

# Digital Marketing Strategies And Marketing Performance Optimization

Newman C. Enyioko

PhD Research Scholar, Department of Marketing, Rivers State University of Science and Technology, Port Harcourt, Nigeria

Chidi J. Lloyd

Ph.D, Lecturer, University of Nigeria, Nsukka, Nigeria

**Abstract:** *The study examined the effect of digital marketing strategies on marketing performance optimization. The study reviewed relevant literature and empirically analyzed the data collected for the study by using statistical tools. Data were collected from a random sample of Nigeria industrial marketing companies in Port Harcourt drawn from a Nigeria contact information database. A total of 495 completed copies of questionnaire were received, all representing different companies. The study revealed that two most important objectives of digital marketing are: creating awareness and enhancing brand image. The study revealed that industrial marketing organisations strategically deploy website, email/newsletters, blogging and search engine optimization to implement their digital marketing strategies. Marketers are increasingly held accountable for their actions, yet most marketers struggle in their attempts to optimize marketing performance. The study found that all the three independent variables (website marketing strategy, search engine marketing strategy and e-mail/newsletter marketing strategy) were significant predictors of marketing performance optimization. The study therefore, recommends that industrial marketing companies should invest in acquiring human resources with the capability to utilize digital marketing tools.*

**Keywords:** *Digital Marketing Strategies, Business-to-Business Marketing (B2B), Digital Marketing, Digitalization, Optimization, Marketing Performance*

## I. INTRODUCTION

Marketers and organisations are under increasing pressure to demonstrate the contribution of marketing activities to their firms' bottom line (Kumar & Shah, 2009; McDonald, 2010; O'Sullivan & Abela, 2007; Stewart, 2009). The lack of accountability has weakened the stature of marketing within firms, and the only way to regain its influence is to show the outcomes of marketing in optimized monetary terms to top management (Verhoef, Kannan & Inman, 2015). Research shows that the ability to measure marketing performance has a significant effect on firm performance, profitability, stock returns, top management satisfaction with marketing, and marketers' reputation within an organization (Gök, Peker, & Hacıoglu, 2015; O'Sullivan & Butler, 2010).

Literature has advanced knowledge in the field of marketing performance optimization (MPO) by evaluating the

metrics used by firms (Ambler & Roberts, 2008; Hacıoglu & Gök, 2013) and building theoretical frameworks that link the multifaceted marketing impacts on market outcomes, financial value, and firm performance (Stewart, 2009). Despite the theoretical progress made over the years, there is no empirical evidence that marketers' ability to measure marketing performance has significantly improved. The context of this study is *industrial marketing* (i.e., Business-to-Business or B2B marketing) which refers to the marketing of goods and services to industrial markets (i.e., business markets) (American Marketing Association, 2016). In comparison to consumer markets, the industrial markets are characterized by fewer customers, more technical value propositions, different marketing tactics in use, and more complex purchasing journeys (Lilien, 2016). Since a business deal is typically an outcome of extensive negotiations between the sales and purchasing teams, it is difficult to evaluate the effect of

marketing activities on the final purchasing decision and financial out-comes.

Research shows that digitalization has significantly reshaped industrial purchasing behaviours. A total of 94 percent of industrial buyers conduct online research before purchasing a product (Acquity Group, 2014) and complete nearly 60% of typical purchasing process activities (e.g., researching solutions, ranking options, benchmarking pricing) before contacting a seller (Adamson, Dixon, & Toman, 2012). Gillin and Schwartzman (2011) explain that industrial buyers rely on digital media in their purchasing journeys because searching solutions online is considered more efficient.

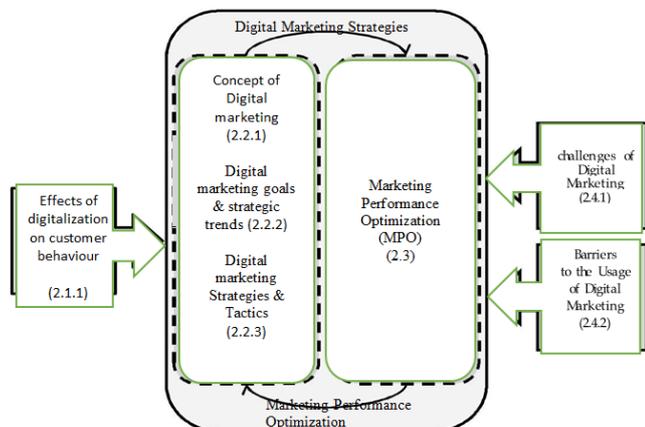
From the industrial marketers' point of view, the buyers' greater reliance on digital media provides new opportunities to increase understanding of customers' purchasing behaviours and measure the effects of digital marketing activities on those behaviours. Against this backdrop, the goal of this paper is to advance our knowledge of the industrial marketers' use of digital marketing strategies for optimizing marketing performance in ways that create business benefits. In order to reach the purpose of the study, the paper attempts to achieve the following specific objectives:

- ✓ To determine the objectives and the usages of digital marketing instruments as well as their measurable benefits
- ✓ To ascertain the relative importance of digital marketing tools.
- ✓ To find out whether industrial marketer's efficient deployment of digital strategies optimize digital marketing performance
- ✓ To identify the main digital marketing strategies and tactics used by industrial marketing organisations
- ✓ To identify the major challenges of digital marketing

## II. REVIEW OF RELEVANT LITERATURE

### A. CONCEPTUAL FRAMEWORK

The following sections review the literature related to the conceptual framework of this paper (Figure 1). Digital Marketing Strategies and Marketing Performance Optimization.



