

Digital Marketing

From the 1980s to 2020s

Research & Curated Mini Guide

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The History of Digital Marketing

The Early Days (Back in the 80s)

The birth of Digital Marketing can be traced back to the 1980s when IBM created one of the first personal computers. It quickly progressed into becoming a powerful tool that accumulated customer information. In other words, the first computers gave rise to the first Digital Database that forever changed the relationship between producers and buyers. This in turn developed into a new way to handle CRM (customer relationship management).

By 1989, IBM was able to increase storage space up to 100MB. It was then, that marketers began to

realize that a customer relationship was requisite, as opposed to the old-school sales techniques.

Marketers eventually evolved out of the mass production and sales way of doing business, and started to keep track of their existing customers.

Soon after, a way to collect and manage large amounts of data was launched by a customer management company called ACT. The marketing software was created with huge storage space to retain data about customer buying habits and other information.

Moving Into The 1990s

In the 1990s, CRM tools gained popularity and were described as software that could monitor consumer action and enable marketers to make informed predictions about buyer action in the future. Sales Force Automation (SFA), is one of the first versions of

CRM and contributed significantly towards intel concerning stockpile monitoring, as well as producer and consumer relations.

During the late 1990s, CRM was upgraded and revamped multiple times by various companies. ERP

systems (Enterprise Planning Systems) such as SAP, Oracle, and Baan were created and later became accessible in the market. This created more competition amongst marketers of all industries.

Google, the most well known search engine, arrived on scene in 1998 and is still the most popular web based search engine. Google plays a vital and important role in creating successful Digital Marketing Campaigns and Search Engine Marketing.

In 1999, a new eCRM vendor made it possible to store information without the need of

Some of the products and services provided by Salesforce are:

- Salesforce Marketing Cloud which provides digital marketing automation as well as analytic software and services.
- Salesforce Service Cloud is a CRM platform for customer service and support, enabling

computer storage space. It became possible to store customer data online. This created even more competition amongst marketers and businesses due to the fact that marketers could go online and update information on the go.

It didn't come without problems. The main issue was figuring out how to classify the acquired data in order for marketers to be able to obtain useful and manageable information. Salesforce, one of the first SaaS companies, helped set the stage for the development of marketing technology by delivering business applications through websites.

users to automate service processes, streamline workflows and find key articles, topics and experts to help support customer service agents.

- Salesforce Community Cloud provides companies with the tools that enable them to create branded online communities. They can be

created for connecting with customers, partners, or employees and be used for

support and feedback.

The Early 2000s

The early 2000s saw not only the evolution of Digital Marketing, but also saw highly impactful technological advances. Google went public in 2004 and in June of 2007 the iPhone was born. Halfway through the decade, consumer purchasing behavior changed. More and more customers were searching for products or services that they were interested in online.

It had become a simple thing for them to search for, acquire, and compare information through search engines like Google, Bing, or Yahoo. This change in consumer buying habits left marketers with the challenge of gaining insights on the new wave of purchasing patterns. Marelto, Act, and Pardot helped to resolve the problem by allowing marketing to be done

efficiently on multiple online channels.

Marketing Automation helped by allowing marketers to divide the market into segments, begin various channel campaigns, and be able to deliver personalized content which could be done through personal email, or targeting a specific market group.

These technological advancements were some of the first tools devised to assist marketers. Additionally, Marketing Automation was able to catch up and adjust to the constantly changing consumer style and get through obstacles which were not predicted by marketers. In the 2000s, it played a crucial part in the history of Digital Marketing.

The 2010s

During this decade, consumers were well informed of modern technologies, and were actively discovering and practicing how to operate and download songs, play games online, and watch movies through the various applications available.

Besides the growth of digital media, during this period lots of newly founded companies began to appear with the aim to supply customers with Digital Marketing answers; to bring consumers up-to-date with the improving digital media.

On the other hand, the finest digital solutions were brought in by larger

companies such as Google, IBM, and Oracle attempting to continue in advancing in the competition. During later years, marketers realized that combining various tools, channels, and services was a very appealing choice, as opposed to selecting only a single marketing technology.

