COURSE BOOK



## Online Marketing

DLBMSM01–01



Learning Objectives

Introduction 11



This **Online Marketing** course provides an overview of the most important marketing measures and channels on the internet. Here, students will learn about the different forms of online marketing, how they differ from each other, and how they can be combined into cross-media campaigns. The aim is to be able to assess the opportunities and risks of the individual channels for a company in order to develop effective campaigns for speciﬁc intended audiences.

Alongside strategy and planning, legal aspects also play a role in online marketing, as does performance evaluation with the help of web analytics and key performance indicators (KPIs) to validate the effect of measures taken. An outlook on current trends, particularly marketing for mobile devices, provides an impression of the rapid technical change that heavily influences this marketing area.

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# Unit 1

## Online Marketing Basics

#### STUDY GOALS

After completing this unit, students will know ...

... what online marketing means exactly.

... how online marketing differs from other forms of marketing.

... how users communicate on the internet.

... how value creation functions on the internet.

... which business models are found on the internet.

DL-D-DLBMSM01–01–L01

1. Online Marketing Basics

### Case Study

Mrs. Hess takes care of her three children at home. They are gradually getting old enough for her to devote more time to her hobby: making beaded jewelry. Maybe she could offer it on the internet and make some money? In the office next door, three students are returning from a start-up weekend with a revolutionary business idea. They want to build an online platform where private individuals can rent cars from other private individuals – the world's largest car rental company. While these are two completely different approaches, both Mrs. Hess and the students can reach their respective intended audiences through online marketing. After all, a good product or service alone will not bring success if no one knows about it.

Shitstorm In a shitstorm, a person or company is overwhelmed with an avalanche of negative criticism.

Four Ps The four Ps are considered to be the adjusting screws of a successful marketing mix:

Product, Price,

Promotion, and Place.

Online marketing offers the opportunity to reach a wide audience with a single click and thereby approach each user individually. Thanks to advancing technology, online marketing is now a broad field of different measures that – if used incorrectly – can also fizzle out ineffectively or, in the worst case, generate a **shitstorm**. The art of online marketing is understanding the measures and using them in a targeted manner in order to reach the right intended audience, at the right time, via the right channel, with the right content.

### Development and Concept of Online Marketing

The internet gradually moved into private households in the 1990s, opening up an entirely new field of commercialization and advertising for companies. Nevertheless, the technology initially limited marketing options to the forms of banners, emails, and public relations. In the early 2000s, the first authors attempted to put the online marketing phenomenon into words, using terms such as *internet marketing*, *online advertising*,and *web marketing*. Some distinguished online marketing from traditional forms of marketing by means of technical requirements such as an internet connection, while others emphasized interactive communication as a key characteristic. Initially, online marketing was simply regarded as another channel in the marketing mix and was planned and deployed according to the **four Ps.** However, business models such as eBay and Amazon, which could only be found on the internet, increasingly emerged and therefore also invested their entire marketing budget in online measures. As a result, the importance of the traditional marketing mix diminished, while new forms of online marketing took shape on the internet (Lammenett 2019, S. 34ff.).

Online Marketing Basics

##### More than Just Another Channel

Nearly 50 million people were online by 2010 – in Germany alone (Van Eimeren/Frees 2010, S. 348). The reach of the new medium had nearly caught up with television (ibid., S. 345). By that time, it was clear that online marketing was not just one new channel among many. Rather, the marketing form was generating a growing number of facets that were difficult to distinguish from one another. During the 2000s, social media networks such as Facebook (2004) and Twitter (2006) took off and soon introduced opportunities for social media marketing (Kroker 2018). YouTube was no longer just a place for amateur ﬁlmmakers to distribute their content as companies and **inﬂuencers** increasingly discovered the video portal as an advertising platform. With the introduction of the iPhone (2007), multi-media operation via touchscreen and permanent connection to the world wide web soon became part of everyday life – mobile marketing was born.

Ultimately, each company must examine and decide for itself whether the use of online marketing is relevant and meaningful for its own products and services. For example, a modern pizza delivery service should appear in Google Maps, make its menu available on Facebook, and accept orders via WhatsApp. The steel construction company next door is more likely to rely on a serious website, appealing job ads on XING and LinkedIn, and an image campaign for apprentices on Instagram. Ultimately, all these measures belong to **online marketing**, because marketing ﬁnds a place in online media (Onlinemarketing.de 2020). And the transition is certainly ﬂuid: a user can access a website, a video, or Facebook from a smartphone just as easily as from desktop – even if this measure was not intended as mobile marketing. Existing attempts to define and differentiate online marketing are regularly shaken up by rapid technological change.

##### Interaction with the Intended Audience

On the internet, users contact each other, learn about specific topics, and use various online services. Initially, this overall communication occurs independent of a company. But if a company wants to reach its intended audience via online marketing, then it must become part of this communication. Every company should therefore ask itself the question: what does my intended audience communicate about? In contrast to television or newspapers, internet users can have their say, exchange ideas, and interact directly with the sender. Many companies neglect this possibility and place their content online as one-way communication without noting the reaction of the users, let alone interacting with them. At the same time, online marketing offers a significant advantage over traditional forms of marketing: the effect can be measured. With the help of **web analytics**, every visit, every click, and every scroll is tracked and evaluated, so the effect of measures can be reviewed directly (Kreutzer 2019, S. 3ff.).

Inﬂuencer

Internet users with a strong presence, wide reach, and a correspondingly large influence are considered inﬂuencers.

Online Marketing

All marketing measures that take place on the internet fall under the term online marketing.

Web Analytics Web analytics is used to collect and analyze data from visitors to a website.

In the early days of the internet, the primary goal of companies was to be present in the online world and direct as many users as possible to their own website. This is where the desired interaction was initiated: with users picking up the phone, writing an email, or buying a product in the online store. In the meantime, the various intended audiences exchange information on different online platforms, e.g., in forums, via social networks or via messenger such as WhatsApp or Telegram. Users operate in their own small online world, which means that if companies want to reach users, they must become part of this world – through appropriate online marketing. The corporate website as a business card on the internet is increasingly moving into the background, because companies must now be active on the channels of their intended audience and present themselves there. For example, Edeka uploaded a video about a grandfather feigning their death on YouTube at Christmas – with more than 66 million views (EDEKA 2015) – or the Berlin Public Transport Company promoted itself as a World Cultural Heritage Site. These measures pursue one goal: to get the intended audience talking about the sender.

##### Sub-Forms of Online Marketing

Online marketing makes use of various channels, platforms, and measures that can be roughly divided into different categories. The individual categories are continually changing, some are newly added, some are newly deﬁned. Sub-forms of online marketing are listed in the following, but this is by no means a complete summary:

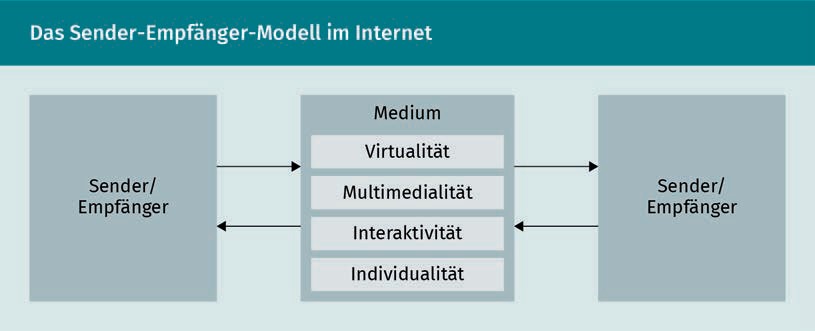
* afﬁliate and search engine marketing,
* display advertising and email marketing,
* social media and inﬂuencer marketing,
* content marketing and storytelling,
* viral marketing and word-of-mouth marketing,
* native advertising and mobile marketing,
* real-time bidding and programmatic advertising, and
* online PR.

### The Online Communication Process

How has communication between people changed as a result of the internet? The internet has key characteristics that have initiated a transformation to an information society. This means that today's internet users access, exchange, and use information differently than previous generations. In the 1990s, for example, if you wanted to buy a vacuum cleaner, you went to a special store and got advice on the spot. Today, internet users become experts on vacuum cleaners themselves by comparing information on different products, drawing on the experience of other users, and, if necessary, and contacting the manufacturer directly via live chat if they have any questions. Before the internet, communication between people was defined as a sender-receiver model.

Online Marketing Basics

For example, a company sends its message via a TV commercial to the receivers sitting in front of their devices at home. But the sender cannot track how many receivers have seen their commercial and what the receivers think of it. This is because the viewers have no way of communicating their reaction to the sender at that moment. Communication in the **sender-receiver model** is therefore one-way. Through the internet, every user can become a sender and communicate their opinion, content or personal data to another user, a group, and/or the public. “In principle, anyone can communicate with anyone, and once published on the internet, content can be viewed, manipulated, copied, and commented upon by any number of users” (Kollmann 2019, S. 39f.).



Every user can take on both the sender and the receiver role on the internet. This form of communication holds both opportunities and risks for online marketing. The sender receives direct feedback on their content and can utilize the users (receivers) as **multipliers** to indirectly reach further users. In this way, good online marketing can spread very quickly – which is also referred to as **viral marketing**. One of the first examples of this type was the “Moorhuhn” computer game from 1999. The game was actually developed as an advertisement for pubs and bars, so it could be played on a laptop in the pub. But due to its distribution via email, it was soon known throughout Germany, even though it was not originally conceived as online marketing.

However, direct feedback and the simple form of distribution can also have a negative impact on marketing. In social media marketing in particular, shitstorms regularly occur when companies send a questionable message with their content or do not respond appropriately to criticism. For example, in December 2019, Swedish climate protection activist Greta Thunberg posted a photo on Twitter of herself having to sit on the floor between her suitcases while traveling through Germany on a crowded ICE train. Thousands of Twitter users shared and commented on her critique. Deutsche Bahn commented on the photo in three tweets, triggering a shitstorm. First, the company wished the traveler a safe journey home, then thanked her for the train ride, and in closing, replied somewhat more aggressively that Greta could have also fairly reported on the excellent service in 1st Class, in which she was already booked.

Sender-Receiver Model

In traditional communication, there is a sender and one or more receivers.

Multipliers

A multiplier passes on information or content and thus contributes to its spread.

Viral marketing

In viral marketing, the advertising message should spread as quickly as possible on the internet, like a virus.

As a result, Deutsche Bahn not only included personal data in a public communication, but also accused the climate protection activist of deliberately portraying herself in the role of a victim (Frank 2019).

##### Characteristics of Online Communication

While communication according to the sender-receiver model in traditional marketing is one-way, communication via the internet offers the possibility of interactivity. For this reason, concepts for traditional marketing channels cannot simply be transferred to online marketing, since online communication follows different rules.

Virtuality

Communication on the internet is virtual. Information and data are exchanged, but not physically tangible objects, such as a letter. In this way, communication is detached from the real world. Any user with an internet connection is therefore able to communicate from anywhere in the world and at any time. For an online store like Amazon, this means that users are not tied to opening hours or premises and can shop and pay for the goods ordered around the clock. The shipment of the goods is a return to the physical world (Kollmann 2019, S. 40ff.). Thus, users can contact a company at any time via various platforms, even if the company is currently closed for weekends or company vacations. Virtual communication is everywhere and at all times.

Multimedia

The term *multimedia* is composed of the two Latin words *multi* and *media*. The term has existed since the 1950s, since different media such as images and sound were combined even before the internet. The goal of multimedia is to improve the absorption of information by approaching different senses and combining static content such as text and images with dynamic content such as music and video (ibid., S. 43ff.). Today's internet users have become accustomed to the combination of media and have high expectations when it comes to the preparation of information through image and video material. As a result, campaigns in online marketing can quickly become complex and expensive, since visual content must first be produced or purchased. A pure text post on Facebook, for example, receives significantly less attention than a photo or video.

Interactivity

Every user can be a receiver and a sender on the internet and therefore interact with other users. Each individual website and platform determines the options for the interaction itself (ibid., S. 46ff.): For example, a company can include a contact form on its website, a blog offers the option of discussion via a comment function, and on social networks such as Facebook, users respond to individual posts with “likes” and share them with their friends. The prerequisite for interactive communication is the interest of both parties in the dialog.

Online Marketing Basics

If a company sends out a newsletter with its latest products every day, but no one wants to subscribe to it, then the newsletter has no effect. This form of communication is referred to as **push communication**, since a sender shares their content with several receivers, even if they may not have the time or interest in it at the moment. In contrast, **pull communication**, is when users themselves go in search of content and find it on the sender's channels. In other words, the goal is not to as much information as possible via push communication, but to enable potential customers to engage in pull communication. This increases the chances of interaction.

Individuality

“The more two partners communicate and interact with each other, the more data that the provider can analyze and process for personalization is generated” (Kollmann 2019, S. 48). When a company buys a commercial on TV or an ad in the newspaper, it wants to reach as many people as possible. But how many of them really belong to the intended audience? Through online communication, a company can collect information about each individual user and thus create individual proﬁles. This knowledge can be used to communicate the content, services, and products to individual users that are relevant to them. For example, Facebook offers the possibility of clearly narrowing down the intended audience in an ad on the basis of individual interests. The suggestions on Netﬂix and Amazon are also created by evaluating all previous online activities with these providers. In this way, a small online world of relevant content is built up around each user, where they spend most of their internet time.

Mobility

Mobility is not a direct characteristic of online communication. However, online communication is increasingly taking place via mobile devices, making mobility increasingly more important. Virtuality means that communication on the internet can take place regardless of time and place, although the possibilities are limited by the technology available. For example, a customer must no longer drive to the hardware store, rather they could buy a drill from Amazon. However, an internet-enabled device is required for the ordering process. These initially developed from permanently installed computers to mobile laptops and then to small mini-computers, today's smartphones. Mobile use of the internet allows the potential of virtual communication to be fully exploited in online marketing as well. Users search for specific products and services near their current location in order to satisfy their needs, which in turn brings the factors of opening hours and premises increasingly back into play.

### The Electronic Added Value

A manufacturing company usually produces goods according to the physical value chain and must procure raw materials, hire personnel, purchase machinery, organize logistics, and much more. The result is a real, tangible product that can be sold for money.

Push and Pull Communication Either the company pushes its content to the user or the user searches (pulls) for the content on their own.

Electronic Value Creation

This involves the creation of added electronic value in the form of a digital product.

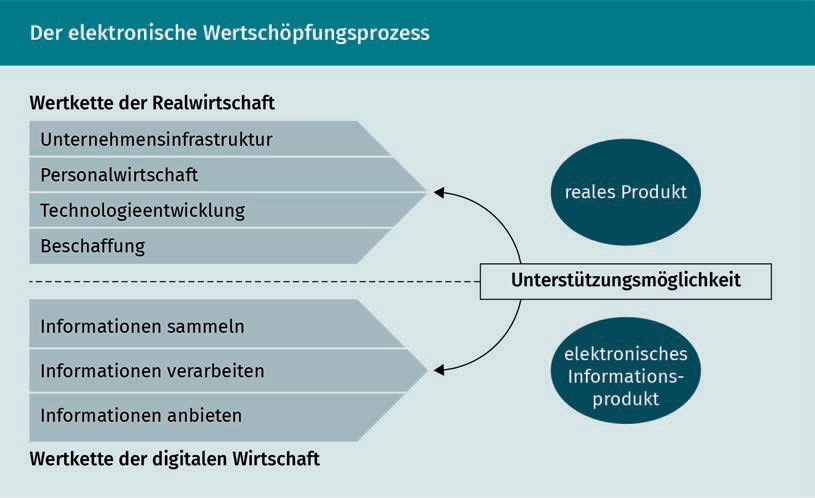
Distribution Distribution is the sale of a product or service.

This process is similar for **electronic value creation**, although no physical product is created at the end. Of course, digital products such as software, music, or computer games existed before the internet, but these could only be sold on data carriers – there was initially no other means of distribution. The internet means that data carriers are no longer absolutely necessary. Many digital products can be downloaded or streamed. CDs are increasingly disappearing from homes and being replaced by streaming services from Spotify and Deezer. In the German music industry, “the market share of streaming is just over 50 percent, while CD sales are still almost 30 percent” (Noll 2020). In the USA, streaming providers have already broken past the 80 percent mark in the music sector (Aswad 2019).

But electronic value creation goes one step further, because it does not create a finished product that is simply distributed over the internet. The goal is an electronic information product that enables information-processing processes through appropriate technology. This includes all kinds of search engines and online platforms that perform an overview, selection, and mediation function (Kollmann 2019, S. 59ff.).

The difference lies in whether online marketing aims to support the sale of a real product, e.g., a car dealership website, or whether the measure itself is the product, e.g., a search portal for used cars. While the dealership's website also has an informative character and a certain value for the customer, the customer would not be willing to pay for this information. Ultimately, the added value of electronic value creation lies in the collection, preparation, and provision of information. This starts with a simple Google search query: here, the customer pays in the form of the data that they leave on the platform through their search queries and with which the search engine can learn further. Conversely, companies pay money to Google in order to appear in the top positions in the search result ranking using ads. Thus, the search engine earns money simply by providing existing information. “This does not mean that no real resources (personnel, logistics, etc.) are needed. A real value chain exists, but only has a support character to be able to offer the electronic value creation” (ibid., S. 60).

Online Marketing Basics



##### The Electronic Value Creation Process

To offer the added value, the electronic information product must provide the customer with relevant data. This requires various steps in the electronic value creation process, supported by various service processes (Kollmann 2019, S. 62ff.):

* Collect information: The first step is to collect information. This can be data on used cars, offers for electrical appliances, or the conditions of car insurance – the main point is that there is as large a pool of information as possible in which the overview can quickly be lost. As the internet increasingly bundles and networks more information, an increasing number of services are needed to extract relevant information for the user.
* Process information: Collecting information alone is not sufficient. Providers must structure this information in a database in order to maintain an overview themselves. In addition, the user should be able to access this information independently; accordingly, the database must be able to provide information easily, quickly and comprehensively. In some cases, users can also enter information into the database themselves, e.g., if they want to sell a used car. In this case, the supplier provides a form that is used to enter the new information into the database.
* Offer information: In the final step, the data must be presented to the user. And this must be done in such a way that the user receives the appropriate result for their search query as quickly as possible. To do this, the database requires a speciﬁc search query based on keywords or adjustable criteria, according to which it presents the relevant results. If the user is not satisfied with the results, they can change or narrow their search query. Nothing will be displayed if no suitable information is available in the database.

Users evaluate the added value of the information product based on the results and ease of use. Google's single input line is a conceivably simple form for a search query. But there is now so much content and information on the internet that correct Googling also needs to be learned.

The results of a search query represent the current state of a database. Yet, few minutes later, a used car may have already been sold and the ad is no longer available. The electronic information product therefore only represents a snapshot of the available information and must be continually checked to ensure that it is up to date. This is because outdated results reduce the added value for the user, so they may prefer to use a competitor's search function. Thus, the collection, processing, and transfer of information to the user is a continual value creation process.

##### Added Value of Online Marketing

For an online offer to be of interest to users at all, it must offer them added value that they do not receive via other media. This added value is once again the goal of electronic value creation. Online marketing, too, can only work if it delivers added value for an intended audience. Accordingly, the goals of value creation are also considered the goals of online marketing, although an online offer can also achieve several goals. Amazon, for example, offers its customers both an overview of different products and a quick selection of the right product, as well as a simple order processing (Kollmann 2019, S. 58ff.).

Overview

By collecting, processing, and preparing information, online marketing can save customers a great deal of time that they would otherwise need to spend on their own research. Here, the online offer provides the corresponding added value through the structuring of information. Knowledge platforms such as Wikipedia fall into this category.

Selection

Finding, comparing, and selecting information, products and services – online services can also perform these functions. The added value here lies primarily in coherent and useful preparation of the information so it can be compared. One example is the Check24 comparison portal, which advertises that customers can save money by making the right selection.

Mediation

A wide variety of people who previously had no possibility of communicating can ﬁnd each other via the internet – be it through a match in online dating or the purchase of a collector's coin via eBay. Supply and demand can be communicated much more efﬁciently and effectively via online platforms than through other media.

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Processing

While goods still need to be physically shipped, payment is typically handled with just a few clicks. With online payment services such as PayPal, the money transfer is simply one more step in the ordering process. The user is then taken back to the order and no longer needs to make a separate payment. In some cases, the payment information is already stored in online stores, so only one click is required for confirmation. This simple form of processing increases interest in purchasing products online at low prices.

Cooperation

So that each supplier does not need to present their products in their own online store, they can be offered together on one platform with those that complement each other in this way. This saves time, as the customer does not need to visit several online stores. This applies not only to products in online stores, but also, e.g., to bundled information from various experts in blogs. This is why guest authors are welcome in blogs, as they add value for the reader.

Exchange

First and foremost, the internet as a medium is a channel for communication. Accordingly, various users can exchange information on all kinds of topics, products, and services. If a company manages, e.g., to bundle its intended audience via a common interest and communicate with it, then this type of online marketing is usually no longer perceived as marketing at all. For example, a provider of model trucks could use Facebook not only to present their latest products, but also to exchange tips for model building with its subscribers, discuss problems, and involve interested parties in the development of new models.

### The Role of Online Marketing in the Marketing Mix

Online marketing is a collective term for all marketing measures that are possible on the internet and combines the most diverse forms of marketing under one term. The challenge now is to select the right measures for one's own marketing and use them in a targeted manner in order to achieve the greatest possible effect. The company not only has the broad field of online marketing at its disposal, but also various other marketing channels. In addition, each measure can be combined with other measures, either to approach the intended audience via several channels or to attract different intended audiences. For this purpose, each company must develop their own marketing mix, which is based on a product or service, the intended audience, its own resources, and the previously defined marketing goals (Kalka/Mäßen 2018, S. 63ff.).

The boundaries between the individual channels are becoming increasingly blurred (Lammenett 2019, S. 40f.). When, for example, the Swiss company Graubünden Tourismus places an electronic poster at Zurich's main train station that turns out to be a live link to a resident of the village of Vrin, who invites passersby at the train station to their idyllic homeland with a train ticket, this is primarily a combination of a live campaign and **out-of-home marketing.**

Out-of-Home Marketing

Outdoor advertising in public spaces,

e.g., through posters, is referred to as out-of-home marketing.

Scatter loss Scatter loss occurs when marketing approaches people who do not belong to the intended audience.

Tracking Users leave data tracks on the internet. These are collected and

evaluated with tracking.

But this would only allow the tourism company to reach guests in the train station for a limited time. Therefore, the campaign “The great escape | Grisons whisks city dwellers away to the mountains” was ﬁlmed in summer 2015, the video was uploaded to YouTube (over 881,000 views, as of 07.07.2020) and integrated into the company's website (Graubünden 2015). By combining this with online marketing, the locally based campaign was able to attract international attention and thus reach a much larger intended audience of potential tourists. Online marketing should therefore neither be considered separately from other marketing measures in the marketing mix, nor should it be seen solely as a means of promotion (communication policy). For an optimal marketing mix, it makes sense to also plan for the other three Ps (product, price, promotion), so a company can place and promote its product at the right time, for the right price, through the right channels, and with the right marketing measures. With its various forms, online marketing offers many possibilities and adjusting screws for an effective marketing mix.

##### Advantages of Online Marketing

Compared to other forms of marketing, online marketing has the following advantages that can be used for a promising marketing mix (Kalka/ Mäßen 2018, S. 102ff.):

* Speed: Information is delivered within seconds and can achieve a wide reach in a short time via users as multipliers.
* Direct communication: The internet enables people to communicate with each other in real time, regardless of time and location. However, this also reduces tolerance for waiting times during communication.
* Targeted approach: Based on personal data, users can be approached individually with relevant information. This minimizes scatter loss and maximizes the impact of the advertising budget. Location also allows measures to be deployed regionally, or for users from different countries to see different content on the same website, for example.
* Precise performance monitoring: While the effect of a measure must be discovered and extrapolated by means of elaborate surveys in other forms of marketing, every click, every dwell time, and every interaction can be measured and evaluated by means of appropriate **tracking** in online marketing. In this way, insight into the performance of the respective measure can be gained quickly, which helps to optimize online marketing.

Online Marketing Basics

### Electronic Business Concepts and Platforms

How can money be made on the internet? All business models developed for e-business are concerned with this question. Various players come together in the online world: private consumers, companies (business) and public institutions (government). Depending on the platform and business model, each actor can take on the role of either provider or receiver and also switch between them. For example, on online trading exchanges such as eBay, private individuals can sell products to other private individuals (consumer-to-consumer). However, there are also professional traders who offer their goods (business-to-consumer) or buy used goods from private individuals (consumer-to-business). By selling more products, a private individual can also become a **power seller** and thus assume the role of a company. Accordingly, the transitions between roles are ﬂuid, and an actor can take on different roles as provider and receiver (Kollmann 2019, S. 67ff.).

On the internet, players meet each other on various e-business platforms - depending on the role and interest they are pursuing. Platforms can be divided into five categories, whereby each platform can serve several purposes (ibid., S. 65f.):

* E-procurement: electronic purchasing of products and services. E-procurement is used in medium-sized and larger companies to purchase goods and services from suppliers.
* E-shop: electronic sale of products and services. In an e-shop, players sell their own products and services, e.g., clothing, decorative items, or furniture.
* E-marketplace: electronic trade in products and services. An e-marketplace is a meeting place for various players to offer and buy products and services.
* E-community: Electronic contact between different players. Here, different individuals with a common interest come together to exchange information and ideas.
* E-company: electronic cooperation between companies. Several companies combine their offerings and appear together as a network on one platform.

##### Business Concepts for E-business

The business concept of a platform determines how that platform earns money in the future. For this, it is necessary to have as many players as possible use this platform. However, the players do not automatically bring in money, since most platforms are initially available free of charge. The core service of a platform is therefore not automatically its source of revenue. This should often initially create added value for the players and thus generate **trafﬁc** on the platform.

E-business

The economic possibilities in the digital, networked, and global world are referred to as e-business.

Power seller

A power seller is a user who sells a particularly large quantity of items online.

Trafﬁc This term describes data traffic on the internet, e.g., accesses to a

website.

At the same time, a business concept provides the necessary revenue, even if this is partly generated via ancillary services such as customer data or advertising space. Business concepts on the internet can be divided into five categories, whereby a platform with a hybrid business concept can also fulfill several categories (Kollmann 2019, S. 69ff.).