Source: Review of Relevant Literature by the Researcher, (2017)

Figure 2: Conceptual Frameworks of the paper: Digital Marketing Strategies and Marketing Performance Optimization

The conceptual framework integrates multiple theoretical streams under a unified model. The framework starts with the widely-accepted notion that digitalization has caused major changes in customer behaviour with respect to media consumption habits, communications patterns, and purchasing journeys (Kumar & Salo, 2016; Hoffman, & Spann, 2013). These changes have encouraged marketers to change their strategies and tactics (Hemani, 2015). They have also provided new opportunities to collect data on customer behaviour and marketing performance optimization through the use of digital marketing strategies (Chaffey & Smith, 2013).

### B. EFFECTS OF DIGITALIZATION ON CUSTOMER BEHAVIOUR

Advances in information technology (IT) and the emergence of new innovations have changed customer behaviour and marketing practices. Some of the most radical innovations enabled by IT include the Internet, World Wide Web, web-sites, search engines, email platforms, social media platforms, and mobile de-vices. These innovations have increased the volume and accessibility of digital information by making it ubiquitous (i.e., information can be accessed anywhere at any time), and have fostered the fast and smooth exchange of information between people and organizations via digital communication channels (Leeflang, Verhoef, Dahlström, & Freundt, 2014; You, Vadakkepatt, & Joshi, 2015). As a result, customer behaviour has radically changed in terms of media consumption habits, communications patterns, and purchasing journeys:

- ✓ Increased consumption of digital media
- ✓ Increased fragmentation of media consumption
- ✓ Media multiplexing
- ✓ Customers have become active participants in the marketing communications process (many-to-many model)
- ✓ Growing reach and influence of eWOM
- ✓ Purchasing journeys have become non-linear and unsystematic

Digital media plays an increasing role in various phases of the purchasing process

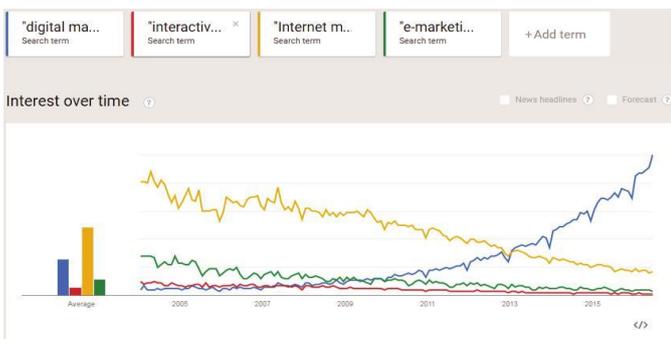
#### a. CONCEPT OF DIGITAL MARKETING

As at date of this paper (March 4<sup>th</sup>, 2017), the search term "digital marketing" returns roughly 22,751 results in Google Scholar (Sullivan, 2017). In comparison, the search term "definition of digital marketing" returns just 47 results and "digital marketing definition" returns only eleven. These numbers illustrate that there is a growing body of academic literature on digital marketing, yet very few studies have explicitly de-fined what is meant by the term. In most studies, the meaning of digital marketing is implicitly described in terms of certain marketing tactics and technologies or characteristics of the digital environment, but these descriptions tend to be vague and varied, with each providing

a slightly different perspective on digital marketing. Even those studies that explicitly provide a definition for digital marketing tend to refer to commercial sources (Royle & Laing, 2014; Zahay, 2014).

The Digital Marketing Institute defines digital marketing as “the use of digital technologies to create an integrated, targeted and measurable communication which helps to acquire and retain customers while building deeper relationships with them” (Smith, 2007). This definition suits the agenda of this paper particularly well as it emphasizes measurable communications through the use of digital technologies. It indicates that technologies are not only used as platforms or channels for delivering digital marketing activities, but are also applied for crafting, targeting, and measuring those activities.

The selection of the term digital marketing for the purposes of this paper is based on its broad conceptualization, which includes the planning, implementation, and measurement of marketing via technology. The selection is further justified by evidence showing how the use of the term digital marketing has grown rapidly over recent years. Figure 2 illustrates the relative volume of Google search terms: “digital marketing,” “interactive marketing,” “Internet marketing,” and “e-marketing.” The graph reveals that the volume of searches on digital marketing exceeded the other competing search terms in 2013 and has become by far the most popular search term in 2016. This evidence provides support for the terminological shift toward digital marketing.



Source: Sullivan, D. (2017). *Google Still Doing At Least 1 Trillion Searches Per Year*

Figure 2: The relative volume of Google search terms: digital marketing, e-marketing, interactive marketing, and Internet marketing

(Online) retrieved from [www.searchengineland.com/google-1-trillion-searches-per-year-212940](http://www.searchengineland.com/google-1-trillion-searches-per-year-212940) [Accessed on 12th March, 2017].

#### b. DIGITAL MARKETING GOALS AND STRATEGIC TRENDS

Digital marketing strategies, tactics, and performance optimization should be based on marketing goals (Gök, Peker, & Hacıoglu, 2015). A company may have tactical objectives specifically tailored to digital marketing, such as website traffic growth and an increase in sales leads sourced from digital channels; however, the strategic goals of marketing typically converge across channels, and thus digital media simply provides new ways to achieve them. There can be a

number of firm-specific marketing objectives, but the ultimate marketing goal is to generate positive cash flow and net profit (Ambler & Roberts, 2008).

Digital marketing strategy pertains to the means by which digital marketing goals are attained (Li, Li, He, Ward, & Davies, 2011). Put another way, while digital marketing goals describe where a company wants to be, the digital marketing strategy articulates how it gets there (Chaffey & Smith, 2013, p. 3). Research shows that aligning a firm’s marketing strategy with its business strategy leads to superior performance in terms of profitability and market performance. Consequently, a marketing strategy must be firm-specific because it is subordinate to the selected business strategy.

