

THE POWER OF

# Digital Marketing

The over-reaching impact of digital marketing on consumers and businesses alike can be attributed in some degree to the communication explosion that has transformed the nature of the Internet forever. In no other way is this transition manifest as it is in the way consumers view and interpret marketing. The former role of the marketer or advertiser was to simply broadcast the message, and observe the results of the exercise in sales figures. The advent of web 2.0 and digital marketing has changed this.



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### What is Digital Marketing?

### How does Digital Marketing work?

#### What is Digital Marketing?

Digital marketing evolved from internet marketing – a strategic process of promoting products through digital distribution channels that reach the consumer in a way that is fast, effective and above all, personal. Instead of simply trying to drown out all other messages by sending the most messages (email flyers, spam, inbox invasion, read-only, pop-ups, and psychedelic blinking banners) digital marketing tries to make connections with its audience. Building bridges and reaching out to the customer is the focus.

Digital marketing harnesses the full potential of the Internet and also the ways in which people use the Internet. Social platforms such as Facebook, Wikipedia, Second Life, Flickr and MySpace (user-generated content, virtual worlds, targeted banners, file-sharing) are entering people's lives and their consciousness in more ways than one. Digital marketing engages with social media such as these and makes them part of their marketing strategy, trying to find ways in which social media like social networking sites can benefit their brands and get consumers to start talking about their brands.

**“Brands that fail to garner response or ‘talk’ from their audience fade away...”**

Talk has to run in both directions. Brands that fail to garner response or “talk” from their audience fade away but the brands that have found ways to incorporate their consumers in their stories are scaling new heights. Consumers don't just want to listen anymore. They want to be a part of the story. Co-creation of the brand through feedback and participation is what they're looking for.

#### How does Digital Marketing work?

Digital Marketing seeks to evoke a response and generate interest about the brand or product through digital distribution mediums. Therefore, it uses email, streaming videos, blogs and content to draw the consumer's interest. The primary idea is to make the consumer curious.

The advent of web 2.0 opened up a plethora of opportunities to engage consumers with the brands. The power of web 2.0 is its power to connect and transfer infor-

## Companies Turning to Digital marketing

## Advantages and Limitations

mation through blogs, social networking sites, IMs, and self-publishing. It's a revolution, a supernova of information travelling back and forth at the speed of light. There is no longer a six degree of separation since the whole world is present on one Facebook profile, at the click of a button.

**"Australians have spent approximately \$11 billion dollars in online purchases!"**

Word of mouth generates revenue; word of mouth recommends brands and products. Consumers believe what is told to them by their friends and online buddies. In the 12 months leading June 2006, Australians had spent approximately \$11 billion dollars in online purchases!

Zappos.com is an example of the impact an intelligent digital marketing strategy can make on consumers. When it started in 2000, critics wrote Zappos off as a venture doomed to fail since nobody would buy a shoe they couldn't try on first. Zappos.com proved them wrong! In the eight years since its inception, Zappos has grown from a \$1.6 million dollar company to \$840

million dollars! Exceptional service and excellent word-of-mouth reviews have driven Zappos to tremendous success.

## Companies turning to Digital Marketing

Companies and advertisers are finally realising the fact that in the future, digital marketing can be used in conjunction with direct marketing to monstrous effect. According to the 2008 Australian Digital Marketing Trends survey, the number of companies devoting nearly 25 to 50 per cent of their advertising budget to digital marketing will increase by 40 percent over the next five years. The percent of companies who will spend more than 50 percent of their budget on digital marketing will go up to 19 percent in 2012 from 4 per cent in 2008.

## Advantages and Limitations

The primary advantages of digital marketing are of course, the immediate connection it establishes with consumers, its reach, and the ability of digital media to include the consumer in their brand stories. Consumers begin to associate themselves with the brand and gradually gain ownership by participation. The only limi-

tation of digital marketing is that you have to be online to experience it, however in coming years it is expected that the lines between the Internet and other electronic media will disappear completely.

**The only limitations of digital marketing is that you have to be online to experience it**

Digital marketing is not just another marketing technique; it is about building brand equity in innovative ways, cultivating a sense of community and connectivity between your customers and your brand. This is the power of digital marketing, the power to bring your brand together with your customers.

### **About the Author**

Jasmine Batra is a search engine optimisation specialist and Director of one of Australia's premium providers of search engine rankings and online marketing services - Arrow Internet Marketing. Jasmine provides consulting on internet marketing strategies including SEO, Google Universal Search, Social Media Optimisation, Google AdWords management etc to a diverse range of industry verticals including Finance, Telcos, and Travel.



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