Increasingly, consumers came to have expectations for a seamless experience from various digital channels, and marketers simply had no choice but to include Digital Marketing as part of their business plans. They quickly became committed to creating an omni-experience for their customers by way of omnichannel technology.

The History Of Online Advertising

The first banner appeared in 1994 and it was Online Advertising that provided the stepping stones which eventually led us to the amazing marketing tools that are available today.

Online Advertising started out on October 27, 1994, with "The age of banners" transformed advertisements from containing mainly words to more graphics displays. A company by the name of HotWired came up with a concept to make some money by creating "banner advertisements". Banner advertisements are achieved through leaving some space on websites and selling these spaces to advertisers.

AT&T hired HotWired to post a banner on their site at \$30,000 and got a remarkably positive result. Users were curious where these links would take them or what new information there is. The aim of this group was to make

advertisements that did not appear like advertisements. Craig Kanarick, one of AT&T's digital consultants came up with a campaign, "Let's not sell somebody something". The idea was to reward users for clicking on the banners displayed. In no time, the banner ad grew popular and enabled everyone to access websites freely. Before long, companies such as Time Inc. and CMP's Text web were searching for advertisers to hire banner space.

In 1995, the popularity of banner advertisements continued and advertisers were more involved in aiming at a particular group of viewers instead of posting advertisements all over the place. They believed that targeted viewers actually saw the advertisements. This was a starting point for "targeted ad placement". For example, advertising cars on websites promoting children's toys or women's beauty would never be

seen by car lovers. It would be better to find a website that car lovers would visit possibly like car racing, vintage cars, or popular mechanics.

Advertisement organizations which specialize in posting advertisements on the internet, could help clients by choosing the right websites targeted consumers will and have visited. Due to this, companies are now able to choose the correct sites to post on so that targeted viewers will see them. Additionally, the money spent would be of use to the company and not wasted.

Companies were reaching out to viewers who were interested and the banners displayed were more relevant which grew into a revolution of digital advertising space. A CustomView tool was brought in by WebConnect to limit repetitive views by users of the same banner ad. For viewers who had viewed the advertisement multiple times, an alternative advertisement would be placed there instead.

Moving onwards towards 1996, banner advertisements were all over the internet and marketers needed a way to control the campaigns which contained display advertisements, posted on several websites, and also a way to get feedback on what user reactions were to the advertisements posted.

DoubleClick offered a service known as Dynamic Advertising Reporting & Targeting (D.A.R.T). This service allowed companies to keep track of the number of times the advertisements were seen and clicked on, on various websites.

Before D.A.R.T. appeared, the results of a campaign could be determined only at its end; but the emergence of D.A.R.T. made it possible to keep track of how the advertisements are functioning and to alter them as needed during the live campaign. For example, in a case where an ad is not performing as well as it should then marketers could take the ad off and employ the resources to the advertisements on other websites that are doing better.

Coming into 1997, an advertisement called a “pop-up ad” developed by Ethan Zuckerman appeared. These pop-up advertisements were able to display a new ad on a new browser window. Pop-up advertisements have been called “the internet's original sin” and on top of that it was one of the advertising techniques that was disliked by advertisers and consumers alike.

Between 1999 to 2002 marketers were creating targeted advertisements rather than random ones. During this period the “web” broadened and search engines gained more popularity. Users needed more ways to maneuver the web while marketers turned to subsidised search to become the border line of Digital Advertising.

A “pay for placement” search engine service was made known by GoTo.com in 1999 which gave advertisers a chance to pay for the best search engine results on specific keywords.

Pay-for-placement was later known as pay-per-click where companies could bid on search results placements. Companies that bid the most were able to obtain the first listing on the search results even though the website did not contain the relevant information.

In the year 2000, Google presented AdWords, an advertising platform which could resolve the dilemmas users were having from paid searches. Google desired to bring to existence a supporter for search experienced by users that produced income but didn't contradict the quality and the information related to the results searched.

