

## An Analytical Study of Digital Advertising Strategies and Measuring Their Effectiveness

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### Abstract

Digital Advertising strategies such as Search Engine Optimization (SEO), Search Engine Marketing (SEM), Content Marketing, Influencer Marketing, E-Mail, Direct Marketing etc. have become very common due to the association between the technical innovation and online advertising. Due to this, the need of Key Performance Indicators (KPIs) has also arisen, against which the performance of e-commerce business could be measured. The KPIs once determined can not only help an e-commerce company to form an effective marketing strategy in this dynamic digital world, but can also aid in improving the effectiveness of the business by providing tools to measure the actual performance against the estimated standards. This paper depicts the latest digital advertising strategies, their functionality, how to form KPIs for the e-business so as to measure the business performance against these and to improve the effectiveness of the strategies on the business.

**Keywords:** Online advertising strategies, KPIs, Measurement tools, advertising effectiveness.

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## 1. INTRODUCTION

Online advertising is a form of advertising on Internet and it's a revenue source for an increasing number of websites and companies. Nowadays, from small business enterprises to multinational corporations, everybody mandatorily incorporates online advertising into their marketing strategy. Online advertisements basically involve at least two firms: the advertiser (the agency which purchases or sponsors the advertisement) and the publisher (the network which distributes the ad for display). Owing to the association between technical innovation and online advertising, many firms specialize in both. For example, most search engines combine their search service with an advertising program, so as to exploit the benefits of keyword-based search technology by including ads in search results. Now, entering the world of digital marketing can both be overwhelming, tedious and confusing at the same time. Enormous number of platforms to advertise their business, leaves people, with the toughest dilemma - to figure out a starting point. For every marketer, two of the biggest concerns are the cost-effectiveness and results. Some of the good best online advertising strategies, their costs, and their benefits are as follows:

## 2. TYPES OF ADVERTISING STRATEGIES

**2.1 Web design:** A website is a home online, where many potential customers will turn up for information about the products or services offered. A website serves as the first impression which the business makes on a future client. Since the online advertising campaigns are designed to divert traffic to the website, hence sites should be effective enough to captivate the users' needs so that the visitors stay longer and continue to remain more invested in what the company has to offer.

**2.2 Search engine optimization (SEO):** Search engine optimization or SEO helps the potential customers to find the company's website. It also helps the website to rank well in search engines like Google for searches related to the company's products or services. In SEO, keywords related to the products or services on a site are incorporated, so that when the users type those keywords in search engines like Google, relevant pages appear in results. Few good keywords are chosen through an extensive keyword research, and these keywords are those which are commonly used by the target audience to attract them to the site.

The site's SEO can be improved by publishing original content around the target keywords, and earning links from other dominant sites online. The right strategy if deployed will improve the site's rankings, gain more traffic, and generate more leads and conversion.

For example, suppose one wants to make a reservation **for a hotel in the Fiji Islands next month** and he searches on Google: "*the best hotels in the Fiji Islands*", then it will be seen, in the upper search results there are advertisements and for the lower ones they are organic results positioned through SEO techniques.

**2.3 Pay-per-click (PPC) advertising:** Pay-per-click, or PPC, is an online advertising model that allows one to place ads in search engine results for specific keywords. While SEO focuses on earning rankings through content and optimization, PPC essentially lets one to pay for placement for your target keywords.

PPC works on a bidding system in which one selects the target keywords, then compete with other advertisers to place ads in the search results for those keywords. The one with the

highest bid will earn the placement above organic search results – and if someone clicks, the company will pay the said bid amount. The key feature of PPC is that, payment is made only when users click on the company's advertisement which means that the company's budget is not wasted on people who aren't interested in the business or ignore the ads.

**2.4 Social media marketing:** Social media sites like Facebook, Twitter, and Instagram offer unlimited opportunities to reach and connect with the potential clients, making them the best platforms to currently advertise online. Social platforms let the company select their audience based on standard demographic standards like age, gender, and location, as well as advanced options like interests and behaviors. This allows wider coverage of the target audience, and maximizing the results. And most importantly social media for advertising saves the company a lot of cost.