#### c. DIGITAL MARKETING STRATEGIES AND TACTICS

The digital environment has created new opportunities for companies to achieve marketing goals and execute strategies through various activities. Companies spend an average of 10.2% of their annual revenue on marketing activities, and approximately one-quarter of their total marketing expenditure is spent on digital marketing activities (Gartner, 2014). Academic research on the effectiveness of digital marketing strategies has concentrated on the B2C context and the use of four specific tactics: company websites (Toufaily, Ricard, & Perrien, 2013), display advertising (Hoban & Bucklin, 2015), search engine advertising (Chaffey & Smith, 2013), and email marketing (Kumar & Salo, 2016).

According to the State of Digital Marketing report (Webmarketing123, 2015), email marketing is the most commonly used strategy/tactic for industrial companies, while marketing via SNSs is the most widely adopted consumer marketing strategy/tactic. Within SNSs, Facebook is considered the most important social channel by B2C companies, whereas LinkedIn is the primary channel for industrial firms. Table 1 lists some of the most widely used digital marketing strategies.

Strategy/Tactic	Description
Website optimization	A company website is usually the home base for a firm’s digital presence. It is used for multiple purposes, such as providing firm-related information to customers, building brand image, and fostering direct and indirect sales (Chaffey & Smith, 2013).
Display/banner advertising	Hyperlinked pixel displays on websites, which are used for gaining visibility, generating traffic for the corporate website, and building brands (Kumar & Salo, 2016).
Search engine advertising	A form of advertising where firms pay fees to search engines (e.g., Google, Bing, Yahoo!) to be displayed in search results with specified keywords. The goal is to drive the targeted audience to the company website or other firm-related media space (e.g., a firm’s LinkedIn page) (Hoban & Bucklin, 2015).
Search engine optimization	A process of identifying and fine-tuning the elements and content of a website to achieve a high ranking to relevant queries in search result listings, and subsequently attract the targeted audience (Gök, Peker, & Hacıoglu, 2015).
Email marketing/newsletters	Electronic mail for reaching potential and existing customers with tar-geted marketing messages (Toufaily, Ricard, & Perrien, 2013).

Affiliate marketing	The contractual placement of hyperlinks on third-party websites (i.e., affiliate sites), which are aimed at drawing visitors to the company web-site as a result of clicking on the hyperlinks (Li, Li, He, Ward, & Davies, 2011). Examples of affiliate marketing are the inclusion of company products on price comparison sites or special rebate sites and banner ads on affiliate websites.
Blogging	A company blog (i.e., a Web log) is a website or a section on a company website where company representatives or invited writers provide perspectives on topical issues related to the company or industry. A blog consists of blog posts presented in reverse chronological order that may include text, graphics, videos, and/or links to other web pages (Kumar & Salo, 2016).
Marketing through social networking services (SNSs)	Companies may build their own profiles on SNSs (e.g., Facebook, LinkedIn, Google+, Instagram, Pinterest) through which they can interact with their customers (Chaffey & Smith, 2013), post content (i.e., text, pictures, videos) and advertise to targeted audiences (Zahay, 2014).
Mobile applications	Branded software downloadable to mobile devices that are primarily used for engaging customers to interact with the company and for creating favorable attitudes among customers (Hemani, 2015).
Webinars & webcasts	Webinars (i.e., Web-based seminars) are interactive live presentations transmitted online (Hemani, 2015). Webinars are typically hosted by experts and their purpose is to educate potential and existing customers about a specific business- or industry-related issue. The difference between webinars and webcasts is that webcasts are recorded presentations and thus do not allow participants to interact with the presenter in real time.
Digital communities	Digital communities (i.e., online/electronic/virtual communities) are aggregations of individuals or business partners who interact based on a shared interest (Hoban & Bucklin, 2015). Marketers can build their own <i>brand communities</i> (e.g., SAP Community Network and Oracle Technology Network) to develop customer relationships and foster customer engagement or participate in <i>content communities</i> initiated by community members themselves or third party companies (e.g., YouTube, Wikipedia and LinkedIn groups) where firms can contribute to brand building and have influence on other community members (Hemani, 2015).
Digital market-places and auctions	Digital marketplaces (i.e., electronic or e-marketplaces) in the industrial context refer to third-party websites or platforms where a number of vendors and customers can interact and conduct business transactions (You, Vadakkepatt, & Joshi, 2015). Sellers can use them to acquire new Customers and increase efficiency by streamlining the selling processes (Gök, Peker, & Hacıoglu, 2015). Digital auctions are a special type of an e-marketplace where buyers bid for a certain product or vice versa, sellers bid to win a specific business deal posted by a customer (Hoban & Bucklin, 2015).

Table 1: Digital marketing Strategies and Tactics

These differing usage patterns suggest that the perceived effectiveness of specific digital marketing activities varies between industrial and B2C companies. A few studies have

examined the relative effectiveness of digital marketing tactics on producing sales in B2C settings (Kumar & Salo, 2016; Li & Kannan, 2014).

### C. MARKETING PERFORMANCE OPTIMIZATION (MPO)

Marketing performance optimization is an integral part of the media mix and serves both customer acquisition and customer retention; objectives of the company using e-mail marketing, affiliate marketing, retargeting or search engine marketing. The instruments always pursue the objective of identifying measurable customer responses (Zahay, 2014). Gök, Peker, & Hacıoglu, (2015) maintain that when companies know their customers' requirements, they can easily address them and adjust their strategy accordingly – which is actually most important, considering that the optimization of different advertising strategies are the nuts and bolts of performance marketing.