AdWords brought forward a Quality Score model which is the ranking method used by Google to rate the quality of the ads and the relevance of the words searched. It made it possible for more relevant results to be placed first on the list instead of the ones with the highest bids.

Towards the mid 2000s, Digital Advertising was highly targeted by marketers. Social media was fairly well known and marketers wanted to make contact with the younger generation of users who used the internet. Particularly because they were not affected by banner advertisements and spent most of their time on social media websites.

Facebook, the most popular social media platform of its time, was founded in 2004, but only started to accept advertisements and sponsored links in 2006. As they developed, Facebook claimed that it was the “ad pioneer” that was evolving the way marketers connected with consumers online.

"Our strategy is much less [about] increasing the volume of advertisements and much more about increasing the quality of the content and the quality of the targeting to get the right content to the right people," Facebook

founder Mark Zuckerberg said in 2014.

As digital marketing continued to develop, marketers started to shift towards targeted and quality advertising rather than irrelevant and large content.

At the end of the first decade of the 21st century, online media businesses like BuzzFeed and Mashable, gave advertisers the chance to connect with viewers through sponsored content and native advertising. Articles, videos and various other media were paid for by advertisers to be posted on news and media sites.

The interesting thing about it was that the format of the content didn't appear to be an ad and fit right into the content on the host's website, but it was actually promotional. The goal was to create promotional content that supplemented the online experience rather than disrupted it. This is the concept of native advertising.

Advantages and disadvantages of Digital

Marketing

There are more positive than negative aspects of Digital Marketing. As it's progressed greatly, there are always new and developing techniques that every

marketer wants to benefit from to increase sales, make more profit, and make the public become more aware of their companies, products, and services.

Advantages of Digital Marketing

Digital Marketing has the capability to connect a specific group of audiences at a low cost but broadly. This in turn allows all businesses large, medium, or small, to benefit through producing in bulk. Thereby creating cheaper production costs and making it possible for an increased number of interested viewers living in different status to be able to purchase cheaper products.

Digital Marketing also gives marketers the chance to grow closer and connect to customers through personalized email or targeting a particular market group.

Furthermore, implementing Digital Marketing to marketing schemes with an accurate plan and a perfectly chosen marketing campaign to reach targeted customers, really lowers advertising costs.

The main emphasis of Digital Marketing is to efficiently establish a group of Digital Marketing designs that works for the company, establishes better revenue, and eventually improves the company's growth. The following are some of the other benefits in which companies could profit from.

- Worldwide Sales Through websites that enable companies to expand to other countries and to search the availability of marketplaces, what is in trend in new countries, and how much people in those countries are able to pay.
- Trackable Results using web analytics makes it possible to provide information about how websites are utilized by customers, such as the details about what is clicked or viewed frequently. Information regarding how much money was earned is also administered. Understanding and making the best out of web analytics, and various metric devices available online like Google Analytics, Statcounter, SEMrush and several others tools that are capable of analyzing consumer behaviour and interpreting whether a campaign was successful.
- Openness Customer trust and developing the company's reputation where contacting the company is uncomplicated and convenient. This happens when the company gets involved with social media such as Twitter, Facebook, and several others.

Placing all tactics together will undoubtedly bring growth, success, and increased profit to the company.

Disadvantages of Digital Marketing

It's easy to just focus on the positive, but before starting off on your Digital Marketing journey there are a few things that you should know about. Due to the fact

that Digital Marketing is a remarkably strong tool, there are certain risks and restrictions. Here are some of the disadvantages which should be considered.

- **Relies On Technology**

Digital Marketing depends on technology to connect with customers, when creating almost any kind of media. The internet and the signal it provides, which are known as “generations” (4G, 5G), are examples of the technology that allows marketers to connect with consumers. These signals provide internet access while in a public place or when travelling. Nowadays people are able to watch videos, chat, and play games on their phones while sitting on a bus or high speed trains.

