



Business Models And Strategy Formulation – Growth Strategies For Digital Marketing

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ABSTRACT

With accuracy and level of detail that earlier generations of CMOs could barely imagine, digital marketing can provide accurate outcomes regarding the efficacy of a marketing program in addition to extensive data and analysis of customer behavior. The problem is that new consumer behavior and technological advancements are raising the bar for what can thrive in the market. Frameworks for digital audits, planning, and strategy can be obtained from digital marketing models. Digital marketing has completely changed how businesses interact with their global clientele in recent years. New business models based on the reciprocity of communication between businesses and Internet users have emerged as an outcome of the growing usage of social networks and how consumers interact with them online. This new online channel has been used by online advertising campaigns, digital marketing, new company models, and other digital tactics to gather user ideas and comments. Companies are now beginning to see the digital ecosystem in this way—as their future as well as their present. Businesses are worried about sustainability and the enlargement of their business models of their business models that promote social enterprises. This paper tries to discuss how entrepreneurs can apply these approaches more swiftly and in a way that would benefit everyone in a broader scope.

KEYWORDS: Digital market, business models, digital audits, sustainability, social media.

1. INTRODUCTION:

Digital marketing is thought of as a new kind of advertising that has given businesses more chances to operate. Through the use of digital channels for marketing, advertisers can quickly and geographically connect with potential customers directly. It has lately been said that one of the finest ways to get past the clutter and communicate with customers directly is through digital marketing. Therefore, with the trend toward direct, one-to-one marketing, using digital media to successfully advertise to customers is receiving more attention.

Every area of a company, including branding, business communication, supply chain management, customer relationship management, selling and buying, and product management, has been revolutionized by digital technology, especially the Internet (Hudson, Roth, and Madden, 2012). The use of technology in business has provided a competitive edge and reduced the number of business expenses (Edelman and Heller, 2015). Businesses have been able to improve their total capacities for product development by utilizing the power of digital technologies to get precise customer input. Digital media offers a wide range of opportunities for attracting new clients and establishing meaningful relationships with them, all of which contribute to raising brand recognition, enhancing brand perception, and establishing the brand in the minds of target consumers (Holliman and Rowley, 2014). An accurate consumer profile that arises from this allows for profitable customer targeting across digital media. The most recent technical instruments, which reveal the unique wants of the clients to the marketers, can help preserve better customer relations. According to Adobe (2014), the acquisition of crucial data about potential clients via digital platforms results in enhanced customer satisfaction and valuable consumer involvement, which in turn creates a long-lasting competitive edge.

Procter & Gamble has been a leading provider of marketing education for many years. Its Digital Business Strategy strives to establish and refine the best practices of brand building. The new digital business strategy team was asked to develop capabilities and increase proficiency in traditional media like TV, print, and physical shopping. They also concentrated on digital media particularly focusing on social media and search engines. Slowly, the team included e-commerce too into their agenda.

implementing in place standard operating procedures and best practices for P&G marketers to use when approaching digital marketing was the basic step, with the emphasis given to training. P&G marketers implement these digital marketing practices in partnership with top digital companies, as part of the next step that centers on relationship-building. These endeavors fulfilled their intended outcome. Many well-known digital initiatives were also introduced by the marketers of P&G including campaigns like “Your Man”, which amassed over a hundred million online reviews and climbed to the top of the ladder in branding on YouTube ever.

2. Digital Business Models as a Strategic Alternative to Digital Marketing:

New digital marketing technologies have caused corporate organizations to shift their focus from digital marketing to digital business models. Executives in marketing are moving away from digital marketing and towards creating strategic digital business models. Every organization must build its digital capabilities because it has become a primary requirement in today’s competitive business environment. However, according to John Battelle, it can be considered that digital marketing is a vertical or substitute for the present methods of consumer marketing. E-commerce is merely another kind of retail channel, similar to mass or grocery stores, even while considering it. It was overlooked that digital marketing was a horizontal force that would radically change the rules regulating business in general and marketing in particular. This disconnection stems from the fact that, for many years, conducting business requires close connections across the entire industry. Conversely, now we can witness the emergence of new businesses and sectors driven by the Internet. As digital technology continues to grow, businesses are finding themselves questioning not just the strategies of marketing and advertising strategies, but also the very industries in which they compete.