**2.5 Content marketing:** Content marketing is a great way to indirectly advertise your business to consumers by catering them the helpful information through blogs, videos, info graphics, and virtually any online format. Publishing original and reliable content, in addition to the regularity and posting of updated contents helps in building trust and loyalty towards the brand in the minds of the target audience. In addition to the writing route, one can also make use of audio-visual elements to grab users' attention. To take things further, creating an excellent original video content can grab more eyeballs which can make a huge positive difference in the final outcome of the business.

**2.6 Email marketing:** Email marketing is one of the oldest but still an effective form of digital marketing. The emails help the company in reaching individual members of the target audience directly in their inboxes. One can send newsletters, information about new products or services, and deals tailored to different segments of your audience.

**2.7 Geofencing Advertising :** Geofencing advertising is one of the best online advertising methods for companies looking to tap competitors, top talent, high-value leads, and local shoppers. With geofencing, the business creates a virtual fence around a specific area, like a college campus, competitor location, or conference center.

When someone enters this fence, they get added to a remarketing audience.

Your company can then remarket to these users, which can help to build their brand awareness, guide their next shopping trip, or influence who their company requests quotes or proposals from next quarter.

This Internet advertising strategy offers your business a new, innovative, and effective way to reach your target audience. That's why it's worth checking out, because it could help your company secure that next lead, move those customers away from competitors, or hire that passive candidate.

**2.8 Amazon Advertising:** In recent times, Amazon has become one of the best ways to advertise online – third in line of popularity behind Google and Facebook. With Amazon Advertising, the business can promote their products and brand in Amazon search results, product pages, and more.

One can advertise on not only Amazon but also Amazon-owned sites, like IMDb, to build brand awareness.

With more than 50 percent of product searches starting on Amazon (instead of Google), it's worth considering the potential positive impact of this Internet advertising strategy on the business and bottom line.

**2.9 Influencer Advertising:** Influencer marketing is another effective advertising strategy. In this, companies of all sizes, from big brands to small startups, use influencer marketing to create brand awareness, build user trust, and generate sales.

Besides partnering with an influencer and having them promote your brand, products, or services on their dedicated channels, influencers could also be integrated into the advertising campaigns. **For e.g. brands, like The Hershey Company. This company has used this strategy with success. The Hershey Company partnered with several influencers to promote its Hot Cocoa Kisses Chocolates on YouTube. In addition to the influencers promoting the product on their channels, the campaign was a huge success.**

In short, if one has a smaller business with a relatively low marketing budget, he may want to start with low-cost options that one can do in-house, like social media, SEO, and email marketing campaigns.

However, creating a comprehensive strategy is highly recommended. Multiple approaches have a wider coverage of consumers as compared to using one approach.

The biggest advantage of online advertising is that it's easy to monitor and improve the campaigns. With all the effective advertising strategies mentioned above, it's easy to analyze the return on investment and make adjustments to take it to a higher notch.

### **3. KEY METRICS AND KPIS FOR MEASURING E-COMMERCE MARKETING SUCCESS**

Here are the key factors one should consider when measuring the performance of the digital marketing initiatives. To find out how the digital marketing efforts are turning out, first the metrics need to be identified against which the success will be measured. Some of the **most common metrics** include:

**3.1 Traffic:** Changes in the volume or type of traffic to the website is a good indicator of whether the digital marketing techniques are effective or not. This includes factors such as overall site traffic, traffic sources (where the customers are coming from), time on site and bounce rate etc. These can easily be measured **using Google Analytics.**

**3.2 CTR (Click through Rate):** If running paid ads or email marketing form an essential part of a marketing campaign, then a click through rate can easily tell regarding which content is garnering the most clicks from visitors. The CTR itself should be measured against the average for the concerned industry.

**3.3 CPC (Cost Per Click)/CPM (cost per thousand impressions):** Similarly, while running ad campaigns, one should look at how much he is paying per click on his ad or per thousand impressions, depending on the type of campaign.

**3.4 Conversions:** In an e-commerce business, conversions will be defined as product sales on the company's website. The sales should be measured against previous periods to see how the digital

marketing efforts are improving business. If **Google AdWords** is being used, then a conversion tracking could also be set up to see where the sales are coming from.

**3.5 CAC (Customer Acquisition Cost):** This is the overall cost one has paid to acquire new customers over a certain time period. It could be calculated by tallying the total marketing and advertising costs and dividing it by how many paying customers the business had during that time. This should also be measured against previous periods and the concerned industry's average.