- **Copied Product And**

Business Type Almost exclusively, whenever a product is sold online, a product that sells well or is liked by many can easily be copied and sold at a cheaper price. For example, countries with low cost labor

fees may be employed to produce the “copied” products in order to lower production cost.

As for copying a business type, individuals starting up businesses could duplicate the ways that a company functions and omit the faults while not having to spend money on trial and error. For example, when the iPhone first emerged into the market, soon there were other brands creating a similar product. However, these products were sold at a cheaper price compared to iPhones.

- **Pricing Competition** Due to the fact that when customers go online shopping, certainly the prices of the products are shown on the webpages. This actually allows competitors to be able to approximately estimate the production cost and profit of the product. This is when a copied version is produced and sold at a lower market price.

- **Doubts Of Customers Who Buy Online** arise because most people who purchase online require a clearer product description. For example, when purchasing clothing

customers need to know the material, colour, and the sizes. Much too frequently, customers receive the wrong colour and/or size.

What Is Traditional Marketing?

Traditional Marketing uses advertisements like printed banners, flyers and leaflets, the television, radio, newspapers or magazines instead. It was mainly employed

during the 1980s and continued to be utilized continuously until technology progressed and it evolved into Digital Marketing.

Comparison Between Digital and Traditional Marketing

The objective of Traditional Marketing is exactly the same as Digital Marketing, which is to inform consumers about the existence of a product and hopefully influence them into purchasing the products. Although the goal of both types of marketing is to sell and promote products, their methods differ.

In Digital Marketing, reaching out to customers and promoting products is done online. With plenty of new channels and tools available, companies are able to experiment with the different forms of advertising through websites, social media, online public relations, search engine optimization (SEO), and many other ways, to identify what is financially viable and beneficial.

On the other hand, Traditional Marketing operates through printed flyers, leaflets, pamphlets, billboards, and advertisements posted in newspapers or magazines. In the past, this method was the main approach because there was no internet and technology was not prepared to support

Digital Marketing and its tools. Traditional Marketing cannot go worldwide in the same sense as Digital Marketing, because printed information is more difficult to disperse globally to inform consumers in specific regions or countries. Printing flyers and

billboards cost quite a bit of money for just local consumers. On the other hand, by implementing Digital Marketing, content can be posted on the internet on web pages without the need for printing fees.

Billboards, flyers, pamphlets, magazines, or even television advertisements rely on the probability of people, particularly the right people, passing by and taking the time to look at or observe what's around them. With Digital Marketing, it's simple to use personalized emails or advertisements targeted to a specific group of people or demographic.

Case Study (Amazon.com)

Amazon has been used as a case study for many years due to the fact a large amount of Amazon's experiences can be learnt from by small or even large international companies. Amazon, in many ways, are one of the pioneers of the online marketplace and the use of digital marketing. They ensured that they were customer centered and studied their buying habits in order to create a better outcome. Additionally, Amazon also has another aspect known as the "RACE Planning Framework" which is Amazon's approach to digital marketing.

- **PLAN:** This is the initial phase before they get into the RACE. This involves creating an overall digital strategy, objective setting, and of course planning.
- **REACH:** This step involves the building of brand awareness to allow

customers to know what products and services are on offer. The goal is to use different paid, owned, and earned media touchpoints in order to create multiple interactions of a brand's main site, microsites, or social media pages.

- **ACT:** Short for interacting, this is a separate stage from REACH. ACT is about getting visitors and prospects on your website to go to the next step, which is action. This could be generating leads, finding out more about a company or its products, searching for a product, or reading a blog. It can also be about engagement. If they share your content via social media or write a customer review, that's a good thing. It's getting them to act on what they see.

- **CONVERT:** Business is about making money and that's where conversion comes in. Through online or offline payment channels, **CONVERT** is about getting your audience to take the next step and become paying customers.
- **ENGAGE:** Here companies are promoting a long-term agreement to make a better relationship between buyers and the companies. This is done through better communications on the site, the social status of the company, personalized email and direct interactions with customers.

Amazon.com has come a long way since 1995. Amazon.com mission and vision is:

"Earth's biggest selection and to be Earth's most customer-centric company."