3. DIGITAL MARKETING MODELS

In the current scenario, 4 equally productive models of digital marketing viz., Customer experience designers, Digital Branders, product developers, and Demand generators are to be discussed for a thorough understanding. A company focuses on marketing investment for different features but there is no guarantee that any model would highlight the needs of the company to the core.

3.1 Digital Branders

These are typically consumer goods corporations or other marketers who concentrate on strengthening and revitalizing their brand equity and increasing customer interaction. A lot of businesses are switching from traditional linear advertising to more immersive digital multimedia experiences that allow customers to connect with the brand directly. They are the brand, fostering brand loyalty via a variety of brand interactions.

3.2 Customer Experience Designers

who improve their consumers' end-to-end brand experiences by using consumer data and analytics. Customer service is typically the foundation of the business models of these enterprises, which mostly include financial services firms, airlines, hotels, and stores. Through reimagining their customer interactions and providing different points of service, the organizations aim to establish a continuous dialogue box known as chatbots and develop a devoted clientele.

3.3 Demand generators

Retailers fall mostly into the demand generator group; they concentrate on driving web traffic to convert as many sales as they can through various channels to increase their share of wallets and optimize marketing efficiency. Every component of the digital marketing plan, including social media participation, mobile apps, mobile website design, and search engine optimization, is intended to enhance sales and foster customer loyalty. Demand generators are more concerned with increasing volume and efficiency than they are with curating the kind of profound, emotionally charged branded experiences that branders seek; yet, they must also employ content to generate engagement.

3.4 Product innovators

Digital marketing is mostly used to create, find, and launch new digital goods and services. These businesses typically employ digital client interactions to quickly bring together information that can impact the

innovation pipeline. The marketing department raises the company's value by fostering new revenue streams.

4. Capabilities Menu

There is no industry-specific model for digital marketing. Various businesses in the same sector utilize various digital marketing approaches depending on what they need to change to stay competitive. Here an example of the telecommunications sector can be considered, Verizon serves in the role of customer experience designer, KPN/E-plus creates demand, Vodafone closely bears a resemblance to the Digital Brander model, and Mad Orange is a product innovator. To implement their digital marketing strategy, every business has focused on developing a diverse set of abilities, which needs assembling the ideal collection of measures, equipment, expertise, talents, and structures. Basically, eight digital marketing marketing capabilities have been identified; these are comparatively appropriate based on which of the 4 digital marketing models a company chooses to use. Out of these 8, the initial 4 concentrates on developing understandings, while the final 4 concentrates on activation through those visions.

4.1 Segmentation and needs assessment, or the examination of non-transactional data, such as social media, and the identification of customer pain points through the usage of digital research tools. Through enhanced comprehension of how particular client segments evaluate, buy, and utilize products, the business may more precisely target advertisements, promotions, and content at the point of purchase.

4.2 Measurement, or the creation of uniform measures for use at home, on the go, and in stores, is the process of making a purchase. Metrics for engagement with paid media like advertisements, owned media like firm websites, earned media like articles in other publications, and shared media like social media are included in this capability. When properly applied, the KPIs can aid in calculating ROI for the entire digital marketing campaign.

4.3 Making decisions in real-time is made possible by routinely observing social sentiment and brand health, which allows for the optimization of marketing activities, including branded media as well as in-store merchandising, to maximize their efficiency.

4.4 Personalization and targeting refer to the process of integrating data from many sources, such as household, mobile, and web analytics, to provide the only view of the customer across sales channels and digital touch points. Social media data can be added to the consumer profiles by businesses to enhance targeted marketing and tailored offers.

4.5 Optimized content refers to the distribution of branded material via a variety of user-friendly, searchable direct-to-customer platforms, including social media, mobile websites, and mobile devices. Using optimized content to engage customers and drive registration and sales across a range of media, the organization may better provide relevant products and services to clients for specific events or stages of life.

4.6 Product creation is fueled by innovation, which is sparked by using social media to gain deeper insights about consumers. These insights have the potential to improve not only the product but also the customer's experience using it.

4.7 Social media advocacy and influence refer to the process of encouraging user participation to produce and distribute content while simultaneously leveraging this social sentiment to increase user engagement. Strong social media advocacy and influence allow businesses to inspire customers to post and share brand-related material on social media, and then leverage the information gained to improve marketing efforts.