Frösén, Luoma, Jaakkola, Tikkanen & Aspara (2016) insist that the marketer should just make sure that activities are analyzed for each channel, so that interfaces can be created that increase the effectiveness of the campaign, and take a look at the following checklist in case the organization wants to revise its marketing performance:

- ✓ Test everything before you make any decisions
- ✓ Check the customer journey:
- ✓ Analyze the surfing habits of your customers
- ✓ Go for multi-channel
- ✓ Increase the effectiveness of your campaign with real-time tracking
- ✓ Use retargeting for directly measurable results

According to the definition proposed by Morgan et al. (2002), efficiency refers to productivity (i.e., marketing inputs and outputs ratio), effectiveness indicates the extent to which marketing goals and objectives are met, and adaptiveness involves the organizational ability to react to changes in a firm's environment. Distinguishing between these dimensions is important because some marketing activities may, for instance, be efficient but not effective. As an example: An email campaign can be efficient in the sense that it may generate sales revenue with limited cost, as emails are typically cheap to produce and deliver to customers; however, should customers become irritated by the emails, the campaign could ultimately become ineffective with regard to the firm's objective of improving customer loyalty. In such a case, marketers should be adaptive and attempt to seek more innovative ways of addressing customers via, for example, social media marketing.

### D. CHALLENGES OF DIGITAL MARKETING

A notable number of digital marketing initiatives fail to reach their objectives and deliver the benefits expected of them (Li & Kannan, 2014). As the emergence of new digital tools accelerates, it is no wonder that B2B firms need time to comprehend which tools are apt for their industries and how they might best be utilized for marketing purposes. For instance, Zahay (2014) reports that a large portion of B2B firms views the use of social networking sites as irrelevant to

the firm's particular industry. This finding indicates that the benefits derived from at least a part of the mainstream social media tools in the B2C sector are still unclear to various B2B firms. In particular, the difficulty of determining return on investment (ROI) has been noted as one of the major challenges to investing in digital marketing (Zahay, 2014). Another issue closely related to obscure benefits derives from the perceived risks. In particular, the lack of control of marketing messages and their distribution is considered a major risk when using social media tools as part of the digital marketing mix (Hoffman, & Spann, 2013).

In addition to the risks arising from lack of control of the social media environment, companies might perceive risks connected to the expertise they have available to harness the new digital tools for marketing. As technology develops quickly, it is evident that many employees will have difficulty keeping pace with it. In fact, research has shown that one significant barrier to technology adoption is a lack of general technical knowledge and personal innovativeness among personnel (Kumar & Salo, 2016). As the use of social media tools, such as blogs, open discussion forums, and social networking sites, requires new kinds of conversational approaches rather than one-directional marketing messages (Hoffman, & Spann, 2013), it therefore follows that companies from various industries are likely to encounter severe challenges in their ability to create proper content for social media. Judging from the wide range of challenges of digital marketing and technology use encountered by firms, the study expects to find several important challenges that hinder the use of digital marketing in the B2B sector.

#### A. BARRIERS TO THE USAGE OF DIGITAL MARKETING

When employees have limited capability to use digital and social media tools, the role of management is emphasized. Indeed, the lack of technical or management support has been highlighted as an important barrier to usage in several studies (O'Sullivan & Butler, 2010). Managers need to set accurate expectations with regard to the use of a particular technology (Ambler & Roberts, 2008) and clarify the responsibilities of each individual user to reduce role overload and. The role overload and stress are further increased if the employees are not provided with adequate resources; research has indicated that the major challenges to technology use stem from a lack of resources (e.g., time, money, and workforce) to fully exploit the new technology (Gök, Peker, & Hacıoglu, 2015).

### III. METHODOLOGY

Survey design involving the use of a structured questionnaire to elicit data from the respondents was used. Data were collected from a random sample of Nigeria B2B companies in Port Harcourt drawn from a Nigeria contact information database. A link to the online survey was sent via e-mail to the general manager or marketing director of each B2B firm in the sample. A total of 495 completed copies of questionnaire were received, all representing different companies. Data were analysed by using descriptive and

inferential statistics. The study conducted a structural equation modeling using SPSS 17.0 software to test the hypotheses.

### IV. RESULTS AND ANALYSIS

Research Question 1: What are the main objectives of digital marketing?

	Mean					
	All	Micro	Small	Medium	Large	sig.
Creating awareness	4.15	3.96	4.14	4.30	4.42	.167
Enhancing brand image	4.12	3.83	4.17	4.33	4.42	.054
Growing sales/new customers	3.82	3.70	4.06	3.67	3.88	.470
Improving customer service	3.81	3.83	3.58	4.00	3.92	.412
Enhancing customer loyalty	3.78	3.70	3.75	3.73	4.04	.646
Improving customer satisfaction	3.77	3.76	3.64	3.97	3.79	.632
Growing sales/existing customers	3.57	3.35	3.75	3.37	4.00	.081
Decreasing costs	3.46	3.30	3.31	3.70	3.71	.242

Source: Survey Data, 2017

Note: Scale ranging from 1=not at all important to 5=extremely important

Table 1: The Main Objectives of Digital Marketing

In line with the first objective of the study two most important ideas of digital marketing in the era of social media are related to the soft side of marketing: creating awareness and enhancing brand image (table 1). Both objectives received a mean score of above 4.1 on a scale ranging from 1 (not at all important) to 5 (extremely important). Specifically, over 75% of the respondents regarded creating awareness and enhancing brand image as "important" or "extremely important." Thus, the first objective of the study is achieved. The first objective tries to determine the objectives and the usage of digital marketing and their measurable benefits.

RESEARCH QUESTION 2: WHAT IS THE RELATIVE IMPORTANCE OF DIGITAL MARKETING TOOLS?