Content

When platforms collect content, process it, and make it available online, they work according to the “content” business concept. The aim is to make the content as simple, convenient and appealing as possible for customers, so they can access individual items of content quickly and in a targeted manner. This content can be information, entertainment, and learning opportunities. However, the company cannot generate revenue from the content itself. For this reason, there are various approaches to marketing, e.g., by placing online advertising on the platform, introducing a user fee, selling individual premium content, or calling for donations - as Wikipedia regularly does, for example.

Commerce

The goal of the *commerce* business concept is to process transactions via the internet. This requires a simple transaction process that the customer can carry out quickly and easily. Conversely, the transaction must first be initiated by a commerce platform providing and advertising appropriate offers. For example, Amazon as an e-marketplace takes over the product presentation and transaction processing for many companies. In the process, the platform earns money through the placement of online advertising, the surcharge of a fee, or the sale of additional products and services, among other things.

Context

The *context* business concept includes, e.g., search engines and web catalogs that primarily classify, systematize, and bring together available information on the internet. This enables users to access specific information and navigate through its abundance. Income is generated, for example, through a user fee, free access to premium content, or the placement of online advertising, such as ads in the top positions on Google.

Connection

In the *connection* business concept, a distinction can be made between the technological and the commercial level. At the technological level, internet providers such as Deutsche Telekom provide physical access to the internet and establish the connection in return for a connection fee. At the commercial level, retailers can connect to the database of an e-marketplace such as Amazon or Autoscout24 to offer their products and services directly. The platform provider can also charge the players a fee for this.

Online Marketing Basics

Communication

Social networks such as Facebook or dating platforms on the internet are part of the *communication* business concept, since they enable and support interaction between users. Users can communicate with each other or with the platform itself. Income is generated, e.g., through a user fee or through the placement of online advertising on the platform. Online advertising is particularly interesting in this area because the individual data of the users is often available for the selection of an intended audience.

### Current Developments and Trends

The internet, and online marketing along with it, are in a constant state of change. New platforms and apps constantly appear and then disappear in a very short time. Others become an integral part of everyday digital life. It is impossible to keep track of the multitude of trends at all times. That is why it is all the more important to have a solid concept behind every online marketing campaign in order to select and implement the right measures.

##### Inﬂuencer Marketing

In recent years, the rise of YouTube, Instagram, and the like has turned private individuals into internet stars – the so-called inﬂuencers. Companies can leverage their reach by entering into collaborations and paying the inﬂuencers to promote their product or service (Lubek 2019) – advantage: viewers trust the opinion and authenticity of the inﬂuencer; disadvantage: the company relinquishes some control, since many inﬂuencers do not allow their content to be dictated to them and develop their own content.

##### Streaming and Live Videos

Videos have always been popular on the internet because they appeal to several senses at the same time and attract more attention through the moving image. But young users in particular also want to communicate live with their internet stars, which is why an increasing number of inﬂuencers are streaming live on Twitch, YouTube, Facebook, or Instagram (ibid.). In a chat, viewers can interact with the streamer, and the transfer of content occurs in real time. Streams are often subsequently used and uploaded as videos in a shortened and edited form – a double utilization of the content produced.

##### Voice Search

Mobile First The presentation of content on mobile devices has the highest priority.

Storytelling Storytelling is used to tell emotional stories about products, services, and companies.

Artificial

Intelligence

An AI is a computer that simulates human thinking and can learn and solve problems on its own.

A growing number of households use voice assistants such as Alexa, Siri, or Google Home and they are put to work in everyday life for playing music, the weather forecast, search queries, or orders on the internet. Now that all online content is optimized for mobile devices (**mobile first**), voice assistants are also playing an increasingly important role, since their internet search functions differ from those of a smartphone or laptop – the visual level is lost and an exact verbal formulation gains in significance.

##### Social Media Stories

New apps such as Snapchat (launched in 2011) and Tiktok (launched in 2016) focus their content primarily on short stories composed by users with a great deal of creativity. However, established platforms such as Facebook and Instagram now also offer story mode, in which content such as photos and videos can be published temporarily. This encourages users to always stay up to date so as not to miss any content (Lubek 2019). This phenomenon is referred to as Fomo: *Fear of missing out*. Companies can use **storytelling** as a tool for their online marketing in order to increasingly reach a young intended audience with social media stories.

##### Artificial Intelligence

**Artificial intelligence** (AI) is increasingly used in online marketing to evaluate the data of different users, to create user profiles, and then to display personalized advertising. For example, if a cat lover appears on a pet shop website, a cat walks through the scene. In the case of a dog lover, it is a dog. Such individual forms of advertising are technically possible, but visitors can rarely be so clearly identiﬁed. With the help of AI, various data such as location, end device, search queries, and surfing behavior are assigned to a user and queried during a visit. Online marketing then develops different ads that are used in a personalized manner for different intended audiences. The more data an AI receives, the more it can learn from it and the better it works (Wolschann 2018). However, the collection and processing of data is associated with legal restriction, so users have rights in the matter. However, many users actually find personalized advertising useful, provided it is truly relevant.

Online Marketing Basics

Summary

Online marketing is a collective term for all marketing measures that are possible on the internet. Although the measures are very different, they are united by the characteristics of online communication and thus stand out from other forms of marketing. On the internet, companies can reach many users quickly, communicate with them regardless of time and place, and approach them personally on the basis of user data. Performance can be measured directly, making short-term optimization possible. For effective online marketing, each company must select the right measures for its own marketing mix – depending on the intended audience, its own resources, and the marketing goal defined in advance. It should be noted that communication on the internet offers various opportunities and risks, some of which are beyond a company's control. The internet also offers users the capability to communicate and interact publicly with a company, so it cannot simply distribute its content according to the traditional sender-receiver model.



# Unit 2

## Online Marketing Forms and Channels

#### STUDY GOALS

After completing this unit, students will know ...

... which online marketing forms and channels there are.

... the characteristics in which they differ.

... how the individual forms are used.

... which opportunities and risks the individual forms offer.

... which elements cross-media campaigns can consist of.

DL-D-DLBMSM01–01–L02

1. Online Marketing Forms and Channels

### Case Study

Mr. Scholz owns a toy store. For some years now, he has been losing an increasing number of customers who prefer to shop at large online retailers like Amazon because they have more selection there. Now, Mr. Scholz feels compelled to engage in online marketing himself in order to sell more toys in the future. He has deﬁned two goals for his marketing concept: first, to attract more customers to his store, and second, to sell and ship more toys via an online store.

Cross-media A campaign spans several channels, linking different content.

Unboxing A product is taken out of its packaging and presented, e.g., beauty and technology pro-

ducts.

Different online marketing forms and channels are suitable for each goal, and these can also be combined in **cross-media** campaigns. For local customers, Mr. Scholz sets up a Facebook page for his company, updates his profile on Google My Business, and invests in a search engine-optimized website. An online store is integrated into this, which he also promotes with Google Ads. He presents his latest products on Facebook and shoots **unboxing** videos for YouTube. Soon, a toy manufacturer takes notice of his videos and sends him new products free of charge for presentation. Mr. Scholz becomes an inﬂuencer and now reaches an entire online community of toy lovers in German-speaking countries. His online marketing has created a new source of revenue.

### Overview of Online Marketing Forms

Online marketing is a collective term for all marketing measures that are possible on the internet. Most measures focus on the sale of a product or service, but this is not a mandatory requirement. Instead, all measures have speciﬁc characteristics that apply to online marketing and thus distinguish the measures from other forms of advertising and channels (Kreutzer 2019, S. 97f.):

* Global reach: if the measure is not limited to a specific platform or intended audience, it can theoretically be seen by anyone in the world with an internet connection and without country-specific filter programs. This enables a broad reach, which is particularly needed and used for viral marketing.
* Permanent availability: The internet is open around the clock. Thus, online marketing content is also available around the clock, as long as it is not restricted or deleted by the operator.
* Short-notice adjustments: Once a newspaper ad or poster is published, it cannot be changed. In the case of online marketing, adjustments can still be made after the first reactions of the users to optimize the measure.

Online Marketing Forms and Channels

* + Direct feedback: as with dialog marketing, most online marketing measures aim for a direct response from users. Likes and comments spread the word about the content.
  + Personalized approach: with the help of user-specific data. For example, Facebook ads can be exclusively displayed to specific intended audiences in order to increase the effectiveness of the measure. **Cookies**, an email address, or even a login can be used to identify individual users and approach them personally.
  + Low initial costs: marketing, including online marketing, costs money. However, the ﬁnancial framework for individual measures can usually be adjusted, so initial test runs for optimization are still favorable. Nevertheless, a corresponding budget is necessary for a broad reach, even if some popular amateur videos prove otherwise.

##### Online Marketing Breakdown

With the progress of technology, various channels and forms of online marketing have emerged that are difficult to delineate from one another. In 2013, there was still a rough breakdown into search engine marketing, display marketing, social media marketing, and direct marketing (Kollmann/Köhler/Diller 2013, S. 183f.), although no speciﬁc classification was made according to the end device. Although mobile marketing is a separate branch of online marketing, a user can access a website via their mobile device in the same way as a user at their computer in the office.

Cookies

When visiting a website, information is stored in the user's browser for further visits.



The different forms of online marketing cannot be clearly delineated from one another and particularly demonstrate their strengths when combined in cross-media campaigns. However, some form share commonalities that make a rough breakdown possible. For example, social media marketing and email marketing use specific channels to deliver their content to an intended audience. In contrast, content marketing and storytelling are not tied to a single channel, but focus on exceptional content that can be published via different channels. In mobile marketing and native advertising, it is important to engage the user at the right moment with the right message; perception in daily life plays a decisive role here. Some forms of marketing are linked to modern technologies and thus achieve an individual and efﬁcient approach to the intended audience. Last but not least, viral marketing and word-of-mouth marketing offer opportunities for the rapid spread of content in order to achieve the broadest possible reach.

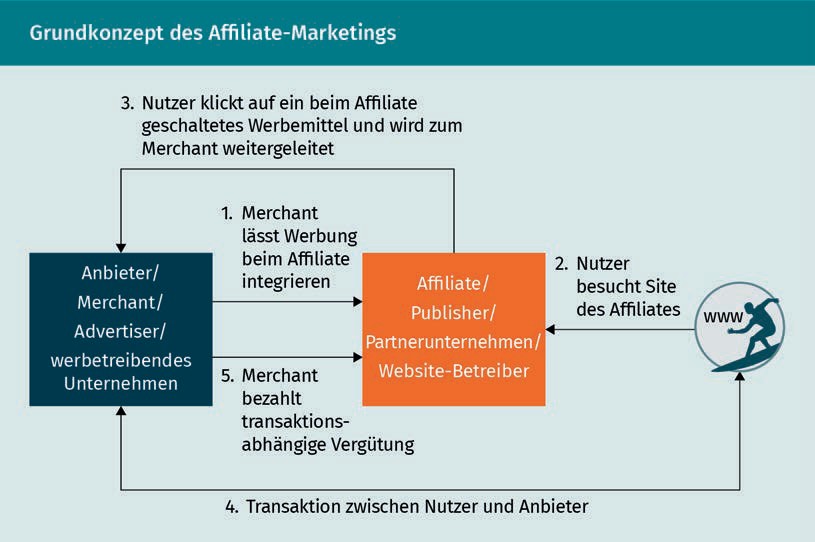
Online Marketing Forms and Channels

### Afﬁliate and Search Engine Marketing

The success of afﬁliate and search engine marketing depends on user activity. Both are rather discreet forms of advertising that largely do without visual content. As long as no user clicks on the corresponding link, there are no costs for the advertiser. However, a predefined amount must be paid for each click, so these measures become more expensive the more successful they are. In addition, targeted placement is necessary so the right users are reached. Every user who clicks on the link with false expectations and then leaves the advertiser's website costs the company unnecessary money.

##### Afﬁliate Marketing

How does a toy seller like Mr. Scholz bring users to their online store? Rather than running expensive ad campaigns to get noticed by the intended audience at all, he can use afﬁliate marketing to cooperate with other companies that are already a point of contact for their intended audience. In this case, Mr. Scholz is the supplier (*merchant*) who places their ad in, e.g., a forum for young mothers (*afﬁliate* or *publisher*). As soon as a forum user clicks on Mr. Scholz's ad, they are automatically redirected to his online store and can buy the desired toy there. What is the difference to an ad? In most cases, the partnership consists only of a link to a specific product – what is known an afﬁliate link. If a user clicks on this link, the afﬁliate automatically receives a commission from the merchant. However, the transaction for the product then takes place in the online store between the merchant and the user (Kreutzer 2019, S. 114ff.).



In addition, cooperation usually consists of more than just placing a link. Inﬂuencers prefer to list their equipment and products used as afﬁliate links under their videos and posts. A website for movie lovers could link specified or similar movie titles in their reviews with afﬁliate links, thus directing users to cooperating streaming providers. In doing so, the special link sends information to the merchant about which afﬁliate partner the respective user comes from. In this way, Mr. Scholz, for example, keeps track of several cooperations and analyzes which cooperation is worthwhile and which is not. However, afﬁliate links with clear commercial intent must also be labeled as such so the user recognizes them as advertising (Salewski 2020).

##### Search Engine Marketing

Search engine marketing (SEM) comprises all online marketing measures designed to direct visitors from search engines to the advertiser's website (Lammenett 2019, S. 43f.). Usually, search engines such as Google are designed to direct their users to the content they are looking for as quickly as possible via a search query. But Google would not earn money with the search function alone.

Search Engine Advertising

For this reason, search engines offer the possibility of appearing at the top or bottom of the search results positioning in return for payment. Due to its market leadership, this mechanism is explained using Google as an example, but it also applies to other search engines (Ryte 2021). The paid results mostly look like normal search hits, but are marked as advertising with the word *ad*. The placement of ads via “Search Engine Advertising” (SEA) works via **keywords** that users enter in the Google search line (ibid.)

Online Marketing Forms and Channels

For example, Mr. Scholz's toy store is located in Aachen. So he wants to be displayed at the top of the first page on Google when a user enters the two **keywords**, *toys* and *Aachen*. He can place an ad for this keyword combination. However, there are other toy stores in Aachen that also want to place ads with these keywords. So Google sells its space for ads to the highest bidders. So the result may be that Mr. Scholz must pay several euros for every click on their Google Ad. In using a campaign manager, the keyword combinations, budget limits, intended audiences, etc. can be precisely established, analyzed, and optimized so there is as little scatter loss as possible and every visitor has actually searched for toys in Aachen via the ad.

Search Engine Optimization

While Mr. Scholz pays his marketing budget directly to Google for SEA, he uses search engine optimization (SEO) to try to design his website in such a way that the search engines automatically display it at the top of corresponding search queries, directly below the paid search hits. Many internet users skip the purchased ads and scroll down to the real hits. Those who wish to be positioned at the top need to meet certain criteria (SEO-Küche 2021). First, website must be technically in order and must not have any major errors. Second, the content on the website must be relevant to the current search query. For this, Google has now developed a complex and clever algorithm that analyzes and **indexes** all online offers. Ultimately, the search engine rewards good content and cannot really be tricked. Nevertheless, it is advisable to position the keywords of the most frequent search queries on this topic in central locations within the respective website.

For example, Mr. Scholz should mention both in the headline and in the text that he is *toys* sold in *Aachen*. In addition, Google can analyze texts better than images, so a certain text length on the website must be observed – 300 words is the minimum requirement (Kunz 2017). However, these must also contain relevant information, since search engines can now distinguish good from bad content. The central keywords should also appear in the page title and meta description. These are the components that Google displays on its hit page. The page title must not be longer than 70 characters and the **meta description** must not be longer than 156 characters, otherwise the text will be cut off. If these components are not stored specifically for a website, Google searches for the corresponding text passages on its own using the keywords. The central keywords can be queried directly at Google – a free Google Ads Keyword Planner is available for this purpose (Google Ireland 2020b). It can check which key words are searched for via Google and how often. However, the following applies to all keywords and character lengths: search engines reward good content that is relevant to the respective search query.

Keywords

Keywords are search terms that users enter in search engines and are used to select search hits.

Indexing

All websites are collected in a directory by the search engine. When a search query is made, the directory is searched for matching entries.

Meta Description A short summary of the content that is stored in a website’s metadata and used by search engines to display the results.

### Display Advertising and Email Marketing

Adblocker As an extension of a web browser, adblockers can suppress internet advertisements so they are not visible.

Click-through rate

The CTR is a popular indicator that places the number of clicks on a banner or link in relation to its impressions.

Banner and email advertising are among the oldest forms of online marketing. Users have become correspondingly experienced in dealing with these forms of advertising. **Adblockers** and spam ﬁlters also ensure that only relevant content reaches an intended audience. To be successful here, it is necessary to develop creative and innovative campaigns that stand out from the masses of banners and emails.

##### Display Advertising

Display advertising in online marketing most closely corresponds to ad placement in print. Mr. Scholz creates a graphic advertisement that he publishes on various Advertising space on the internet. “In display advertising, advertising information is integrated into a third-party website as an interactive advertising space” (Kreutzer 2019, S. 99). For this purpose, other companies make advertising space available on their websites in order to earn money with them in turn. If a user clicks on an ad by Mr. Scholz, they are redirected to his online store. The typical display advertising is a banner, whereby Mr. Scholz can design and control his online ad by means of size, shape, animation, position on the website, and the time of insertion. Mr. Scholz does not need to take care of each ad individually, since there are display networks and ad exchanges that automatically place ads on various platforms based on predeﬁned intended audiences (Geradin/Katsiﬁs 2019, S. 4). Since banner advertising is one of the oldest online marketing instruments, most users have now become accustomed to it and automatically hide the ads. This is why “the **click-through rate** (CTR) on online banners has continually dropped worldwide in recent years” (Kreutzer 2019, S. 99) and averages less than 0.05 percent. Conversely, ads are used in an increasingly targeted manner based on the personal data of individual users, so they become more relevant. For example, if Mr. Scholz is looking for a birthday present for his wife and accesses many websites with jewelry on the internet, it is highly likely that he will be presented with precisely this jewelry in the form of ads in the coming days, even though he is now researching a vacation apartment for their next vacation.

##### Email Marketing

Traditional forms of email marketing include, e.g., newsletters or discount or gift card promotions. However, an email alone cannot initiate a transaction, which is why links are integrated in it that lead the user to an online store, a **landing page**, or to a blog post. First and foremost, the email should attract attention, make the reader curious, and encourage an action. To do this, the email must provide relevant information for the reader and ideally approach them personally so they have a feeling of exclusivity. At the beginning of online marketing, only text messages could be sent, but an increasing number of companies are now working with large-scale images that generate attention faster (Lammenett 2019, S. 97ff.).

Online Marketing Forms and Channels

An important part of email marketing is the subject line, since most users decide whether to open the email at all or move it to the trash after reading it. Alongside this, the time of sending is crucial. While a Facebook post still appears in the personal **newsfeed** after a few hours or a published blog post does not suddenly disappear, an email for office equipment sent on the weekend can be quickly sorted out on Monday morning.

A particularly sensitive issue in email marketing is data protection. This form of marketing repeatedly falls into disrepute, because users are spammed with unwanted emails despite intelligent filters. To begin, every email of a serious campaign should offer the reader the possibility to unsubscribe their email address from the distribution list for future campaigns. But where does Mr. Scholz get the email addresses for his newsletter? First, visitors to his website can sign up for his newsletter, and second, he collects the email addresses of his customers through selling toys in his online store. In the best case, customers can check a box during the order processing indicating that they wish to be informed by newsletter in the future. This way, Mr. Scholz is legally on the safe side. However, if a customer regularly shops in their online store, Mr. Scholz can assume that this customer has a legitimate interest in his products and send them an email without asking. By collecting email addresses on the basis of a contest or by purchasing email addresses, the advertiser quickly moves into a gray or even a prohibited zone. Email marketing today is subject to many legal requirements, but these are not centrally regulated. This is due to the fact that there is no uniform internet law, but rather various laws from different areas apply to communication on the internet, e.g., copyright law, competition law, and the General Data Protection Regulation (GDPR).

### Social Media and Inﬂuencer Marketing

The growing range of social media offers ever-increasing opportunities for successful marketing. This is where private users bustle about, exchanging ideas with other users, organizing their next events, reporting on past trips or experiences, and much more. Companies become part of this private environment through social media and inﬂuencer marketing. At the same time, social networks collect more data about their users than almost any other marketing platform. This personal data is the basis for a targeted approach and a high interaction rate (Pedersen 2017).

##### Social Media Marketing

Social media marketing uses social media to achieve individual marketing goals. Accordingly and in addition to placing advertising on Facebook, Mr. Scholz can also make use of other social media, such as social networking sites, blogs, online forums, online communities, and media-sharing platforms.

Landing Page

A website created for a campaign that is accessible by clicking on a banner or link is referred to as a landing page.

Newsfeed

An individual compilation of the most important posts since the last login is referred to as a newsfeed.

Fan Page

A public, specially established page on Facebook that other users can subscribe to and like is a fan page.

Organic Reach Organic reach refers to the number of users reached via a contribution without paying for advertising.

Followers On social media platforms, users can follow other users, proﬁles, groups or companies in order to be informed about new content.

The focus of social media is on exchanges with like-minded people. These can be users with the same interests, opinions, professions, or political attitudes (Kreutzer 2019, S. 152ff.). Here, every user can publish content their self, which in turn is seen by other users – either by their subscribers (in the case of a **fan page**), friends (in the case of a private proﬁle), or other group members (in the case of a group). Advertisers also have the option of paying to show their content to users with specific interests who previously had no contact or connection with the advertiser. For this purpose, Facebook suggests appropriate intended audiences based on personal user data.

Facebook is still considered a prime example of social media marketing – because the social network offers excellent opportunities for targeted advertising – but it is hardly used anymore, particularly by young users. Following Facebook, Instagram increasingly moved into focus, and Tiktok has been gaining in significance since 2016 (Jechorek 2021). Different generations grow up with different social networks. Depending on the intended audience, a specific network should be focused on for social media marketing. Distributing the same content on different networks usually does not work because the networks communicate differently: On Facebook, texts and comments dominate, on Instagram, images are relevant, and for Tiktok, short videos are produced. As with search engine marketing, a distinction must be made between two forms of social media marketing: those involving ad campaigns that can be purchased independent of the advertisers own proﬁle, e.g., by linking to a landing page or an online store. In contrast, those involving the maintenance of an advertiser’s own social media proﬁle with high-quality content are the more successful alternative in the long term, but also more cost-intensive and time-consuming. However, the **organic reach** of fan pages has been declining year after year, so a long-term investment should be well thought out (Hutter 2020).

##### Inﬂuencer Marketing

Inﬂuencers are users who have a broad reach in social media. These users usually started out as private individuals reporting on their hobby, who gained subscribers and **followers** over time, and eventually turned their hobby into a profession. These days, being an inﬂuencer is an accepted job that requires various skills and to which many young people aspire. Inﬂuencers are now present on every social media platform and moderate on various topics. They can be distinguished by interest or topic, social media channel, demographic of their subscribers, and reach (Lammenett 2019, S. 148ff.).

With inﬂuencer marketing, advertisers use the reach of an inﬂuencer to convey their message to that inﬂuencer's subscribers. The first requirement for this is that the subscribers of the inﬂuencer match the advertiser's intended audience. For example, Mr. Scholz does not need to make his toys available to a do-it-yourself youtuber whose subscribers consist of 60 percent 30–year-old bachelors. Mr. Scholz would rather choose a **beauty Youtuber** who has just become a mother for the second time.

Online Marketing Forms and Channels

Next, Mr. Scholz proposes a cooperation to the inﬂuencer. Once a certain reach is established, the advertiser no longer communicates directly with an inﬂuencer, but rather with their management. Here, the general conditions of the cooperation are agreed: price, form of product placement, number of mentions, etc. Since many inﬂuencers are active on several social media platforms, cross-media cooperation is also possible. However, not every inﬂuencer automatically agrees to every cooperation. Inﬂuencers cannot simply be booked like an ad campaign on Facebook. Users with a broad reach in particular receive many inquiries and can select the most lucrative and suitable cooperations. For successful inﬂuencer marketing, the company should offer the inﬂuencer a focus, e.g., a unique experience, a special opportunity, or a creative challenge. After all, inﬂuencers must produce exciting content relating to the cooperation for their subscribers. Micro inﬂuencers with 1,000 to 25,000 subscribers are also worth considering. They typically have a speciﬁc and loyal fan base and are less expensive than the big social media stars of macro inﬂuencers (25,000 to 100,000 subscribers) and the mega inﬂuencers (over 100,000 to several million subscribers) (ibid., S. 149).

### Content Marketing and Storytelling

Content marketing and storytelling focus on high-quality content. Via various channels, companies approach their intended audiences with relevant information, interesting articles, and emotional stories in an effort to attract the greatest possible attention.

##### Content Marketing

While social media marketing is distinguished from other forms of online marketing by its use of social media, the deﬁnition of content marketing is not so simple. This is because content marketing is not limited to specific channels, but rather is particularly suitable for cross-media campaigns – even beyond the boundaries of online and ofﬂine communication. The focus is on producing relevant content for the intended audience. Users receive content that is not immediately recognizable as advertising, but it must be marked as such in some cases, e.g., in YouTube videos. Content marketing uses journalistic forms of presentation to prepare advertising content editorially and link it with relevant topics. Here, communication with the intended audience is based on the pull principle: users search for content independently and thus arrive at the advertiser's website (Uhl 2020, S. 33f.).

Mr. Scholz also uses content marketing to fill both his blog and his YouTube channel with content. The regular content attracts the attention of his subscribers and in addition, he gradually climbs to top positions in search engines, since the new content generates trafﬁc on their channels and thus a relevance for search queries.

Beauty Youtuber A beauty youtuber is a Youtuber whose content is primarily about makeup, hair, and beauty in general.

Room Tour A filmed and published tour of one's own home, office, hotel room, etc. is referred to as a room tour.

While his website content has solely focused on his toy store in Aachen up to now, he can approach speciﬁc topics in his blog. A search in the Google Ads Keyword Planner provides him with the most frequent search queries. So, like an expert, he compares several doll strollers with each other, shoots a video on how to repair a dollhouse, and takes a filmed **room tour** of his own miniature Playmobil land in the store. First and foremost, the contributions are informative and entertaining, and do not directly praise a particular product or service. However, the toy store is clearly visible as the sender, and Mr. Scholz discreetly places his links to his online store and to the individual products in the text or video. Seen in this light, content marketing is the least obtrusive form of online marketing, but it is difficult to measure the effectiveness of a campaign in numbers.

