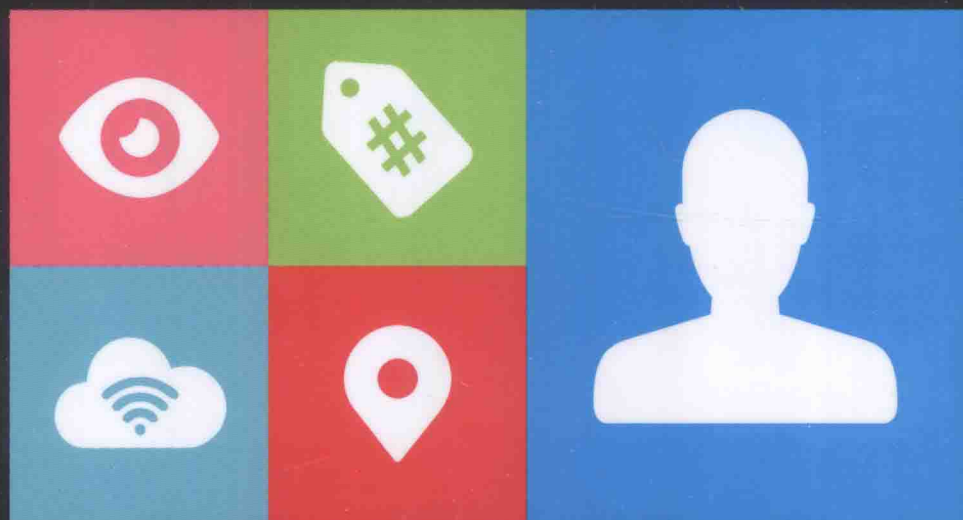


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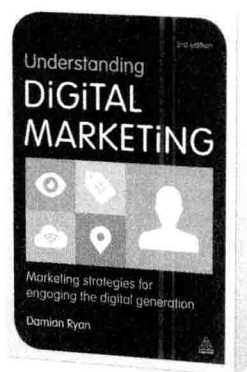
# Understanding DiGiTAL MARKETiNG



Marketing strategies for  
engaging the digital generation

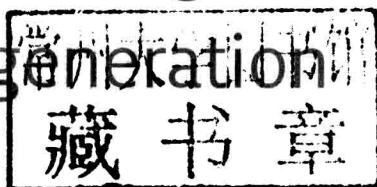
Damian Ryan

THIRD EDITION



# Understanding Digital Marketing

Marketing strategies  
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Damian Ryan



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# **Understanding Digital Marketing**

**Also available by Damian Ryan:**



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# PREFACE

**I**f you are reading this...

You already know the world of digital media is changing at a phenomenal pace. Its constantly evolving technologies, and the way people are using them, is transforming not just how you access your information, but how you interact and communicate with your friends and colleagues on a global scale.

It has also changed the way you choose and buy products and services.

People are embracing digital technology to communicate in ways that would have been inconceivable just a few short years ago. No longer the preserve of tech-savvy early adopters, today ordinary people are integrating digital technologies seamlessly into their everyday lives.

From SMS updates on their favourite sports teams, to a free video call with relatives on the other side of the globe, to collaborative online gaming and much, much more: ordinary people – your customers – are starting to use digital media without giving it a second thought.

The global online population was around 2.1 billion at the end of March 2011 (Internet World Stats). By mid 2012 the figure had already climbed to almost 2.5 billion people online or just over one-third of the 7 billion people on the planet being connected to the net. There is no doubt this figure is set to double in the years ahead – this means 5 billion of the 7 billion people in the world will be online in one manner or another: the question is no longer ‘if’ – it’s about ‘when’. The answer to ‘when’ is hotly debated by a lot of researchers, but if I take an average view it looks like 2018.

However, it’s how we consume data, and the sheer volume of this data created by the soaring online population and the move towards more portable access, that change the game out of all recognition. More video, more rich media, faster and faster access by more people in more parts of the world change the fabric of business and mean that digital marketing – and mastering the art thereof – is now a prerequisite of any enterprise or individual planning to compete in the years ahead.

