Internationalisation through Digitalisation Interreg DigitSME

**Manual workshop series 1
Digital marketing**

It pays for companies to be digitally well positioned and internationally active. "Digital competence and international strength"
This initiative was launched by the partners in the Euregio Meuse-Rhine, Hogeschool Zuyd, Agence du Numérique, Basse-Meuse Développement, Voka Kamer van Koophandel Limburg, IHK Eupen and IHK Aachen.
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[Projekte | Interreg Euregio Maas-Rhein (interregemr.eu)](interregemr.eu)

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1. Digital strategy and digital communication

76 % of all consumers expect the companies and brands to understand their needs.

69 % of all consumers expect an "Amazon-like" customer experience.

82 % of all B2B customers expect a customer experience comparable to what they know from the B2C market.

What happens when a company cannot fulfil the expectation of the customers?

On an average, dissatisfied customers share the information about a poor shopping experience with 15 uninvolved persons. This number can multiply with the rising options of networking.

One third of all consumers claim to have selected another service provider after just one poor experience with one company and 57% have chosen the competitor based on a better shopping experience.

Purchase decision-making process – earlier vs. today

Earlier, service providers offered their offering through various sales channels and awakened their customer's desires with short content. The purchase was concluded after a brief phase of information search. In the event of a positive use experience, these experiences were shared with persons from close surrounding (*Information era*).

Today, service providers have much wider choice of channels to make people aware of an offering. Consumers also have a greater market power. This power comes about primarily from the expanded options for information search and multipliers in sharing experiences. Companies and consumers can reach a huge crowd of potential customers through search machines (e.g., Google) and social medial (e.g., Instagram) (*Communication era*).

A customer-centric mind-set: What you need for it

Customer profile
- Demographic factors
- Psychographic factors
- Sociographic factors

Data protection
- Transparency
- Data accuracy and security
- Sense of responsibility

Knowledge of target group
- 360 ° customer perspective
- Customer contact points
- Buying behaviour
- Interactions and behaviour

Useful contents
- Consistency
- Context
- Empathy
- Relevance

Automated customer journey
- Tools and interfaces
- Systems
- Interconnected processes
- Technical knowledge

Analyses and adaptation
- Concrete goals
- Appropriate indices
- Appropriate measurement methods
- Freedom to adapt

A comprehensive knowledge of target groups emerges on the basis of a clear customer profile in the context of a responsible handling of the customer data received.

This knowledge can be used to create useful contents, which is published to the target groups through the preferred channels. The use of company-specific tools and systems in combination with the technical knowledge of the employees develops an automated customer journey.

The sustainable strategy is aligned to clearly defined goals. Measures are optimised, re-oriented or eliminated by means of analyses and performance indicators.

Any form of customer contact conveys the short-term and long-term vision and expands on a clear mission. Employees get high responsibility and put customers at the focus of their actions.

Digital transformation in four stages

During a digital transformation, companies typically go through the following stages:

1 Stock taking: Where do we stand today?
- What are our digital strengths and weaknesses?
- Which companies are our main competitors?
- What are our customers' needs?
- What are the results yielded by the quantitative and qualitative analyses of the customer journey?

2 Developing the vision: Where do we want to go?
- Workshops with senior executives for definition of vision
- Determining the digital brand offering
- Definition of the most important distinguishing features, which have an influence on the consumer behaviour.
- Formulation of qualitative and quantitative company and marketing goals

3 Strategic development and action plan
- Detailed consideration of customer migration and business architecture
- Calculation and finance planning
- Team composition and task distribution
- Definition of actions in relation to processes, technologies, products, etc.
- Continuous transformation monitoring and communication

4 Operative implementation of transformation
- Project management and kick-off
- Guiding the teams and direction of actions
- Use and adapt results from the learning phase

2. Data driven sales and e-commerce

How a D2C brand (Direct-to-Customer) is launched and developed further can be illustrated by means of the e-commerce brand PIAB (Puzzle in A Bag).

The goal: The "Jigsaw puzzle" product should be reinvented, the customer experience enhanced and adapted to the needs of today.

An analysis of the target group yielded that this group does jigsaws these days primarily to recover from the digital information overload.

The challenge: Conventional jigsaws are seen as boring and out-of-fashion.

Launching a D2C brand: Yes or No?