##### Storytelling

These days, users are overrun with advertising on nearly all online marketing channels. This is why advertisers must increasingly consider creative and innovative approaches to stand out from the crowd. One possibility is storytelling. This involves telling a story that appeals to and captivates the user emotionally (Kreutzer 2019, S. 226f.). The product or service that is actually being advertised recedes into the background and emerges at the end of the story as the solution to a problem. By then, the user is already immersed in the story and follows it with anticipation. At the same time, touching stories – whether funny, sad, or frightening – offer a high potential for distribution on the internet. Users talk about it, forward it to their friends and/or write a comment.

Since the attention span of internet users is now very short, the story must be immediately captivating. A video is particularly suitable for this as a central element of a storytelling campaign, since longer texts are rarely read attentively and emotions can be conveyed better via a video (Lammenett 2019, S. 408f.). In addition, they stay in the mind for a long time. Who does not remember Felix Baumgartner's jump, with which he broke three world records in 2012 (for Red Bull); or the lonely grandpa who staged his own death at Christmas 2015 to bring his family together around the table (for EDEKA); or the limited edition hammer created from a Czech tank in 2013 (for HORNBACH)? Storytelling follows traditional narrative structures from the world of film and television and serves as a common thread for a cross-media campaign that approaches users via a video platform, social networks, and a landing page. The goal is often not to sell a specific product or service, but rather to convey a brand image. World records can be broken with Red Bull, Edeka provides the best family party ever, and Hornbach supplies tools of unique quality.

Online Marketing Forms and Channels

### Viral Marketing and Word-of-Mouth Marketing

Both viral marketing and word-of-mouth marketing primarily rely on user interaction. The more users share a piece of content (viral marketing) or rate a product or company (word-of-mouth marketing), the more relevant the content appears to other users and to the algorithms of Google, Facebook, Amazon, etc. The goal of both forms is therefore to motivate users to interact.

##### Viral Marketing

When content goes viral, it spreads epidemically among internet users like a virus. This is where the *snowball effect* comes into play: one user likes the content and forwards it to ten of their friends, who in turn forward the content to ten of their friends. In the short time available, this effect can only occur through the networking of users, so online content can already reach several million people within 24 hours (Kreutzer 2019, S. 229). The record for videos is currently held by Paramount Pictures' “Rings Prank,” which generated 200 million views in 24 hours via Facebook in January 2017 (Chestang 2017). Actually, the video is an announcement for the “Rings” movie, but in the form of a **prank** in a ﬁctional television store. The video is only 1:46 minutes long, works without sound (many mobile users consume content without sound), is easy to understand, does not depend on a particular language, shows extreme situations, and thus arouses emotions in viewers. Generating emotions is the decisive factor for viral content, which is why videos are particularly suitable for viral marketing (Abouyounes 2019, S. 274f.). The campaign around it is not particularly important for the distribution – the video would also work without the announcement of the film. However, the effectiveness is extremely high due to the simple message: every viewer had the “Rings” movie on their screen after that.

The question arises: Was the video planned as viral marketing? The producers certainly did not expect such a success, because prank videos are a dime a dozen on the internet, and the idea of a horror prank is quite obvious with this film. Nevertheless, the video meets all the criteria for viral distribution. Thus, it should be noted: viral marketing cannot actually be planned, because then all advertisers would produce viral content. But there are certain characteristics that increase the chances of rapid distribution. The goal is to reach as many users as possible via the internet without focusing on a specific intended audience. Accordingly, the content must be understandable for a broad mass and arouse emotions in as many people as possible.

Pranks

A prank is a trick that is planned and usually captured on video and then published on the internet.

##### Word-of-Mouth Marketing

Mr. Scholz's toy store is already well-known in Aachen. He has satisfied, regular customers who recommend his store to friends and acquaintances. This is how Mr. Scholz generates new customers. This form of word-of-mouth advertising works similarly on the internet. However, positive reviews and recommendations are even more important here, because they are collected and available to all users. If Ms. Schmunz is dissatisfied with Mr. Scholz's toy store, she tells her friends – and it ends there. Conversely, if she leaves a 1 Star rating on Google and also writes a biting, nasty comment, then the store is displayed to all other Google users with one star out of five – the damage is much greater. This is why an individual category for recommendations has developed in online marketing: word-of-mouth marketing.

Depending on the deﬁnition, this includes all types of word-of-mouth advertising, reviews, and references that occur online. The difference from inﬂuencer marketing is that users do not receive any money from the company for their reviews and comments (Lammenett 2019, S. 145ff.). Thus, the recommendation of a product or a company is voluntary and, in the best case, not influenced. Amazon, for example, is repeatedly criticized for giving products a much better rating through purchased reviews. Particularly with the flood of products on Amazon, the opinion of the masses has a decisive influence on buying behavior. These days, companies can be rated online, whether intentionally or not, even though they may not have an online presence themselves. Word-of-mouth marketing aims to make these ratings and reviews as positive as possible. And the more reviews given, the more trustworthy the result. Accordingly, the goal is to motivate as many people as possible to voluntarily submit reviews. A company's own employees can be approached as a first step, then the business partners, and finally the regular customers. In principle, every customer can be asked to rate a company on the internet. However, the company should have suitably satisfied customers for the appeal to be successful.

### Native Advertising and Mobile Marketing

Advertising should not disturb the user in their usual media use, but rather enrich it. Therefore, advertising must fit seamlessly into the editorial environment so it is perceived as relevant content. This also applies to the mobile view of online marketing. Many campaigns are planned in agencies on large screens and optimized for desktop use – then they end up not working on mobile devices and a large user group breaks away.

Online Marketing Forms and Channels

##### Native Advertising

In contrast to the loud advertising drum of viral marketing and word-of-mouth marketing, native advertising tries to hide among other content. Native advertising is not content itself and does not produce it, but describes the editorial environment in which advertising is placed. The advertising is prepared and designed in exactly the same way as other editorial content on the same platform, so at first glance it is perceived as informative content (Tuna/Ejder 2019, S. 31f.). Nevertheless, it must be marked as advertising or an advertisement. However, this indication is often discreet and is overlooked by users.

Native advertising is also not limited to defined forms of advertising or platforms. A paid article in an online magazine is just as much a part of it as a purchased post in a blog, an ad in the Facebook newsfeed or a Google search query (well) positioned at the top. The prerequisite for this form of online marketing is that the advertiser pays money to the respective platform and is allowed to place their content as authentically as possible among the other editorial content. While native advertising is subject to the charge of surreptitious advertising despite being labeled, good advertising nevertheless conveys relevant content to the user so the user does not feel annoyed by it. Most users prefer relevant content rather than a disruptive banner between the editorial content (Furth 2021).

##### Mobile Marketing

According to the Postbank Digital Study, the cell phone represents the central access to the internet for most users today (Postbank 2019). Checking emails, listening to music, taking photos, checking the weather, posting on Facebook, watching videos – mobile devices combine a wide range of functions and are the perfect companion in everyday life. At the same time, they are the gateway to a user’s very personal world. Accordingly, most users now perceive the online world through their cell phone display. A campaign for online marketing must therefore be verified in advance with regard to mobile use, otherwise a large user group could be lost. Is every button placed in the right place, do the links work, are the images not cut off, etc.? Mobile users scroll through content quickly and have only a short attention span, as they are used to ﬁltering content in any everyday situation. It is not necessary for them to sit down at a computer to answer an email or watch a video – they do that secondarily/incidentally.

Cell phone usage equally enables many new areas of application for online marketing. Users are mobile and can be identified by their location. **Location-based services**, for example, use this information to present users with location-dependent offers. In his toy store, Mr. Scholz invites customers to make selﬁes with a giant plush teddy bear and publish them on social networks under the hashtag #teddyscholz. He also provides his customers with free WiFi to upload the pictures

Location-based

Services

Mobile services that can only be offered via the user's location are known as location-based services.

Programmatic

Advertising

This term refers to the automated buying and selling of advertising space in

real time.

he provides their customers with free WiFi. Such a measure uses the customers' mobile devices for free advertising in social media – the customers become multipliers. The number of cell phone users is growing and mobile devices are becoming increasingly significant in everyday life: according to an annual survey by the Bitkom digital association, 44 million (63 percent) people aged 14 and over in Germany were already using a smartphone in 2015 (Bitkom 2015), and by 2019 this figure had risen to 57 million users (81 percent) by 2019 (Bitkom 2019). For nine out of ten users, the device was seen as a great relief in everyday life, and three out of four users could no longer imagine life without a smartphone (ibid.). In 2021, nine out of ten users stated in a survey that they could not imagine life without a smartphone (Sächsische.de 2021). Online marketing must adapt to this development, which is why the motto is: “Mobile first!” But what comes after cell phones? Many users are now using voice assistants such as Alexa, Siri, and Google Home. The next challenge and accompanying opportunity for online marketing could soon be “Voice ﬁrst” (Kreutzer 2019, S. 146ff.).

### Real Time Bidding and Programmatic Advertising

Mr. Scholz would like to place banners for his online store. However, the banners should only be displayed to users who are really interested in toys. But how does he find the websites where his intended audience can be found? And how can he place his banners on exactly these websites? For some years now, an increasing number of advertisers have been using the technical capabilities of **programmatic advertising**. All Mr. Scholz needs to do is provide the appropriate banners and determine their intended audience, and the rest happens automatically. As soon as a user visits a website with an advertising space, they are assigned to a specific intended audience based on their existing user data (search and surfing behavior, product and service interests, needs proﬁle) (Kreutzer 2019, S. 102f.). This eliminates all banners that are not relevant for this intended audience. For the remaining banners, an auction process is started in which the advertising space is sold to the highest bidder – this banner ultimately appears on the website. The entire process, from visiting the website to displaying the banner, takes only a few milliseconds and runs completely automatically in real time.

The auction process is referred to as real time bidding. During this bidding in real time, the website queries the auction price from various advertising networks during its load time via a real time bidding platform: how much are advertisers willing to pay for this banner? Mr. Scholz does not continually sit in front of his computer and place bids, but rather, he sets a budget per day, week or month in advance and has his banners played out automatically via programmatic advertising. User data also influences the price of an **ad impression**. The more information about a user that is known, the better they can be assigned to an intended audience and the greater the chances of success in attracting their attention with an appropriate banner. The real time bidding platform compares the price that the website operator wants to achieve for the advertising space with the advertiser’s bids who also want to use the advertising space placing their banners.

Online Marketing Forms and Channels

The advertiser with the highest bid is awarded the contract. However, the situation can change as soon as the user pursues other interests and other banners come into question. Even if the same user visits the website again, they may be shown different banners because, for example, their search proﬁle has changed in the meantime (and they are therefore assumed to have other interests) or the daily budget of an advertiser has been exhausted and the bid is awarded to another provider.

##### Individualized Advertising through Automated Processes

Programmatic advertising makes annoying banner ads more relevant for the respective user. However, various data are necessary to be able to determine relevance: First, the user's current interests must be identified in order to recognize relevant banners. Second, relevant advertisers must make these banners and ads available and submit their bids, so relevant banners are available if their bid wins. In addition, the auction process takes place in real time, which requires a corresponding level of novel technology to ensure that the banner can be displayed without interference. Programmatic advertising, however, is not necessarily associated with an auction process, but rather refers to the support of individualized online advertising through automated processes. One example of this is Deutsche Bahn's “Save Yourself the Flight” campaign. For the campaign, social media marketing was paired with programmatic advertising. The user data came from Facebook, which made it possible to identify users who like to travel and their most popular destinations abroad. The first step was to manually search for photos of German locations that looked remarkably similar to the travel destinations. In a subsequent ad on Facebook, the two photos were displayed next to each other with a call from Deutsche Bahn to save money and travel in Germany instead. After the great success of the campaign, an algorithm took over the work so a photo of the destination abroad based on user data and a comparable photo of a place in Germany could be tracked down in real time. Another algorithm localized the user's location and searched for the cheapest flight from the nearest airport to the destination abroad. The price was listed in the ad and compared with the Deutsche Bahn offer to highlight the savings potential. Finally, the process ran automatically, combining user data from Facebook with the user's location, images from Getty Images, flight prices from a search engine, and Deutsche Bahn ticket prices (Van Rinsum 2019).

### Online PR

The phone rings in Mr. Scholz's toy store –- a well-known artist from Canada is calling. The artist is touring Europe with an installation made of toys and would like to exhibit their artwork in local toy stores. Mr. Scholz is enthusiastic about the idea and hopes to attract more customers to his toy store in Aachen.

Ad Impression

An ad impression is a visit to a website with an advertising space on which a specific ad can be seen.

However, the artist asks him to announce the exhibition independently and to provide visitors. Of course, Mr. Scholz also informs his customers using his newsletter and publishes the date on his website and on social media. But he wants to reach more customers, particularly the intended audience of art lovers in the region. So Mr. Scholz decides to contact the newspaper publishers with an accompanying press release. He summarizes all the important information in exciting text and adds photos of the art installation. Next, he researches the contact persons at the local newspapers and sends them the press release by email. Then, the journalists decide whether they find the topic exciting enough to print it or write their own article about it. Mr. Scholz can only hope they do.

Traditional press work aims to make one's own information available to a broad mass via broadcast and print media. Journalists and editors are utilized as multipliers. However, since they are not paid by the approaching company (as is the case with an advertisement), whether and how they publish the material is at their discretion. In online PR, the press release is published on the internet and is thus also accessible to a broad mass, even independent of location and time (Lammenett 2019, S. 416ff.). There are various approaches for this:

* + - Publish on your own website: as with a blog, a company's website can also introduce a Press category, where the company's press releases can be found. These are usually texts that the company has sent to journalists. They serve both as an archive and as quality content for higher search engine rankings.
    - Send to journalists: newspapers now offer publication on their own online portal. Some journalists decide for themselves which articles they print and which they publish online. But there are also purely online magazines or online journals that are open to guest articles and press releases. In principle, an interesting press release can be sent for publication to all possible platforms for which the topic might be of interest.
    - Publishing via a press portal: journalists now also obtain their content from press portals on the internet. Here, companies upload appropriate press material and make it available to journalists for further use. The press portals are diverse: subject to charge or free of charge, with different focus topics, exclusively for journalists or visible to all, etc. Since press portals are frequently used by companies with advertising content, some journalists are now refusing to use such portals. Successful publication is not guaranteed here either, but can be estimated in advance on the basis of empirical values.

But why is the detour via journalists helpful when companies can communicate and interact directly with their intended audience via online marketing? First, reputable newspapers, magazines, and platforms have a trustworthy standing with the intended audience, so a press release carries more weight than a message from the company itself. Second, the press has a corresponding reach and access to intended audiences that cannot be reached via other channels.

Online Marketing Forms and Channels

It is therefore advisable to include a link to one's own website in every press release in order to identify the sender. When journalists publish the link, it counts as a valuable **backlink** for the advertiser’s website.

Summary

Individual online marketing measures can be roughly assigned to specific categories. However, these categories are difficult to delineated from one another and develop their effect best through combination in cross-media campaigns. The channel used (social media marketing, search engine marketing, email marketing), the end device used (mobile marketing), the preferred content (content marketing), the targeted reach (viral marketing), or the technology used (programmatic advertising, afﬁliate marketing) can be used as distinguishing features. Depending on the intended audience, marketing budget, and marketing goal, companies can select and use different forms of online marketing to achieve the best possible effect. Due to the continuous progress in the online sector, new forms of online marketing are constantly emerging and make it possible to approach other intended audiences. While communication today is mainly via mobile devices (mobile first), tomorrow it may be voice control (voice first) that generates successful communication.

Backlink

A backlink is a link that points from another website to one’s own website.



# Unit 3

## Online Marketing Strategy

#### STUDY GOALS

After completing this unit, students will know ...

... how to set a goal for an online marketing strategy.

... how a customer journey is structured.

... how to select the right channels for a campaign.

... how to measure the effect and performance of a campaign.

... how a campaign can be constantly optimized.

DL-D-DLBMSM01–01–L03

1. Online Marketing Strategy

### Case Study

Ms. Behr has been delivering fruit and vegetables in her van in the Stuttgart region for a few years. Her customers are regulars who order their goods by phone or by filling out a list. But her customers are aging. Ms. Behr wants to expand, reach younger customers, hire employees, open a real store and become the leading provider of fresh fruits and vegetables in the region. Ms. Behr therefore has a goal – the first building block for a promising online marketing strategy.

She wants to use online marketing to attract more people, particularly younger ones, and gain them over as customers. But rather than investing her budget in the first available advertising measure, she develops a sophisticated online marketing strategy together with a local advertising agency. This costs her money, but a strategy makes her marketing more effective and efﬁcient, so she expects it to be more successful. It also enables her to advance the digitization of her company in a holistic manner and coordinate her work process with online marketing. After all, online customers have different needs in terms of response, processing, and delivery times than her current regular customers (Lammenett 2019, S. 473).

### Set Goals and Create a Base

SMART Goals Goals can be clearly and understandably formulated with this formula

The first step to successful online marketing is setting a goal. So Ms. Behr goes to an agency and says, “I want to become the leading supplier of fruits and vegetables in the region.” The agency asks about her timeframe to achieve this goal. Ultimately, her goal should be as specific as possible and therefore have a deadline. Ms. Behr is given the **SMART goals** formula for this (Kloiber 2020):

* Specific: the goal should be formulated as precisely as possible so it is also clearly recognizable and achievable as a goal.
* Measurable: the goal should be measurable in concrete numbers/figures. This also applies to qualitative goals, such as image enhancement, for which representative figures must be deﬁned if necessary.
* Acceptable: all stakeholders must stand behind the goal and cooperate in achieving it. It is best to involve employees in the deﬁnition of the goal.
* Realistic: the goal should be achievable, otherwise it can have a demotivating effect on those involved.
* Time-bound: the goal should have a fixed date by which it must be achieved. It is only in this way that clear measures can be deﬁned and figures measured.

Online Marketing Strategy

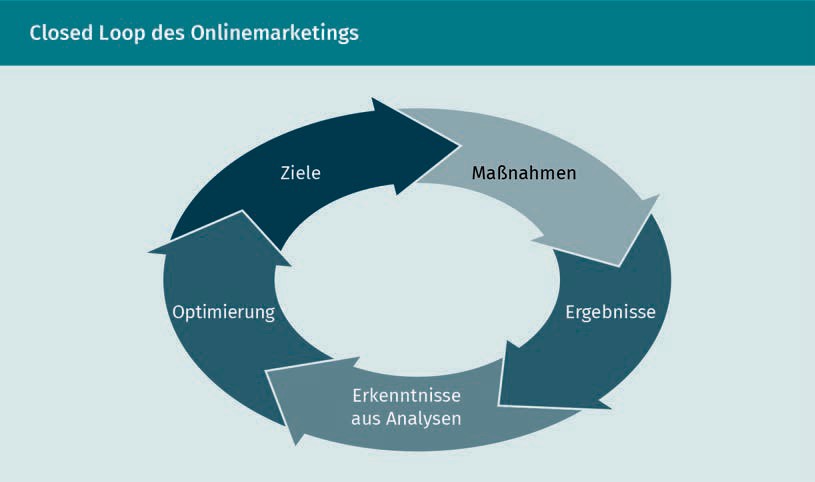
While using the SMART formula, Ms. Behr recognizes that her goal was previously formulated too abstractly. Thus, no specific measures can be derived from it. So she newly deﬁnes her goal for an online marketing strategy: “Within a year, I would like to generate 200 new customers who order fruit and vegetables online from me at least once.” She communicates this goal to new employees as early as the job interview to ensure their acceptance.

##### Marketing as a Closed Loop

One advantage of online marketing compared to traditional marketing is the measurability of the individual measures. Every click, every like, every comment can be measured and analyzed. This gives Ms. Behr immediate feedback on whether her measures are leading to the desired success and attracting more customers. This takes place in a two-step process: In the first step, the intended audience is approached (e.g., through an ad on Facebook) and directed to Ms. Behr's online offers. In the second step, users are prompted to take a specific action via **call-to-action** (CTA) – e.g., they should buy a fruit basket in the online store, call Ms. Behr, or submit their order via a contact form. For successful online marketing, both steps must be well thought out and coordinated. Ultimately, if a website is attractively designed, but does not generate visitors due to poor marketing, then the effort – the creation of the website – has not been worthwhile. Conversely, if the visitors’ expectations for a website are not met, then no further action will be taken no matter how creative a marketing campaign is (Lammenett 2019, S. 485ff.). For this reason, online marketing should always be conceived and designed holistically so the intended audience is accompanied from the initial contact through to the order and bouncing is avoided. Because the final action is the only way to achieve the following goal: The project pays off.

Call-to-action

A request for a specific action, e.g., to make a purchase or to establish contact, is referred to as a call-to-action.



Closed loop When online marketing is understood as a closed cycle for constant analysis and optimization, it is a closed loop.

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Customer Journey The journey of a customer from the first contact to the purchase, which is planned in a marketing concept, is a customer journey.

Touchpoints The user can interact with the company, product, or service at touchpoints.

As soon as measures are placed, users leave their data behind: How many users have seen the ad on Facebook, how many have clicked on the link, how many have visited the website, how many have placed an order with Ms. Behr? The individual steps can be tracked so weak points in the concept are recognized fairly quickly. Adjustments can be made directly so the campaign can be constantly monitored and optimized. At what time of day is Ms. Behr's intended audience online? Or: which keywords do they enter in a Google search line? With these insights, Ms. Behr is steadily getting to know the usage behavior of her intended audience better and can use her online marketing more effectively step by step. In project management, this is referred to as a **closed loop** system, whereby online marketing is constantly monitored and adjusted as a closed cycle (Kreutzer 2019, S. 63f.).

### The Customer Journey

To ﬁnd the right measures for her marketing concept, Ms. Behr develops a **customer journey** for her intended audience. To do this, however, she needs to precisely know her intended audience: Who does she want to reach in general? Before the concept is created, market research is conducted to find out the interests and needs of potential customers (Kollmann 2019, S. 415). This also takes place online – either via specially created surveys within the intended audience and/or via the research of information about user groups within various platforms. For example, Facebook user data reveal that 5.9 million users aged 18 and over in Germany are interested in vegetarianism, 5.7 million in healthy eating, and 270,000 in raw food. In a 50-kilometer radius around Stuttgart, there are 16,000 users with an interest in raw food. Of these, half are younger than 31 (Facebook Ireland 2020). In this way, a proﬁle of the ideal customer who Ms. Behr would like to approach with her marketing is gradually emerging.

Once the intended audience is clear, the next step is to develop the customer journey: How can Ms. Behr reach the user in their everyday communication, then direct them from their channels to her website and move them to the call-to-action there? First, the user must become aware of Ms. Behr's company. To do this, she needs to know which channels the user uses to communicate. Since different intended audiences use different media (depending on age, origin, place of residence, interests, etc.), Ms. Behr does not need to commit to one channel. She can also approach her intended audience on different channels and thus create different **touchpoints**. The customer journey for Ms. Behr's customers thus far is as follows: she has placed a display in front of her house, which most residents in the area have seen before (initial contact). Every three months, she drives through the region and distributes flyers to all mailboxes. As a result, new customers make contact with her. When she then delivers fruit and vegetables there, she always encloses another flyer that her customers can pass on to interested parties. Her customers therefore come into contact with her at several touchpoints, whereby her *journey* has been quite linear so far.

Online Marketing Strategy

##### Orchestration of Digital Touchpoints

With online marketing, Ms. Behr has many more touchpoints at her disposal to engage with her intended audience. In particular, mobile use of the internet ensures that users can enter the customer journey via a touchpoint at any time – both when scrolling through Facebook during a boring train ride and when browsing YouTube during an office lunch break. Ms. Behr cannot plan the customer journey chronologically like a real trip, but must create different contact options with different touchpoints through which users can enter the journey. The boundaries between online and ofﬂine measures are becoming increasingly less important, since ultimately it is about the user's experience. The user must get involved in the journey at first contact and follow the trail until they order a fruit basket from Ms. Behr. Users do not care whether they are currently communicating online or offline – it is important is that the journey is not broken off and the user is lost. In the end, the user must “assemble the individual communication pieces and process steps – to discover, as the case may be, that they do not fit together at all” (Kreutzer 2019, S. 10).

The entire customer journey must create a coherent impression across all channels and media used and continue the user's experience, otherwise the user will not follow through to the available action. The touchpoints between user and company can be precisely coordinated with a dedicated touchpoint management – from the Google rating to the review of a food blog. However, a company cannot control all touchpoints (Kreutzer 2019, S. 18f.). A company still has control over its own website, a trade fair presence, or a YouTube video. But if users discuss Ms. Behr's fruit and vegetables in a WhatsApp group or an inﬂuencer makes a video about them, new touchpoints are created that Ms. Behr may not even notice. Although she can record an inﬂuencer's video for her own communication, share it, comment on it, or make a video about it herself, she cannot directly influence it, even if it contains unjustified criticism and a video damages her business. And can result in the customer journey ending without a purchase. In the best case, the customer shares their experience with their acquaintances, friends, and subscribers via social media so they become a multiplier. For this to happen, the process of unpacking the goods must also be an experience worthy of documentation. Receiving a package can be another touchpoint that makes the customer feel like it is Christmas. Original packaging is remembered positively – for example, mymuesli customers can even pay a surcharge to have attractively designed muesli packaging on their shelves (Mymuesli 2020). The product is becoming a lifestyle product, something that any product can achieve today.

Food blog

A food blog is a blog that primarily revolves around food and nutrition and regularly publishes content on this topic.

##### Three Customer Journey Types

For her online marketing strategy, Ms. Behr has decided on an intended audience of nutrition-conscious vegetarians between the ages of 20 and 30. Now she wants to develop a customer journey for this intended audience. There are various approaches that focus on different channels (Kruse Brandão/Wolfram 2018, S. 98f.):

* Impulsive journey: an impulsive journey aims at the user making a quick purchase decision. They take little time to gather information, but satisfy their needs quickly. To achieve this, the communication path must be as short and simple as possible. Ms. Behr decides to sell her fruits and vegetables in handy boxes, with each box containing the ingredients for a delicious smoothie. She also provides the recipes and users can win a smoothie maker if they order within a week. She appeals to her intended audience with refreshing ads on Facebook and Instagram that lead directly to ordering a smoothie box in the online store.
* Balanced journey: in a balanced journey, the user takes more time to find out about the product or service. After an initial contact, they look for more facts, read through reviews of the product, and check the supplier's website for reliability. Here, the ads do not lead directly to the online store, but to a landing page where the components of the smoothie box are explained in more detail. In a video series, Ms. Behr presents the individual smoothie boxes and prepares the smoothies in step-by-step instructions. Users have the option to order a sample box and receive a voucher for another box if they successfully recommend Ms. Behr or her company to a friend.
* Carefully thought-out journey: this journey does not satisfy any of the user’s current needs, since they do not yet sense the need. Nevertheless, the user is part of the intended audience because they will likely sense this need in the near future and should then remember the marketing campaign. The goal here is to captivate the user with an experience and create a lasting impression, even if they do not complete a purchase yet. For this journey, Ms. Behr works with inﬂuencers who present, test, and rate her smoothie box on YouTube, Instagram, Facebook, and in their blogs. In the process, Ms. Behr raises a challenge in which the inﬂuencers are to only eat from her smoothie boxes for three days and document the process in a diary. The broad reach ensures awareness of the smoothie boxes, even if users are not directly encouraged to buy them.