#### **4. HOW TO FIND INDUSTRY BENCHMARKS AND HOW TO CREATE KPIs FOR YOUR BUSINESS**

Having performance metrics available will only be useful if one has the understanding regarding their functionality against other e-commerce businesses in the same industry. There is massive information about industry standards in digital marketing—such as this **Google AdWords benchmarks** by industry data – that could give an insight into the one's standing in the concerned sector.

##### **How to create KPIs for your business**

Once the key metrics have been identified for measuring performance and understanding the basic industry standards, one should set targets, or key performance indicators, in order to find out that goals are being met or not against those. Following should be clearly defined:

- **The baseline** – i.e. the current standing against all the chosen metrics.
- **The main objectives** – Example being more sales, brand awareness, customer loyalty, or a combination of objectives.
- **The strategy** – The digital marketing activities being deployed in line to achieve the objectives.
- **Channels** – the platforms where the strategy will be implemented e.g. Google ads, social media, website content, email marketing etc.
- **Time period** – Time span required to achieve the goals.
- **Growth forecast** – the percentage or amount by which improvement in key metrics is desired.

#### **5. HOW TO MEASURE THE DIGITAL MARKETING SUCCESS**

When KPIs, have been locked it's important to continually compare the performance against those objectives. For example, recording monthly results by metric and channel, so that the areas where KPIs are being achieved can be identified as well as areas where one needs to revise his tactics.

**5.1 Defining Goals:** In a study Google commissioned from E-consultancy in 2016, it was found that the top performing brands, - whose actual business performance exceeded their estimated business goals - are 75% more likely to have moved to a more holistic model of measurement in the last two years. Doing this leads to results. Organizations that tie marketing metrics directly to business objectives are three times more likely to achieve their goal. With measurement, initial objectives should be defined and the right KPI's should be associated with them. **This facilitates aligning of business objectives with marketing KPI's.**

**The case study on Toyota ALJ After Sales addresses this beautifully;** the main challenge was that people perceived Toyota service – which operates under the brand Abdul Latif Jameel (ALJ)

in KSA – as of superior quality but unfortunately too expensive. To tackle this, ALJ created a fun animated series, Khebayyes & AbuHurayyes, on YouTube. The main goal was to change perceptions about ALJ's value for money proposition by educating customers in an interesting way about the differences between using genuine and non-genuine parts and services. The success of Khebayyes & AbuHurayyes was phenomenal -achieving massive reach and gaining vast popularity in KSA. It led to 11.8 million people views and 202,500 new subscriptions to the YouTube channel, making Toyota Service Saudi the #1 Toyota channel globally.

By clearly defining their marketing goal and aligning it with their business goal, Toyota ALJ was able to measure the success at the end with clarity

**5.2 Measurement: A Closer Look:** Drilling a little deeper into, measuring the success of efforts made, at each stage of the marketing funnel:

**5.2.1 Awareness Stage:** Raising awareness deals with announcements: a new phone, new fashion collection, new way to navigate an online shopping site. Measuring success of efforts made at the awareness stage is all about unique reach, brand awareness, ad recall. Here, factors can be assessed including percentage of unique reach and whether or not brand was able to create top of mind awareness. **The Toyota ALJ case study mentioned above is a great example of this.**

**5.2.2 Consideration stage:** At this stage, consumers are searching more specifically for something they want and are seriously considering the company's product. One way to measure this via paid search is that higher click through rates are an indication of higher engagement with the ad from a site perspective, this could be measured through time on site and number of page views per session.

When the purchase moment arrives, brands need to be quick enough to shift from fostering customer connections to enabling smooth conversions. But how to do it? That was the dilemma that was faced by **Wayfair and Sephora**, two leading companies in the home goods and beauty spaces, respectively. **In this case-study, we illustrate how to measure success at the consideration stage. Sephora created "How-To" makeup tutorials on YouTube** as TrueView pre-rolls that performed remarkably well; viewers could have skipped after five seconds, but instead chose to watch the how-toss for an average of nearly two minutes.

**5.2.3 Purchase stage:** At each stage, there are factors to potentially measure. At the purchase stage, when a consumer is ready to press the 'buy' button, the main KPI's traditionally include conversion rate, cost per transaction and return on ad spend. **In the aforementioned case study of Wayfair and Sephora, the two brands wanted their YouTube content to drive sales, so they used TrueView for shopping to engage new customers. This approach provided an essential e-commerce layer, delivering a 3X increase in revenue performance for Wayfair.**

**Another strong example from a local case study comes from major Saudi retailer eXtra.** The company's integrated strategy has made the most of the opportunity to drive online sales through search. Year over year, the company has seen search ads deliver a 129% increase in return on investment and they made the link on **eXtra** clickable.

