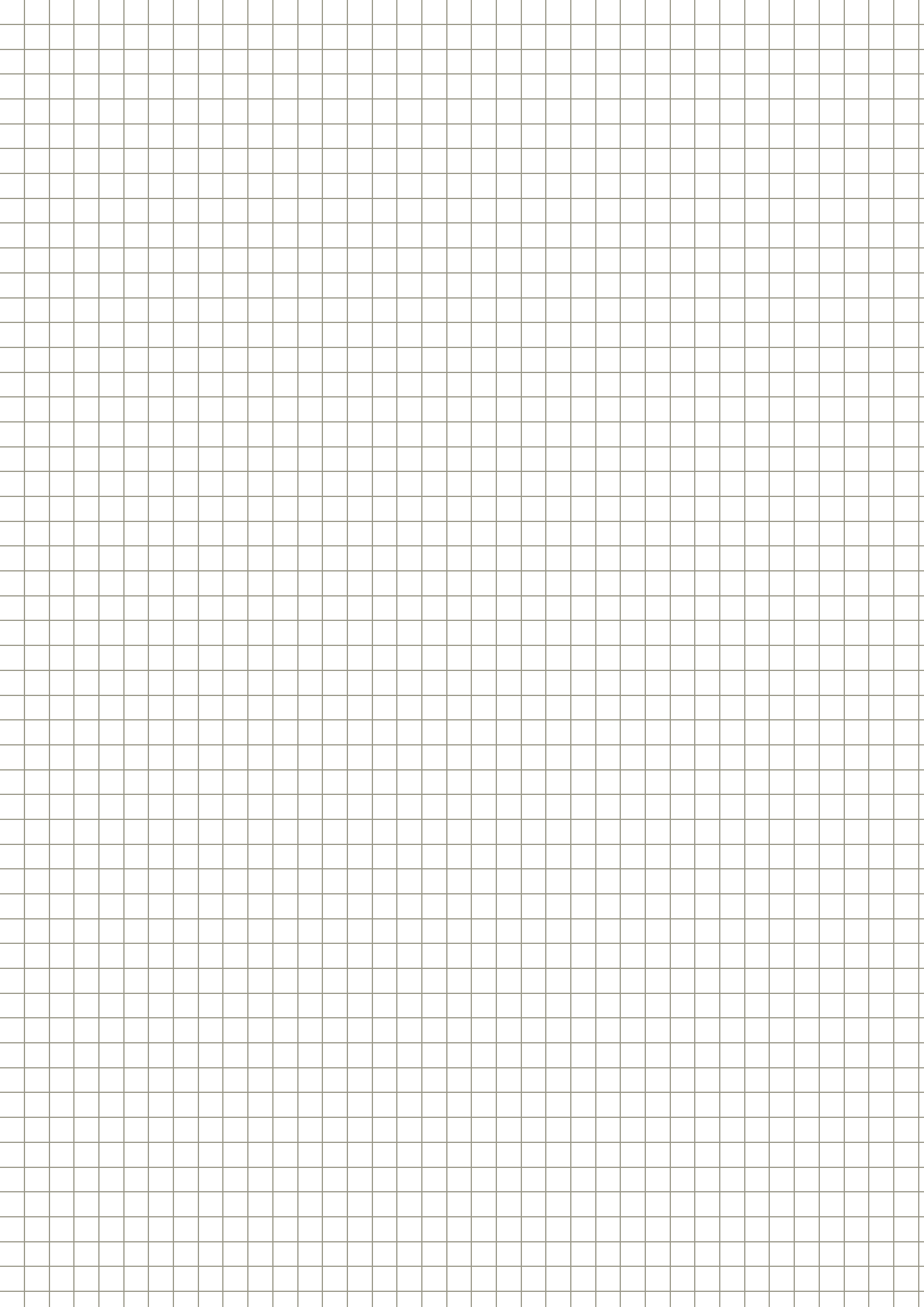
When launching a campaign, we use **different channels** (each one has its own format ad, in social media we use displays such as boosted posts and videos, in the programmatic advertising we use the publisher ability to distribute display) and **advertisement**.

To analyse the effectiveness of a campaign, we need to understand the revenues on the budget spent. We also need to understand what was the best channel and what can we improve in that campaign: optimizing by analyzing what has happened and understanding what to cut and what to keep.

- a. Search
- b. Social
- c. Programmatic adv

We are interested in increasing in our revenues: we are dealing with interaction with our prospect and potential customers, along their own journey, the funnel:

- a. **Awareness phase**, the main aim is to make them aware (homepage). We mainly use:
 1. Impression to make them aware that I exist. Effort in involving as many people as possible.
 2. CTR: the ad with a higher CTR is more successful.
 3. CPC: the cost of the effort is the cost per clicks. The clicks are the outcome of our efforts, and they represent the visit, the user on our page.
We could even use another one.
- b. **Consideration**: we assume that ad designs for each step are not effective in the others (product page). We can use retargeting in this step, but in the first one not, we don't know the people yet.
 1. CTR.
 2. CPC.
 3. **Engagement**: since the main aim in the consideration step is to understand and provide info to convince the customer to be the best option to buy, the engagement is important to measure how much info a person has collected by landing on a page. Is a measure of effectiveness in delivering content.
- c. **Purchase** (page with a offer, a CTA to buy):
 1. CTR: measure of effectiveness to attract.
 2. CR: conversion rate, how many people are converted out of those who have landed on the page (cart and check out).
 3. CPA: effort in terms of money spent (cost per acquisition). Unless we are able to go back to the first time of the contact between people and brands, it is difficult to measure it at the beginning. We use it in the BOFU.



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