

A CRITICAL REVIEW OF “DIGITAL MARKETING STRATEGIES – THROUGH WEBSITES, DIGITAL FUNNELS, SOCIAL MEDIA AND DIGITAL TOOLS”

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1) Introduction -

As the recently hired Marketing Strategist at the Good Glamm Group, year 2022, was entering the board room, he was immediately tasked with critically evaluation of the current e-commerce & Digital marketing strategy of the Brand Sirona, so that one comes up with a transformed / fresh e-commerce & digital marketing strategy - which has lower Revenue:Cost Ratio, Lower Customer Lifetime Acquisition value & more numbers of customer flow at the top & bottom of digital funnel. This as he was told that day, was required to touch unicorn mark for evaluation & increase revenue by 3x times. The marketing strategist gave a thought, then asked the a question to the board, which became the direction changing advice / critique for the company as a whole & Digital strategy in particular for the group. His question to board was “ Do you want me to evaluate /re-frame the e-commerce & digital marketing strategy for the existing Product Value Proposition or does the scope of my work allows me to challenge the current Product value proposition itself, using series of digital tools / processes - to aim at coming up with a new value proposition so that it can then tailor-make a re-created and transformed e-commerce & digital marketing strategy” which mirrors the need-gap-fit of consumer in the market for the given category by using digital tools & softwares. The board was not ready for it as it clashed with their current practice of find market for existing products through digital marketing & e-commerce rather than build the product itself through digital marketing & e-commerce. As the board looked surprised with the question, given that they were looking for a digital marketing strategy already crafted products with lower cost & higher returns using own website, social media and digital tools - but here the newly hired marketing strategist was critically challenging the Product value proposition itself and critically asking “to use digital marketing for product development first”. The marketing strategist used examples of Gillette, Marico and Emami where he had previously had gone through this learning curve - convincing the G3 Board room that core concept of Marketing starts with creating a Product value proposition based on deep insights on gaps consumer need-gaps which are not solved by current products in the market (blue ocean strategy) and hence any attempt to transform the digital marketing strategy would not work if the Product value is proposition is not transformed or freshly created based on digital insights through crawlers and other programmed softwares which scans the G3 consumer landscapes. Once the marketing strategist got the mandate on same he came with disruptive transformation in Digitally Re-created Product Value Proposition, Digitally crafted Minimal Viable Product, Digitally transformed & connected Direct To Consumer (DTC) Own Website, and Digital marketing through a digitally consumer researched mix of DTC, Digital Market Place (Amazon), Social media and Digital tools. The same can be summarized in two lines below

1) The Objectives & Findings -

a) **Digitally run Primary research, Digital Secondary research using Digital crawlers and digitally filtered consumer insights from own content websites like PoPXo, and ScoopWhoop helped the Marketing strategist to find out that the Digital Marketing cost was very high.** This despite using own websites with SEO tools, Key words costs and Social Media costs were very high almost 60% of revenue hence non sustainable, the Product Proposition on E-Commerce site was found to be in highly competitive area hence very high Customer Lifetime Acquisition value / high consumer drop rates consumer or lapsers /low repeats. Both these challenges were found to be associated with Digital insight that Sirona Product Value Proposition brand was playing with red ocean strategy without using digital access to consumer insights to change into a unique Value Proposition which answers the unmet need/ doesn't competition because of it being focused on unsolved consumer problems which could have reduced cost Google PPC or Pay per click for Keywords & /or could have reduced the cost of Digital marketing using social media.

b) **Digitally Transformation of New Product Development & the currently G3 was focusing in highly competitive segment of first-generation female hygiene products like sanitary napkins /intimate hygiene products.** The key unmet problem found digitally for females in area of hygiene was unclean toilets in highways and public places which made the marketing strategist design the Product value Proposition for “PeeBuddy” a digitally researched product which helped females to urinate while standing in toilets in outdoors or public toilets - a privilege earlier only for men- now solved for women. In terms of Value proposition transformation, the marketing strategist found the need gap for fourth generation products absent in India & Middle East i.e Pad free Period” with Tampons, and Pad free Menstrual cups. It has to be remembered that 90% of Sirona sales then / now comes from Own Website DTC channel & not from offline channel or market place like Amazon / or mass e commerce sites like Amazon, Nykaa or any other. By just transforming / recreating the Product value propositions through Digital research & Digital Process of creating new value proposition / new product development (which is an important part of Digital marketing in itself ignored by several Strategic marketeers). the revenue grew by 4.2 times (4.2x) using only using point 2 along with it as below