To launch a D2C brand, companies must ask themselves: Can we sell the product or an enhanced version of the product online?

Initial analyses of the search behaviour of Internet users (e.g. via Google Trends) provide insight into the market potential. The product can be developed further with the help of survey of test customers.

Online selling and getting to know the market

In order to be able to sell the product online, you must generate **traffic on the website**.

The targeted use of **SEO**, **SEA** (Google Ads) and **Social Media Marketing** (Instagram, Facebook etc.) should lead the target group to the website and this, ultimately, to the conclusion of sale (conversion).

Displays on social media contain concise and short texts and eye-catching images. At the beginning of the sales funnel, the attention of potential customers is attracted and the offering is explained in short.

At the end of the sales funnel, the confidence-inspiring information moves the target group to the next interaction. The social media posts and direct customer

exchange should always deal with **building a community**. The communication is fast, efficient, respectful here and takes place as equals.

The **Public relations** help in making the user aware of the offering and referring to the website.

Different customer segments can be addressed with a targeted **email marketing** and redirected to the website.

The average order value (AOV) can be increased by means of **cross-selling** and **temporary offers**. The customer acquisition costs (CAC) can be lowered by increasing the repurchases or subscriptions.

Testing possibilities of internationalisation

After establishing the D2C brand in a geographical market, market differences and similarities are determined by means of tests in other countries. Launch can be expanded to other markets by a focussed adaptation of the business model in the context of new market requirements.

3. Growth by customer data

Growth marketing consists of the departments of Automation & Technologies, Experiments & Data as well as Creative Marketing. In contrast to the traditional marketing, growth marketing focuses not only on the announcement of the offer and the acquisition of customers, but also on the downstream stages of activation, conclusion of sale, recovery and recommendation.

North Star Metric and "One Metric That Matters" (OMTM)

The key figure that reflects the value of the offer for the customer is characterised as "North Star Metric". Key figures that pay into this metric and are consulted in the evaluation of the marketing measures, are also characterised as "One Metric That Matters" (OMTM).
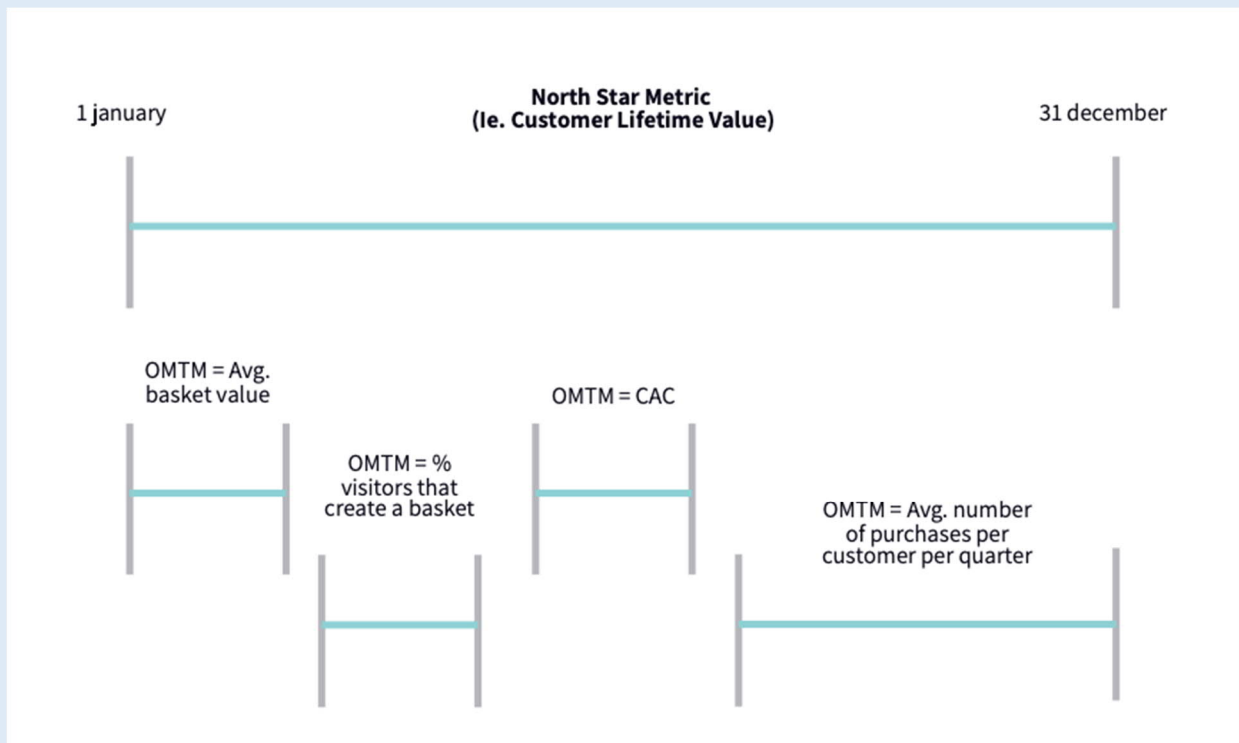
Example 1:

The average reading duration can be a "North Star Metric" in relation to a content published through the website. OMTMs can be the length of the text, page views, or the number of comments.

The customer lifetime value (CLV) is calculated with the help of the profit margin, repurchase rate, customer lifespan, and customer acquisition costs.

IMPORTANT: These metrics as well as other key performance indicators (KPIs) are always company-specific and dependent on many factors such as business model and offer structure.

4. Personalised customer contact by marketing automation

The need for marketing automation comes about primarily from the emergence of the following market trends.

Shift of power relations: Customers have an ever growing market power resulting from the following current trends:

- **Hyper connectivity**: Information can always be exchanged more efficiently by the rising digital networking.

- **Content velocity:** The rising reach and speed of the communication contents increase the complexity of the market.

- **Contextual convenience:** The analogue and digital world are being increasingly mixed with each other. Rather than searching for information actively, it is placed to the users through algorithms.

- **Hedonistic "world of experience":** Customers have high expectations from offers and demand additional services. In case of dissatisfaction with the offer or service, there is a higher probability that customers shall complain.

Apart from that, the following changes are observed:

Brand based marketing	➔	Sales driven marketing
Addressing masses		1:1 dialogue
Campaigns	➔	Progressive story-telling
Intuition	➔	Data based decisions

Marketing automation is...

Definition: Marketing automation is the use of software and web-based services to execute, administer, and automate the marketing measures and processes. The customers are addressed personally. The communicated content is useful and data driven.

In practice: Use of marketing automation
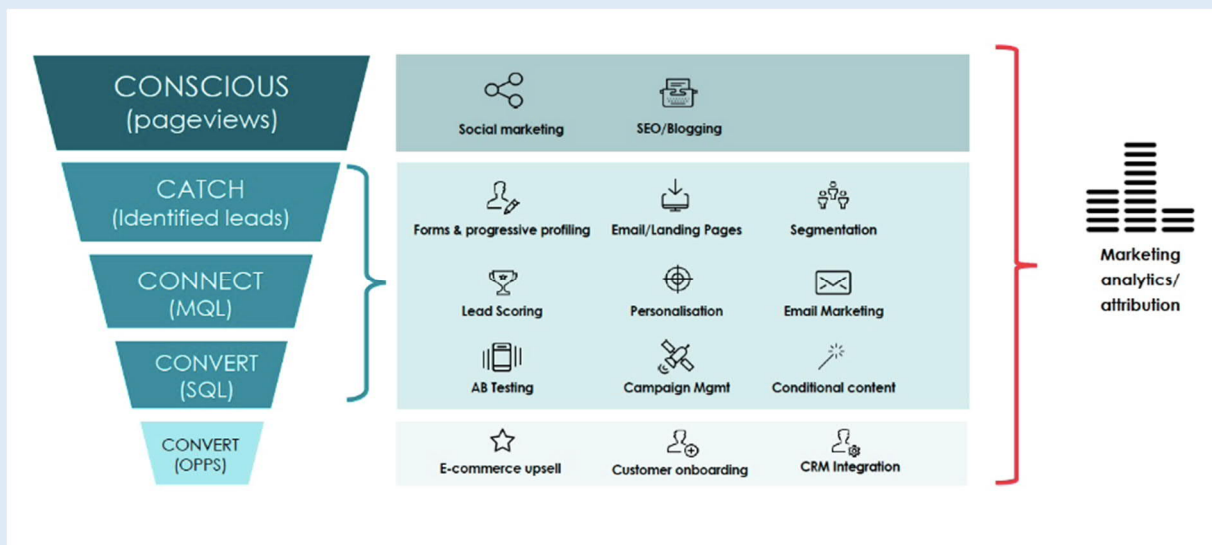
The purchase decision-making process is shown as a "funnel" in inbound marketing. At the beginning of the funnel, the awareness of the **interested parts** in the offering is raised. They primarily come in contact with a brand through social media or generic search queries in search machines and land on the landing page within the campaign through a link.