Then there are '**Additional TOOLS to assess measurement**' in Google's suite of products.

**5.2.4 Google Analytics, the most widely used free tool** on the Internet used to track and report website traffic, and helps to monitor the entire e-commerce journey of a company.

For an e-commerce player, one must have the right **Google Analytics** setup to allow him to measure the entire consumer journey from the very beginning i.e. a customer enters a site for the first time until they actually click 'buy'. By enabling this measurement tool, the detailed ways of looking at data can be explored:

- (a) **Audience:** Tells about where a user is coming from, whether or not, he is new or a returning visitor, kind of device used (mobile vs. desktop vs. tablet), and additional demographics. When one understands more about who is coming to the site, he can cater to their needs. For example, if people are viewing the company's site mainly on mobile, and if the mobile bounce rate is higher, the attention on fixing that should be prioritized.
- (b) **Acquisition:** Understanding the people who are visiting the company's site - which traffic source are they coming from? Paid Google channels? Organic ones? Social media? Any other referral? This is important in order to measure the performance of each channel when it comes to bounce rate, paid views per session, and conversion rates. A digital marketer will enjoy this to determine which channel is performing better over the other.
- (c) **Behavior:** What are these users doing on the site? At this stage, there is less focus on who they are and how they came to the company's site, but rather on understanding the user's journey flow. This is the content driven part of the site. One can assess whether some pages are more popular than others. The most important part is measuring consumer journey of checkout funnel. Did they purchase or abandon the cart?
- (d) **Conversion:** Enhanced E-commerce. This will help in measuring consumers who add products to an online shopping cart, who go through the checkout funnel, the ones who abandon and those who ultimately purchase. It's a powerful tool to familiarize one with the customers.

In a global case study, Texas-based Brian Gavin Diamonds used Google Analytics to determine that the jewelry company had over \$500K in lost revenue due to high cart abandonment rate. They were able to increase checkout to payment page by 60% and made improvements to site features for improved customer experience and conversions.

This case study on an e-commerce site called Mumzworld shows a remarkable 300% increase on return on ad spend using Enhanced E-commerce feature and data imports on Google Analytics.

**5.2.5 Spotlight on YouTube Analytics:** For brand specific metrics, refer to **brand lift survey**. **Google's Brand Lift solution** measures the moments that matter – from initial impression to final conversion – with the metrics that matter, like brand awareness, ad recall, and consideration. One can gain insights within a matter of a few days, so the YouTube campaigns can be adjusted according to what's working in near real time.

When it comes to **YouTube**, there's a **powerful free tool called YouTube Analytics**. It gives the ability to analyze factors including audience, demographic, acquisition, and behavior.

Video Engagement Metrics are also available such as percentage of video watched, where did a viewer drop off. Also, one might be seeing views as a rising number, but are people actually engaging with the ad?

Studying YouTube analytics is particularly **useful in the awareness stage**. When we think about measurement when it comes to e-commerce success, it's not just about clicks or impressions, but measuring specific action or engagement that we want the user to take. The end result should be an increase in sales, but that can't just be measured as in number of people who purchased online, but also key success metrics across the funnel.

## 6. STRATEGIES ADOPTED BY SOME OF THE VIRTUAL BIGWIGS AND MEASURING THEIR DIGITAL EFFECTIVENESS

**6.1 Retargeting works for Myntra and Jabong:** In e-commerce, it's essential to not just reach out to the customers and diverting business to the platform but also establishing the brand for the long term.

For e.g. Spotting and checking out a commodity on Myntra, later seeing the same commodity in a certain Myntra ad again on Facebook, getting an email about the same commodity in your inbox and reappearing of the same ad while surfing news websites is not a coincidence but a strategy of the company to cajole a buyer to give in to his temptation and make a purchase. **Gunjan Soni, Chief Marketing Officer at Myntra and Head of Jabong, says, "We use social media for targeted ads as they give double the ROI - you reach out to the user wherever they are."**

The ads don't stop after a purchase has been made. The ads of selections similar to the earlier one continue to recur- through a technique called **retargeting**. **Gunjan explains, "We short list our high performing selections based on brands, and use social media to target people who showed interest in any of these brands or similar ones. These give higher conversion."**

**6.2. Retail versus e-tail marketing: Harneet Singh, VP and Head of Marketing, ShopClues:** Marketing is reaching out to customers and driving business to the platform - offline or online, either way, but in online retail, marketing is also about establishing the brand for the long term.