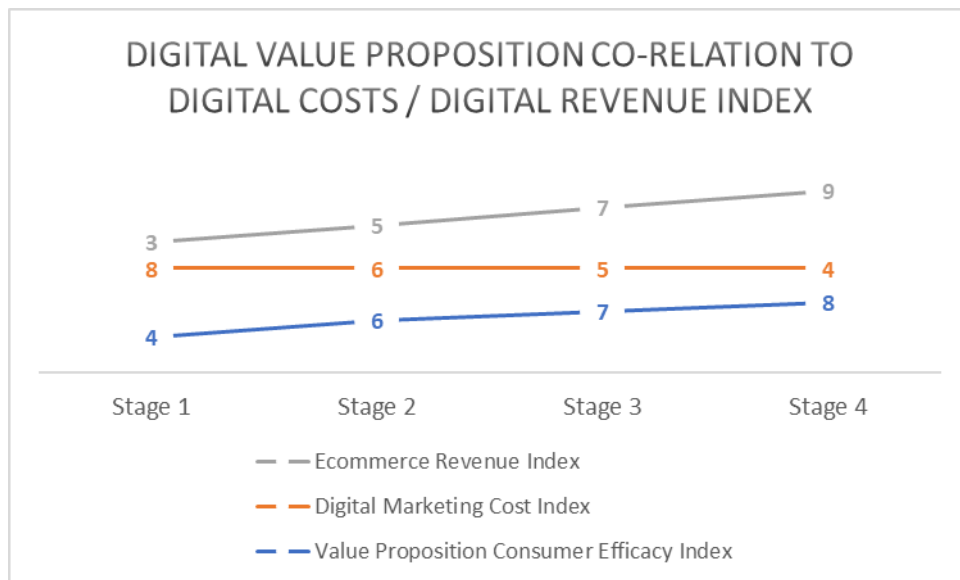
c) **Once done with Digital Transformation of creation of Product Value Proposition or Digital NPD process (which is integral part of E-commerce & Digital Marketing strategy ignored by several strategists), the Marketing Strategist came with a unique digital idea which came to be titled as “E-Content to E-Commerce Strategy or Simply “C2C- Content commerce”.** The content websites of group like PoPXo and ScoopWhoop who already had high traffic leaving digital impressions were linked to E-commerce site of Sirona. This ensured the digitally researched need gaps & problem solving content of PoPXo would drive traffic which would then be diverted through digital links or using cookies or digital footprints. **This “E-Content to E-Commerce Strategy” along with including Digital Transformation - Consumer Research & Product Value Proposition creation ensured 4.2x times revenue growth in DTC E-commerce through own website of Sirona and reduction in Digital marketing costs from 60% to 17% of revenue.**

d) Successful Scale up - This was further replicated for The Moms Co brand, Organic Harvest and Myglamm cosmetics and St Botanica all of which ran primarily on their own DTC websites in India and 22 foreign markets in different languages using digital tailor-made E-Content websites respectively Babychakra, PoPXo, ScoopWhoop, MissMalini, and Tweak. With this new Strategy Good Glamm Group became the largest C2C (E-Content to E-commerce) company in the world with lowest Digital marketing cost per rupee of revenue

2) Macro Critical Review of Digital Marketing & Ecommerce Strategies - through Own Website DTC, Social Media and Digital Tools (A Macro Critique)

There is a huge difference between how Digital Marketing is defined in theory and Digital marketing Practices are used currently (except for a few best practices). In the backdrop of the businesses having moved from Manufacturing Era in 1980s-90s, Sales & Mass Media Era in 2000-2010, to Consumer Marketing Era 2010-2019 and now Consumer Digital Marketing Era post 2021 to present. However many E-commerce and Digital Marketing strategists are showing traits of Push Sales Era by playing in mass high competitive E-commerce sites/ Product Categories. The advantage of high reach and low cost of Entry offered by E-commerce & Digital Marketing is being nullified by playing a red ocean strategy rather than Digitally run Blue Ocean Strategy.

3) The Findings of Research Current Digital Marketing practices - Digital Marketing cannot be called marketing strategy if it does not include Digital Process of Development of “Product Value Proposition” or Digital process of evolution “Minimum Viable Product ” at E-commerce websites - MVP being minimum level of Product offering given the consumer need gaps found digitally and then this prototype model can be slowly increased optimized to fit exactly as a perfect solution to need gap of consumer. There is no better way to develop & sell a product digitally than to have a MVP evolving with digital insights from websites, digital tools and social media obtained digitally. This lowers the cost of Digital marketing and increasing efficacy of E-commerce as a channel.