4.8 Omni channel experience refers to the execution of marketing initiatives over several channels. Additionally, this capability necessitates investments in technology, analytics, and staff to offer seamless mobile, social, as well as e-commerce experiences and allow customers to interact with the business whenever and wherever they choose. In addition to more general media and trade promotion tactics, omnichannel experiences also involve integrated marketing initiatives with outside partners.

5. Developing the Appropriate Skills

Being excellent at everything of the aforementioned digital marketing competencies is practically unachievable. Because of this, every business should concentrate exclusively on the competencies that fit best its digital marketing strategy. There is a link between the company's strategy, the digital marketing model it wants, the marketing organization, and the talents needed to properly apply that model. The skills

needed to be successful as a demand generator will not be the same as those needed to be a digital brander. There are several ways to succeed, and even businesses using the same demand generator model, could decide to prioritize alternative skills, so this relationship is not absolute. However, generally speaking, some models need the business to have a particular set of supporting skills.

Figure: 1 Capabilities Linked to Models of Digital Marketing

Capability		Digital Branders	Customer experience designers	Demand generators	Product innovators
Insight and Analytics	Need Assessment & Segmentation	2	4	2	3
	Real-Time Decision Making	1	2	4	1
	Measurement	2	2	3	4
	Personalization and Targeting	4	2	4	1
Platforms and activation	Optimized Content	4	3	1	2
	Innovation	1	3	2	4
	Social Influence	4	2	3	2
	Omni channel Experience	3	4	3	2

Source: Strategy & analysis; **Note:** 1 = Not relevant; 4 = highly relevant

6. Digital models in reality

A perfect example of a digital brand is Coca-Cola. Its primary consumer segments are teenagers and young adults. The business is putting a lot of effort into figuring out how to fit in with society at large to preserve a positive brand image with these customers. As a result, the company has allocated funds to distinct competencies such as “streamlined substance” and “social impact and promotion.”

This entails finding interactions that complement its brand, producing content around those interactions, and enabling clients to distribute additional content they produce as part of their social duty. Although not all of this content becomes popular on the networks Coca-Cola is trying to reach, the corporation is more successful than others because these particular talents have been developed.

An additional instance of fostering content inside the mainstream was the Coke Zero online media competition for “my preferred move moves”. The successful approach, which integrated the Coke Zero brand throughout the entire content, became an international internet sensation. At Cannes in 2013, Coca-Cola was regarded as the advertiser of the year, mostly because of its creative approach to shared content.

However, Virgin offers a genuine use case for a customer experience designer with their aircraft assignments. Virgin, like other airlines, has to make sure that its customers don't think of it as just another convenience. Rather, the goal is to establish a more personalized, client-focused experience that begins before the customer purchases a ticket, lasts the whole trip, and lasts long after the excursion is finished. Virgin has concentrated on developing a “division and necessities appraisal” proficiency and an “omni channel experience” creation ability since this. In practical terms, This means that regardless of whether customers are using a PC at home, on a mobile device, utilizing in-flight screens, or interacting with Virgin staff members, the provider uses purchasing and social data to segment customers, identify wants and problem areas, and generate a personalized understanding across all channels.

Virgin, for instance, is capitalizing on a more sophisticated and tailored in-flight experience that caters to different explorer segments. A later traveler to London might receive particular content after leaving, much like the most current surveys of the cafes in the Piccadilly neighborhood. In addition, passengers will have the opportunity to communicate with other passengers and flight attendants using chatter, a web-based media reporting platform from salesforce.com. a customer profile that is developed over time will also be used to tailor the experience diversions and other elements.

6.1 Digital is simply more than products and services

If a company creates a digital book, puts it up for sale online, and labels the company as computerized. It is undoubtedly a computerized product, but the careful way in which the product is delivered does not elevate it to the status of a business with cutting-edge competency.