### The Right Channel Mix

Depending on the strategy, a separate **channel mix** must be composed for each campaign that best approaches the intended audience and achieves the goals as quickly as possible. Different channels are needed for an image campaign than for product sales (Lammenett 2019, S. 488ff.).

Online Marketing Strategy

The individual channel mix is defined in a marketing concept before appropriate measures are developed for the individual channels.

How are the individual channels utilized? There are two different approaches to answering this question: Multichannel marketing and omnichannel marketing. In multichannel marketing, the channel mix consists of different channels, but these are used in parallel without the content complementing each other or being interrelated. Separate content can be produced for each channel. This creates several touchpoints through which the user can make contact, but each touchpoint communicates for itself (Kreutzer 2019, S. 6f.). For example, if Ms. Behr continues to put her flyers in the mailboxes in Stuttgart, but runs a discount campaign in her online store that she promotes via Facebook at the same time, then the two measures have nothing to do with each other. Nevertheless, in the best case, she generates new customers with the help of both measures, but she cannot clearly assign them to one measure.

Omnichannel marketing involves communicating a convincing overall image across multiple channels so the individual content generates synergy effects. The marketing is carried out according to an overall concept that includes all relevant channels and communicates the same message or call-to-action with similar content. The concept is more complex and more susceptible to disruption, since the individual channels must interlink perfectly so the customer journey is not interrupted (Kreutzer 2019, S. 74ff.). However, the effect is usually all the greater, since a cross-media campaign can create a more emotional experience that stays with the user better than a discount promotion in an online store. Ms. Behr is developing a cross-media campaign for her smoothie boxes called “Which Smoothie Type Are You?”. Using an online test, users can find out which smoothie box suits them best by answering questions about their hobbies, cooking skills, and favorite fruits and vegetables. Ms. Behr promotes the online test via ads on Facebook and Instagram, flyers in Stuttgart, and in cooperations with various inﬂuencers. The online test includes its own landing page, which in turn links to the individual smoothie boxes in the online store after the test. The test result can be shared via a photo on social networks, as well as via Messenger. To do this, the user uploads a photo of their self that is automatically edited depending on the smoothie type, e.g., as a “Hulk” for the green smoothie or as a “Flash” for the red smoothie. In this way, Ms. Behr has designed an interactive customer journey that links different channels and therefore spreads even faster.

##### The Right Channels for Every Phase

Which channels are the right ones for an individual customer journey primarily depends on which channels the intended audience uses. The campaign should be present on those channels so it reaches the desired users. Furthermore, it depends on the phase in which the users are to be approached.

Channel Mix

A channel mix describes the composition of individual channels for online marketing to create touchpoints between the intended audience and the company.

An intended audience uses different media for different purposes depending on their age: Google is the first point of contact for research, Amazon is used for buying decisions, and YouTube is used for entertainment.

The user goes through six phases during a buying process and typically uses different channels and platforms for each phase (Kreutzer 2019, S. 74f.). If the customer journey is geared toward a purchase, then it should include these phases and push the appropriate channels to ultimately lead the user to buying.



### Deﬁning and Analyzing KPIs

Ms. Behr has developed her marketing concept and designed the individual measures – now she can get started. But how can she assess whether her online marketing will be successful? The goal is 200 new customers within a year, but her campaign will not run that long. So she needs smaller goals that provide her with an interim status. After all, she wants her marketing investment to pay off. The money she invests in online marketing must be recovered in the long term through more orders from her online store. Key performance indicators **(KPIs)** are available to Ms. Behr for a detailed assessment. KPIs are the key performance indicators used to measure the performance of a campaign in the short, medium, and long term. KPIs are not fixed key figures, but rather are newly deﬁned for each campaign and are analyzed and evaluated over a certain period of time (Kreutzer 2019, S. 105f.).

Online Marketing Strategy

This gives Ms. Behr an insight into the impact of her online marketing after a short period of time and allows her to make optimizations. The following are examples of KPIs:

* + Number of followers on social media: how fast is the social media reach growing?
  + Bounce rate: how long do visitors stay in an online store?
  + Cost per **lead** (CPL): how much does a new prospect cost?
  + Order value: how much money do customers spend on average in the online store?
  + **Conversion rate** (CR): how many visitors to the online store place an order?
  + Click-through rate (CTR): how many users click on a link or button?
  + Open rate: how many users open an email?
  + Interaction rate: how many users interact with a piece of content?
  + Revenue per mille (RPM): how much revenue is generated per 1,000 impressions?

Different KPIs are of interest depending on the channel, intended audience, content, and goals. For example, if Ms. Behr sends a newsletter to her customers and integrates a link to the smoothie box in her online store, she can measure the number of users in different places: Number of emails sent, number of emails received, number of emails opened, number of clicks on a link, number of visitors to an online store (including dwell time and bounce rate), and the number of orders for a smoothie box (including value of goods). Due to the deﬁnition of KPIs, Ms. Behr does not need to keep an eye on all the numbers all the time, but rather only records the relevant ones. This allows her to later compare different measures with each other, with previous measures, or with the competition (Kreutzer 2019, S. 105f.). However, a KPI is not particularly meaningful without appropriate context. A KPI can only be accurately assessed by comparing it with other KPIs or with information about the framework conditions of the measurement (Kerzner 2013, S. 260). An online marketing strategy also includes a goal for the various KPIs to be able to assess the effectiveness. If, e.g., 5 percent of readers are expected to click on a link in an email, but only 1 percent actually do so, then it is advisable to reconsider the design of the email.

##### A/B Testing

Which subject line encourages readers to open an email? And with which images are users more likely to click on a link? Ms. Behr asks herself many questions. However, since her intended audience is not completely transparent and predictable, she does not need to commit to a ﬁnal version of her measures. She can send two variants of an ad, a website, or an email into the race and address them to different user groups to find out which variant is more effective. The two variants may only vary slightly in order to allow concrete conclusions to be drawn about the content design. If only the subject line of an email is different, A/B testing can identify the intended audience's preferred subject line and gain insights for future subject lines. If, instead, users receive two clearly different

KPIs

Previously deﬁned key figures are used to measure user activity and therefore the performance of a particular measure over a specific period of time.

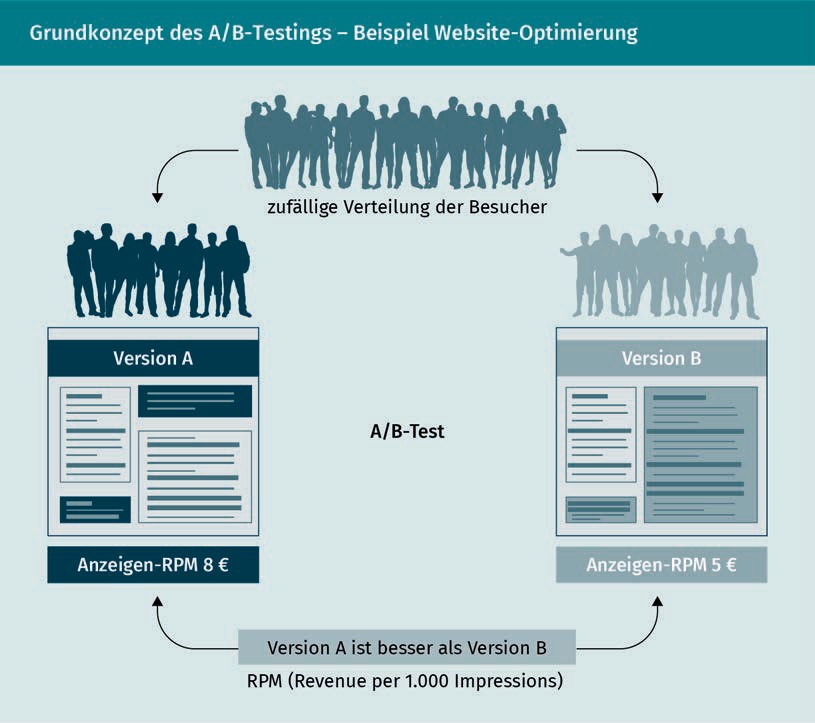
Lead

A lead is the contact with a prospect that could become a customer.

Conversion Rate

The conversion rate is a key figure that places the visitors to a website in relation with a desired action.

emails, then it is only possible to speculate which email was more popular with the intended audience, but not why this was the case. Furthermore, both user groups must be randomly selected and have a specific number of people so they are representative of the intended audience.



For constant optimization, A/B testing can also be used as an ongoing procedure. When Ms. Behr sends out a newsletter every week, she sends the usual standard variant (Variant A) to 80 percent of her customers and an adapted variant in which one element has been changed (Variant B) to 20 percent. In this way, it ensures that the majority of its customers receive the proven quality – the risk is low. At the same time, Group A serves as a control group. However, if Variant B achieves better KPIs in Test Group B, then Variant B becomes the standard Variant A for the next newsletter sending and a new element can be optimized (Kreutzer 2019, S. 141f.).

Online Marketing Strategy

Summary

Online marketing is a broad field of different measures, platforms, and intended audiences. If there is no strategy behind the individual measures, the marketing budget can be invested incorrectly and fizzle out without effect. This is why it is important to start by deﬁning a clear goal with an online marketing strategy that the company wants to achieve with the help of marketing.

Then the intended audience must be analyzed to understand their usage behavior: How and where do potential customers communicate? The next step is to develop the customer journey – from the initial contact to the ﬁnal order, and through to the review and recommendation in social media. Which steps should the intended audience complete in order to achieve the strategy’s long-term goal? The customer journey must take each user by the hand and lead them through the marketing measures as an experience. The key here is to select the right channels in a channel mix to reach the intended audience and guide them accordingly. Each channel communicates differently, and users are constantly switching back and forth between channels. This is why the customer journey must create a coherent overall picture in which the user can immerse their self at various touchpoints. But is online marketing effective? To measure performance, the online marketing strategy defines various key performance indicators (KPIs) that are measured and evaluated during the campaign. In this way, it is possible to adjust and optimize the measures during the campaign – a basis for deciding whether the strategic goal can be achieved and whether the investment in online marketing has been worthwhile.



# Unit 4

## Media Planning Online

#### STUDY GOALS

After completing this unit, students will know ...

... how to plan a campaign for online marketing.

... which components a media planning consists of.

... how the budget for a marketing campaign is established and allocated.

... how to control and optimize a campaign.

... which advantages a cross-media campaign offers.

DL-D-DLBMSM01–01–L04

1. Media Planning Online

### Case Study

B2B

The business-to-business intended audience refers to other companies as potential customers.

B2C

The business-to-consumer intended audience refers to private individuals as potential customers.

The Lomö company in Saarbrücken has been producing high-quality lounge furniture for the restaurant and hotel industry for more than 15 years – made of sustainable materials, in modern designs, and suitable for all weather conditions. Nearly one in three restaurants and hotels in Germany now uses Lomö furniture for their outdoor areas. The **B2B** intended audience is gradually being exhausted. This is why Managing Director Thorsten Hildemann is launching a new product range aimed specifically at private buyers who want a little hotel feeling for their garden in addition to the pool. A total of ten products are now ready for production, now the **B2C** intended audience must be developed. To do this, Mr. Hildemann is mainly relying on online marketing, since he wants to acquire new customers throughout Germany.

For this task, he has expanded the company's marketing department and, as a first step, wants to draft a media plan for online marketing to deﬁne the intended audience, set goals, and define the budget framework. The campaign will focus on an online store where users can order the lounge furniture directly to their homes – with optional assembly. The additional measures for an online store are also defined in the media planning.

### Principles of Successful Media Planning

“Media planning comprises the temporal and instrumental allocation of the communication budget to the available advertising media and means of advertising. The goal is an optimal distribution of the communication budget with regard to the communication goals” (Kreutzer 2019, S. 218). In this deﬁnition, the budget for company communications is established at the beginning of media planning. Media planning then determines the optimal allocation of the budget among the individual measures in order to achieve the greatest possible effect through marketing within the budget. The available budget must therefore be known for this process. As implied, this means that the more budget available, the more reach online marketing can achieve.

But Mr. Hildemann finds it difficult to estimate the costs of online marketing and is unsure of the budget framework. He therefore calculates according to the benefits of online marketing and asks himself the following question: What do I want to achieve with online marketing and how much will it cost me? After all, individual measures should not be selected according to their cost, but according to their effectiveness. Accordingly, Mr. Hildemann must first think about how much budget a new customer, a higher market share, or increased sales is worth to him (Lammenett 2019, S. 513f.). He can then draw up a cost-benefit calculation and set a budget. For example, if he wants to generate 150 new customers within one year who order at least one product in the Lomö online store, then he multiplies the budget for a new customer by 150 and thus has a budget framework for media planning.

Media Planning Online

Mr. Hildemann can now allocate this budget to the individual measures that seem suitable for achieving his goal.

##### Media Planning Online vs. Ofﬂine

Media planning is not an invention of online marketing, but rather encompasses all marketing channels that are planned and calculated at the start of a campaign – both online and ofﬂine. While online marketing has not changed the actual task of media planning, the requirements have become more complex. The internet offers significantly more channels that open up a wide range of contact options with the intended audience. With a sound knowledge of online marketing, the individual channels can be selected and optimally interlinked in a cross-media campaign to achieve the greatest possible effect. To do this, it is necessary to know the relevant intended audience precisely in order to determine the channels, timing, and frequency of the contact (Remitz/Bellieno 2019, S. 63f.). Older people, for example, need to be approached more frequently than children, as they are less able to memorize relevant information quickly and are less easily convinced of an added value.

At the same time, intended audience analysis remains one of the most important tasks of media planning, because only those who know the media usage of their potential customers can approach them optimally on the various channels (Remitz/Bellieno 2019, S. 64). Modern tracking tools track the surfing behavior of individual users and promise exact intended audience analysis right down to the times, locations, and personal interests. However, these possibilities in intended audience analysis must not be overestimated, since users can, among other things, use an adblocker, delete their cookies, or use different devices – and the data is already distorted. User data from the internet are a useful addition for a reliable intended audience analysis, but they cannot replace the tried and tested methods of market research, such as surveys or interviews (ibid., S. 65).

##### The Individual Media Planning Steps

There is no one true media plan that can be used as a model for every campaign. Since every campaign in online marketing pursues different goals, appeals to different users, and conveys different content, media planning must also be created individually for each campaign. However, the process for each media plan is similar, since the same steps are repeatedly taken (Lammenett 2019, S. 508; Kreutzer 2019, S. 48):

* Deﬁne goals: with the help of KPIs, specific goals whose achievement can also be measured can be set.
* Analyze intended audience: various methods are used to create a clear picture of potential customers and their media usage.

* + Establish and allocate budget: what should the campaign achieve and how much is that worth? This is the basis for a budget that can be allocated among the various channels.
  + Design a campaign: measures can be created within a budget framework that reach the intended audience as effectively as possible.
  + Launch pilot campaign: the individual measures are launched in small tests to review functionality and desired effectiveness.
  + Optimize measures: in online marketing, individual measures can be constantly analyzed, optimized, expanded, or even terminated without interrupting the campaign. Accordingly, the optimization of measures is an ongoing process as long as the campaign is running, since the insights gained from the user data can be immediately incorporated into the improvement.

### Create and Structure Media Budgets in a Targeted Manner

One advantage of online marketing is that the individual measures can be almost freely scaled and a pilot campaign can therefore be implemented as an initial test run even with a fairly modest budget. The effect of individual measures can be tested with what are known as *pretests* (Lammenett 2019, S. 356). In contrast to a TV or radio commercial or a printed ad, a measure on the internet can be constantly adjusted, terminated, or expanded and provides data on effectiveness, which in turn determines the budget. Niche providers and small companies in particular are therefore able to focus on specific keywords or intended audiences and achieve a measurable effect with relatively small amounts and gradually optimize their marketing (Kreutzer 2019, S. 25; Lammenett 2019, S. 359).

However, as traditional marketing increasingly shifts to online marketing, the prices for marketing measures are also rising, as an ever-increasing number of companies are pushing onto the internet and fighting for users’ attention (Lammenett 2019, S. 358). These days, the obvious keywords are already taken, and the space for advertising is now exhausted. Users cannot and do not want to accept more banners, ads, and commercials. In order for a company to still appear in the environment of an intended audience, it is advisable to either focus on a niche or increasingly shift the budget in media planning from traditional measures to online marketing, without completely foregoing traditional advertising (ibid., S. 358f.).

Mr. Hildemann wants to break new ground with his online marketing and launches various pilot campaigns. One campaign uses the reach of inﬂuencers on YouTube and Instagram to appeal to a young, affluent intended audience. It involves furnishing various inﬂuencers’ pool areas with Lomö furniture and inviting the inﬂuencers to various hotels in advance to try out the furniture. The marketing budget required for this clearly depends on the reach of the inﬂuencers and must be negotiated individually with each inﬂuencer – plus travel costs, accommodation, and catering.

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By now, the fees for inﬂuencers are at a similar level to the fees for traditional advertising testimonials and celebrities (ibid., S. 166f.), so this pilot campaign costs a considerable amount. Nevertheless, Mr. Hildemann expects to have a great effect in making the Lomö brand known to the younger intended audience.

##### Budget Allocation

Particularly when approaching new intended audiences via previously unknown channels, allocating the available media budget to individual marketing measures is a challenge. In most cases, the budget is severely limited, so the measures must be used in a clearly efﬁcient manner. Furthermore, the individual measures function very differently, so an influencer fee can hardly be compared with the daily costs for Facebook ads. Nevertheless, this comparison is essential in order to adjust the budget allocation between the individual measures depending on their effectiveness and thus successively increase the effectiveness of the entire campaign. To compare the measures, the prerequisites must be the same. Both measures should run over the same period and have the same budget framework (Danaher/Van Heerde 2018, S. 673). In addition, there should be a clear call-to-action at the end, which can be easily measured as the effectiveness of a campaign. If, for example, three measures lead users to an online store in parallel, then the number of visitors to the online store can be used to derive the effect of the entire campaign, but it is not possible to differentiate between the three measures. Here, differentiated tracking would be helpful in discovering which measure helped the users ﬁnd their way to the online store. After a pre-deﬁned period of time, it is possible to compare the data from all three pilot campaigns, so more budget can flow into the most effective of these measures in the future.

### Integrated Campaigns and Cross-Media Marketing

Initially, Mr. Hildemann launches individual pilot campaigns to learn the effectiveness of the various measures and to determine the allocation of the budget. But these channels are to be bundled into a cross-media campaign in the ﬁnal implementation: Mr. Hildemann not only wants to communicate different measures via different channels, but also wants to bundle all measures under one content-related central idea and in this way create synergy effects. “Cross-media is a special form of using different communication channels within a campaign. In this context, different media forms and genres are used in a combined and/or staggered form and consequently interlinked” (Kreutzer 2019, S. 211). Cross-media campaigns can achieve greater effectiveness than the individual measures combined (Lee/Vakratsas 2019, S. 455f.). Rather than developing a new approach for each channel, Mr. Hildemann works with his marketing department to develop a cross-channel approach using the storytelling method. For this, the team develops a central

idea that is communicated across all channels (Rehbehn 2017, S. 35f.). This means that the user comes into contact with the campaign on the internet via various channels and always recognizes the story with the help of the uniform central idea – which would not be the case with individual campaigns.

Mr. Hildemann wants to establish his lounge furniture as the most comfortable seating in Germany. Therefore, as part of his online marketing, he is looking for competitors who want to compete with the lounge furniture – from grandpa's favorite chair to a porch swing. Users are invited to submit suggestions for seating, whereupon a professional seating jury of experts and inﬂuencers visit the contenders to evaluate the comfort of the furniture – including prior and subsequent reporting. On a landing page, users can vote for their favorite on a landing page and the voting tallies are distributed via social media channels. The challenge with a cross-media campaign is that an idea must be adapted to several channels, some of which function differently. This requires various media components, both static elements (e.g., text and images) and dynamic elements (e.g., videos, music, and animations) (Kollmann 2019, S. 44). Since not all content is suitable for every channel, cross-media use should be considered when developing the central idea.

##### Cross-Media Campaign Advantages

In contrast to the use of individual campaigns for different channels, a cross-media campaign is significantly more advantageous. However, the conception and planning effort and expense for a cross-channel approach is higher, since the campaign is more complex and must be designed and linked accordingly in order to function on all channels. Although linking different channels is standard practice in today's online marketing, a distinction must be made here between whether a company simply adapts the content of a measure for other channels or whether the content is fundamentally created specifically for each individual channel. The advantages of a cross-media campaign can be put into action as follows (Rehbehn 2017, S. 35f.):

* + - more touchpoints for the intended audience,
    - more frequent contact without repeating the content,
    - approaching different users through different channels,
    - synergy effects between the channels,
    - exchange between users about the campaign.

Edeka's grilling battle of the sexes campaign can be cited as a best-practice example of cross-media storytelling. Precisely because the topic of grilling is clearly overused from a marketing point of view and presents advertising agencies with new challenges every year, the Jung von Matt agency was commissioned by Edeka in spring 2017 to make grilling a battle of the sexes – starting with a TV spot at the Edeka counter in which the different approaches of men and women to grilling are made clear. The TV spot was accompanied by the Edeka customer magazine, which published an issue as a

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flip issue with two covers on this topic: one half with grilling tips for men and one half with recipes for women (Campillo-Lundbeck 2017b). A few weeks later, Edeka uploaded the online video “#HerrenDesFeuers” to YouTube; a landing page with recipes and grilling tips were created to go with it (Campillo-Lundbeck 2017a). The campaign was also accompanied by online banners, social media actions, flyers, and a contest to generate attention (Rehbehn 2017, S. 47f.). The battle of the sexes ran through all measures as a central theme and was implemented in a media-specific way depending on the channel, e.g., as an epic video for YouTube, an amusing TV spot, or a two-part customer magazine. The user could jump in at each touchpoint without prior knowledge and follow references to other elements of the campaign, e.g., a URL to the landing page, a reference to the contest, or a hashtag for the social networks.

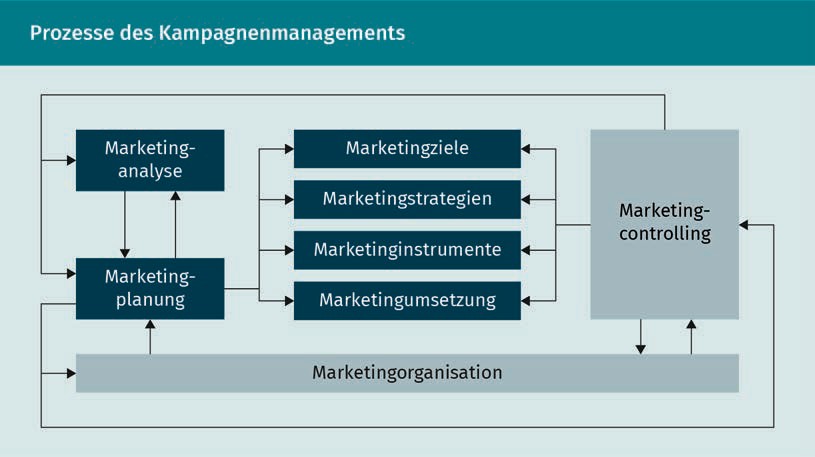
### Successful Media Mix through Campaign Management

From media planning to measuring the performance of a campaign, various work steps are necessary that require different skills. For example, Mr. Hildemann wants to set up an online store to sell his Lomö products. However, such an online store is more than just a marketing measure. There are internal processes behind it, such as logistics, storage, and shipping of products that need to be created within the company. The situation is similar with online marketing and campaign management. Even if nearly all tasks are handed over to external service providers, the campaign must be centrally planned, implemented, controlled, and evaluated to be able to make appropriate decisions (Kreutzer 2019, S. 45). A distinction must be made between long-term marketing strategy and short-term planning: With the long-term strategy, Mr. Hildemann established the guidelines for marketing for the next three or more years. For example, he would like to initiate an online store – this is considered to be a long-term measure and strategic decision on the basis of which further measures are planned to make the online store known. Entering a new branch of online marketing is also a strategic decision that ties up time, budget, and resources in the long term. While the marketing strategy of operational planning serves as a guide for short and medium-term measures, operational planning focuses more on the conception, implementation, and performance measurement of individual measures or the selection of the right channels for an ideal media mix (ibid., S. 45f.). Here, projects often span over a few months, rather than years.

##### Campaign Management

A campaign falls within the scope of operational planning, since it supports the long-term marketing strategy with suitable measures. Nevertheless, planning, goal setting, and controlling are also important components of a campaign to approach the right users as effectively as possible. Therefore, campaign management consists of various responsibilities that are closely interlinked.

Marketing planning first defines the goals, strategies, suitable tools, and implementation of a campaign. Then, marketing planning passes these guidelines on to the marketing organization that is responsible for implementing the campaign. Together with marketing planning, the marketing controlling determines suitable KPIs that can be used to measure the achievement of the marketing goals (Lammenett 2019, S. 353f.), since the effect of advertising cannot be measured directly, but only via indicators (Stiller 2017, S. 19f.). For example, Lomö offers an inflatable pool lounger in its online store, which customers prefer to order directly from the company. In contrast, a complete pool area consisting of lounge furniture cannot be sold so easily per click (via the online store) – a personal consultation is necessary. In the case of an online ad for a pool lounger, the completed orders in the online store are sufficient as a KPI; in the case of the pool area, the contacts made with new interested parties (leads) serve as a KPI.



Marketing controlling forwards the KPIs to marketing analysis, which regularly evaluates the data and draws conclusions regarding the effectiveness of the individual campaign elements. The measurement data goes back to marketing planning, which compares the development of the campaign with the schedule and the previously deﬁned goals (ibid.). If a measure turns out to not be sufficiently effective, this measure is adjusted in marketing planning and then returned to marketing organization and controlling. In this way, all areas are in continual exchange with each other and can control and optimize the campaign so the campaign goals are achieved.