Offline retail players can create massive differentiation through their in-store experience - something that online retailers have limited scope for. E-commerce players focus much more on functional factors like product, range, price, and delivery.

Of course, the environment is very dynamic in e-commerce marketing. **Harneet Singh, VP and Head of Marketing, ShopClues, says, "Consumers search across platforms to find the best products and deals. We call it 'click-away marketing'. Since consumers tend to check out our competitors, we have to be more competitive."**

E-commerce players can track where the customers are coming from. But according to branding and marketing expert **Meeta Malhotra**, this only exacerbates their focus on getting CTR (click through rate), and they often lose sight of the brand. **"It's very hard for offline players to track the source of footfalls at all times; so their marketing tends to be much more brand-driven," she says.**

Due to direct interaction with the seller, trust is easily built offline but needs a lot of effort online. **"If something goes wrong with the product, the consumer wants to know if the platform will protect them. Policies on returns and customer engagement address this problem," says Harneet of ShopClues.**

**Collecting the right data:** Every search by a customer yields data on why they came there, which category they expanded, which sub-categories they looked for, which search keywords led them to the website, and so on. This also tells you the customers' tastes, purchase history, and what they like and dislike, based on reviews. All of these contribute to social media promotions, as most users have connected with their social media ids.

**At ShopClues, Harneet says that customers' browsing and purchase patterns, their interests, cart additions, and other factors are noted, and those segments of consumers are put into various buckets. "There are hundreds of such segments we have created in our customer base, which helps us do focused targeting and micro marketing on consumers. This has majorly helped conversion and ROI on marketing expenses," he adds.** Their rate of SMS and email



communication to the targeted customer base is almost double of that to the untargeted one, as is the conversion rate.

He explains, "We identify definite products that people buy once they have bought something in a particular category. This has helped us generate a lot of business by doing that kind of attribution on our customers."

**6.3 Online furniture marketplace : Pepperfry** follows a detailed marketing strategy. "The Indian consumer today starts the online shopping journey with research. We want to be present when they are looking for an item. We ensure that our two or three **key propositions – like value, variety, and service** – are established very strongly in our marketing," says **Kashyap Vadapalli, CMO, Pepperfry**.

The online consumer is as varied as the offline consumer – some of them are looking for best prices, and some for the most varieties. According to Kashyap, **Pepper fry's goal is to shift people from buying furniture from unorganized players to online**. He claims that their marketing efforts have raised awareness levels among customers by about 80 percent.

**6.4. Digital marketing:** Of all the customer acquisition channels, digital marketing is the most important for e-commerce. E-tailers target active online shoppers – who research for their favorite items – **by using performance marketing channels such as SEO, SEM, Social, Product Advertising, and Re-marketing**.

"We have a very sharply defined target group (SEC A+ audiences in the top eight metros), and hence, our media strategy is based on arriving at the optimum mix of media vehicles (TV, Digital etc.) to help us create maximum impact amongst them," says **Kashyap of Pepperfry**.

**Kashyap Vadapalli, CMO Pepperfry**

Although Facebook and Google are the leaders of digital marketing, Meeta says that the duopoly is hurting e-commerce companies. "Organic reach from digital marketing has crashed. That's why so many e-commerce players advertise on TV. In India, TV can get you a lower customer acquisition cost (CAC) than digital marketing," she says.

On a given webpage, only three Google ads can be run. The rest of the ads are fired by ad networks through pop-ups, sliders etc. This is predominantly general digital marketing; it gets traffic on the website and app regularly. (But it costs up to Rs 40 lakhs per month to advertise on Google.)

Google and Facebook also do re-targeting. Video ads are taking over Facebook, Twitter and Instagram now, and the demand is increasing. **A C2C e-commerce platform like Kraftly's marketing budget** makes up 25-30 percent of its total expense annually – out of which 90 percent goes to social media. There are also **different formats like influencer marketing, wherein influencers promote through their blogs, social media accounts, and other avenues**.