#### Media Tools by Firm Size

	Mean					
	All	Micro	Small	Medium	Large	sig.
Newsletters and e-mail marketing	3.18	2.57	3.39	3.40	3.88	.000
Sales support materials (e.g., white papers, digital product brochure)	2.95	2.32	2.94	3.57	3.54	.000
E-mail/SMS service alerts and notifications	2.89	2.61	2.92	2.77	3.54	.029
Digital customer magazine	2.57	1.89	2.72	3.00	3.33	.000
YouTube (or other video service)	2.15	1.76	1.56	1.77	2.37	.000
Open discussion forums	2.12	1.91	2.08	2.23	2.54	.153
Facebook	2.01	1.89	1.94	1.90	2.50	.115
Blogs	1.97	1.72	1.86	2.00	2.71	.003
Webinars, podcasts and live casts	1.90	1.46	1.75	2.23	2.75	.000
Twitter	1.69	1.44	1.56	1.77	2.38	.000
Flickr (or other photo service)	1.63	1.46	1.56	1.83	1.92	.091
Wikis	1.63	1.44	1.42	1.73	2.29	.000

Source: Survey Data, 2017

Note: Scale ranging from 1=not at all important to 5=extremely important

Table 2: The Perceived Importance of Digital Marketing and Social

In line with the second objective of the study, table 2 shows that the most important digital marketing tools for B2B companies remain newsletters and e-mail marketing. The findings further suggest, irrespective of firm size, that the use of other long-established digital marketing tools, such as sales support materials, e-mail and SMS service alerts and notifications, and digital customer magazines, are perceived to be more important than social media tools. The study's second objective seeks to ascertain the relative importance of digital marketing tools., that social media tools are more important for large-sized B2B companies, is also supported. Larger companies perceive YouTube, blogs, webinars, Twitter, and Wikis, in particular, to be more important than SMEs do.

RESEARCH QUESTION 3: HOW DOES INDUSTRIAL MARKETER'S EFFICIENT DEPLOYMENT OF DIGITAL STRATEGIES OPTIMIZE DIGITAL MARKETING PERFORMANCE?

Options	Number of the Respondents	Percentage/Response
Very high performance	134	27%
High performance	119	24%
Moderate performance	99	20%
Low performance	84	17%
Very low performance	59	12%
Total	495	100%

Source: Survey Data, 2017

Table 4: industrial marketer's efficient deployment of digital strategies/analytics and optimization of digital marketing performance

Table 4 shows how industrial marketer's efficient deployment of digital strategies optimizes digital marketing performance in line with objective four of the study. From the data, it is revealed that 27% of the respondents indicated that industrial marketer's efficient deployment of digital strategies optimizes digital marketing to very high performance. Also, 24% of the respondents indicated industrial marketer's efficient deployment of digital strategies optimizes digital marketing to high performance while 20% of the respondents indicated that industrial marketer's efficient deployment of digital strategies optimizes digital marketing to moderate performance. Equally, 17% of the respondents indicated that industrial marketer's efficient deployment of digital strategies optimizes digital marketing to low performance. Only 12% of the respondents indicated industrial marketer's efficient deployment of digital strategies optimizes digital marketing to very low performance. The items in table 4 have helped in achieving objective four of the study

RESEARCH QUESTION 4: WHAT ARE THE MAIN DIGITAL MARKETING STRATEGIES AND TACTICS USED BY INDUSTRIAL MARKETING ORGANISATIONS?

Digital Marketing Strategies	Digital marketing strategies used by Industrial Marketers					Total	Mean	Ranking
Scaling Dimensions	SD ==1	D ==2	U ==3	A ==4	SA ==5			
Webinars & webcasts	75	162	270	240	285	1032	2.82	5th
Email marketing/newsletters	60	78	189	360	555	1242	3.39	2 <sup>nd</sup>
Website Marketing	30	102	135	312	795	1374	3.76	1 <sup>st</sup>
Search engine optimization	70	170	240	340	275	1095	2.99	4th
Blogging	101	178	138	248	510	1175	3.21	3rd
Microblogging	120	144	279	192	150	885	2.42	9th
Marketing through social network services	144	114	261	132	210	861	2.35	10th
Viral marketing	41	140	135	356	280	952	2.60	8th
Digital market-placement auctions	78	102	144	244	405	973	2.66	7th
Mobile application	23	142	106	212	415	997	2.72	6 <sup>th</sup>

Source: Survey Data, 2017

Decision Points = ≤ 1.49 = Strongly Disagree; 1.50 -2.49 = Disagree; 2.50- 3.49 = Undecided; 3.50 – 4.49 Agree; ≥ 4.50 = strongly agree

Table 3: Ranking of the Digital Marketing Strategies Used by Industrial Marketing Organisations

Table 3 shows the ranking of the digital marketing strategies deployed by industrial marketers in line with the fourth objective of the study. The data reveal that "website marketing" is the 1<sup>st</sup> digital marketing strategic tool deployed by industrial marketers as this option garnered 1374 points and a mean score of 3.76 as indicate by the respondents followed in that order as the 2<sup>nd</sup> digital marketing strategic tool deployed by industrial marketers is "email marketing/newsletters" because the option garnered 1242 points and mean score of 3.39, the 3<sup>rd</sup> digital marketing strategic tool deployed by industrial marketers in the dynamic marketing environment is "blogging" with total score of 1175 and mean score of 3.21; while the 4<sup>th</sup> digital marketing strategic tool deployed by industrial marketers is "search engine optimization" as exemplified by 1095 point and mean score of 2.99. Also, "webinars & webcasts" constitute the 5<sup>th</sup> digital marketing strategic tools deployed by industrial marketers as the option netted 1032 points and mean score of 2.82. The data in table 8 reveal that "mobile application" is the 6<sup>th</sup> digital marketing strategic tool deployed by industrial marketers as this option garnered 997 points and a mean score of 2.72 as indicate by the respondents followed in that order as the 7<sup>th</sup> digital marketing strategic tool deployed by industrial marketers is "digital market-placement auctions" because the option garnered 973 points and mean score of 2.66, the 8<sup>th</sup> digital marketing strategic tool deployed by industrial marketers is "viral marketing " with total score of 952 and mean score of 2.60; while the 9<sup>th</sup> digital marketing strategic

tool deployed by industrial marketers is “microblogging” as exemplified by 885 point and mean score of 2.42. Also, “marketing through social network services” constitute the 10<sup>th</sup> digital marketing strategic tool deployed by industrial marketers as the option netted 861 points and mean score of 2.35. The objective three of the study has been achieved through the items provided in table 3.