Zettabytes? Because of this massive volume of data we need to invent new words and definitions to describe and rationalize the type of world ahead. A zettabyte is a number with 21 zeroes – equivalent to a trillion gigabytes and the similar level of data to 1 billion DVDs downloaded every day for a year!

According to Cisco, the global consumption of data by 2017 will be three times the level (measured in zettabytes) of December 2013, as I am writing this. So hang on!

What makes this digital revolution so exciting is that it's happening right now. We're living through it, and you have a unique opportunity to jump in and be part of this historical transition.

In the pages that follow I'll take you on a journey into the world of digital marketing. I'll show you how it all started, how it got to where it is today, and where thought leaders in the industry believe it's heading in the future. Most importantly of all, I'll show you – in a practical, no-nonsense way – how you can harness the burgeoning power of digital media to drive your business to the crest of this digital marketing wave, and how to keep it there.

This book will:

- help you and your business to choose online advertising and marketing channels that will get your ideas, products and services to a massive and ever-expanding market;
- give you that elusive competitive edge that will keep you ahead of the pack;
- future-proof your business by helping you to understand the origins of digital marketing and the trends that are shaping its future;
- give you a concept of the scale of the online marketplace, the unfolding opportunities and the digital service providers who will help your business to capitalize on them;
- provide practical, real-world examples of digital marketing successes – including leading brands that have become household names in a relatively short space of time;
- offer insight through interviews, analysis and contributions from digital marketing experts;
- ... ultimately, give you the tools you need to harness the power of the internet in order to take your business wherever you want it to go.

I'll also help you to convince your colleagues and shareholders why they should invest in digital marketing too.

*Understanding Digital Marketing* sets out to unravel the mysteries of digital marketing by taking you on a journey. As you travel into this digital world the book will reveal how leading marketers in sectors as diverse as travel, retail, gambling and adult entertainment have stumbled on incredibly effective techniques to turn people on to doing business online, reaping

literally millions as a result. The book will show you how to apply their experience to transform your own digital enterprise.

Whether you're looking to start up your own home-based internet business, work for a large multinational or are anywhere in between, if you want to connect with your customers today and into the future, you need digital channels as part of your marketing mix.

The internet has become the medium of choice for a generation of consumers: the first generation to have grown up taking for granted instant access to digital information. This generation integrates digital media into every facet of its daily life, in ways we could never have conceived in even the recent past. Today this generation of digital natives is entering the workplace and is spending like never before. This is the mass market of tomorrow, and for business people and marketers the challenge is to become fluent in this new digital language so that we can talk effectively to our target audience.

Television froze a generation of consumers to the couch for years, now digital media is engaging consumers and customers in ways that the early architects of the technology could never have dreamed. The advent of 'two-screen' or even 'three-screen' marketing is now becoming a real consideration – just look at how our own lives are changing and how we soak up data... How many of us regularly sit in front of the television with our laptops, tablets and mobile phones all on the go at the same time?!

When the Apple Mac came along it opened up the art of publishing and, as a result, print media boomed. Today the same thing is happening online, through the phenomenon of user-generated content (UGC) and social networking: ordinary people are becoming the directors, producers, editors and distributors of their own media-rich content – the content that they, their friends and the world want to see. But that's only the start.

Prime-time television audiences are falling, print media is coming under increasing pressure to address dropping circulation figures – and while the old school sits on the sidelines, bloated and slowly atrophying, digital media has transformed itself into a finely tuned engine delivering more power, opportunity and control than any other form of media could dream of.

In other words – it's time to follow the smart money!

Over the last 20 years I've had the absolute pleasure of working at the coalface of this burgeoning and insistent new media. I've met lots of smart people and spoken to literally hundreds of organizations with massively diverse and challenging agendas. The one common factor was a hunger for data and knowledge: anything that would give their particular brand that elusive competitive edge.

When putting this book together I wanted to make it as informative and practical as possible. Each chapter begins with a summary of its content, so you can easily browse through the chapters and select the one that addresses the topic you're interested in. I've purposely left out the jargon – and where technical terms have been absolutely necessary I've supplied a clear definition in the text, backed up by a complete glossary at the back of the book that explains all of the terms that digital marketers use in plain English. The result, I hope, is a book that is clear, informative and entertaining, even for the complete digital novice.