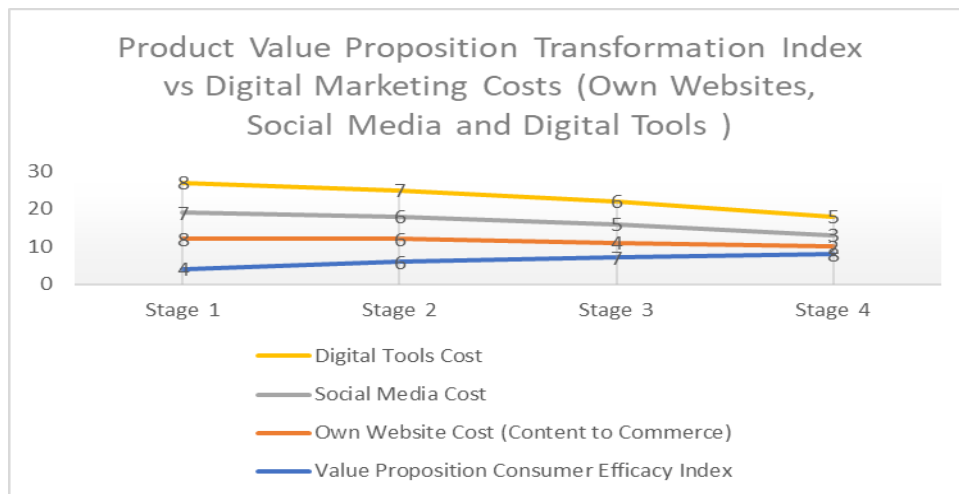
The Hypothesis that a huge budget of Digital marketing under an Monetized investment plan can exponentially grow sales on E-commerce Website **is rejected** by the Pearson high co-relation co-efficient of Digital Sales to Transformation of Product Value Proposition or Transformation of Minimum Viable Product to Optimum Viable product based on digitally diagnosed perfect product solution to consumer need gap. The graph below shows lowering cost of Digital marketing on all three (Own Websites, Social Media, and Digital Tools) and increasing revenue of E-commerce with increasing efficacy / optimization of Product Value Proposition or perfection of MVP or OVP using insights from digital crawlers and digital primary research.

The alternate Hypothesis is hence accepted that Digital marketing and E-commerce must first focus on reducing competition (hence reducing Pay Per Click, Reach / Frequency cost, Low Key Words cost) by creating a Product Value Proposition through Digital Research like Crawlers. The hypothesis is rejected and alternate hypothesis accepted with P value <0.05 & Pearson Co-relation co-efficient between Product Value Proposition Transformation index and Digital Marketing Cost index / E-commerce revenue index is 0.72 and 0.68 respectively (Source GIE research 2024)

Summary – Make a Product and use E-commerce /Digital Marketing later rather having a product & create a E-Commerce /Digital Marketing Strategy for same. The later fails as observation from Mass current practices.

4) Macro Critical Review of Digital Marketing Strategies – through Websites, Social Media and Digital Tools

In the rapidly evolving landscape of commerce, the integration of E-Commerce and digital marketing strategies has become indispensable for businesses aiming to thrive in the digital age. This critical analysis explores the nuances of leveraging websites, social media, and digital tools to maximize business impact and consumer engagement.



The above chart shows that the Digital marketing & Ecommerce effectiveness is co-related to the degree of Transformation / Efficacy of Product value proposition. This in turn is based on consumer need-gap-fit digital model which must be considered an integral part of digital marketing & which is not being done now). If the digital marketing & DTC/ecommerce focused companies make these changes in their current practices, and work to transform to a differentiated niche value proposition using digital tools for a blue ocean strategy (rather than red ocean strategy being used in Ecommerce currently) then all three modes - ie. Own website cost, Social media cost and Digital tools cost would go down & Ecommerce revenues will go up.

For disruptive changes there is a need to make change in current practices in area of Ecommerce of Digital Marketing. One has to use Digital tools/ Own website / and Digitals to first gain unique consumer need gap insights and develop and product to answer them with a differentiation Digital Ecommerce space to reduce Digital marketing costs & then find consumers at lower price per rupee of sales - increasing Ecommerce revenues / profits.