**RESEARCH QUESTION 5: WHAT ARE THE MAJOR CHALLENGES OF DIGITAL MARKETING?**

	Mean					sig.
	All	Micro	Small	Medium	Large	
Lack of human resources	3.70	3.65	3.64	3.80	3.79	.904
Lack of time	3.37	3.54	3.44	2.93	3.42	.240
Lack of know-how	3.34	3.46	3.25	3.67	3.17	.734
Challenges in content creation	3.10	3.00	3.22	3.33	2.88	.415
Unclear ROI	2.95	2.91	2.92	3.03	3.00	.969
Uncontrollability	2.91	3.07	2.86	2.93	2.58	.413
Lack of money	2.83	2.94	2.75	2.77	2.75	.864
Does not support the objectives of our business	2.63	2.74	2.44	2.70	2.54	.771
Lack of technical support	2.58	2.67	2.39	2.57	2.67	.674
Management resistance	2.03	1.74	2.03	2.63	1.96	.007

Source: Survey Data, 2017

Note: Scale ranging from 1=strongly disagree to 5=strongly agree

Table 5: The Barriers to Digital Marketing Utilization by Firm Size

In line with the fifth objective of the study, lack of resources and expertise were considered major challenges to the utilization of B2B digital marketing (table 5). However, contrary to the objective five of the study, the data revealed that the proportion of companies that think digital marketing an inappropriate means to deliver business objectives is a great deal smaller than expected. The only statistically significant difference between firm sizes is management resistance, with micro firms perceiving the least management resistance. Management resistance is a noticeably more influential barrier in medium-sized firms than in others.

**RESULTS OF THE TEST OF HYPOTHESES**

The study formulated and tested the following hypotheses:

*Ha1:* Website marketing strategy is positively associated with marketing performance optimization

*Ha2:* Search engine marketing strategy is positively associated with marketing performance optimization

*Ha3:* E-mail/newsletter marketing strategy is positively associated with marketing performance optimization

Variable name	M	SD	1	2	3	4	5
1. Gender	1.75	0.44	-				
2. Website marketing strategy	4.07	1.53	-0.002	-			
3. Search engine marketing strategy	4.23	1.35	-0.016	.208**	-		
4 E-mail/newsletter marketing strategy	3.96	1.45	-.109*	.378**	.245**	-	

\*. Correlation is significant at the 0.05 level (2-tailed). \*\*. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS 17.0 Output Results

Table 6: Correlations among variables. N = 495

The study ran independent t-test to find the explanation behind the negative correlation found between gender and e-mail/newsletter marketing strategy. The results of equal variances not assumed t-test statistic showed that there was a significant difference between female and male in their application of e-mail/newsletter marketing strategy,  $t(df = 241) = 2.56, p < .05$ . The mean values indicate that e-mail/newsletter marketing strategy was higher among females ( $M = 4.23$ ) than in males ( $M = 3.89$ )

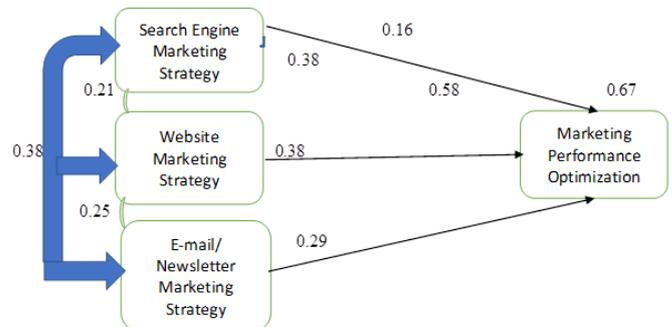


Figure 3: Results of a model predicting Digital Marketing Strategies and Marketing Performance Optimization

N = 495 respondents, all coefficients are significant at  $p < .001$  level.  $R^2$  is shown in blue color.

The study conducted a structural equation modeling by using SPSS 17.0 software to test the hypotheses. The path analysis predicted the influence of three digital marketing applications: website marketing strategy, search engine marketing strategy and e-mail/newsletter marketing strategy on marketing performance optimization. The results are further presented in (Figure 3). As hypothesized, the study found that all the three independent variables were significant predictors of marketing performance optimization. Both website marketing strategy and search engine marketing strategy had same standardized coefficients:  $\beta = .38, p < .001$ ; e-mail/newsletter marketing strategy:  $\beta = .29, p < .001$ . The covariances between the three predictors are positively significant (.38 between website marketing strategy and e-mail/newsletter marketing strategy; .21 between website marketing strategy and search engine marketing strategy and .25 between e-mail/newsletter marketing strategy and search engine marketing strategy). The modification indices suggested the changes in the model and those changes were taken into account. The arrows from search engine marketing strategy and e-mail/newsletter marketing strategy to marketing performance optimization were removed and the model was re-estimated (see Figure 3). The overall model was a good fit with  $\chi^2 = (N=495, df = 2) = 1.838, p = .399$  normed fit index (NFI) = .998; RFI = .990; comparative fit index (CFI) = 1.00; root mean square error of approximation (RAMSEA) = .000.