Media Planning Online

Summary

Media planning comprises the planning of individual marketing measures for a campaign. This includes defining campaign goals and allocating the campaign budget to individual measures. Media planning should also include measuring the performance of the campaign so the planning can be adjusted and optimized if necessary. Although media planning is part of traditional marketing, it has become much more complex due to the numerous channels and forms of online marketing. For this purpose, the internet provides additional data on the surfing behavior of users, which in turn provides information about an intended audience, but does not replace a comprehensive intended audience analysis. Although the creation of a media plan always follows the same steps, each campaign is unique, which is why there is no generally applicable scheme according to which campaigns can be planned and created.

To optimally allocate the budget among individual measures, small pilot campaigns can initially be launched to test the effectiveness of various channels. Online marketing allows regular readjustment of the various measures so a campaign can be constantly optimized. Reviewing and optimizing the individual elements is particularly important for cross-media campaigns, since the measures are interlinked and, in the best case, generate synergy effects that go beyond the effectiveness of the individual measures. In this way, users are approached with the same central idea at several touchpoints without the advertising repeating itself too often. Because a cross-media campaign is much more complex than the management of individual measures, a comprehensive campaign management system that plans, organizes, controls, and analyzes the entire campaign is sensible.



# Unit 5

## The Online Presence

#### STUDY GOALS

After completing this unit, students will know ...

... what constitutes a good online presence.

... which components belong to an online presence.

... what the functions the individual components are.

... how to best combine the individual components.

... what challenges an online presence readily holds.

DL-D-DLBMSM01–01–L05

1. The Online Presence

### Case Study

Corporate design The corporate design establishes guidelines for the design of all marketing activities to ensure a uniform company image.

Template Design templates are available for the quick and easy construction of a website.

Brothers Robert and Thomas have developed an innovative running shoe with a sole that consists of numerous individual elements that adapt to the individual foot shape and running style of the wearer while running. While the first running shoes are being produced, they have developed a marketing concept for their “Shape of Foot” start-up. They do not have a retail store, but want to promote and sell their product exclusively through various online marketing channels. With the help of a web designer friend, they set up the individual channels under a uniform **corporate design**.

The core of their online marketing is a corporate website that presents their company, their product, and Robert and Thomas as the founders of Shape of Foot. A blog on which the brothers regularly publish content about running is linked to their website. There is also an online store where users can order the running shoe in various sizes and designs. In parallel to their corporate website, the brothers are designing a landing page for a social media campaign that users will land on when they take part in a competition and click on a specific link on Facebook, Instagram, and Tiktok.

### Website and Web Design

In line with their innovative product, the brothers want to create an innovative website that presents the moldable shoe sole as a new unique selling point. For this purpose, Robert and Thomas decide against an inexpensive website from a homepage construction kit such as Wix, Jimdo, or Weebly, since the design options of the ready-made **templates** are too limited for them. Instead, they hire a professional web designer who “takes over the conception and design of web applications” (Bühler/Schlaich/Sinner 2017, S. 2) and builds a website independently. Compared to the print sector, the web designer must strike a balance between the innovative design and technical feasibility of the website for “Shape of Foot”, since these two areas go hand in hand in digital media. A web designer can use the following speciﬁc characteristics of a website for their work (ibid.):

* A website is multimedia: it can contain different media.
* A website is interactive: users can perform actions independently in it.
* A website is linked: it can be linked to any other web content.

At the same time, technology in the online sector is advancing so quickly that a web designer is provided with an increasing number design options and must also always stay up to date. A website needs a **responsive web design** to ensure that it can be correctly accessed and displayed on different end devices

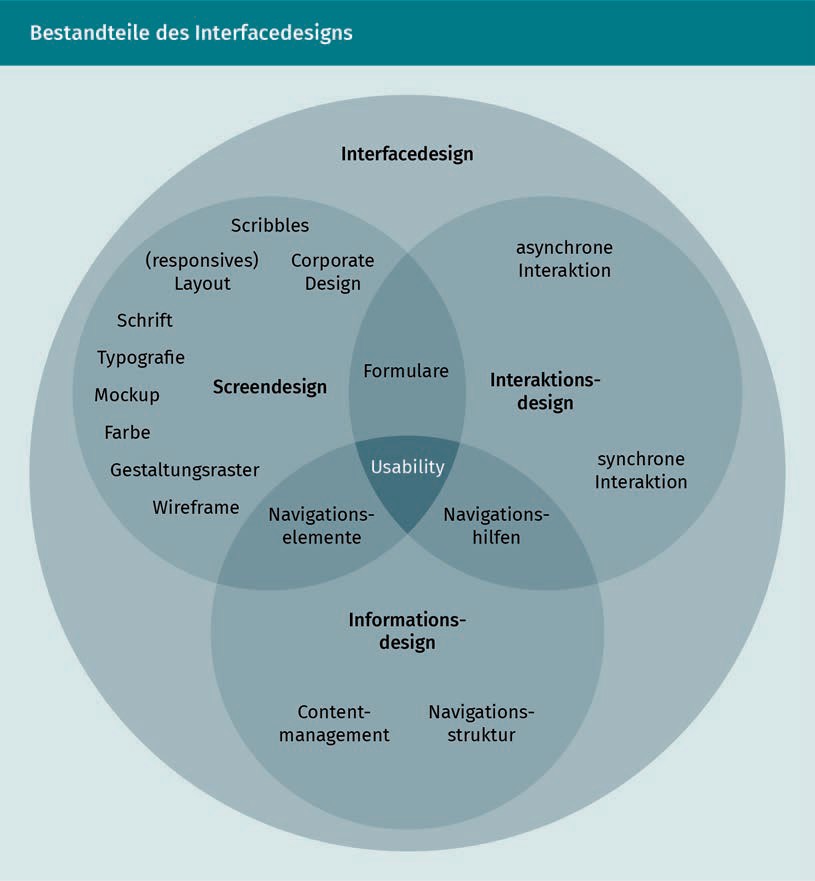
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(Bühler/Schlaich/Sinner 2017, S. 3). However, an optimal display on a mobile device is not sufficient, since smartphone users do not operate their device by mouse and keyboard, but rather by touchscreen or voice control, and the web design must be adapted accordingly for mobile use (ibid., S. 2f.). Some websites are therefore available in two different versions, depending on whether the visitor accesses the website via a mobile device or a computer. The interface is a **user interface** through which the user navigates through a website. The interface must be designed in such a way that the visitor can use it intuitively and thus reach the desired information and products as quickly and easily as possible. An intuitive interface design provides the relevant information (technical term: *information design*) in an appealing form (technical term: *screen design*) and by means of interactive operation (technical term: *interaction design*) (ibid., S. 6).

Responsive Web Design

A responsive web design can adapt to the characteristics of different devices.

User Interface Refers to the presentation of a website that is visible to the user.



### Corporate Website

Corporate Website The term for a company's website that is used to present itself on the internet (Kreutzer 2019,

p. 77f.).

Reading robots These programs search the internet looking for new content for search engines

and websites.

URL

A Uniform Resource Locator (URL) stands for an internet address that is assigned to a specific web page.

Robert and Thomas do not simply want a website for their start-up, they want a **corporate website**. For them, this is one of the most important measures in their online marketing, since it is the point of contact for all interested parties, customers, partners, applicants, investors, and journalists on the internet. Accordingly, the corporate website must fulfill different tasks and readily provide information depending on who accesses it (Kreutzer 2019, S. 77ff.):

* Representation of the company: for many users, the corporate website conveys the first impression of a company. Consequently, it should represent the company optimally – like an employee at a trade fair stand.
* Findability in search engines: a corporate website is only successful if it can be found on the internet. For this reason, the web design should, at minimum, comply with the basics of search engine optimization so search engine **reading robots** (technical term: *spiders* or *crawlers*) can read and index the website accordingly. A blog or magazine with additional content about products or services can increase the visibility on the internet, since the website is also displayed as a search result for related topics in this way.
* Sale of products and services: what should visitors do on a corporate website? In most cases, they should buy a product from the online store or book a service from the company. Accordingly, a website must guide interested customers toward a purchase as quickly as possible without neglecting the other intended audiences.
* Information about the company: The corporate website primarily represents the company, not just its products and services. Correspondingly, information about the company should appear there, e.g., locations and opening times of various branches, a presentation of the company's history, a list of awards won, or an introduction to the team. A blog is also a good option for providing interested parties with further insight into the company.
* First point of contact from ofﬂine marketing: whether on business cards, brochures, flyers, posters, or shipping boxes – the **URL** of a website is printed on nearly every print product. It therefore represents a link between ofﬂine and online communication in that prospective customers enter a URL and land on the corporate website.
* Contact with users: just as a business card contains the company's contact data, the corporate website must also offer opportunities for contact. Here, users who either have a question about a service, want to complain about a product, or are considering applying for a job with the company look for a phone number, email address, or contact form.
* Integration into campaigns: in online marketing, initial contact with a company is often made via an ad on Facebook, Instagram, YouTube, or Google. Subsequently, the customer journey can go through various stages, but users ultimately end up on the corporate website where they are expected to buy a product or service.

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Accordingly, the website must fulfill a specific function within a campaign and fit in with the rest of that campaign.

* + Linking for reporting: a number of magazines report on the new running shoe from Robert and Thomas, several bloggers pick up on the topic, and even one or two unboxing videos end up on YouTube. Most of the reported content links to the corporate website where users can find more comprehensive information.



##### Basis for All Marketing Measures

The way a company presents itself on its corporate website is the way it is perceived on the internet. Therefore, the company should communicate similarly on all channels and create a coherent overall image so different marketing measures do not build up completely different expectations (Kreutzer/Rumler/Wille-Baumkauff 2020, S. 6). But before creating a corporate website, the first step is to develop a marketing strategy and draft a corporate design that serves as the basis for all marketing measures.

### Landing Page

On the “Shape of Foot” corporate website, users can conﬁgurate and order the running shoe, contact Robert and Thomas, learn about the start-up, find out about the innovative shoe sole, and much more.

All of this information must be harmoniously integrated and clearly presented. But when the brothers launch their first social media campaign and want to encourage potential customers (via ads) to buy as quickly as possible, the corporate website is not suitable, since it is clearly too broad and combines too much information. Therefore, the brothers have their web designer create a landing page that focuses on one goal: To encourage the visitor to make a purchase.

Key Visuals Eye-catching key visuals are used to ensure the recognition value of a cross-media campaign.

RSS Feed Those who subscribe to an RSS feed will be informed of updates on the subscribed website.

A landing page is an independent website with an independent URL, whereby the company does not need to be recognizable at first glance. Users are approached via other channels such as social networks and are taken via a link to a landing page designed specifically for a campaign, which is intended to continue the customer journey. On the landing page, everything revolves around a product or contest that the user has seen in an ad or video, for example. Accordingly, the user comes to a landing page with a certain expectation and should recognize the connection with the ad on the basis of corresponding **key visuals** and keywords. Advertising for other products or services is not appropriate on a landing page, since this distracts from the actual goal: to get the user to take a specific action. This can be the purchase of a product, participation in a contest, downloading a reading sample, or filling out a contact form (Kreutzer 2019, S. 79ff.). Accordingly, only brief tidbits of information that further motivate the user and lead to an action are found on a landing page. However, what the user should do on the landing page in order to achieve their goal should become clear relatively quickly. Furthermore, the web design of a landing page should precisely match with the intended audience, e.g., a certain region, age, culture, or need (Hoesselbarth et al. 2017, S. 3994f.). Although a landing page has considerably more design freedom within the corporate design than the respective corporate website, it should fit with the rest of the company's online presence.

### Blog

The founders of “Shape of Foot” have attached a blog to their corporate website that can be reached via the navigation on the website. Here, they want to publish a weekly blog article on the subject of running and jogging, with the focus on running style and running shoes. The blog posts, which users can subscribe to directly via **RSS feed**, will in turn be distributed via their social media channels. The aim of the blog is not only to approach users specifically with the innovative running shoe, but also to position information about running with the help of interesting articles so users visit the blog on the basis of this information and are indirectly convinced of the advantages of the innovative running shoe. The balancing act between content and advertising is crucial: If the blog post is clearly recognizable as advertising for the running shoe, many users will bounce off when reading it. However, the advertising will be overlooked if it is placed too discreetly in the middle of the text, which in turn leads to users bouncing off the website after they have consumed the information they need. Therefore, every blog topic should be chosen in such a way that it triggers the user's curiosity and offers added value, but leads to the running shoe in the course of the text.

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Interesting topics can be, for example, painful feet while running, knee pain, oppressive running shoes or faster running times.

The term *blog* is an abbreviation for the term *web log* and actually represents a type of online diary in which the author publicly posts their private thoughts on the internet. Therefore, the blog originally comes from the private sphere and was only discovered later as a measure for online marketing (Lammenett 2019, S. 435; Kollmann 2020). Companies can launch a blog, position themselves more broadly in terms of topics, and thus attract the attention of more potential customers from the intended audience. An example: A user has never heard of the new running shoe, but wants to start jogging in order to lose weight. So, they search the internet for tips on their first jog. With the help of a good blog post, which is displayed at the top of the search results thanks to search engine optimization and high-quality content, the user can land on the “Shape of Foot” blog post and thus be convinced to buy their first pair of running shoes. However, a blog can also be used to approach other intended audiences that were not yet in focus when the original marketing concept was developed.

##### Long-Term Investment in High-Quality Content

A blog has many advantages, e.g., higher visibility in search engines, better ranking of the corporate website, high-quality content for social media channels, and building an image as an expert in a particular subject area (Lammenett 2019, S. 437ff.). However, the maintenance of a blog is particularly associated with effort and expense, since high-quality, unique, and current content must be created regularly and prepared in an appealing way with the help of images, videos, infographics, quotes, and other design elements. The blog itself is quickly created as part of a corporate website, but a continual flow of new blog content consumes resources. Over time, Robert and Thomas' blog grows into a kind of reference work or guidebook, whose posts are linked to one another and offer answers to just about every question about running. With their resources, the entrepreneurs could have written a book on the subject. Another disadvantage is that the blog itself offers no means of spread, apart from the RSS feed. Therefore, the intended audience must be made aware of the contributions via social media channels or a newsletter. Particularly at the beginning of a new blog, the readers stay away – only through the long-term and regular publication of new contributions can the blog gain significance for readers and search engines.

|  |  |
| --- | --- |
| Sources of Error during Blog Creation | |
| Error | Effect |
| The effort and expense are underestimated. | The blog is discontinued after only a few weeks or months and has since been orphaned as part of the website, which leaves a bad impression. |
| The number of readers falls short of expectations. |
| The blog is not set up properly (search engine optimization and responsive web design) and therefore does not appear in search results. |
| The blog posts are not distributed (e.g., via newsletters or social media channels), which means that no readers become aware of the posts. |
| The blog is created without a concept, which is why it is merely a jumbled collection of topics. | After a short time, users lose confidence in the seriousness of the blog and prefer to get their information from other sources. |
| The texts for the articles are compiled from other internet sources and only slightly reworded to save effort and expense. |
| The blog is a pure text desert, without design and structural elements to guide the reader through the content. |
| The topics for the blog are not adapted to the current needs of the intended audience (e.g., season, trending topics, events, etc.). | The articles do not meet the current interests of the intended audience and accordingly ﬁnd no readers. |

The Online Presence

### Online Store

Since Robert and Thomas want to sell the running shoes exclusively via the internet, an online store is a key component for their sales. Via the “Shape of Foot” online store, users can access all running shoes in stock, select their individual running shoe in the right size and in the desired design, and complete the purchase through a simple ordering process with numerous integrated payment options such as PayPal, Sofortüberweisung, Amazon Payments, and SEPA direct debit. A customer database and an automated communication with customers via email to inform them of the status of their order are linked to this. The brothers now have a choice: they can either set up a store system themselves and integrate it on their corporate website, or offer their products on major **online marketplaces** such as Amazon and eBay to reach more people. Both methods can be combined, but then they also mean double the effort and expense.

|  |  |
| --- | --- |
| Comparison of One’s Own Online Store with an Online Marketplace | |
| Own Online Store | Online Marketplace |
| Advantages:   * Freedom of design possibilities. * All processes and data remain in one’s own hands. * Trafﬁc on the corporate website is generated. * Further marketing measures involving the online store are possible. | Advantages:   * An existing store system can be used. * Many users search for products via online marketplaces. * The entire process, from the item search to the review, runs via a central platform. |
| Disadvantages:   * Setting up one’s own online store is time-consuming. * Mistakes can occur when setting up the online store. * The online store must be sufficiently advertised. | Disadvantages:   * The design of the online store is limited. * One's own product is lost in the mass of products and must be additionally advertised. * There is a dependency on the provider of the online marketplace. |

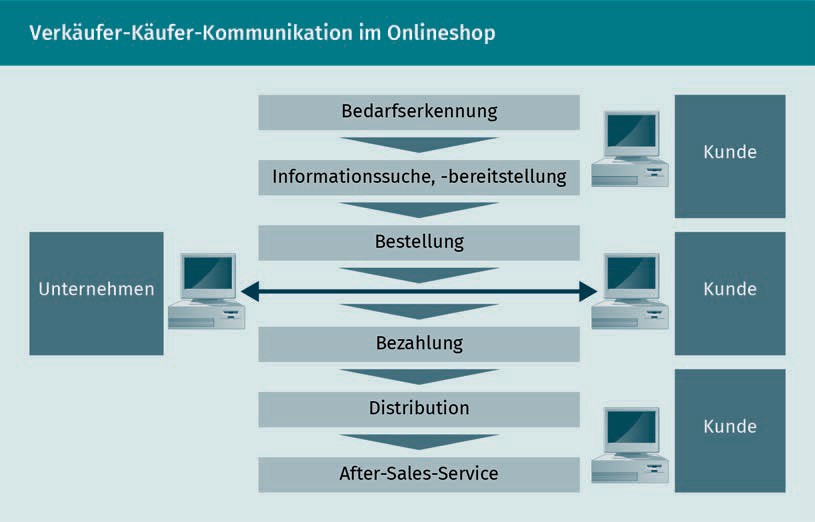
Online Marketplace Various retailers and manufacturers offer their products and services for sale on this platform.

##### Online Store rather than Retail Store

Why are Robert and Thomas opening an online store in the first place, rather than simply offering their products in a salesroom? Then they could explain the advantages of their running shoes to prospective customers in person, and visitors would be able to try out the shoes directly on site and be convinced of the new shoe sole. A shopping experience with all the senses: seeing products, feeling the materials, listening to music, and smelling new merchandise – an online store certainly cannot offer that. However, by selling on the internet, the brothers can approach a much larger intended audience that is spread all over the world. “So, in simplified terms, we can say that an e-shop is a company’s virtual salesroom” (Kollmann 2019, S. 259). For sales via an online store, the brothers do need the goods, appropriate storage space, hardware and software, and shipping logistics (ibid.) – but they save the costs of a salesroom.

Via an online store, Robert and Thomas can serve as many customers as they like and sell products without being limited by the size of a salesroom. They also communicate directly with their customers without going through a retailer. As a result, complaints, returns, and positive reviews come directly to them as manufacturers, allowing them to further optimize their sales. All communication between Robert and Thomas as a company and their customers occurs on the internet with each customer passing through an individual communication process: from needs identification using tracking tools, to displaying suitable products through to ordering, payment, and shipping and over to the downstream communication (e.g., the rating system and complaint management). On the internet, however, Robert and Thomas also need to be able to measure and compare themselves directly with the competition, which is not yet a problem with a new type of product such as their running shoe (Kollmann 2019, S. 259ff.).

The Online Presence



The following factors have an influence on the success of an online store (Ahrholdt/Greve/ Hopf 2019, S. 326):

* description and findability of the products,
* ways to navigate and communicate with the supplier,
* appealing design through text, images, videos, and animations,
* current information on availability, shipping time, and sales figures, if applicable,
* customer opinions in the form of ratings and reviews,
* simple and diverse payment options,
* easy and free return options, and
* responsive web design for use via mobile devices.

### Online Presentation and Distribution of Products and Services – Advantages and Disadvantages

If the owner of a retail store decides to launch an online presence, then this presence should match the shopping experience in the store. After all, the expectations that a user builds up when visiting a corporate website, for example, must not be disappointed on site. Accordingly, online presentation and distribution should both appeal to users on the internet and trigger their curiosity, as well as represent sales in the store. At the same time, the product presentation from a store cannot be copied one-to-one for an online store, since the two channels function completely differently and also approach different intended audiences. Not even a printed catalog can be copied one-to-one for online presentation since users are accustomed to a more ﬂexible product search on the internet.

Although the individual channels can complement each other, they cannot simply replace each other (Kreutzer 2019, S. 191f.).

##### The Analog Shopping Experience

A key advantage of analog shopping is personal advice from a salesperson on site, which is difficult to transfer to the online world. However, this advice is also necessary in many cases, because the customer is confronted in the store with a large selection of similar products that only differ visually at first glance. But even without a salesperson, the customer perceives numerous sensory impressions that consciously and unconsciously influence their shopping experience and ultimately their purchase decision (Kroeber-Riel/Gröppel-Klein 2019, S. 434ff.). A customer older than their early twenties would never stray into a clothing store with blaring hip-hop music, garish colors, and rhythmically changing lighting. But for the younger intended audience, it is exactly the right approach. Accordingly, the products are not categorized by type and price as in the supermarket, but each brand has its own small space in the store where complete outﬁts from sneakers to beanies are presented.

##### The Digital Shopping Experience

Products and services are perceived online with far fewer senses. Purchases are mainly made via visual stimuli; combining music here is somewhat rare and is also not well-suited for quickly clicking through pages. In fact, touching products via a touchscreen conveys more of a haptic impression than when using a mouse (Kroeber-Riel/Gröppel-Klein 2019, S. 373), but the product cannot be touched and tried out in an online store. This is why the multimedia presentation comes into play here. Customers want to see several images, be able to examine the product in a 360–degree animation, watch a test video for use in practice, and have comparable products displayed. Various design elements such as text, images, graphics, video, animations, and sound intertwine to awaken a need for this product in the buyer (Kollmann 2019, S. 335ff.). While in an online store, the customer can retrieve the most important information about the product, compare it with other products, read reviews about the product, send a product link to their friends, or interrupt their search for a coffee. The user shops much more independently on internet and also has more information and products available for their purchase that they can use for their purchase decision. Accordingly, more factors play a role that the supplier can only influence to a limited extent.

The Online Presence

Summary

Each company offers particular products or services, has a particular image, and wants to approach a particular intended audience, which is why it also needs particular channels and measures for its online presence – there is no one-size-fits-all solution. The core of an online presence is often a corporate website, which is the first point of contact for various intended audiences such as customers, applicants, and partners. In order for the corporate website to be found on the internet at all, it should be optimized for search engines and provide the most important information for all intended audiences. Landing pages can also be created for individual products or campaigns, on which users land within their customer journey to carry out a specific action there. This is also the singular goal of the landing page: to get users to take action. A blog can be attached to a corporate website and filled with topics related to a product, service, or company. More content means more relevance for users and search engines, which in turn means more trafﬁc on the website. However, continuing a blog with high-value content over the long term is a relatively costly project that only pays off over time. In addition to a company's online presence, an online store can also be helpful for selling products – either created by the company itself and/or as part of an online marketplace. Nevertheless this cannot simply replace a catalog or a retail store, since all channels function differently and have different advantages and disadvantages. The great advantage of an online store is that customers from all over the world can shop there and at any time, without having to adhere to opening hours or accept long shopping trips.



# Unit 6

## Mobile Marketing and Mobile Commerce

#### STUDY GOALS

After completing this unit, students will know ...

... how mobile marketing and online marketing differ.

... which marketing measures are suitable for mobile marketing.

... how mobile users perceive content on their devices.

... what a mobile moment is and how it can be used for marketing.

... what elements mobile campaigns can consist of.

DL-D-DLBMSM01–01–L06

1. Mobile Marketing and Mobile Commerce

### Case Study

After completing their business studies, Soﬁa and her cousin Isabella want to try a crazy business idea: a mobile coffee stand selling Columbian coffee. For this purpose, they converted a bicycle trailer into a coffee stand called “KaauKo” (short for *coffee from Colombia*) and tour through Cologne with it every day. They know the best spots in the city by now and some customers recognize the eye-catching bicycle. But the cousins not only want to reach walk-up customers who happen to be on site when they stop with their bikes, they also want to build up a regular clientele.

Because they are so ﬂexible on the go and have no fixed downtimes, they decide against a rigid corporate presence in the form of a website. They would rather use mobile marketing to draw attention to their coffee stand directly on site and inform their regular customers of their current location in real time. In addition, the online marketing for Soﬁa and Isabella must also be mobile-operated, so they can control it directly from their coffee stand – in the short breaks between orders. Only mobile marketing offers this much flexibility and freedom of mobility for customers and companies.

### Basics and Classification of Mobile Marketing

There were 7.75 billion people in the world in January 2020. Of these, 4.54 billion used the internet and 5.19 billion used a mobile device (Kemp 2020). The two typically go hand in hand since all modern smartphones simultaneously provide access to the internet. Indeed, the share of people with mobile devices is now greater than the share of internet users – and accordingly, more people are theoretically reached via mobile than via the internet. This is why mobile marketing is becoming increasingly important to advertisers (mobile first). But Soﬁa and Isabella want to go one step further and only offer marketing for mobile users (mobile only) (Kreutzer 2019, S. 10).

But how can mobile marketing be classified in relation to online marketing? Is it a subcategory or do the two exist in parallel? It is difficult to make an exact distinction, since all mobile device users who access the internet via this device are also internet users. A user can therefore access the same content on the internet via different devices (computer, laptop, tablet, smartphone, etc.). In contrast to email, social media, and inﬂuencer marketing, the smartphone does not represent an additional channel for online marketing, but offers a new form of use and access to content (Rieber 2017a, S. 27). In principle, advertisers can initially be indifferent as to whether a user watches an advertising video via a laptop or a smartphone. However, the moment of internet use on a mobile device while on a streetcar is completely different than in an office in front of a stationary monitor. In addition, approaching a user via a smartphone opens up completely new ways of contacting

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new ways of contacting an intended audience, e.g., when a user can chat with customer service via WhatsApp, is reminded of an upcoming reservation by an app, or the latest offers from the supermarket next door are sent directly to their cell phone. Thus, mobile marketing includes “all communicative measures that a company initiates using telephone contact via mobile devices in order to influence customer behavior” (Kreutzer 2019, S. 219). In mobile marketing, a company uses the speciﬁc characteristics of the mobile device for its online marketing, whereby the boundaries to areas such as social media marketing, email marketing, and inﬂuencer marketing are ﬂuid (Lammenett 2019, S. 460).