In your hands you hold what independent marketers around the world have been crying out for: a book that shows you how to successfully use the internet to sell your products or services. It begins with the origins of the medium and takes you through the various disciplines of digital marketing campaigns. The book travels around the world collecting facts, figures, comment and opinion from acknowledged experts, brands and organizations in different fields, getting them to spill the beans on how the net delivered the goods for them.

This edition (the third) marks a fundamental change in the way the book has been constructed. I started writing these books with Calvin Jones in 2007 but over the last year Calvin has moved on to other projects, although his influence and contribution are still obvious and present in this edition. It's fun looking back on the original creation of some of the chapters and remembering the journey. Calvin has been, and is, a terrific collaborator and a good buddy too! The key change, however, is my realization of just how fast the digital marketing world is evolving, and my fundamental belief that no one person can claim to be an expert across all disciplines. Because of this I have increased the number of collaborators in this edition and sought out experts in their own particular fields of influence to work closely with me on the creation of the book. The end result is, I hope, a better product with more chapters and a deeper, more advanced level of expertise in core areas such as search, analytics, online PR and content marketing.

Aside from these disciplines I have also revisited every other chapter from the first two editions and ensured they are up to date and include valid, practical examples of digital marketing in action. Due to several requests I have also included a chapter to help you convince your colleagues to invest in digital marketing.

Digital marketing has its sinister side too – while many marketers play above board, some have been tempted by the dark side of the force and find more return on investment (ROI) by using unscrupulous tactics to undermine

their rivals and gain competitive advantage. The book will examine the world of 'black hat marketing'.

It took television 22 years to reach 50 million households – it took the internet just five to achieve the same level of penetration. Things are progressing at an unbelievable rate, and we're approaching a pivotal point in marketing history – a time when digital marketing will overtake traditional mass media as the medium of choice for reaching the consumer of tomorrow.

In the summer of 1993 I interviewed Jerry Reitman, head of direct marketing for Leo Burnett's in Chicago, for my magazine *GO Direct*. During our conversation Jerry pointed at the computer on his desk and said: 'And that... that's where it's going'. I wondered what he was talking about.

Twenty years on and practically one-third of the world is online. And it's not just about North America and Europe either... these markets only count for one-third of the world's online population. The growth will come from Africa, Asia and the Middle East.

Consumers have grown tired of mass media marketing, and are turning instead to the internet. They want more engagement, more interaction. They're starting to spend most of their leisure time in a digital world, and creative digital marketing is the way your business will reach them.

Writing a book about this subject has always been too great a challenge without adopting a collaborative approach. The book set out to democratize the digital marketing knowledge that exists in the world. While I believe I have gone some way to achieving this objective, I now believe the best path from here is to open up this challenge to digital marketers everywhere, to create a place where they can connect with one another, collaborate on all digital marketing-related subject matter and ultimately build knowledge and prosper as a result. Over the last year I have, together with colleagues from all over the world, been putting a platform together to achieve this objective and now invite you to get on board. Please visit **[www.gogadm.com](http://www.gogadm.com)** and join the movement.

# CONTRIBUTORS' BIOGRAPHIES

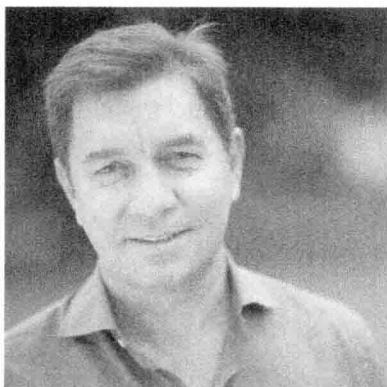
## **Simon Kingsnorth**

A global digital-marketing expert, Simon has worked client-side for a wide range of businesses, including start-ups and marketing leading corporations across a range of industries. He has built a large number of successful digital marketing strategies, both nationally and globally, and consulted for companies across the world. As a marketing leader he has contributed to the significant growth of several businesses in areas including digital marketing, offline marketing, branding, relationship management, contract negotiation and product development.