For **new launches or festive sales, 'burst campaigns'** provide aggressive media marketing over a few days. It has a bigger impact on e-commerce, especially **during festive season sales** like **Flipkart's Big Billion Days and Amazon's Great Indian Festival**. Mature brands do these three or four times a year, for over 5-19 days at a time, for a 360-degree visibility.

**6.5. Cookie business: Websites' cookies capture information on what you check out on computers.** An average webpage has 30 tracking devices to find out who you are. Some cookies are common between all the pages you go to. **So, if a cookie is common between two websites you checked out – say Jabong's page and Jet Airways' – you are retargeted. Their ads are shown**

on each other's websites to bring you back to buy the product that you had checked out earlier. Facebook does not share data anymore, as it did three years ago, says **Srikanth Velamakani, Founder and CEO of Fractal Analysis**. "But if I have data on your last 20 likes on Facebook, it will tell us your favorite movies, music, stars, politics – all automated," he adds

#### 7. MEASURING EFFECTIVENESS

The best metric for tracking effectiveness of a campaign for an online retailer is organic traffic. In digital marketing, you are able to attribute every click and re-track the consumer and from which channel they came. Direct marketing, Google search, and social media marketing are easily attributable. The attribution marketing model helps segregate efforts between various channels. Says Harnet, "On those who are directly exposed to our impressions on various channels over a particular duration – we can attribute that to the one particular channel after removing the duplication."

**But the million-dollar question is: How do you find out which channel to use to reach out to your customer? "It depends on the ROI of every channel," says Harnet, adding, "If somebody is coming from search, we then reach out to them through social media and a combination of direct marketing and remarketing. Once we know which combination works best for us, we start optimizing our investments for that."**

Besides the brand-led traffic on the website and the increase in conversion rates, for mobile, Pepperfry measures app success on the basis of MAUs (monthly active users). Kashyap says that they heavily monitor certain campaigns around app installs to see that the campaign is targeted towards someone who will use the app. "Television has been the most effective way for us to reach out to our target audience, so we continue to advertise," says Kashyap.



## 8. OFFLINE MARKETING FOR ONLINE RETAIL

Offline marketing is also essential for e-commerce. TV is for mass brands – which explain why horizontal e-commerce players and large vertical ones advertise aggressively on TV. But among the traditional channels, the cheapest is radio. **Niche e-commerce player Kraftly** does offline marketing activities with events such as La Feria, the biggest flea market in Chandigarh. **Kraftly Chief Business Officer Akshay Ghulati** says, “Our digital marketing activities are similar to what other marketplaces do. But a flea market is more effective, because we were showcasing unique products. The customers who check us out come to our website later.”

**Kraftly** has not done mass marketing so far. Says Akshay, “We are creating an identity for our brand, and only after that will we decide how to market it. Recently, we sponsored a fashion show at NIFT. We got a lot of sign ups there. A lot of upcoming designers also notice us, to associate with later.”

Whenever there is a superhero movie, **Kraftly** targets that audience, as it has products relevant to that movie; the same goes for Comic Con. The good old ways of using flyers and stalls at relevant events are not useful for e-commerce. But expensive jacket ads on newspapers are essential for the festive season.

**Gunjan Soni, CMO, Myntra and Head, Jabong**, makes a strong point. “In e-commerce, you may have the best site and products, but since this is not a physical placement, unless somebody is knocking on the doors, you really can’t have sales. So the way we approach marketing is different – a lot more is driven by performance marketing, not just brand marketing,” she says.

Besides going to market by themselves, a lot of celebrities also do endorsements for Myntra as ambassadors for brand partners.

## 9. UPDATED DATA

Data science is a very big opportunity for even small players. Every click adds up to massive data. **Srikanth of Fractal Analysis** says that analytics is important after the growth stage. “Spend your money for not just customer acquisition, but to get more out of your existing customers too. Even basic analytics is useful when they are operating at such a large scale,” he adds. But Srikanth warns that since ads are very expensive, you have to figure what part of marketing is working in terms of ROI and invest more in it.

**ShopClues** employs an in-house analytics team, not just because it is financially more viable, but because analytics is the intellectual property of the firm. “It is a core competence we can create with an understanding of the consumer. It is significant for marketing and research, and is hence confidential,” says **Harneet**. He adds that the company does predictive modeling now for channels that can give certain returns. Marketing campaigns depend on the target consumers and the kind of engagement you want with them. ShopClues also focuses on mass market brands, and so it engages with customers who go to local markets. “They are not brand conscious; utility matters to them. Understanding that, we are engaging with them,” says **Harneet**.