##### The Direct Line Between Company and User

The smartphone is the most personal of all end devices and accompanies the user through all life situations (Rieber 2017a, S. 27). Thus, the smartphone now assumes many functions in everyday life: for communication (via messenger, SMS, or calls), information (via news, alerts, or blogs), entertainment (with videos, games, or music), organization (via calendars, alarm clocks, or lists), or for payments (via online orders, mobile payment, or **in-app purchases**) (Kaplan 2012, S. 130). “Accordingly, the goal of mobile marketing should be to help the brand establish a direct and personal relationship with the user, offer them added value for their everyday life via services and products, and approach them with messages that are relevant to them and their current context” (Rieber 2017a, S. 27). Soﬁa and Isabella make use of all the technical possibilities that the smartphone has to offer for their mobile marketing. They can work with QR codes, SMS, an app, emails, social media, messengers, videos, photos, or push notifications to reach their intended audience. While the smartphone as mobile access to the internet is clearly the focus, mobile marketing can also include networking with other devices such as smartwatches, smart TVs, a smart home, or a connected car (ibid., S. 28). Soﬁa and Isabella want to use mobile marketing to approach coffee drinkers in their environment in the digital world at the right moment to then physically motivate them to buy a coffee at the KaauKo stand.

Communication between a company and a mobile user can be divided into four areas depending on the user's activity and the form of approach (ibid., S. 29f.):

In-app purchases Users can make purchases within an app, e.g., to unlock additional content or functions.

|  |  |  |
| --- | --- | --- |
| Four Forms of Mobile Marketing | | |
|  | Pull Communication | Push Communication |
| Personal approach | Mobile direct response marketing | Mobile permission-based marketing |

|  |  |  |
| --- | --- | --- |
|  | Pull communication | Push communication |
| Anonymous approach | Mobile inbound marketing | Mobile advertising |

* Mobile direct response marketing: the user is active (pull communication) and contacts the company, e.g., via QR code, SMS, or Messenger. The company may now respond to the inquiry as part of this particular marketing measure, but does not receive general consent from the user to also use the contact for future measures.
* Mobile permission-based marketing: the user has registered with an app or concluded a contract with the company, whereupon they are personally contacted with information via push notification for marketing purposes. The user can stop this action at any time. Therefore, the information should be relevant and not appear too frequently.
* Mobile inbound marketing: the user actively searches for content, services, or products via their smartphone (pull communication) and thus makes contact with the company, albeit in anonymous form (e.g., as a visitor to the online store, blog, or YouTube channel).
* Mobile advertising: in this form, the company approaches various users anonymously via mobile advertising measures such as location-based online banners, videos, or animated ads (push communication) without them having to give their consent in advance.

### Mobile Web vs. Apps

How can a user contact a company via their mobile device? This is the question every advertiser asks at the beginning of mobile marketing. There are two approaches to this that can also be used in combination.

##### Mobile Marketing via Mobile Web

Mobile users also use the traditional search engines for searching. Therefore, the same applies to mobile marketing as to online marketing: if a company is not found via the search engines, then it is also not visible to mobile users. A search engine-optimized website is therefore also a key component for mobile marketing campaigns, at least if a website is planned at all (Rieber 2017a, S. 47). However, it should be noted that the user is accessing the website via a different device and the presentation of the website must therefore meet different requirements. While the user at home looks at a large-format screen in landscape format on their computer, they perceive the same website in portrait format on their small cell phone display on a streetcar. Since a static website cannot serve both formats at the same time, the website is not displayed

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correctly on one of the two end devices making it difficult for the user to navigate through. This quickly leads to frustration, and in the worst case, mobile visitors bounce off a website that is not mobile optimized after a short time because they cannot reach their target quickly enough. For this reason, almost all leading websites in Germany are optimized for mobile use, since those responsible have already recognized the significance of mobile marketing (ibid., S. 48).

In addition to optimization for search engines, optimization for mobile devices is also an important measure for making one's own online offerings available to an intended audience (mobile users). There are three technical approaches available to advertisers for implementing the mobile web. “The individual decision as to which technological approach is used to develop a mobile website depends on the respective website and its functions, complexity, and intended audience” (ibid., S. 50):

* Adaptive web design: with adaptive design, a company creates an independent website in parallel to its own website with the same content, but optimized for mobile use. The mobile website is given its own subdomain, but it can also be accessed via the main domain. When a user accesses the main domain and wants to access the website, the server automatically decides whether to forward the user to the traditional website or the mobile-optimized website, depending on the end device (ibid., S. 49).
* Responsive web design: with responsive design, only one website exists for all end devices. However, the elements must be arranged dynamically so the display of the website can adapt to each end device (Kreutzer 2019, S. 223). For example, three images are displayed next to each other on a computer and below each other on a smartphone. On a computer, the user sees the images at a glance, while they must scroll down when on a cell phone – the website must satisfy both types of use. These days, **content management systems** (CMS) offer ready-made templates in responsive design, so companies only need to store their content in the corresponding modules. With adaptive design, mobile optimization occurs on the server side before the website is presented to the user; with responsive design, optimization only occurs in the user's browser, so the display cannot really be tailored to the user. A more individual approach is possible with adaptive design, although the effort and expense are greater (Rieber 2017a, S. 49f.).
* AMP and Instant Articles: Google's Accelerated Mobile Pages (AMP) and Facebook's Instant Articles have the shortest loading times among websites. Both providers offer templates that use lean code to shorten loading times for mobile devices. The website is already preloaded when Google search hits are displayed, the user is initially shown only the visible elements, and complex elements such as stores cannot be integrated at all. In addition, the providers place the websites before all other results for mobile queries. Conversely, the technical options for the slimmed-down websites are significantly limited, and the website is delivered via Google or Facebook servers, so the user never leaves the environment of the major providers (Gessert 2017).

Content Management System

A content management system is software for creating, organizing, and editing websites.

##### Mobile Marketing via Apps

Users dive into the mobile web when they are looking for specific information, e.g.,

store opening hours or a product price. With a website alone, the company is not yet making the most of the technical possibilities that the mobile device has to offer for its own mobile marketing – the development of an app is more suitable for this. The user can download the app to their smartphone, which gives the company one of the coveted places on the user's home screen and makes it a companion in everyday life. Traditional marketing channels cannot offer such opportunities for personal engagement (Rieber 2017a, S. 54f.). However, the user's demands on an app are also correspondingly high – above all, it must offer added value in everyday life so the user is willing to use it regularly and not delete it after a few days: “What problems can the app solve? What added value does it offer the user? How can it simplify processes in everyday life?” (ibid., S. 55), e.g., by providing a weather forecast, acting as a bubble level, or serving as a bus ticket. An app prepares content for the user in a completely different way than the mobile web. And only a few apps make the leap to users' smartphones. So Soﬁa and Isabella want to develop a KaauKo app for their regular customers that performs multiple functions and adds value for users in different ways, depending on how it is used. At the same time, Soﬁa and Isabella's app supports the goal of selling more coffee to users:

* + Display the KaauKo bike location: users can see where the bike is currently located and be guided directly there with a route planner.
  + Call the KaauKo bike: users can express their wish for the KaauKo bike with their location and a time, whereupon the bike adjusts its route if there is sufficient interest in the area.
  + Order a coffee: rather than lining up in front of the coffee stand, users can use their proﬁle name to order a coffee at a specific time and pick it up directly. During this, they can precisely design their coffee with the app.
  + Save coffee templates: rather than needing to design the coffee each time they order, app users can save different designs and order them directly.
  + Pay for a coffee: Coffee can either be paid for in advance when ordering (using various payment options such as PayPal, Sofortüberweisung, or SEPA direct debit) or via mobile payment directly at the coffee stand.
  + Collect bonus points: users are credited with one bonus point for every coffee purchased. They receive a free coffee with ten bonus points.
  + Refer a friend: When a new user installs the KaauKo app, they can enter the proﬁle name of their referring user, who will be credited with a coffee. The app also offers the option of sending an invitation to the KaauKo app to saved contacts.

The development of an app is a rather complex and costly marketing measure, which is why there should be a good concept behind it that focuses on added value for the user. The intended audience can be involved in the development process and provide feedback

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at every step of the process to ensure that the app actually does meet the customer's wishes in the end (Rieber 2017a, S. 58). Nevertheless, the marketing goal must not be lost in the process: what does the company want to achieve with the app? The app can only survive in the long term if the company generates added value for itself with the app (e.g., tickets are sold, visitors are attracted to events, or in-app purchases are made). Consequently, an app must both motivate active users to use it regularly and inspire new users to use the app. In addition, a good app alone is not sufficient, since a separate marketing campaign is necessary for the app to spread so the intended audience learns about it (ibid., S. 57).

### QR Code Marketing and Location-Based Services

A major advantage of mobile devices for online marketing is situational communication (Kollmann 2019, S. 32). Users no longer need to sit in front of a stationary computer to access online offers and can receive all the necessary information from the internet right on the spot via smartphone. They can compare a vacuum cleaner in a store with online offers, access the menu from the restaurant around the corner or, e.g., have the history of a historical building told to them while they are standing in front of it. All they need to do is have their cell phone with them. For a user to be able to access relevant information, the company should also make it available, e.g., in the Google My Business Proﬁle, on Facebook, Yelp, Lieferando, and other platforms for local products and services. But a company can also utilize the mobile devices of its intended audience in other ways for its mobile marketing, e.g., by knowing the location of the users and thus approaching them even more speciﬁcally.

##### QR Code Marketing

A QR code is a simple, yet versatile advertising tool for quickly providing users with the most important information. The quick response code was invented in Japan in 1994 to better track vehicles during production. Initially, the two-dimensional code spread around the world in various production halls, transport companies and retail stores until the introduction of the smartphone made the QR code interesting for online marketing as well. This is because a smartphone contains a camera that can be used to read QR codes (Chou/Wang 2020, S. 1230). A user points the camera at a QR code and activates a QR code scanner on their smartphone, whereby the smartphone deciphers the code. This is because, in most cases, the QR code consists of a square filled with many black and white squares. Each white square represents a 0 and each black square represents a 1, so the QR code becomes a string of characters that contains, e.g., a link to a website. The more complex the information encoded in the QR code, the greater the number of white and black squares (ibid., S. 1231).

Near Field Communication

NFC enables wireless transfer of data at a distance of a few centimeters.

Soﬁa and Isabella use the QR code for a status query on the whereabouts of their KaauKo bike. When a user scans the QR code and shares their location, the route planner on their smartphone informs them of the current distance to the KaauKo bike. The user can then either be guided directly to the coffee stand or send a request for a coffee directly to Soﬁa and Isabella. The QR code merely initiates a communication process; there is no active technology in and of itself. For example, the QR code is often used as an alternative to the URL on print advertising media, so users do not need to type a long string of characters into their cell phones, thus lowering their inhibitions about visiting the website. Soﬁa and Isabella print the QR code on their paper coffee cups, since they are spread around town by customers. But they have also posted signs with the QR code at their regular stops, and it can also be found on their business cards. In the form of the QR code, “technology offers an easy way to connect the physical and digital worlds” (Rieber 2017a, S. 93). However, German smartphone users are rather reluctant to scan QR codes, and the technology is gradually being replaced by the introduction of **near field communication** (NFC) based on RFID technology (ibid.).

##### Location-Based Services

The location of a smartphone user plays a decisive role for location-based services. For example, users of the KaauKo app can share their location and are then informed when the bicycle is in their vicinity. Using a route planner, they can then be guided directly to the coffee stand and order a coffee on the way via the app. Location-based services use the user's location to provide them with information that offers them added value in their current situation (Kollmann 2019, S. 27; Uphaus/Ehlers/Rau 2019, S. 8). This added value is present if their location-dependent need can be better solved by the service at that moment than by a stationary end device (Kollmann 2019, S. 32). For example, Soﬁa and Isabella not only send out the location of their bike to users in the area via their app, but also send out suitable discount offers for the current weather, season, time, or date. Every now and then, they also announce a challenge: the first five customers who stop by the KaauKo bike's current location will receive a free coffee.

In everyday life, location-based services are also used to locate a cab, a restaurant, or an ATM – depending on what the user needs at the time. Users can either search for information suitable for their environment themselves (pull communication) or receive suitable information sent directly to their smartphone from companies in their area (push communication) (Demling 2017). The location of mobile devices is determined either via satellite-based GPS technology or via small blue tooth transmitters called ***beacons*** that can send their signal ten to thirty meters away (Uphaus/Ehlers/Rau 2019, S. 8). Soﬁa and Isabella use both technologies: Via GPS, they inform app users in the wider environment around their mobile coffee stand about their current location.

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And via beacons, they send their information from the bike via Bluetooth to smartphone users in their immediate vicinity.

### Mobile Commerce and Mobile Payment

Soﬁa and Isabella not only use their customers' mobile devices for information and marketing purposes, but also as a payment option. They offer the following options: customers can order and pay for their coffee via the KaauKo app (mobile commerce), so they only need to pick it up at the coffee stand. Or they can use their cell phone as a means of payment directly at the **point of sale** (PoS) – rather than cash or a debit card. In both cases, the smartphone serves as a means of communication for processing the payment transaction.

##### Mobile Commerce

Just as the smartphone has a major influence on online communication and offers new opportunities for online marketing through mobile marketing, it also has an influence on the shopping and payment behavior of internet users. To begin, online shopping has established itself as **e-commerce** in everyday life – with a market share of 73 billion euros in Germany and a forecast growth of 7.3 percent by 2021 (J. P. Morgan 2019). This puts Germany in third place in Europe behind the United Kingdom and France. Shopping on the internet primarily offers users time savings and flexibility, since they do not need to travel to a relevant store within opening hours to purchase the product or service (Kollmann 2019, S. 297). Mobile shopping via smartphone adds the advantage of freedom of mobility: the user no longer needs to sit at home in front of the computer to shop and can make their purchase at any location as long as they can access the offer on the internet via WiFi or using their mobile data (ibid., S. 297f.). In mobile commerce, shoppers use their mobile devices to purchase products and services (ibid., S. 32), whereby the smartphone can be used for various actions in the buying process – from product research and comparison to product selection, purchase completion, payment, and review (ibid., S. 298). Mobile shopping is the preferred option for tickets of all kinds (e.g., train tickets, airline tickets, and admission tickets) and for popular e-commerce products (e.g., books, DVDs, and CDs) (ibid.).

In 2019, 27 percent of e-commerce sales were already attributable to mobile commerce: and the trend is rising (Diehl-Wobbe 2019, S. 25). Companies with an online store should urgently make it accessible to mobile users as well, so as to not exclude a growing intended audience. Although mobile users can access an online store just the same as stationary users, older online stores in particular are often not yet optimized for display on mobile devices, which impairs shopping on smartphones because the online store’s mobile display does not function properly.

Beacon

A beacon sends a signal via Bluetooth to mobile devices in its vicinity so the receiver can access content.

Point of Sale

Point of sale is the place where a product or service is sold, such as a store or stall.

E-commerce

This term stands for the electronic commerce that occurs via the world wide web.

As with mobile marketing, sellers have various options for optimizing their online store for mobile use (Kollmann 2019, S. 298):

* + Online store via mobile web: the operator of the online store can either optimize it for display on mobile devices (responsive web design) or set up a special online store for mobile users in parallel; the content of which matches the existing online store and to which mobile users are automatically redirected from the server (adaptive web design).
  + Online shopping via an app: anyone who regularly shops at a particular brand or supplier, e.g., in a store or an online store, gains added value from installing the respective app and making their purchases even faster and easier via the app in the future. For example, eBay, Amazon, and Groupon are among the most popular online shopping apps (Diehl-Wobbe 2019, S. 25). Through the app, a company can build a more intensive relationship with its customers, inform them directly about current offers and promotions, and even handle the payment process via the app. However, 40 percent of German shoppers still prefer to pay by bank transfer or direct debit – mobile payment offers are only slowly being accepted (ibid.).

##### Mobile Payment

Mobile device users can use their smartphones to shop on the internet and to pay locally. In mobile payment, the cell phone takes over the function of other means of payment such as cash, card payment, or a credit card (Rieber 2017a, S. 94). Since the procedure has not yet been standardized, there are different providers with different technologies on both the seller and buyer sides. However, most providers use either near field communication (NFC) or the QR code as an interface for the payment process (ibid.). “With NFC, data can be transmitted without contact over a short distance of around four centimeters between two devices or even between a device and a card” (Ruhenstroth 2017). Thus, paying with a cell phone via NFC works similarly to an appropriate bank card: the user opens a payment app on their smartphone and holds it up to the vendor's payment device. The app can either be loaded with money in advance or obtains its money from a credit card, EC card, or SEPA direct debit account (ibid.; Göbel 2017, S. 144). There are also various procedures for payment via QR code, in which the user either scans a QR code generated by the seller with an app or the seller reads a QR code generated by the customer.

Although major providers such as Google, Apple, and Samsung introduced their payment apps based on NFC technology on their devices as early as 2014 and 2015 (Göbel 2017, S. 143), German shoppers in particular are still hesitant about mobile payment. In 2018, only 7 percent of consumers paid with their smartphone at the checkout (Kollmann 2019, S. 316). The skeptical shoppers have various reasons why they do not (yet) trust mobile payment (Rieber 2017a, S. 95):

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* Data privacy and security: cash is anonymous, but with mobile payments, personal data is stored that reveals information about the purchase, e.g., when a user bought which item where and with which payment method.
* Dependence on an end device: like the wallet, the smartphone must always be to hand, but unlike the wallet, the cell phone has a limited battery life and can also be broken from time to time.
* Credit card as a prerequisite: although mobile payment also works without a credit card, U.S. providers particularly require a credit card as a means of payment, since payment by credit card is more widespread in the U.S. than in Germany.
* Lack of knowledge and mistrust: in order for skepticism toward mobile payment in Germany to be reduced, it must be offered by more merchants in everyday life. However, many retailers only invest in a new checkout system with NFC technology when customer demand increases (Kollmann 2019, S. 315). Consequently, growth in mobile payment has been quite sluggish.

### Success Factors of Mobile Campaigns

Soﬁa and Isabella decide to use mobile marketing for the entire marketing campaign for the KaauKo bicycle, since they want to approach mobile users as an intended audience with their advertising measures and win them as customers. In doing so, they rely on the increasing number of mobile users who use their smartphone as their preferred end device (as what is known as their *first screen*) (Rieber 2017a, S. 68). Soﬁa and Isabella count themselves among their intended audience and are almost exclusively on the internet with their smartphones. Therefore, access to mobile marketing is not particularly difficult for them, and they can control the mobile campaign for the KaauKo bike from their mobile devices.

##### Campaign Planning

At first glance, planning a campaign for mobile marketing is not very different from planning a campaign for online marketing. For both campaigns, goals must first be deﬁned, intended audiences analyzed, a customer journey developed, and KPIs defined (Rieber 2017a, S. 69f.). To measure the performance of their mobile campaign, Soﬁa and Isabella select five to eight KPIs (Steiger 2017, S. 221), which they use to keep track of the progress of individual measures. Mobile use means that they have different KPIs at their disposal than in purely online marketing, so they can define the key performance indicators to suit mobile marketing (Rieber 2017a, S. 69f.). Since their campaign is mainly focused on the distribution and use of their KaauKo app, they definitely keep an eye on the CPI (**cost per install**) metric, which compares the costs for their campaign with the app downloads.

Cost per Install This key figure sets

the number of installations of an application in relation to the costs for the corresponding

marketing measures

There are also some special features when selecting suitable advertising media for mobile use. Mobile devices function somewhat differently than stationary computers and are therefore used differently, which must be taken into account when designing a mobile campaign (Steiger 2017, S. 214):

* Architecture and design: the attention span of a mobile user is significantly shorter than on a stationary computer. In addition, the display screen for the measures is much smaller. Thus, the advertising must load quickly, be easy to use, lead quickly to the target, and only consume a small amount of storage volume, energy, and mobile data.
* Preparation and approach: in contrast to PC users, mobile users usually see all of the advertising (Rieber 2017a, S. 71), so their full attention is focused on it. It is therefore all the more important for mobile advertising measures that the intended audience is approached accurately and can distribute the content directly via their social media channels and messengers.
* Adaptation and use: the cell phone accompanies the intended audience throughout the day and is used in various situations. Thus, the advertising measure must adapt to the different situations and current topics of the intended audience in order to be perceived again and again.

In principle, all online marketing measures are also accessible from mobile devices. However, some advertising media are more suitable for mobile marketing than others (ibid., S. 71ff.):

* Banner: advertising via banners works the same way in mobile marketing as it does in online marketing – the advertiser can define the position, size, and degree of animation in the mobile web or in an app. This advertising format is quite easy to integrate, cost-effective, and customizable due to the high availability of advertising space. However, banners on a mobile display are even less likely to be noticed and clicked on than on the computer screen.
* Interstitials: this term is used to describe advertising that interrupts an action by the user, e.g., when they switch from a home page to a subpage on a website. In most cases, a full screen ad then appears on the cell phone display, which can either be closed or automatically fades out again after a few seconds. The effect is correspondingly great due to the high level of attention and there is a chance of interaction. The price for this form of advertising is correspondingly high.
* Rich media: the advertising content of rich media formats is designed to be multimedia-based to generate greater attention. In addition to text and images, the advertising can also contain video elements or audio data and therefore uses various functions of the smartphone to attract the user's attention.

Mobile Marketing and Mobile Commerce

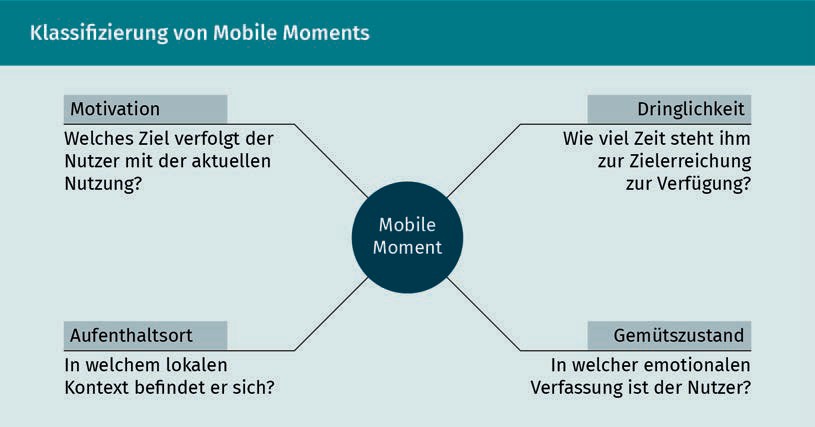
* + Video: even though the cell phone display is much smaller than the TV or computer monitor at home, it is frequently used to watch videos on the go – often without sound, but with subtitles. Here, short advertising videos can be displayed before, during, or after the actual video (as so-called pre-, mid- or post-roll ads).
  + Native: in this advertising format, the advertising content merges with the environment of the online offering so the user hardly notices it as advertising. Facebook, for example, repeatedly inserts personalized ads into the user's timeline, which, when scrolled through, are visually almost identical to the contributions of friends, groups, and fan pages.

##### Mobile Moment

“While traditional, stationary online use is primarily characterized by a few, but very intensive uses, a large number of brief uses that extend over the entire course of the day are characteristic of mobile” (ibid., S. 14). These brief moments of mobile use are referred to as *mobile moments* – whenever a user turns to their cell phone to receive added value in their current situation (Rieber 2017b). This can be reading the latest WhatsApp messages, planning a route to the next gas station, or buying a bus ticket. In a mobile moment, the user focuses their full attention on their smartphone and is receptive to mobile marketing. This is why the mobile moment is so interesting for mobile marketing because it has a high potential for interaction and user loyalty (ibid. 2017a, S. 68). To achieve this, however, the measure must offer the user a significant added value at the decisive moment (ibid., S. 15), so the user does not simply skip the advertising and devote their self to their actual goal.

If Soﬁa and Isabella want to use such a mobile moment for their mobile marketing, then they need to know their intended audience and their mobile moments precisely to communicate the right content at the right moment. The KaauKo app should offer a coffee to tired users in an office at the right moment, when they are just taking a quick look at the clock and considering whether to take a coffee break. To determine the right mobile moment for mobile marketing, each mobile moment can be classified according to four factors (ibid.):

* + user location of the user,
  + user state of mind,
  + duration of use, and
  + goal of use.



The goal of mobile marketing is to approach the user with the right content at the right mobile moment so they see added value for their self and interact with the advertising measure. This requires in-depth knowledge of the intended audience and its mobile usage behavior.

Summary

An increasing number people are accessing online offers via a mobile device and are therefore also taking advantage of online marketing measures via their cell phone. But cell phone use works differently than marketing via a stationary computer – mobile users can access the internet regardless of time and place and retrieve information relevant to their current situation. Rather than staring intensively at computer monitor for a longer period of time, mobile users repeatedly pick up their cell phones for short periods of time – and generate mobile moments in the process. The goal of mobile marketing is to approach mobile users at the right moment with the right content via their personal smartphone and to encourage them to interact with an advertising measure. To achieve this, companies must optimize their advertising content for mobile use – either on the mobile web or as an app. At the same time, advertisers have new options for approaching intended audiences that go beyond normal online marketing.

With QR code marketing and location-based services, advertisers can send location-specific information to their customers, and payments can also be made directly using cell phone via mobile commerce as well as mobile payment, Advertising formats such as interstitials, rich media, and videos are particularly well suited for an approach on mobile devices. To do this, existing websites must be optimized for mobile display to function properly on cell phones. But the most important question for mobile marketing is: can the user do something with the advertising in their current situation?

Mobile Marketing and Mobile Commerce

The reason for this is because mobile users are very demanding when it comes to the content on their mobile devices. That is why a comprehensive intended audience analysis is even more important for mobile marketing than for other forms of online marketing.



# Unit 7

## Online Law

#### STUDY GOALS

After completing this unit, students will know ...

... which components belong to online law.

... how online law affects internet use.

... which content companies are allowed to use for their online presence.

... how companies can legally protect themselves on the internet.

... how the GDPR has changed the way personal data is handled.