## **Nick Massey**

A serial CEO, Nick was a strategy consultant with PA Consulting Group, then joined Coca-Cola in commercial and strategy roles in the UK and United States. As CEO of Octagon he won the 'Agency of the Year' award. He worked with Goldman Sachs as CEO of Box-clever, and was CEO of digital music service rara.com.



## Ben Knight

Operations Director for Croud, before which he was at Harvest as Head of Performance Digital; his remit included ultimate responsibility for paid and natural search, social media and the analytics channels. Ben has nearly 10 years' experience in search, and a wealth of full-service digital experience, managing the largest blue-chip clients in the UK.



Throughout Ben's career he has worked and managed brands from a variety of verticals, developing intimate search knowledge and strategy for clients as diverse as Gocompare, Experian, Virgin Holidays, Betfair, Date the UK, Friends Reunited and Carphone Warehouse. Ben sits on the IAB's Search Council.

Prior to Harvest Ben worked from 2002 to 2008 at The Search Works. He joined a small company of 12 people and helped it grow to over 100, becoming at that time the UK's largest search specialist agency. His last two years at the agency involved him heading up the financial vertical, working as the Account Director and overseeing monthly spend in excess of £5 million.

## Adrian Brady

Adrian's early career was in the rapidly growing Irish tourism industry before coming to London in 1993. Adrian then moved into the PR agency world, working across a range of business and consumer brands such as Royal Mail and Whitbread. In 1996 Adrian launched Eulogy! The agency was noted by *Marketing* magazine as one of the country's fastest-growing PR agencies in the late 1990s. Eulogy!'s industry awards success includes the prestigious *PR Week*, the



*B2B* 'Campaign of the Year', and the International Public Relations Association 'Golden World' accolade, as well as being voted by *PR Week* as one of the Top 40 independent PR agencies.

## Dale Lovell

Publishing Director and co-founder of Content Amp, a global leader in content-marketing services to leading brands and agencies, Dale has worked in online publishing, content strategy and creative marketing for over 14 years. From 2000 to 2008 he worked for several successful online publishing ventures in both the UK and the United States, the last of which was sold to Fox International Channels, a NewsCorp company. From 2008 to 2010 Dale worked with brands such as the National Geographic Channel, offering online content-marketing direction and publishing development. In 2010, recognizing the growing requirement for branded content and creative marketing services by brands online, Dale co-founded Content Amp. Today Content Amp works with leading brands and agencies on content strategy and digital content-amplification campaigns.

Dale has a history degree from the University of Reading and has contributed as a journalist to over 50 leading publications globally. He is a regular commentator on the digital marketing industry.



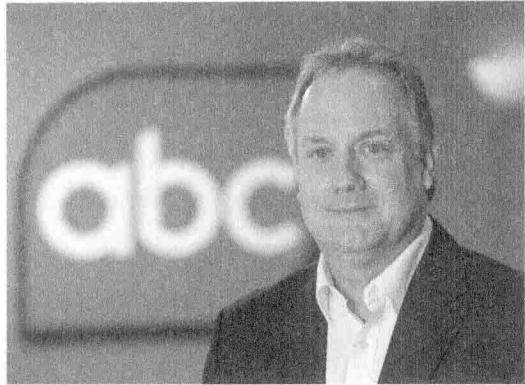
## Andrew Copeland

Head of Publisher Development, EMEA at Undertone, Andrew has over seven years' experience in affiliate marketing and has worked with a number of brands such as Lloyds, Barclaycard, Toshiba and Mazuma Mobile, developing successful performance-marketing strategies to deliver against each clients' objectives. This is not the first time Andrew has contributed to this book (or, in fact, its sister publication, *Understanding Digital Marketing*). An expert in every sense of the word.