In 2008 Amazon characterized their strategy to be:

"Relentlessly focus on customer experience by offering our customers low prices, convenience, and a wide selection of merchandise."

The strategy reflects Amazon's online values. Accomplishing customer loyalty and recurring purchases is the main reason that Amazon is successful. There are a great number of other dot-coms which did not succeed due to the fact that they were focused in other areas like making viewers know about their products.

"We work to earn repeat purchases by providing easy-to-use functionality, fast and reliable fulfillment, timely customer service, feature-rich content, and a trusted transaction environment."

The Importance of Technology, AI and Machine Learning

Amazon.com mentioned that technology has a significant value in assisting to concentrate on customers. One quote states that new technologies have been utilized to give Amazon a competitive advantage. In 2011 Amazon recited that they were able to sell out more Kindle books rather than the old fashioned

hardcover or paperback books. Amazon created the slogan: "Buy Once, Read Anywhere" The most current Artificial Intelligence seen on the site is Amazon Echo assistant and applications in Amazon Go easy store that does not require staff to help a customer checkout, but a machine instead.

Amazon's Customers

Amazon's members are encouraged to join Amazon Prime, a fee-based loyalty programme where later the members will get free of charge, or discounted, shipping only within several countries like the United States, the

United Kingdom, Germany and Japan.

Amazon describes the three consumer sets which are customers, seller customers, and developer customers.

Competition

In 2017, Amazon mentioned that the conditions for their products and services are highly competitive. Amazon sees their recent and prospective competitors as:

- Producers of products, online, offline, multiple channels, manufacturers and several others.
- Information technology products and services which also incorporate on-premises or cloud based structures, and several other services.
- Search engines provide alternate websites, comparison of products sold online, social networks, and other online applications.
- Companies which create, produce, or sell electronics, telecommunications, and other electrical devices.
- Businesses which support e-commerce, website development, and customer services.
- The primary competitive components in dividing potential customers into groups contain "making a choice, how much information is there, identification of a brand, providing service to customers and several more".
- Companies that offer online or offline logistics services for other companies and for their own use.
- There are more competitive factors for independent sellers and businesses such as the standard of services, how quickly services are accomplished and the potential to create sales for a third party.

Amazon's Marketing

Not much of Amazon marketing techniques is disclosed however, Amazon concentrates mainly on online marketing channels. In 2011, Amazon mentioned that they guide customers to their website through targeted online marketing channels like sponsored searches, email marketing campaigns, and other resources.

Amazon also stated clearly the importance of customer loyalty tools. Moreover, it is said that free shipping is excluded from the marketing expenses because they visualize free shipping and Amazon Prime a functional global marketing tool and plan to continue to provide these services.

Amazon Marketing Communications

Amazon communication are as follows:

- More customers to visit their website
- Increase awareness of products and services
- Encourage repetitive purchase
- Adding on to products and services income opportunity
- Reinforce and widen the brand name "Amazon.com"

Amazon continuous attention towards customer experiences has become the most productive marketing communications.

Word of mouth is then formed which acquires them new customers.

Amazon's Associates program also draws customers to the websites through making all of the products accessible to viewers on other websites. Amazon pays an amount of money to the other website owners in the Associates program. How much is paid depends on the outcome of products sold.

Although shipping fees or promotions presented are not covered in the marketing expenses, Amazon sees this strategy as a

successful marketing tool. This offer is available everyday and today these options are obtainable all over the world.

Final Words

Today, ever since technology has provided us with the internet, everyone goes online to search for information, buy, sell, promote products, and even for entertainment. The online market has evolved and will continue to do so. Due to the fact that marketing is constantly changing with the influx of technology, there are many techniques and tools to tackle the consumer market.

Choosing the best one that suits your company or business is essential. Moreover, there are many competitors and being able to achieve the best results and obtain the most customers is obviously any company's main objective.

To learn more how the Enabler Space team may be of service, feel free to contact us at digital@enablerspace.com or call (+66) 2 297 0289

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