DL-D-DLBMSM01–01–L07

1. Online Law

### Case Study

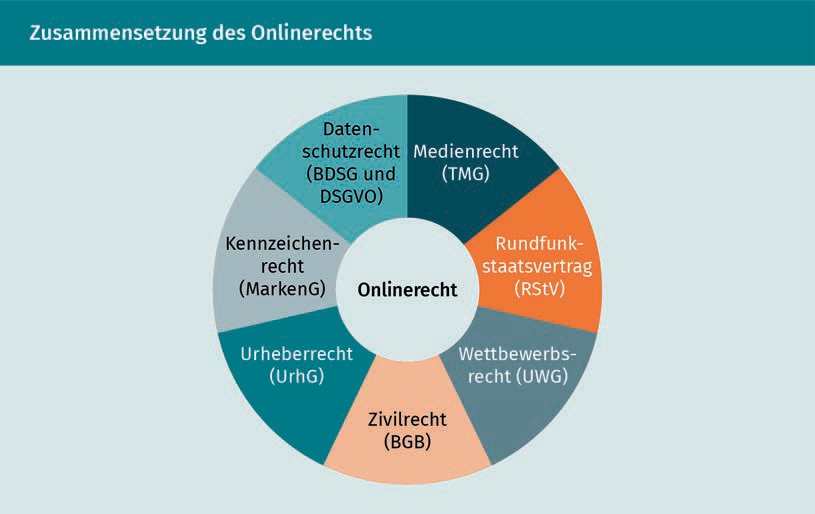
Regina is a trained educator, worked at a kindergarten for many years, and then started her own business as an in-home daycare provider. In the meantime, she has built up a network of clients and other in-home daycare providers in her home city of Leipzig. But an increasing number of young parents need ﬂexible care in their daily lives, which is difficult to cover with the services of an in-home daycare provider. This is why Regina founded an online platform called “Flexysitting,” through which in-home daycare providers, babysitters, and parents can exchange information to provide appropriate care at any time of day or night. Flexysitting already works excellently in her neighborhood, and Regina now wants to recruit more members in Leipzig. To this end, she is investing in a search engine-optimized website and various social media channels to raise awareness of her platform.

The content for online marketing is to come largely from the members themselves –Regina only wants to provide the framework. But to what extent is she responsible for the actions and content of the other members? Every user can publish content and create their own website on the internet. Text, images, music, and videos spread like wildfire via social networks and messengers, and the boundary between private and public exchanges is becoming increasingly blurred. But due to the digital diversity, different rights, which are often forgotten or neglected, apply equally to online marketing.

### Legal Aspects of Online Marketing

Regina quickly reached her limits when designing the website for the Flexysitting community. Of course, the website needs appealing images, but which ones can she use? She discovered a platform for free images, but does she need to name the photographer under each image? She also wants to embed a video from YouTube and share it on Facebook at the same time – is she allowed to do that so easily? As a private person, she has yet to consider such questions and simply shared funny or inspiring text, images, and videos with her friends – even if she actually violated copyright law by doing so. But as an advertiser, she must comply with numerous laws. And although the internet has been used commercially for over thirty years, there is still no uniform online law. Instead, the legal basis for the use of the internet is composed of many different legal areas that are affected by the use of the internet (Blind/Stumpfrock 2018, S. 561f.; Lammenett 2019, S. 170f.).

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Since Regina has not studied law, she can initially abide by the following statement: “In principle, what applies to offline also applies online” (Blind/Stumpfrock 2018,

S. 562). Without a speciﬁc online law, many legal principles for internet use are borrowed from the analog domain and thus also apply in the world wide web. Even ofﬂine, Regina is not allowed to simply print any image on a flyer and distribute it in Leipzig if she has not obtained the appropriate rights of use for the image. However, the internet encompasses so many different media and forms of communication that the laws from the ofﬂine world alone are not sufficient to cover all borderline cases. In addition, the online world is in continual flux, so laws repeatedly need to be expanded, tightened, or revised, such as the Basic Data Protection Regulation (DSGVO) in 2018 or Article 17 (originally Article 13) with regard to the **upload ﬁlter** from 2019. Through internet speciﬁc regulations, doctors as well as clinics, for example, are allowed to operate a website, although they are otherwise prohibited from advertising for professional activity (ibid.). It was also necessary for liability for hyperlinks to be separately clarified since there is no equivalent for this in the analog world (ibid., S. 563).

##### Legal Notice Obligation

As a legal basis for the Flexysitting website, Regina must create a subpage with the title *Legal Notice*. This form of provider identification is intended to enable a certain degree of transparency and traceability of the content offered on the internet. Accordingly, all online publications that offer goods, services, or journalistic-editorial content must have a legal notice/legal notice (Siebert 2020a). Private websites are not exempt from the legal notice requirement, but purely private use is very narrowly defined. Thus, if a website is not only used to share photos of a past Australia vacation with the family, then

Upload Filter

An automated computer program scans content before publication and blocks it if it violates the law.

the operator is on the safe side with a legal notice. The legal notice of an online offering must be “easily recognizable, directly accessible, and permanently available” (Blind/Stumpfrock 2018, S. 565). Usually, a link to the legal notice is located in a website’s footer.

Compulsory components of a legal notice

The relevant information below is specified in § 5 of the German Telemedia Act (ibid., S. 563f.) to ensure that a legal notice contains all important information and that the provider can be clearly identified.

* Name: company name of the provider or first and last name in case of a natural person.
* Address: a valid mailing address, not a P.O. Box or email address.
* Legal form: legal form of the provider or authorized representative.
* Contact: a quick means of getting in touch , e.g., via a telephone number or an email address.
* Regulatory authority, if applicable: if the provider advertises an activity with regulatory approval.
* Commercial register information, if applicable: in the case of an entry in a commercial register with the corresponding register number;
* Professional information, if applicable: additional details for liberal professions, e.g., legal job title, professional chamber, and professional regulations.
* Identiﬁcation number, if applicable: if the provider has a VAT or business identiﬁcation number.
* Liquidation proceedings, if applicable: if the provider is involved in a settlement or liquidation.

### Copyright and Handling User-Generated Content

Regina wants to use Flexysitting to create a lively community with mutual exchange and enrichment So far, she has used various WhatsApp groups in which links, text, photos, and videos were shared. Now Regina wants to make this exchange public on Facebook and in a forum, among other places, in order to approach other interested parties from Leipzig and the surrounding area and to expand the community. But this inevitably takes Regina into one of the most complex and risky areas of online law: copyright. Copyright automatically arises as soon as a text, image, or a video is recognizable as its own work and thus distinguishes itself from other content (Solmecke/Kocatepe 2018, S. 31).

“Copyright protects the rights of the author to their work. It attempts to prevent their work from being defaced, misused, or passed off by other persons as their own” (ibid., S. 30). The copyright always remains with the creator of the work; they cannot relinquish it, but rather merely grant a right of use for the work. This right of use can be formulated very precisely, so that, for example, an image may only be used for specific channels, times,

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or countries. The unlimited right to use a work is rarely granted – and in such a case, the advertiser may do what they chose with it. (ibid., S. 30f.).

Regina would be on the safe side if she created all the content for the website herself. Then, as the author, she would be able to dispose of the rights of use herself. But she does not have that much time or talent. So she hires a photographer for a photo shoot and a copywriter for the right wording. She negotiates the corresponding rights of use with both of them. She also wants to use a few photos and some text passages for the Flexysitting Facebook page and possibly place ads on other platforms. In doing so, she in turn grants third parties rights of use to the content, which she must first agree with the authors. Once an image publicly lands on Facebook, it can be shared and used as desired. Facebook secures the rights to use the image when it publishes it, which is fairly close to an unlimited right of use. Regina absolutely needs the copyright holder’s permission for this, preferably in writing.

##### Publication of Third-Party Content

As long as Regina is the only one publishing content on the website and Facebook page, she can take care of the necessary rights of use and thus protect herself. But the goal is a lively and public exchange in a forum as well as on Facebook. In this way, Regina opens up her channels to other users who also publish content there and who are often not as intensively concerned with copyright law. In this way, photos, texts, and videos for which Regina has no rights of use end up on the platform. As the operator of the platform, she cannot initially do much about the publication of protected content, since she only notices the infringement once the content has already been published. However, she is obligated to quickly “punish such infringements and remove the protected content” (Kollmann 2019, S. 745). For example, of course her neighbor, Inge, can publish a selﬁe of herself in the on the platform, since she holds all the necessary rights as the photographer and photographed person. But she cannot publish a photo from a WhatsApp group whose creator she does not even know. Such boundaries are often crossed, particularly in public communities where mainly private persons communicate with each other. When embedding YouTube videos, the current legal situation is clear according to several, partly contradictory court decisions: If the creator of the video has consented to the publication on YouTube (for example, by uploading the video to their own channel), then the video is already legally publicly accessible and can therefore also be embedded and distributed on other platforms. However, if the video was uploaded to YouTube without the author's consent (e.g., a scene from a film or a song with text overlays), then the distribution of this illegally uploaded video is also not permitted (Solmecke/Kocatepe 2018, S. 277ff.).

##### Safeguarding against User-Generated Content

What can Regina do to legally protect herself as the operator of the platform? Delete content without the corresponding rights of use – that much is clear. But Regina cannot sit at her computer every minute and check all the published content; this is not possible for her once a certain volume is reached. It is for this reason that she can take further precautions:

Bot This program independently processes pre-deﬁned tasks without relying on human interaction.

Claims A creator can assert a claim against YouTubers who have used their work in videos. This will result in the videos being blocked or monetized.

* Formulate netiquette: In what is known as *netiquette*, specific rules of conduct are established that apply to communication on the platform. Although these rules are not legally binding for the platform users, Regina can use them as a basis for admonishing or blocking users in the event of misconduct. Netiquette also promotes respectful interaction (Kollmann 2019, S. 745).
* Appoint moderators: so the responsibility and work does not fall solely on Regina, she can bring moderators on board who also monitor the communication and content. This ensures a quick response in the event of misconduct or legal violations. The users should be identified in their role as moderators and have extended rights, e.g., for deleting content or blocking users (ibid.).
* Create log-in: if the user exchange no longer occurs publicly and a log-in must first be completed as a barrier, then the legal requirements are no longer so strict. Of course, Regina should continue to ensure that everything in the community is conducted within the law. But with a log-in, she protects herself from spam, **bots**, troublemakers, and deliberate legal violations. In addition, she can require each user to agree to abide by both netiquette and legal requirements when registering.
* Obtain licenses or agree on cooperations: large platforms like YouTube in particular cannot continually review all content for legal violations. For this reason, such platforms negotiate comprehensive licensing agreements with artists' associations such as the German Society for Musical Performing and Mechanical Reproduction Rights (GEMA – Gesellschaft für Musikalische Aufführungs- und Mechanische Vervielfältigungsrechte), which means that the rights of use for future works are already clarified (ibid.). Alongside this, creators can become active on YouTube themselves and assert **claims** against videos uploaded by others without the corresponding rights of use, whereby the videos are either blocked or the advertising revenue goes entirely to the creator (Google Ireland 2020c).

### The Right to One’s Own Image

Due to the high costs, Regina decides against hiring a photographer and prefers to create the photos for her online platform herself. But which motifs should she photograph? Since everything at Flexysitting revolves around childcare, she borrows her neighbors' children for an afternoon to photograph them. As the photographer, she is also the creator and can subsequently decide for herself how the photos are to be used.

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Nevertheless, she must observe the following: If there are people in the photos, they also have a claim to the image as the creator. “Every person is entitled to determine for themselves whether they are photographed and whether these images may be published. This right is known as the 'right to one's own image' and is part of what is known as the personal right of every person. It is regulated in the predecessor of today's copyright law, the Kunsturheberrechtsgesetz (KUG) of 1907” (Janke 2020).

Since children and babies up to the age of seven cannot yet make this decision themselves, Regina must obtain permission from their parents. Older children and teenagers can decide for themselves whether they want to be photographed. But the consent of at least one parent is also required for the photo to be distributed (Urheberrecht.de 2020). If Regina forgets to obtain the parents' consent before the photo shoot, she can still ask for it later – preferably in writing. If a photo is published without the consent of the person depicted, the person depicted can take legal action against it by (Janke 2020):

* + prohibiting further use,
  + issuing a warning (including a cease-and-desist order and costs of that warning),
  + claim damages for pain and suffering (if the unauthorized publication of a private photo resulted in a particularly serious infringement of rights).

##### No Photo without Consent?

As a general rule, every person in a photo must give their consent to be photographed in advance – even if it is a spontaneous snapshot. If the photographer wants to publish the photo (this also includes distribution via social networks such as Facebook and Instagram, as well as via messengers such as WhatsApp), they should obtain the person's consent. For a company, written consent is the safest way. This must be voluntary, and the purpose of use should be formulated as precisely as possible. The consent should contain all relevant information (including the name and address of the person photographed) and be archived for the future. If, for example, an employee leaves a company and no longer wants to be seen in the photos of the past Christmas party, they can revoke their consent. In this case, the photos must be removed from the website or the employee must be made unrecognizable in the photos (Lemm/Schulze 2020, S. 56f.).

However, there are also exceptions to these strict regulations, as otherwise photographing in public spaces (e.g., of events or sights) would be virtually impossible. There is “implied consent,” for example, which is not explicit but is assumed, for example, in the context of an interview (Blind/Stumpfrock 2018, S. 566). However, the photographer and the person photographed are still in contact with each other, and the person photographed could object. A photograph must fulfill one of the following conditions to be taken and published without contact and consent (Janke 2020):

* The photo must document current events: if a person is relevant to current events from the public's point of view (e.g., politicians, artists, actors, athletes), they can be photographed without consent. This exception is particularly important for press photographers.
* The person is simply an accessory in the photo: can the person be omitted without significantly changing the message of the picture? Then the person is only an accessory, and the photographer does not need consent. Particularly at tourist attractions, there are many tourists who often appear in other people's photos.
* The photo shows a gathering of people: at larger events such as demonstrations, concerts, or a soccer match, there are often many people in the picture who have not all given their consent. The prerequisite for a photo is that the event takes place in public space. Concerts and soccer matches are not automatically considered public events – photography is often prohibited at these events. In addition, the gathering of people must be in the foreground, thus granting the persons photographed the anonymity of the crowd. Individuals or groups are not allowed to stand out unless, for example, they approach the public as speakers and are therefore considered relevant persons for current events.

Model Contract The person photographed contractually agrees that their images may be used.

In the end, Regina uses photos from the internet, whose licenses she acquires from inexpensive image databases such as Shutterstock, Getty Images, or Adobe Stock, or free alternatives such as Pixabay, Pexels, or Unsplash. The advantage: the image databases have their own **model contracts** with the persons depicted in the photos, so the buyer or user automatically acquires the consent of those persons. The disadvantage: the photos can be used multiple times, so the person depicted sometimes appears in completely different areas and contexts, e.g., once on an optician’s website of an optician and another time on a lawyer’s website.

### General Data Protection Regulation (GDPR)

Regina has opted for a log-in procedure for the Flexysitting online platform. Users must first log in with their email address and a password before they are allowed to publish contributions on the platform. Regina has already collected numerous email addresses through the log-in process and would like to thank the users for their support. She plans to send a regular newsletter to all members that is packed with news, but also highlights her offers as an in-home daycare provider. But she must be especially careful when using email addresses, because particularly strict rules have applied here since the introduction of the Data Protection Regulation (GDPR). The GDPR was enacted by the European Parliament and the Council of the European Union on May 27, 2016 and set a two-year deadline for implementation. The regulation contains rules on the processing of personal data, providing internet users with better information about the use of their data, and more control over it (Kollmann 2019, S. 510).

Online Law

The moment a user interacts with the internet – enters a query in a search engine, accesses a website via a link, or adds a product to a shopping cart – they leave traces with the individual providers in the form of data. This data is known as **personal data** and is particularly valuable to companies because it tells them a great deal about a user's behavior, such as location, surfing behavior, and IP address. The GDPR restricts the recording, collection, processing, and transfer of data and imposes heavy fines of up to 20 million euros on violators to protect the privacy of users (Kollmann 2019, S. 683; European Union 2020).

##### User Information and Control

The GDPR has a significant impact on communication and data exchange between users and providers on the internet. The corresponding guidelines and measures fall into two categories.

Information for Users

To enable users to make better decisions about the use of their personal data, they must first be informed about it. This includes, among other things, documentation of data processing on the part of the company. For example, a user can, at any time, ask a company what data about them is being stored and processed, and for what purpose (Kollmann 2019, S. 683). The company must be able to provide the user with the relevant information free of charge within one month. Starting at a company size of twenty employees, a data protection officer who is responsible for data protection within the company and acts as a contact person for questions relating to this must be appointed. However, this regulation only applies if at least twenty employees are involved in data processing. In smaller companies, this function can be assumed by the managing director, for example, in which case the data protection regulations still apply – with or without a data protection officer. Even while surfing the internet, providers must (since 2018) supply information about the data that is collected and processed when visiting a website or using a platform. Furthermore, most websites now have a special subpage on data privacy, in addition to the legal notice/legal notice, in which all relevant information on the handling of personal data is compiled.

User Choice

Companies must not only inform users about the use of data, but also give them the opportunity to object to this use. For this reason, every user is informed about the use of cookies when visiting a new website and can often choose which cookies to allow or reject. Only after the user has given their consent may tracking tools such as Google Analytics collect data about this user. The correct setting by the website operator is crucial here, so Google Analytics, for example, uses shortened and thus anonymized IP addresses (Siebert 2020b). If the GDPR is implemented correctly, the user data collected by Google Analytics, for example, will be obscured since many users can no longer be

Personal data

This includes all data that can be clearly assigned to a specific person.

ODP

If a company transfers customer data to a partner for processing, the partner must conclude a contract for commissioned data processing.

Double Opt-in Procedure

This procedure requires a user to confirm their consent twice, e. g. additionally via

a link.

individually or at all. In addition, the website operator is obligated to conclude a contract for the order data processing (**ODP**) with the tracking tool provider, since the personal data is transferred to third parties by the tool (ibid.).

The GDPR regulations also apply to email marketing; email addresses also count as personal data. Following this, Regina may not use the email addresses of Flexysitting users to send out advertising for her services as an in-home daycare provider without asking their permission. “Only those who have received the electronic approach of a customer or prospective customer in connection with the sale of a good or service may use this approach for direct advertising for their own similar goods or services” (Lammenett 2019, S. 115). Otherwise, Regina must include a checkbox in the log-in process for the platform, thereby obtaining consent to use the email address for advertising on the platform’s behalf. Once users log in to the platform, they receive an automated response with a link they must click to confirm their registration. With what is known as the **double opt-in procedure**, the user gives their unambiguous consent that they wish to use the platform and to provide Regina with their personal data for this purpose. However, in the case of email marketing, a user must be able to unsubscribe from a distribution list at any time and thus not receive any further advertising (Lammenett 2019, S. 115).

Summary

Online law as such does not exist – rather, it is composed of various legal areas that have emerged independent of the internet. Since the technical possibilities of the internet are constantly changing, online law is also subject to constant adaptation and revision. One significant area of online law is copyright law, since digital content is distributed very quickly on the internet and the boundary between private and public use is becoming increasingly blurred. The originator of a text, video, or image is automatically the creator and can grant rights of use, which means that their work may be used for online marketing. Communication with other users becomes difficult when they publish user-generated content on the company's channels and the rights of use are unknown.

Whereas in the case of text, the right of use from the creator is sufficient for publication, in the case of a picture, the persons photographed must also give their consent. There are exceptions to this, e.g., when documenting current events or when people are in the picture as a crowd, but the written consent of all persons depicted is generally the safest method for publication. When users interact with online marketing offers, they automatically leave tracks in the form of data. The General Data Protection Regulation (GDPR) protects internet users’ personal data so companies cannot use it freely.

Online Law

In addition, the GDPR is intended to inform providers’ users about the use of their data and allow them to object in case of doubt.



# Unit 8

## Online Customer Loyalty and Service

#### STUDY GOALS

After completing this unit, students will know ...

... how the buying process works according to the ASIDAS formula.

... what role customer data plays in the customer approach.

... how the customer relationship changes over a life cycle.

... which functions an online customer service takes over.

... how product conﬁguration works in mass customization.

DL-D-DLBMSM01–01–L08

1. Online Customer Loyalty and Service

### Case Study

Ms. Hausner is the manager of the customer center for the “ToWYP” cell phone brand (short for: Together With Your People). The company specialized in mobile devices for seniors in the crowded market seven years ago, and Ms. Hausner manages customer communications in the German-speaking region. Due to the older intended audience, customer communication used to be mainly by phone and mail, with the occasional fax or email rarely finding its way onto the customer advisor's desk. But now, Ms. Hausner’s task is to get the next younger generation excited about ToWYP cell phones and target them with marketing.

Chatbot A chatbot can conduct a dialog with a user using predefined text modules and speech recognition.

Since this intended audience is more familiar with the internet, Ms. Hausner launches an online marketing campaign. In this campaign, she promotes the online store as well as the ToWYP cell phone’s online customer service, which is available around the clock thanks to the internet and **chatbots** – even on weekends and outside opening hours. With the new intended audience, she wants to gradually switch customer communication to online channels in order to process customer data more efﬁciently, speed up work processes, and offer her customers even better service.

### The AIDA Model – Expansions for Online Marketing

Up to now, the marketing of the ToWYP brand has operated according to the AIDA model, which was created in 1898 by the advertising strategist, Elmo Lewis, and has since been regarded as the basis for traditional marketing (Pashootanizadeh/Khalilian 2018, S. 637). The AIDA model describes the process that a customer goes through from the first contact with a company through to their purchase of the advertised product or service. In marketing, the model also serves as a template for developing the customer journey, since it contains all the steps in a customer's decision-making and buying process (Kreutzer 2018, S. 37). The word “AIDA” is an acronym and consists of the first letters of the individual steps (Lammenett 2019, S. 155; Pashootanizadeh/ Khalilian 2018, S. 637):

* Attention: first and foremost, marketing must attract the user's attention so they are aware that the advertised product or service exists.
* Interest: after the advertising measure has gained the user's fleeting attention, it must, for example, arouse their interest so will they continue to engage with the product or service and invest their valuable time in reading the product description.

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* + Desire (wish, need): further information about the product or service and other marketing measures relating to the product or service are intended to stimulate the user's desire to purchase the sought-after product or service.
  + Action: all steps before this achieve nothing if the user does not complete the buying process. Therefore, the final action to buy the product or service is at the end of the AIDA formula.

Even though the AIDA formula is more than a hundred years old, a user's buying and decision-making process still follows the same steps. However, a user is rarely so spontaneously convinced to make a purchase if they have never heard of the product or service beforehand. Normally, the individual steps of the AIDA formula stand for individual processes in which the user can spend a longer period of time. High-quality, cost-intensive products or those that require explanation are particularly difficult to sell via an ad on Facebook, as this requires longer-term research for the purchase decision (Lammenett 2019, S. 155). However, in the case of a 10 euro Advent calendar with Belgian chocolates, the chances are quite good that the entire buying process will be carried out in one online session according to the AIDA formula. Accordingly, individual online marketing measures can also support only individual stages of the AIDA model, and in the end, they are combined to form a customer journey that the user follows until the final purchase.

For example, the user first learns about ToWYP's cell phones for seniors through a commercial on YouTube (Attention). Shortly thereafter, they read a sponsored article in an online magazine about the advantages of cell phones for seniors (Interest) and are redirected directly to ToWYP's website, where they take a closer look at the smartphones (Desire). It takes a while before the purchase is made, since the user first seeks advice from their family and compares a competing product before finally landing in ToWYP's online store and completing the purchase (Action).

##### The Expansion to the ASIDAS Model

Over the course of a century, the use and perception of media, as well as the buying and decision-making process of customers, have changed significantly, particularly due to the internet. Therefore, the traditional AIDA model is no longer sufficient for the use of the internet, since it contains further steps that are not represented in the AIDA formula (ibid.; Kreutzer 2018, S. 37f.). Thus, two additional steps are integrated in the current ASIDAS formula (Kreutzer 2018, S. 39):

* + Search: on the internet, the user can compare the product or service with similar products or services, read corresponding tests and customer reviews, look for a lower price from another supplier, watch unboxing videos and ask their friends

and family for advice. This process is most likely to occur between the two phases of *attention* and *interest*, but can occur in all phases until the purchase is actually completed.

* + - Share: the AIDA model stops at the purchase of a product or service, but in the age of the internet, a reviewing, commenting, and sharing phase follows. If a customer is satisfied with the product, they can become a multiplier for the company and share their positive experience online. However, if they are dissatisfied, they can vent their anger on Facebook, Twitter, in forums, blogs, or on Google and Amazon, thus damaging the company.



### Customer Acquisition and Loyalty in Online Marketing

Ms. Hausner has the online marketing campaign for the ToWYP smartphones designed according to the ASIDAS model and wants to win as many new customers as possible for the senior citizens' cell phone. The focus is on the share phase of the model, so satisfied customers share their experiences within the intended audience, which in turn attracts new users in the attention phase and sets new customer journeys in motion. In the best case, a kind of snowball effect sets in, whereby the cell phone is recommended from customer to customer via online channels. Through a detailed intended audience analysis, ToWYP's marketing department discovered that the intended audience of senior citizens particularly trusts personal recommendations from friends and acquaintances. Ms. Hausner wants to use this information for her campaign.

##### Customer Acquisition in Online Marketing

In the share phase of the ASIDAS model, users primarily report on the *moment of truth* when they hold the purchased product in their hands for the first time, unpack it, put it into operation, and test it (Kreutzer 2018, S. 37). Reviews on online marketplaces fall under these actions, as do reviews in the form of YouTube videos. Companies only have a slight influence on this phase, since the exchange primarily occurs within the intended audience. Thus, Ms. Hausner can only encourage her customers to review the

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ToWYP cell phone on the popular internet platforms and share their experiences, but she have no influence on the content of these ratings. Only with inﬂuencer marketing can she pay for a multiplier to promote the product positively. Thus, the cell phone must leave a good impression on customers by having the product, packaging, and customer service exceed their expectations, and they are happy to share their shopping experience with the public. A new moment of truth is created.

A customer typically experiences the *first moment of truth* (FMOT) and the *second moment of truth* when they buy a product in a store (SMOT) (ibid.; Heinrich 2020, S. 84):

* First moment of truth (FMOT): at the FMOT, the potential buyer can compare their expectations with reality for the first time by picking up a product in a store or inspecting a service. If marketing has previously created an entirely false expectation in the intended audience, the prospect will leave the customer journey at this point.
* Second moment of truth (SMOT): at the SMOT, the prospective customer has bought a product or used a service and can now compare their expectations with actual use more intensively. They can share their experiences via the internet and thus influence the purchase and decision-making process of other interested parties.