5) Micro Critical Review of Digital Marketing Strategies – through Own Websites, Social Media and Digital Tools

The interplay between having one's own website, utilizing digital tools, and leveraging social media forms the backbone of contemporary digital strategy.

Own Website

Pros:

Control, Ownership & information -: An own website allows full control over the Brand and flow of information both ways specific to the brand. It helps a lot to build new products and transform existing brand based on consumer insights. Also, it gives brand owners high control over what it wants to portray and makes dynamic changes. **Organic Traffic**: A well-optimized website, good content and SEO practices can attract organic traffic, reducing dependency on paid advertising.

Challenges:

Costs, Conversion and Competition: Developing and maintaining a website can be **high cost** i.e resource-intensive. The other challenge is high **Competition**: The internet is saturated with websites, making it challenging to stand out and attract traffic without significant investment in marketing and SEO. And lastly the challenge of **Sales Funnel led Conversion** i.e driving traffic into converted customers requires complex sales funnel.

The solution to above three i.e costs, competition & conversion from top of the funnel to bottom of funnel lies in digitally transforming & differentiating the Value Proposition to unique unsolved consumer needs

Digital Tools

Pros:

Digital tools like CRM systems, email marketing software, and analytics platforms streamline operations and automate repetitive tasks, freeing up resources for strategic activities. Tools such as Google Analytics, SEMrush, and social media analytics provide valuable insights into customer behaviour, campaign performance, and market trends, enabling informed decision-making.

Challenges:

The biggest challenge is cost of PPC/ CLV/ Key words auction etc and hence **impacts scalability**. The Learning Curve associated with each tool, is that high-quality digital tools often come with a **high Cost** especially for small businesses with limited budgets. **Over-reliance on digital tools can lead to issues if a tool fails or becomes obsolete, emphasizing the need for a diversified approach.**

The solution once again lies in digitally transforming & differentiating the Value Proposition to unique unsolved consumer needs. This way one will have unique Key words, Unique content which will reduce PPC and CLV costs.

Social Media

Pros:

Social media platforms have vast user bases, offering businesses an opportunity to reach and engage with a large, diverse audience - also fosters community building.

Challenges:

Social media platforms regularly update their algorithms, which can affect the visibility of organic posts. This unpredictability can complicate long-term strategy planning. Effective social media management requires consistent effort in content creation, posting, and engagement. **It can be time-consuming and resource-intensive. Social media also opens up businesses to public scrutiny and negative feedback.**

The solution here lies in using social media strategy only for Mass Omni Channel Brands. For MSMEs - once again lies in digitally transforming & differentiating the Value Proposition to unique unsolved consumer needs will increase traffic from social media to ecommerce websites/ Omni channels.

6) Conclusion

A. Conventional View - E-commerce success hinges on a balanced integration of an owned website, digital tools, and social media. Each component offers unique advantages and presents distinct challenges. A proprietary website provides brand authority, digital tools enhance data insights, and social media offers wide engagement. However, businesses must navigate the complexities of highly ever dynamic landscapes. A fastly adaptable digital strategy, leveraging the strengths of each component, is essential for sustainable growth in the e-commerce sector.

B. Critical View -

a. **First Critical review is that** – As against conventional wisdom – First using Digital Tools to arrive at right Perfect Product Value Proposition which is highly differentiated on lines of Blue Ocean Strategy – consistent core definition of marketing - and which requires changes in current practices – would ensure higher output and lower costs of Digital Marketing & Ecommerce through all three models – Website, Digital tools & social media

b. **Second Critical review** is that

- i. Highly differentiated niche products must only focus on Own Websites (DTC) with Content to Commerce Strategy
- ii. Omni Channel Brands must use social media intensive strategy to both gain revenue and dynamic insights for both online and brick & mortar stores.
- iii. Mass Products must use Digital tools but with well researched & highly differentiated key words & unique digital content to reduce CPC cost, PPC cost, CLV cost and dynamic SEO.

C. Critical Review Summary – Challenging & Changing the current practices of finding consumers for an existing value proposition as practiced by major Digital Marketing Strategists of today – The Critical view is that by use of MVP and PVP strategy one can minimize the cost of Google PPM (Pay per Click Campaign), pay less for auction of keywords by finding out unique key words for one's value proposition, increase Google quality score from 4 to 8 (GIR research 2024), Pay less Google Search network instead of being forced to opt for Google Display network, and get best result with tools like SEM rush (because you already have a unique keyword through digital research which is missing in current practices).