**V. DISCUSSIONS**

The study confirms the findings of a recent study by Kumar & Salo (2016) which showed that B2B companies are

slow to adopt social media. The paper did not find much evidence for collaborative marketing tactics or customers acting as content creators in the B2B sector, as the literature had suggested we would (Gök, Peker, & Hacıoglu, 2015). The study was able to find support for the fact that social media tools are more important for large-sized B2B companies, this being in line with the success stories of social media utilization from the B2B sector (Gillin & Schwartzman, 2011). The study contributes to the literature by showing that the most important objectives of B2B digital marketing are related to creating awareness and enhancing brand image (Hoffman, & Spann, 2013).

One interesting observation was that the respondents considered decreasing costs the least important objective. It appears that despite digital channels offering notable cost efficiencies implications are evident (Li, Li, He, Ward, & Davies, 2011). The study found that larger firms are significantly more active in tracking website visitor behaviour and following online discussions about the company, its products, and its industry sector. While the majority of large firms track online discussions and website visitor behaviour, considerably fewer use specific software (WA and SMM) for this purpose. This might be due to unfamiliarity with the software or a lack of resources available to buy it. Although the digital environment has offered new opportunities to measure the effectiveness of marketing (Chaffey & Smith, 2013) and brought new ways to listen to customer opinions (Kumar & Salo, 2016), the study results indicate that B2B companies have not widely exploited these developments. Indeed, digitalization has not significantly optimized marketing performance, and moreover, the strategic use of digital marketing is not set against objectives or even considered important. Finally, the study showed that a lack of resources is seen as the largest barrier to B2B digital marketing usage. Resources were seen as inadequate in terms of human resources, time, and expertise, which have been noted as major challenges (Li, Li, He, Ward, & Davies, 2011).

## VI. CONCLUSIONS

The empirical data provided support and answers for/to most of the objectives/research questions. The study found that all the three independent variables were significant predictors of marketing performance optimization. Both website marketing strategy and search engine marketing strategy had same standardized coefficients:  $\beta = .38$ ,  $\rho < .001$ ; e-mail/newsletter marketing strategy:  $\beta = .29$ ,  $\rho < .001$ . Industrial marketing organisations strategically deploy website marketing, email marketing/newsletters, blogging and search engine optimization to implement their digital marketing strategies. Finally, it is evident from the study that lack of resources and expertise were considered major challenges to the effective and efficient utilization of digital marketing strategies in industrial marketing organisations.

## VII. RECOMMENDATIONS

In view of the findings in this study, the following recommendations have been made:

- ✓ Digital marketing content must be customer-driven, responding to customers' needs and offering solutions to their problems. For instance, customer feedback, inquiries, and frequently asked questions are good sources for the creation of relevant and interesting content that supports the customers' own business. It is noteworthy that marketing content must be available when a customer is willing to receive and respond to it, not when a firm wants to produce and communicate it. When a company is able to create relevant content for customer needs, social media tools can be effective channels to drive traffic to a company website and eventually generate leads.
- ✓ B2B companies should invest in acquiring human resources with the capability to utilize digital marketing tools; that might be through training or recruiting or, indeed, may involve outsourcing to expert agencies. The study clearly shows that B2B firms lack people with expertise in the effective use of digital marketing. This is likely to be one important explanation for the minor role played by social media tools in the digital marketing mix.
- ✓ B2B companies should update their knowledge with respect to marketing performance optimization and the opportunities provided by digital measurement solutions so as to be able to assess the effectiveness of digital marketing. Naturally, the digital marketing performance optimization should be linked with the firm's customer relationship management system in order to form a complete picture of digital marketing effectiveness.

## REFERENCES

- [1] Acquity Group / Accenture (2014). *2014 State of B2B Procurement Study: Uncov-ering the Shifting Landscape in B2B Commerce*. (Online) retrieved from [www.accenture.com/t20150624T211502\\_w\\_/us-en/\\_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Industries\\_15/Accenture-B2B-Procurement-Study.pdf](http://www.accenture.com/t20150624T211502_w_/us-en/_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Industries_15/Accenture-B2B-Procurement-Study.pdf) [Accessed on 9th March, 2017].
- [2] Adamson, B., Dixon, M., & Toman, N. (2012). The end of solution sales. *Harvard Business Review*, 90(July-August), 60–68.
- [3] Ambler, T., & Roberts, J. H. (2008). Assessing marketing performance: Don't settle for a silver metric. *Journal of Marketing Management*, 24(7-8), 733–750.
- [4] American Marketing Association. (2016). *American Marketing Association Dictionary*. (Online) retrieved from [www.ama.org/resources/Pages/Dictionary.aspx](http://www.ama.org/resources/Pages/Dictionary.aspx) [Accessed on 14th March, 2017].
- [5] Chaffey, D., & Patron, M. (2012). From Web analytics to digital marketing optimization: Increasing the commercial value of digital marketing strategies. *Journal of Direct, Data and Digital Marketing Practice*, 14(1), 30–45.
- [6] Chaffey, D., & Smith, P. R. (2013). *Emarketing Excellence: Planning and Optimizing Your Digital Marketing*, (4<sup>th</sup> ed.). London: Taylor & Francis.