For online marketing, the two moments of truth can be used in different ways. If the ToWYP cell phone makes a high-quality impression and is packaged in a spectacular box, it is suitable, for example, for unboxing videos by an inﬂuencer who will show off their FMOT in it. However, if the ToWYP cell phone is rather inconspicuous and convincing with an innovative operating concept particularly for seniors, rather than an influencer, Ms. Hausner should turn to technology bloggers who will report on their experiences with a long-term use of the cell phone. Either way, the online marketing campaign therefore creates a zero moment of truth (ZMOT), which was first added through communication via the internet (Kreutzer 2018, S. 38):

* Zero moment of truth (ZMOT): the ZMOT precedes the FMOT and describes the reports from third parties that a potential customer can use to gauge their expectations. A potential customer no longer needs hold the product in their own hands to make a purchase decision, but rather relies on the experiences and opinions of other users who can already tell them about the product. In the best case, the ZMOT accelerates the buying process or even sets it in motion in the first place; in the worst case, potential customers drop out of the customer journey at this point.

##### Customer Retention in Online Marketing

While Ms. Hausner's online marketing campaign is aimed more toward generating new customers for her online store, she also wants to take appropriate measures to retain existing customers for her brand. Those who have shopped in the online store once should also come back in the future (Kollmann 2019, S. 434). However, there is an abundance of suppliers with comparable products and online stores on the internet, so a good brand presence and a high-quality product alone are not sufficient for customer loyalty. The key to successful customer retention in online marketing lies in approaching customers individually to satisfy their personal needs (ibid.). However, this can only be achieved with appropriate information about the respective customer, which can be accordingly evaluated and processed for a personalized approach. Consequently, every contact a customer has with a company is important in order to sharpen the customer’s personal proﬁle and approach them even more individually in the future. For this purpose, a company's data storage and processing must be designed according to the information cycle (ibid., S. 434ff.):

One-to-One Marketing

The marketing is individually tailored to each customer with the help of a proﬁle.

* Information collection: the first step is to collect relevant data for further customer targeting to build up an inventory of customer data.
* Information storage: in the second step, the collected data is systematically merged, structured, and stored to create a database for further processing.
* Information processing: in the third step, links and correlations are established between individual data in the database, generating new knowledge about the customer.
* Information evaluation: in the fourth step, customer-relevant decisions and forecasts can be made on the basis of the processed data to select a customer approach according to individual ideas, desires, expectations, and interests.
* Information transfer: in the fifth step, personalized customer communication is built up on the basis of the existing data so **one-to-one marketing** is possible.

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### Online Customer Loyalty in the Customer Relationship Life Cycle

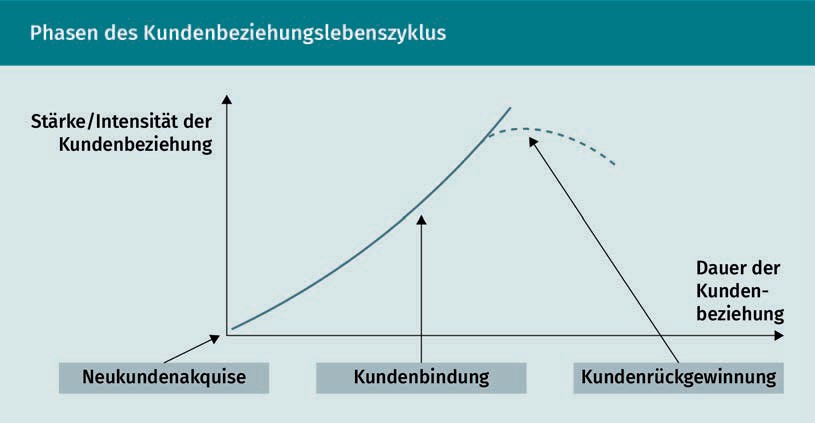
As Head of Customer Communications, Ms. Hausner knows that in addition to customer acquisition, long-term customer loyalty is an important topic for online marketing. The brand has not won the customer over as a permanent customer simply because they buy a cell phone from ToWYP once and perhaps even give it a positive review. In order for a customer to buy their next cell phone from ToWYP again, the brand must repeatedly engage with the customer, build trust, and create a positive image. Accordingly, Ms. Hausner's task is to understand each individual customer, collect, analyze, and evaluate their data, and thereby develop an individual profile that enables a personalized approach. The brand must offer added value for the customer and has three different approaches to choose from for this (Heinrich 2020, S. 17f.):

* assist the customer in completing a task,
* avoid problems, inconvenience, or pain for the customer,
* bring about improvements, successes, or feelings of pleasure for the customer.

##### Customer Relationship Life Cycle

The contact with a customer can be described as a customer relationship life cycle, which is based on the product life cycle. This describes the relationship with a customer as a life cycle that begins with the first contact between the customer and the brand begins

(new customer acquisition), changes over the duration of the customer relationship (customer loyalty), and can also end (customer recovery) if the customer moves away from the brand (Bruhn/Meffert/Hadwich 2019, S. 99).



Online marketing takes on various roles in the customer relationship life cycle: from acquiring new customers, to strengthening the customer relationship, and through to winning back lost customers. Depending on the phase of the customer relationship, the advertising measures must approach the customer in a different way and convince them of the added value of the brand. The longer the customer relationship lasts and the more data is collected about the customer, the more Ms. Hausner knows about the individual needs of the customers and can gear her online marketing toward this in order to build an even stronger relationship with her customers. This form of marketing is also known as relationship marketing and involves the guidance of customer relationships through marketing measures (Bruhn/Meffert/Hadwich 2019, S. 96). At the same time, the relationship between customer and brand is influenced by many other factors that the company can only partially control. Indicators from various areas are used and examined to analyze the status of the customer relationship (ibid., S. 100f.):

* + Psychological indicators: how does the customer perceive the price-performance ratio? How satisfied is the customer? How committed is the customer to the brand? How strong is the customer relationship from the customer's perspective?
  + Behavioral indicators: how does the customer inform their self about competing services (information behavior)? How much information do they disclose about their self (integration behavior)? How does the customer communicate about the brand (communication behavior)?
  + Economic indicators: how much revenue does the customer bring to the company? How much is the customer worth to the company (**customer lifetime value**)?

Online Customer Loyalty and Service

### Online Customer Service

When a customer goes to a store and buys a cell phone from a retailer, the manufacturer gets paid accordingly, but the manufacturer and the customer actually have nothing to do with each other. If the customer is not satisfied with the device and wants to complain about it, he also goes to the retailer, who then communicates with the manufacturer. In this case, customer service is the responsibility of the retailer. The same distribution of tasks takes place when the customer orders their cell phone from an online retailer, who mediates between the customer and the manufacturer. Ms. Hausner would like to increasingly sell the ToWYP cell phones to the internet-savvy intended audience through her own channels in the future, without taking the indirect route via the dealers. To this end, she is launching her company’s own online store and setting up the structures for an online customer service. While online marketing is responsible for building up customer relationships and the online store handles the buying processes, Ms. Hausner primarily uses the online customer service for the after-sales processes. This refers to all processes that follow the online purchase of a product, e.g., providing further information to buyers by sending them a manual, solving technical problems through technical support, and processing customer feedback and complaints (Kollmann 2019, S. 558).

##### Quick Response to Customer Inquiries

The first step in online customer service is to respond quickly and helpfully. If a customer contacts the manufacturer with a problem, question, or complaint, this should be handled as quickly as possible to avoid making the customer wait unnecessarily or annoying them (Kreutzer 2019, S. 62). This is the only chance to make the customer feel positive again after “temporarily losing confidence [in the brand]” (Kollmann 2019, S. 321). To achieve this, the internal structures and capacities must be created so all customers can promptly receive a response. If, for example, Ms. Hausner launches a new online marketing campaign and announces a discount on special ToWYP cell phones in it, then the employees in online customer service should be prepared for an increased number of inquiries from customers and be very familiar with the discount campaign (Kreutzer 2019, S. 61f.). Likewise, the appropriate structures for online customer communication must also be created so customers can reach the company quickly and easily if they have questions or problems. In the course of this, the customer initially selects the communication tool that seems most suitable for their concerns (Dölz/Weiner/Siems 2017, S. 367).

The most suitable communication tools for online customer service include emails, online communities, social media, instant messengers, and video chats, whereby the interactivity between employees and customers incrementally increases from time-delayed emails to real-time video chats (ibid., S. 359ff.). If the communication channel favored by the customer is not offered at all, The level of annoyance on the customer side increases further if their preferred communication channel is not offered at all. However, it is not sensible to offer all types of communication channels if they cannot be equally serviced.

Customer Lifetime Value

How much will the customer contribute to the company in the course of their customer relationship?

Intelligent assistance systems now support employees by providing automated advice, so many customer inquiries can be answered without direct contact with an employee (ibid., S. 367f.). The advantage of automated emails, chatbots, and similar systems is that they can respond to customer inquiries at any time of the day or night and initially convey a feeling of support. The more intelligently the assistance system functions and the more data it has available, the more tasks it can independently take on and consequently learn from them. (ibid.). As a result, it can also handle periods of increased inquiries without additional capacity. However, many specific customer problems require the intervention of an employee, so the corresponding capacities of the customer service representatives make a decisive contribution to customer satisfaction with the online customer service.

### Excursus: Mass Customization

Not only can online marketing and online customer service approach the customer individually, but the product itself can also be individually conﬁgured by the customer. Thanks to automated production processes, manufacturing companies can now create individual variants of a product without having to adapt their entire production process each time. Accordingly, customers are allowed to conﬁgure and design the products themselves to a certain extent, so they are optimally suited to individual customer needs (Kollmann 2019, S. 373). This concept is referred to as *mass customization* and refers to the mass production of a product in which each version is individually conﬁgured by a customer, resulting in unique products (ibid.; Kreutzer 2019, S. 218).

Until now, customers of the ToWYP brand could only choose between different products that were already conﬁgured. Because the manufacturing capabilities of ToWYP phones allow mass customization, Ms. Hausner integrates a product conﬁgurator into the online store so every customer can construct their own individual smartphone. As a result, the customer is more intensively connected with the product, is more satisfied with it, and is more likely to buy it than a standardized model from the competition (De Bellis et al. 2019, S. 1051). In turn, the possibility of product conﬁguration enhances the value of the online store, since it offers further added value for the customer (Kreutzer 2019, S. 88). The degree of customization depends on the technical possibilities of production – at ToWYP, for example, customers can control the size, color, design of individual components, and technical features of the cell phone. Ms. Hausner has two types of product conﬁguration at her disposal according to how she wants to present the functions to her customers (De Bellis et al. 2019, S. 1051f.):

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* Selection by attributes: in conﬁguration by attributes, the product’s customizable attributes are successively queried so the customer can decide on the best attributes from their point of view. In this way, they can assemble the product bit by bit and see the result at the end, which they can then order directly.
* Selection by alternatives: in conﬁguration by alternatives, the customer is presented with already finished products that differ from one another in one or more attributes. In this way, the customer does not need to go through the entire conﬁguration process to arrive at a finished product. They can see the different variants directly and must then compare them with each other. Depending on the product, the manufacturing process, and the customer's buying process, One of the two conﬁguration options may be preferred depending on the product, the manufacturing process and the customer’s buying process.

Summary

In the area of customer acquisition and customer loyalty, online marketing measures can be used in a variety of supportive ways. The first step in customer acquisition is to successfully approach the intended audiences according to the ASIDAS formula and generate customers – from the first contact with the company (attention) to the review after the purchase (share). If the buyer's expectations are met or even exceeded after receipt and use of the product in the first and second moments of truth, the company has gained a satisfied customer. One way of gaining the customer's attention for one's own product is individual product conﬁguration via mass customization. The tasks now are to bind the customer to the brand in the long term and increase the intensity of the customer relationship over the entire customer relationship life cycle. This is aided by the data that the company can collect about the customer through online activities and process according to the information cycle. Likewise, the company should also provide a fast and reliable online customer service for questions, technical issues, and complaints to support and advise customers beyond the buying process. If the customer is satisfied with the product and the service in the long term and is repeatedly approached by the company on suitable occasions with personalized content that offers them added value, they will continue to be a long-term customer of the company and generate the corresponding revenue.



# Unit 9

## Web Analytics

#### STUDY GOALS

After completing this unit, students will know ...

... what the term web analytics means.

... how the effectiveness of online marketing can be measured.

... which data is relevant for measuring performance.

... which tools are available for measuring performance.

... why performance measurement is so important for online marketing.

DL-D-DLBMSM01–01–L09

1. Web Analytics

### Case Study

The Cologne-based advertising agency, Webagentics, has launched a major online marketing campaign for one of its clients – including a social media campaign, landing page, ads on Google, and newsletters to existing customers. The focus of the campaign is a vegan shake that is to be promoted as a new product. After the first week, the customer contacts Webagentics and asks for an evaluation of the individual marketing measures to decide on further investments in online marketing. For the presentation, the agency evaluates the user data of the individual measures and compiles the most important KPIs, which are used to evaluate the effect of the online marketing.

The term *web analytics* originates from an earlier phase of online marketing and refers to the evaluation of websites. The term *digital analytics* is used for a cross-channel view (Hassler 2019, S. 26f.). This includes the collection, storage, processing, and evaluation (ibid., S. 42) of *digital footprints* (ibid., S. 26) that every user leaves during the course of their actions on the internet, e.g., by watching a video, clicking on a link, reading a text, or filling out a contact form. With the help of digital analytics, advertisers want to understand the behavior of users (Kreutzer 2019, S. 3ff.) to better adapt their online marketing to the needs and preferences of users.

### Key Figures in Online Marketing

Return on

Investment

ROI is a key figure for performance measurement that represents the percentage ratio between investment and profit.

The customer provided the advertising agency with 15,000 euros to promote its vegan shake. Webagentics has invested this money in various marketing measures that are interlinked as part of a campaign. In the end, the decisive factor for the customer is whether their investment in online marketing has paid off, i.e., whether they able to sell a sufficient volume of products through online marketing that their profit from the sales is at least as high as their costs for online marketing. This key figure for measuring performance is referred to as **return on investment** (ROI) (Lammenett 2019, S. 492f.). The individual components of the campaign must be perfectly coordinated with each other to ensure that the money invested at the beginning generates a proportionately large amount of money in the end. Each component is constantly monitored and can be readjusted in real time if, for example, the customer journey is interrupted by a particular measure. However, it is usually not that easy to track the ROI because the structure of a campaign is very complex. Each measure has a different task, different key figures, different intended audiences, and different tools for measuring performance (Ahuja/Loura 2018, S. 75).

In addition, online marketing also incurs costs other than the pure expenditure for the individual marketing measures, e.g., personnel costs for campaign support and its performance measurement as well as optimization. Webagentics invests one-third of its marketing budget in an Instagram campaign that is intended to generate new customers with attention-grabbing images.

Web Analytics

However, the profit from new customers cannot be calculated directly in terms of revenue, which is why “a corresponding value should be set for each new customer [...]” (Lammenett 2019, S. 493) to measure and assess the effectiveness accordingly. Via Instagram, the advertising agency can track what effect the ads generate among users. Depending on the previously deﬁned marketing goal, other key figures are relevant and the invested budget is evaluated differently, e.g., via the users reached with it (CPM: costs per 1,000 impressions), the clicks on a link generated (CPC: cost per click), or the resulting actions of the users (CPA: cost per action), e.g., by commenting on or liking the post.

When Instagram users click on the link, they are redirected to a landing page that informs visitors about the product and encourages them to buy. Here, the advertising agency can measure two numbers: How many visitors made it from Instagram to the website and how many visitors press the order button at the end of the landing page? The difference between the two represents the users who bounce off the landing page. What is known as bounce rate measures the percentage of visitors who immediately leave the online offer. This includes short visits of only five to ten seconds (so that the user can assess the content of the website), as well as visits with only one page view (when the user does not go deeper into the website, but bounces off directly from the first page). With more comprehensive tracking tools, it is also possible to find out at which point most visitors bounce or how long they stay on the website. Conclusions can be drawn from these figures, e.g., as to whether an embedded video is not convincing enough, whether the landing page does not meet the expectations of Instagram users, or whether the order button is perhaps in the wrong position. The last step is the order itself. This must be designed as simply and purposefully as possible to achieve a high hit rate. Here, the advertising agency can track the individual order steps and use the figures to find out whether users have problems at certain points.

Only a few Instagram users who are shown ads for the vegan shake will end up going through the entire customer journey and actually ordering a shake. Digital analytics can be used to track and analyze user behavior in detail to identify possible weak points and optimize the customer journey. The aim of measuring performance is to achieve the highest possible effectiveness and thus the highest possible return on investment (Lammenett 2019, S. 492f.).

##### Expressing Effect using Key Figures

For every measure in online marketing, there are common metrics that are used in digital analytics. Tracking tools often use these same metrics to express user behavior in numbers. But individual metrics can also be defined for each measure, as long as they are measurable and relevant to achieving the marketing goal. It is extremely important here that the same key figures are always measured and evaluated during the campaign to be able to detect variances.

Therefore, the key figures must be precisely deﬁned and established before the campaign begins.

|  |  |  |
| --- | --- | --- |
| The Most Common Metrics in Online Marketing | | |
| Key Figure | Abbreviation | Explanation |
| Visitors |  | How many users have visited a website or landing page? |
| Orders |  | How many users have placed an order? |
| Click-through rate | CTR | What percentage of visitors to a website clicked on an ad that was displayed? |
| Conversion rate | CR | What percentage of visitors to a website performed a particular action? |
| Cost-per-click | CPC | How much does it cost for a visitor to click on a particular link? |
| Cost-per-lead | CPL | How much does a new lead cost? |
| Cost-per-mille | CPM | How much do 1,000 impressions cost for an ad? |
| Cost-per-order | CPO | How much does a visitor’s order cost? |
| Customer lifetime value |  | What value does a customer have for the company? |
| Impressions |  | How many users have seen an ad? |
| Return on investment | ROI | How much profit does the marketing budget achieve? |

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|  |  |  |
| --- | --- | --- |
| Key Figure | Abbreviation | Explanation |
| Sales volume |  | How much sales volume is achieved through the use of marketing? |
| Sales per order |  | How much sales volume is achieved per order through the use of marketing? |

### Web Monitoring

Webagentics can measure and evaluate the performance of its own campaigns with concrete key figures. The advertising agency summarizes the results for its customers in a **report** and therefore provides the basis for further decisions. But the internet provides many more figures and thus insight into users’ behavior, which can be analyzed by web monitoring. Web monitoring refers to “the targeted observation, extraction, analysis, and compilation of mentions of companies, organizations, brands, products, people, news, or topics” (Blattner/Meier 2013, S. 3). The actions of users on the internet can influence a company in different ways, e.g., when a piece of critical reporting causes a shitstorm or a new trend from Asia turns the market upside down. Targeted web monitoring can identify and filter out information and moods on the internet at an early stage so a company can prepare for them and react accordingly (Blattner 2013, S. 11).

Web monitoring is not only about the concrete figures of a marketing measure, but also about communication on the meta level. In a sense, the company can listen to its intended audience on the internet, even if it is not involved in the conversation itself. In this way, it learns, for example, when users talk about the company or a new product. A large part of this communication occurs within the social networks. For this reason, social media monitoring is also a separate form of web monitoring (Kreutzer 2019, S. 5f.). With web monitoring it is also essential that the right data is collected to the right extent and that the right conclusions are drawn from it. In addition, the legal framework of data protection must be observed, so web monitoring can only provide a rough insight into the behavior of users (Blattner 2013, S. 11).

##### Tools for Web Monitoring

Even before the initial brainstorming for the online marketing campaign, the Webagentics advertising agency used various web monitoring tools to become more familiar with the intended audience’s behavior: Which topics interest the users, which trends are currently hot and which channels does the intended audience use?

Report

A report clearly summarizes the most important data from the campaign tracking so decisions can be made about current measures on the basis of this data.

Rather than commissioning expensive market research, the free tools for web monitoring offer initial insights into the online behavior of users. The data comes from the providers and platforms themselves, which often also provide the appropriate tools for evaluation.

Alert

An alert notifies the user of a specific occurrence,

e.g., if the number of accesses falls below a certain level.

Crawling In crawling, search engine reading robots capture and index a large part of the web pages.

Google Analytics

One of the most frequently used analysis tools in the world is Google Analytics. In 2005, the American company, Google, acquired the Urchin software and introduced it into its portfolio as a free analytics tool. Google users can implement a tracking code in their website, which captures a variety of user data (Ryte 2020a). However, since the introduction of the General Data Protection Regulation in 2018, website visitors must consent to the use of Google Analytics. Google Analytics primarily allows a company to track the customer journey on its own website or within its own campaign (ibid.; Hassler 2019, S. 222f.): Which subpages are most frequently accessed? How many visitors use mobile devices? At what point do visitors bounce off? The automatically generated reports can be regularly sent to a specific email address. Or the advertiser sets up an **alert** and is thus informed in real time about signiﬁcant changes so they can react to them immediately (Ryte 2020a).

Google Search Console

The Google Search Console was called Google Webmaster Tools up to 2015 and was primarily a collection of helpful tools for optimizing a website. In addition to many tools for website management, the Google Search Console also offers various monitoring tools that can be combined with Google Analytics. The Google Search Console is designed to help website operators make the website as optimal as possible for Google, e.g., by alerting the search engine to technical problems during **crawling** or by allowing the operator to store specific information for the search engine to display in search queries. Similar to Google Analytics, the tool provides information about search queries, clicks and keywords in connection with the website (Ryte 2020b).

Google Keyword Planner

The Google Keyword Planner is actually a helpful tool for planning ad campaigns on Google Ads. Accordingly, an advertiser needs a free account at Google Ads to be able to use this function. In the keyword planner, the number of monthly search queries for certain keywords can be queried. In addition, the search engine suggests similar keywords from this area and displays information about the competition for these keywords. For example, the keyword *milkshake* is searched for much more frequently than the keyword *vegan shake*, but at the same time the keyword is not fought over as fiercely in ads because it is too unspeciﬁc for product placement. Conversely, *vegan protein shake* is searched for more frequently than vegan shake and is also fought over more fiercely (Google Ireland 2020a). For the advertiser, such data provides important information about the search behavior of their intended audience as well as about the marketing of their competitors.

Web Analytics

Google Trends

When are users interested in which topics? This question can be answered with Google Trends. Here, the temporal progression can be tracked for individual keywords in order to identify seasonal differences and trends, for example (Hassler 2019, S. 137f.). While the keyword *vegan shake* shows only a slight increase in the summer months of June, July, and August, the keyword *milk shake* shows a clearly rising curve from mid-March onward, which only drops again at the end of August. Particularly striking is the temporal progression of search queries for the keyword *tire change,* is particularly striking since it increases many times over in April and October (Google Ireland 2020b). The tool also visualizes regional differences in search queries. Thus, the keyword *wallet* is primarily used mainly in the north of Germany, while the keyword *purse* prevails in the south. Throughout Germany, users are looking for *Tribüne (stands)*, but only in Schleswig-Holstein is it *Tribühne* (*stands*) (ibid.). When planning regional or temporary campaigns, it is worthwhile to do extensive research on the search behavior of users in advance to achieve the greatest possible effect from the online marketing.

### Big Data

To successfully measure its online marketing campaign, the Webagentics advertising agency needs meaningful data that it can collect and analyze with the help of tools. Use of the internet generates so much data that the term *big data* has emerged. Although extensive databases existed before the internet, e.g., with customer data from large mail-order companies, the amount of data has dramatically increased as a result of digitization (Wachter 2018, S. 18; Kollmann 2019, S. 10). So much data enables “entirely new insights into the interests, buying behavior, and also the risk potential of customers, as well as of potential customers” (Radtke/Litzel 2019). However, correspondingly powerful and complex analysis tools are required to sort, ﬁlter, and prepare the data so insights can be gained for one's own company and marketing. **Machine learning** is increasingly being used to structure this data better and faster to be able to make adjustments in real time or to gain a competitive advantage over the competition (ibid.).

The term *big data* initially refers to the accumulation of a large volume of data and the structuring of the data with the aid of IT solutions (ibid.). To further narrow down the term, the following four properties (also known as the “four Vs”) are attributed to data (Wachter 2018, S. 18; Kollmann 2019, S. 10f.):

* Volume: big data contains a large amount of data.
* Variability: big data includes data from many different sources.
* Veracity: the data is relevant and comes from trusted sources.
* Velocity: the amount of data is growing increasingly faster, so the speed of data processing and evaluation must also increase.

Machine Learning

IT systems recognize patterns in data and develop proprietary solutions using artificial intelligence.

In particular, the meaningfulness (referred to as *veracity* in the four Vs) of the data is repeatedly questioned in relation to big data. After all, collecting data on the internet does not work the same as in market research, where data is collected in a very targeted manner and within a defined framework. In the case of big data, all possible data is first collected from various channels and platforms before it is checked for relevance. Thus, during an evaluation, the collected data may not be representative at all or may be incorrect, so the wrong conclusions are drawn from it (Wachter 2018, S. 19). For this reason, data from the internet should always be viewed critically and questioned, even if it can also provide valuable insights into the behavior of an intended audience. Furthermore, big data is no substitute for comprehensive market research, since both data collections function according to completely different approaches. However, if data from the internet is compared with data from market research and supplemented by it, a comprehensive picture of the intended audience and its internet use can emerge (ibid., S. 19ff.).

Summary

The generic term *digital analytics* refers to all types of digital collection, storage, processing, and evaluation of data to understand the behavior of internet users. Even before the conception of an online marketing campaign, this data can help to better understand the intended audience and supplement the findings from market research, so users are approached with the right marketing measures at the right time on the right channel. The internet provides considerable amounts of data for this purpose, which must be appropriately filtered with analysis tools to obtain the relevant data and draw the right conclusions for one's own online marketing.

The creation of a campaign also includes measuring its performance to check the effectiveness of the individual marketing measures and, if necessary, to optimize the customer journey. Each campaign module has a different task and should be measured on the basis of different key figures, so the generation of new customers can be compared with the sale of products. The key figures are defined in advance and then constantly measured and evaluated during the campaign. There are numerous tools for monitoring to quickly record the relevant key figures. These tools are often provided by the advertising platforms themselves. Automatic reports keep advertisers up to date and allow them to monitor the effect of their online marketing in real time.



# Appendix 1

## List of References

List of References

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