6.2 Distribution is not the only aspect of Digital

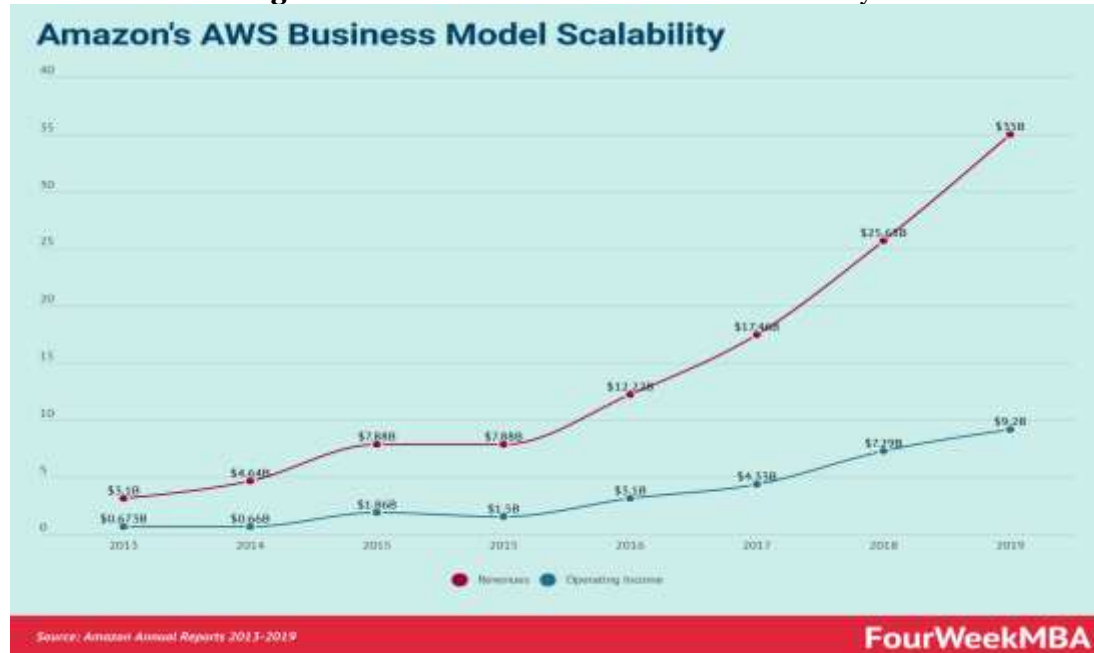
You create a website, treat it like a stage, and run an online store. However, a website is similar to a physical window shop, in that it must be adaptable to generate a logical flow of customers, partners, and clients. Knowing which models best suit the probable clients or clients who have been identified is necessary for that.

6.3 Start simple, make it viable

If we inspect the plan of action of companies like Google, we probably think it is a mind-boggling step right from the start. Nevertheless, it took a very long time for Google to assemble all the necessary building blocks to make it remarkably flexible.

Initially, Google was merely using salesmen to close deals that were being promoted on its search results pages, much like a traditional association. When Google finally produced its 2 crucial advertising platforms, its financial growth coincided with the growth of its visitors.

Figure: 2 Amazon's AWS Business Model Scalability



Amazon aimed to create a mechanism that would allow independent vendors to construct their online stores on top of its infrastructure, which was formerly known as Merchant.com, to proceed with its objective of offering a large selection of goods.

Nevertheless, Despite being a "jumbled mess," Merchant.com eventually gave rise to one of Amazon's most successful business divisions, Amazon AWS. However, Amazon AWS is currently a business inside a business. With the assistance of AWS, Amazon was able to advance to a new growth stage and develop a more scalable business model thanks to that infrastructure.

However, the development of what eventually became AWS not begin until 2000, and only following a few phases of hyper growth the company passed through.

7. A different approach to business

Hence, developing a digital business necessitates learning new perspectives that revolve around a few important components and a primary pillar:

7.1 Product/service:

Developing a digital product or service necessitates shifting from a constrained perspective to one that may be infinite. Additionally, digital goods and services can be highly costly. Consider how companies like Google must invest billions in both major physical infrastructure purchases and ongoing operations of their digital assets. However, those goods frequently make use of network effects.