- [7] Frösén, J., Luoma, J., Jaakkola, M., Tikkanen, H., & Aspara, J. (2016). What counts versus what can be counted: The complex interplay of market orientation and marketing performance measurement. *Journal of Marketing*, 80(3), 60–78.
- [8] Gartner (2014, November). *Gartner Survey Reveals Digital Marketing Budgets Will Increase by 8 Percent in 2015*. (Online) retrieved from [www.gartner.com/newsroom/id/2895817](http://www.gartner.com/newsroom/id/2895817) [Accessed on 9th March, 2017].
- [9] Gillin, P., & Schwartzman, E. (2011). *Social Marketing to the Business Customer*. New Jersey: Wiley & Sons.
- [10] Gök, O., Peker, S., & Hacıoglu, G. (2015). The marketing department's reputation in the firm. *European Management Journal*, 33(5), 366–380.
- [11] Hacıoglu, G., & Gök, O. (2013). Marketing performance measurement: Marketing metrics in Turkish firms. *Journal of Business Economics and Management*, 14(1), 413–432.
- [12] Hemani, M. (2015, October). *4 Important Things Small Businesses Need to Consider Before Hosting a Webinar*. (Online) retrieved from [www.techwyse.com/blog/content-marketing/webinar-hosting/](http://www.techwyse.com/blog/content-marketing/webinar-hosting/) [Accessed 9<sup>th</sup> March, 2017].
- [13] Hoban, P. R., & Bucklin, R. E. (2015). Effects of Internet display advertising in the purchase funnel: Model-based insights from a randomized field experiment. *Journal of Marketing Research*, 52(June), 375–393.
- [14] Hoffman, D. L., & Spann, T. P. (2013). Marketing in hypermedia computer-mediated environments: Conceptual foundations. *Journal of Marketing*, 60(July), 50–68.
- [15] Kumar, A., & Salo, J. (2016). Effects of link placements in email newsletters on their click-through rate. *Journal of Marketing Communications*, 50(October), 561–576.
- [16] Kumar, V., & Shah, D. (2009). Expanding the role of marketing: From customer equity to market capitalization. *Journal of Marketing*, 73(November), 119–136.
- [17] Leeflang, P. S. H., Verhoef, P. C., Dahlström, P., & Freundt, T. (2014). Challenges and solutions for marketing in a digital era. *European Management Journal*, 32(1), 1–12.
- [18] Li, H. A., & Kannan, P. K. (2014). Attributing conversions in a multichannel online marketing environment: An empirical model and a field experiment. *Journal of Marketing Research*, 51(February), 40–56.
- [19] Li, S., Li, J. Z., He, H., Ward, P., & Davies, B. J. (2011). WebDigital: A Web-based hybrid intelligent knowledge automation system for developing digital marketing strategies. *Expert Systems with Applications*, 38(8), 10606–10613.
- [20] Lilien, G. L. (2016). The B2B knowledge gap. *International Journal of Research in Marketing*, 75(July), 196–210.
- [21] Luoma, J., Ruutu, S., King, A. W., & Tikkanen, H. (2016). Time delays, competitive interdependence, and firm performance. *Strategic Management Journal*, (In press).
- [22] McDonald, M. (2010). A brief review of marketing accountability, and a re-search agenda. *Journal of Business & Industrial Marketing*, 25(5), 383–394.
- [23] Morgan, N. A. (2012). Marketing and business performance. *Journal of the Academy of Marketing Science*, 40(1), 102–119.
- [24] Morgan, N. A., Clark, B. H., & Gooner, R. (2002). Marketing productivity, marketing audits, and systems for marketing performance assessment: Integrating multiple perspectives. *Journal of Business Research*, 55(5), 363–375.
- [25] O'Sullivan, D., & Abela, A. V. (2007). Marketing performance measurement ability and firm performance. *Journal of Marketing*, 71(April), 79–93.
- [26] O'Sullivan, D., & Butler, P. (2010). Marketing accountability and marketing's stature: An examination of senior executive perspectives. *Australasian Marketing Journal*, 18(3), 113–119.
- [27] Royle, J., & Laing, A. (2014). The digital marketing skills gap: Developing a digital marketer model for the communication industries. *International Journal of Information Management*, 34(2), 65–73.
- [28] Smith, K. L. (2007, October). *What Is Digital Marketing?* (Online) retrieved from [www.digitalmarketing101.blogspot.fi/2007/10/what-is-digital-marketing.html](http://www.digitalmarketing101.blogspot.fi/2007/10/what-is-digital-marketing.html) [Accessed on 9th March, 2017].
- [29] Stewart, D. W. (2009). Marketing accountability: Linking marketing actions to financial results. *Journal of Business Research*, 62(6), 636–643.
- [30] Sullivan, D. (2017) *Google Still Doing At Least 1 Trillion Searches Per Year*. (Online) retrieved from [www.searchengineland.com/google-1-trillion-searches-per-year-212940](http://www.searchengineland.com/google-1-trillion-searches-per-year-212940) [Accessed on 12<sup>th</sup> March, 2017].
- [31] Swani, K., Brown, B. P., & Milne, G. R. (2014). Should tweets differ for B2B and B2C? An analysis of Fortune 500 companies' Twitter communications. *Industrial Marketing Management*, 43(5), 873–881.
- [32] Toufaily, E., Ricard, L., & Perrien, J. (2013). Customer loyalty to a commercial website: Descriptive meta-analysis of the empirical literature and proposal of an integrative model. *Journal of Business Research*, 66(9), 1436–1447.
- [33] Webmarketing123. (2015). *2015 State of Digital Marketing*. (Online) retrieved from [www.static1.squarespace.com/static/550c33c6e4b09fa40565c247/t/5575e652e4b0b131dad80a2e/1433790034752/State-of-Digital-Marketing-2015.pdf](http://www.static1.squarespace.com/static/550c33c6e4b09fa40565c247/t/5575e652e4b0b131dad80a2e/1433790034752/State-of-Digital-Marketing-2015.pdf) [Accessed 9<sup>th</sup> March, 2017].
- [34] Webster, F. E., Malter, A. J., & Ganesan, S. (2005). The decline and dispersion of marketing competence. *MIT Sloan Management Review*, 46(4), 35–43.
- [35] You, Y., Vadakkepatt, G. G., & Joshi, A. M. (2015). A Meta-analysis of electronic word-of-mouth elasticity. *Journal of Marketing*, 79(March), 19–39.
- [36] Zahay, D. (2014). Beyond interactive marketing. *Journal of Research in Interactive Marketing* 8(4).