**Pepperfry** also uses in-house analytics to target consumers for optimum conversions. **Kashyap** says, “Our data says that customers want to research on mobile, and purchase on desktop. So we treat our mobile properties as top of the funnel. The strategy is to be present across a wide swath of keywords and properties related to the Home and Furniture category.”

Within online channels, 70 percent of **Pepper fry's** budget is attributed towards search, which includes SEO, product listing, remarketing, SEM, and others. The rest is dedicated to social media and videos. **Pepperfry** spends 20-25 percent of marketing expenses on mobile, as it accounts for 50 percent of their daily traffic.

Online retailers' biggest challenge, the inability to provide touch and feel, is being solved too. For instance, **Pepperfry** has opened 14 offline studios. "They are strong marketing channels, with more than 50 percent conversion rates. We plan to scale the number of studios to 20 by the end of this quarter," says **Kashyap. Lenskart, Zivame, Firstcry, Urban Ladder, and Myntra have also followed this path.**

For every penny spent on marketing, 10-15x return is expected. **But according to media reports, e-commerce giant Amazon India lost Rs 1,724 crore in FY15 due to high advertising expenses. However, Amazon's Aur Dikhaao campaign of 2015 remains a favorite of advertising experts for its insight into Indian shoppers and the manner in which it aligned with Amazon's promise of a big selection. Flipkart's Kids has been a success for the marketplace since 2011.**

They say PR rules the world – and it stays true for e-commerce now more than ever.

## 10. FINDINGS

Some key findings include:

- The success of advertising depends on the implementation of the estimate of budget allocated to it. Simplicity of digital measurement is reflected in the results; brands allocate more budget, to digital advertising when compared to the TV (which as it is, is a more difficult channel to measure).
- Those who are efficient in measuring effective advertising are more likely to use **Key Performance Indicators (KPIs).**
- Most of the client-side marketers agree that 'surveys to test advertising effectiveness indicates better chances of the success of an advertising campaign,' and these surveys are also instrumental in advertising validation. Market research plays the most important role in measuring the effectiveness of advertising.

Before starting a digital advertisement campaign, a company should first analyse the following:

- a) It's individual campaign objectives and associated KPIs.
- b) Which channel would be most effective for each objective.
- c) The media mix based on customer journey.
- d) **Diversifying** i.e. spending and deploying a healthy mix of different marketing channels, will yield differentiated data that can provide better direction on how to proceed.
- e) **More** marketers are in favour of completely turning to digital modes for advertising to reap its benefits of viral potential, economic costs, and relatively easy measurement, but TV and video shouldn't be ignored, especially if the company is focused on establishing long-term effects like brand awareness. Adding TV to a media mix (in addition to channels like Facebook), can increase campaign effectiveness by a huge margin.

**Applying** the above findings to the strategy, diversifying budget across a media mix that complies with the company's campaign objectives, the company can get the most data and clients for the potential sale from multi-channel campaigns. **One should not get** overwhelmed by the number of marketing channels available as media mix choices will only

continue to grow in future. Making a quick and a correct choice suitable for the brand should be suggested. The sooner a company understands and implements, or ignores new channels, the more progress a company will make. The most effective marketers make full use of the wide range of marketing channels. For them it's opportunity, not a threat.

f) **Marketers** are using a mix of results to determine campaign effectiveness, but the most successful gave more weight to:

- KPIs
- Measuring brand awareness
- Customer surveys
- Attribution modeling

## 11. CONCLUSION

These days it's not just enough to estimate what works and what not, in individual marketing campaigns. The tools exist to track results, as far as website traffic is concerned, so they must be utilized and the data they produce should be efficiently used **to determine the effectiveness of any marketing campaign deployed by the company**. For years, the companies struggled to have answers to the questions related to a marketing campaign's effectiveness with the exception of actual turnover. Those days are long gone and currently even if a marketing campaign fails to produce the desired results in sales, it may still be held as a valuable resource to gather the information the company garnered from analyzing it; which can help with making the company's next marketing campaign highly successful sales wise.

It is imperative that a company uses the analytical marketing tools that are available to gather data today and use that data to continuously develop the future marketing campaigns which could turn out to be highly successful ones.

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