## Richard Foan

Group Executive Director of Communication & Innovation at ABC, Richard is a very well-known personality in the digital media industry who is respected for his experience and informed opinion. He facilitates innovation and communication at ABC in line with industry needs. Richard is Chairman of the global IFABC Web

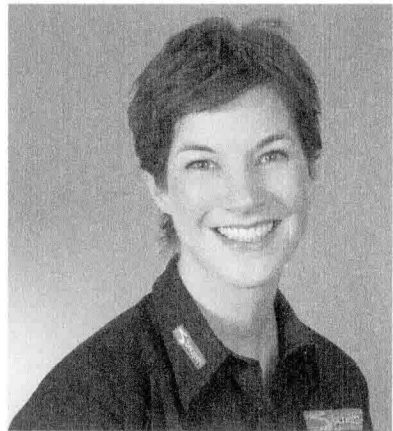


Standards Group and Chairman of JICWEBS (Joint Industry Committee for Web Standards in the UK and Ireland). He regularly presents to the global media industry on issues associated with the accountability of digital media.

## Hannah Squirrel

Director of Marketing and eCommerce for Bennetts, the UK's No 1 for motor-bike insurance, Hannah is responsible for the delivery of Bennetts' business plan across marketing, e-commerce and aggregation to enhance its market leadership position and continue to deliver exceptional growth.

Hannah has extensive experience of developing and implementing multi-channel brand-marketing strategies across a number of businesses. She was a founding member of the Capital One marketing team, where she was instrumental in managing its media strategy and marketing channels. Hannah then joined a 'Top 5' London independent advertising agency, where she set up and managed the digital function working across brands such as Tesco, 3M, Haven Holidays, Thorntons and Avon Cosmetics.



**Brook Zimmatore**

The co-founder of Massive PR International and Sterling Kreative in London, Brook oversees all aspects of technical production, including implementing the rock solid creative and defensive strategies to effectively control the online image of brands and private clients.



# ACKNOWLEDGEMENTS

**W**henever I write this page I know I am going to forget to thank someone and then remember it about a week later. *This has actually just happened – am on train from Preston back to London and suddenly remembered I forgot to thank my parents and family ... luckily, Philippa is going to manage to squeeze this in right???*

This edition is especially challenging as I had more people involved in this version than any of the five books in the series to date. It is also the first edition of *Understanding Digital Marketing* where I didn't have my colleague and friend, Calvin Jones, as co-writer, and believe me he was sorely missed, but you can still see his influence in some of the chapters that follow. Happily, Calvin and I are now working on another project ([www.gogadm.com](http://www.gogadm.com)) so there's still plenty of banter and collaboration going on regardless.

Thank you to all the contributors and collaborators. At the last count there were in excess of 50 people involved in either research, writing, or case studies and so on, and believe me this was the minimum number required to achieve this edition – for starters it's about 50 per cent larger than the 2nd edition and I sincerely hope that size does matter!

Thanks to the team at Kogan Page – Helen, Maddie, Mark, Sonya, Philippa and everyone else who supports me in this pursuit.

To my colleagues at Mediaventura and GADM – (particularly Chris, Ed, Dennis, Jan, Martin, Jools, Beckie and Sukhi) thanks for all the collaboration. It's been a bit tough juggling all these balls over the last year but there's never been a time where I instinctively felt I was doing the wrong thing and believe me I would know!!

It's been a great year for catching up with old friends and making loads of new ones. Some highlights include the arrival of Lola, Christmas with Richard and friends in Australia, turning 50 in a blaze of glory with the Marlow Entrepreneurs in tow, meeting the Toorak Two: the beautiful Tamara Williams and fabulous Jodie O'Brien – not a bad year all in all!

Finally a big thanks to all the academics who read and recommend this book. One of the greatest challenges for the digital marketing sector is the widening skills shortage gap. While this book may enlighten some, it's the instructors and providers of hands-on course material and education who should be singled out too – keeping up to speed with digital marketing is not easy, it moves so quickly! We hope that our work with [www.gogadm.com](http://www.gogadm.com)

will help facilitate the discussion and empower academics and educators like never before.

The last word as always goes to my twin daughters – when I started on the first edition they were three years old. Now they're turning eleven and showing me how to navigate my way around iMovie!! I recently had to explain what a typewriter was – am getting old.