7.2 Distribution:

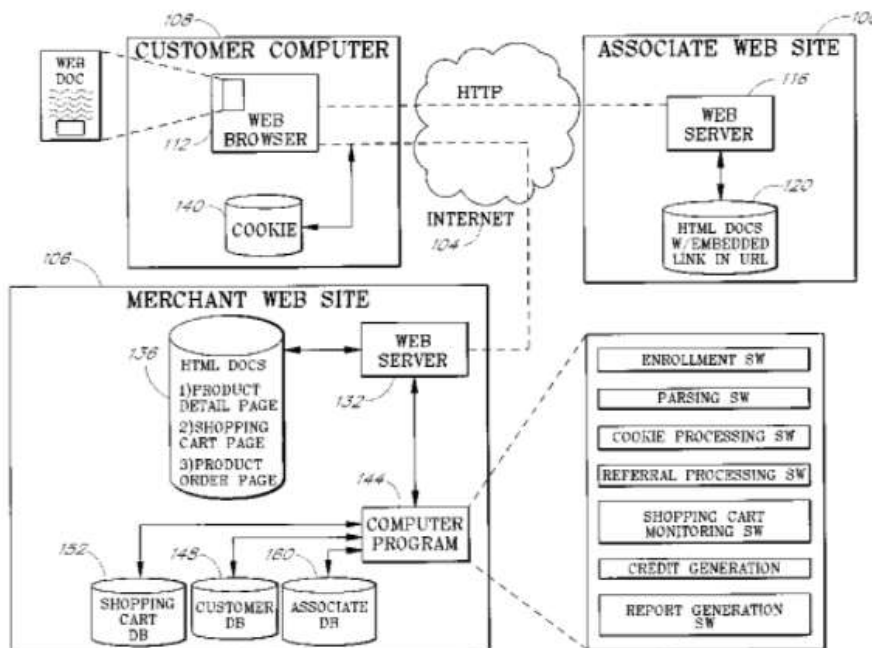
Developing a digital distribution strategy requires knowledge of the many online platforms. Every couple of years, new channels debut. Among all the options, one should think about using search engines (YouTube, Google, Bing, Yahoo), email marketing (newsletter), social media/platforms that promote discovery (Instagram, Facebook), and other channels to enhance digital company.

7.3 Value proposition:

It is frequently possible to give a digital business model, and value proposition by offering the benefits without the drawbacks. Consider how Google allows us to search for anything without the need to carry along an encyclopedia.

8. Leveraging consolidated model:

Figure: 2 Amazon’s flywheel? Part product, part distribution



Amazon was one of the internet leaders who formed a successful affiliate program that would act as a great company growth strategy. Amazon associates were able to place text or banner links pointing to Amazon in 1996 to receive a commission on sales. Similar to a physical franchising business, the affiliate model would enable a digital property to profit from Amazon's brand and sell its products in return for a commission. Although the affiliate concept was not new – it had been around since 1994- amazon made some adjustments and it became a huge hit. Therefore, it should come as no surprise if one connects affiliate marketing to Amazon. Although affiliate marketing seems as old as the internet itself, it was one of the innovations from the late 1990s that helped establish some of the largest tech companies in the world.

9. Digital Business Model Types

Here are some instances of digital business models (with in mind that they are more appropriately referred to be business models when they are combined with distribution, product, and value proposition):

- Free
- Open-source
- Premium
- On-demand
- Peer-to-peer
- Subscription
- Ad-supported
- E-commerce
- Hidden Revenue

9.1 Digital Marketing Strategies:

The road map for succeeding in this new business game will be provided in the chapters that follow. Ultimately, you will be able to use the threats to the benefit of your business. The first section will examine the idea of “seeing the future” and how a corporation might anticipate changes in its industry by becoming involved in the startup ecosystem. After that, it will go over four particular tactics that a business might use, such as:

ACQUIRE	Innovative acquisition strategy, in which a smaller business is bought to achieve the company's strategic objectives.
INVEST	Adding investment into a startup to achieve both financial and strategic objectives.
PARTNER	Utilizing cooperative business planning and strategic business development to work with both small and large businesses.
BUILD	Disrupt the disruptor by building a competitive solution inspired by current innovators.

When stakes are high and you are engaged in a high-stakes commercial negotiation, predicting the turnabout might be a challenging option. Every Blue-chip corporation, whether they realize it or not, is competing against fresh, creative startups in a high-stakes game of business. Even while it is getting harder for established businesses to compete with these up-and-coming rivals in terms of innovation, it is still not too late to turn around. Big businesses can increase their chances of beating startups and foresee the shift by taking the appropriate actions.

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