They become **leads** by registration for exclusive contents or other interaction with the brand. The interest in the offer is enhanced in this phase.

Companies **segment** the leads and then address them with customised emails, personalised contents, and targeted campaigns. Companies can **evaluate based on behaviour and categorise the contacts** using the interactions of the leads, e.g., clicks or openings of individual mails.

The connection to the brand is enhanced and the purchase intent becomes more concrete. Leads converted to **buying customers** are entered in CRM and approached with after sales or cross-selling offers.

Such a "funnel" is created with the help of an **automated workflows,** which can be subdivided as follows:

- Welcome campaign
- Reminder campaign
- Recovery campaign
- Transactional campaign
- One-time campaign
- Cross-selling campaign

5. From theory to practice – step by step

1 Concrete and measurable corporate goals as basis:

Corporate goals form the foundation for activities of all departments and make sure that teams jointly and across departments work towards a concrete TARGET state.

Goals can be qualitative or quantitative and supplemented by interim goals (milestones). Each goal should be directly linked with a key performance indicator for clear performance measurement. An example:

Goal: Increasing the revenue by 12% compared to previous year by 31.12.2024.
Milestone: Increase the revenue monthly by 1% compared to previous year.
KPI: Percentage increase in revenue (2023 vs. 2024)

2 Research and analysis:

- **Competitor analysis**:
  Sign-up for the newsletter of your competitor, analyse the website structure, the communication content placed and find out who is addressed by these contents. SEO analyses reveal the competitive concentration in digital market environment.
- **SWOT analysis**:
  Create a Strengths, Weaknesses, Opportunities, and Threats matrix.
- **Persona analysis and workshop**:
  Conduct a persona workshop with employees, who are in direct customer contact or have insights in your target groups and introduce yourself to your target group in a lively way. Ask yourself: What is the daily routine of this person, what are their habits and what is their usage behaviour?
- **Customer journey mapping:**
  Do not just keep the purchase decision-making process in mind, but also get a feel of your customers. What do your customers feel about the different points of contact and what are their effects on the next point of contact?
- **SEO (keyword research, keyword mapping etc.)**

3 **Strategy development:**

- **Derivation of market goals:**
  Two to three main and three to five secondary goals are defined based on the analyses and corporate goals. Measures and tasks for the team members can be derived from these goals.
- **Unique selling points of the offering:**
  Define the USPs of your offering and incorporate them in your communication media.
- **Brand development and consistent contents**:
  Your brands should speak the same language across all the channels. Determine a corporate identity and broadcast it on all the communication media, such as marketing materials, website, or social media channels. Consciously inserted contents guide the customers through the customer journey.
- **Definition of sales channels**

4 **Define KPIs (key performance indicators) and controlling process:**

Establish monthly, weekly, and annual measurements and communicate the results in your teams. You can respond to the changed boundary conditions and requirements fast by checking the most important indices and in the process get to know your target group better. Apart from that, the measurement contributes to an increased motivation and a better categorisation of your own as well as the team's performance.

5 **Tactics and organisation of time:**

Example for demarcation of goals and tactics:

Goal: Increase website traffic till the end of calendar year by 20%.
Tactic: Creation of SEO optimised contents for each core target group.

6 **Conduct regular adaptation meetings:**

Carry out regular adaptations to the strategy and/or individual measures in coordination with the teams concerned to stay abreast of the dynamic market environment.

Industrie- und Handelskammer
Aachen

IHK

Dr. Gunter Schaible
Industrie- und Handelskammer Aachen

Theaterstr. 6 - 10, 52062 Aachen
phone: +49 241 4460-223
website: Industrie- und Handelskammer Aachen - IHK Aachen

Zuyd
Hogeschool

ZU
YD

VOKa
Kamer van
Koophandel
Limburg

IHK
1804
EUPEN
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