GETTING DIGITAL MARKETING STRATEGY RIGHT

JULIUS

Being successful in Digital Marketing requires two main things: Good strategy and good execution.

Even though I believe the best of the strategies will fail if we are unable to execute them appropriately, the contrary is also correct. An impeccable operation focused on executing the right strategy could lead to failure or mediocre results. If our competitors have a significantly better strategy, and they manage to have a good-enough execution, they could beat us even if we excel in operations.

So, it is not appropriate to think only about strategy or operations. We need to think of both.

The problem with “strategic everything.”

I believe the word strategy is overused; everything seems strategic these days. Then, of course, if everything is strategic, nothing is.

For this e-book, I’ll use the word as defined by Michael Porter in his 1996 Harvard Business Review paper What is strategy? As Porter says, strategy is not operational effectiveness. Strategy is not about the execution, the processes, tactics, or how everyday work is taken care of. These things are critical for success, but they are not strategies. Something, even if it is very very important, it is not automatically strategic.

Strategy is about the big decisions concerning what a company will and won’t do. In the world of digital marketing, with so many options, information, data, and trends, a strategy sometimes is more about what we won’t do, or at least what we want to right now. Nailing what to ignore or what to put on hold might be the number one capability of a digital marketing strategist.

To do this correctly, the strategists must have a complete view of the digital marketing ecosystem, its status quo, trends, and possibilities, or they risk making biased decisions.

In which social media platforms should a company be? Should we assign the same recourses to many social media plataforms, or give special attention to one or two?

In which paid media platforms should a company invest?

Which audiences should a company prioritize with its digital strategy? Which buyer personas? Which products or categories?

Which technologies should the company prioritize? Which providers should they choose?

How many people should the company have on its marketing team? How many agencies? What roles should be in-house, and which roles should be with partners? Which capabilities should the company develop internally, and for which should we rely on partners?

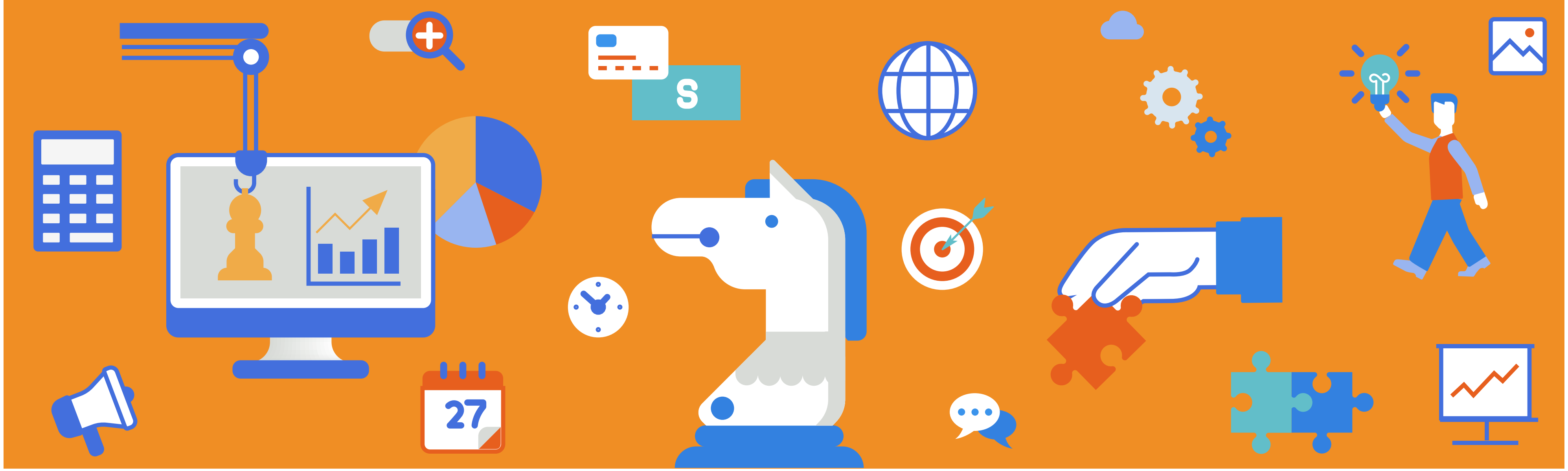
These are examples of the questions that, by being answered, provide a digital marketing strategy.

Getting the digital strategy right is hard

The digital marketing strategy must be aligned with the company's objectives. It should provide a viable framework to help the company achieve its goals. Depending on the industry and the target market, getting the digital marketing strategy right or wrong could make or break an organization. A digital strategy that doesn't help a company achieve its ultimate goals is useless.

It also should aim to be differentiated. If it is identical to that of most competitors, it could fail to provide a competitive advantage if everyone excels at execution. In many industries, digital marketing operational excellence is still a source of competitive advantage, but I wouldn't bet a company's success only on it. Being better at executing what everyone else is doing is a weak competitive position.

Finally, the strategy should be compatible with the company's current financial possibilities and operational capabilities.



Defining a strategy in a too ambitious way could lead to financial stress for the company and underfunding, and mediocre results. Also, even with enough financial resources, operational capabilities grow at their rhythm, and even with enough financial resources, not considering current capabilities can lead to failure in the short term. Of course, we should constantly challenge ourselves and our teams, but overstretching these challenges could lead to frustration. I've many times worked with companies where the digital marketing teams know their goals are not achievable, and they tend to be less engaged than those that believe they could achieve the goals that were established. On the other hand, if goals are too easy to achieve, it could lead to over-complacency.

Another thing to consider is that even if a company establishes goals and budgets that are too small compared to its size or what the competitors are doing, this could eventually put the company at a hard-to-overcome disadvantage.

So, a company should define a strategy, or in other words, it should decide to do things that will help it achieve its goals, are financially viable, are appropriate for its size, consider what the leading competitors are doing, can be executed with the available resources and may differentiate the company, therefore providing a competitive advantage. At the same time, they should aim to increase their capabilities to execute increasingly ambitious and complex initiatives.

Strategic planning, strategic thinking, and execution planning

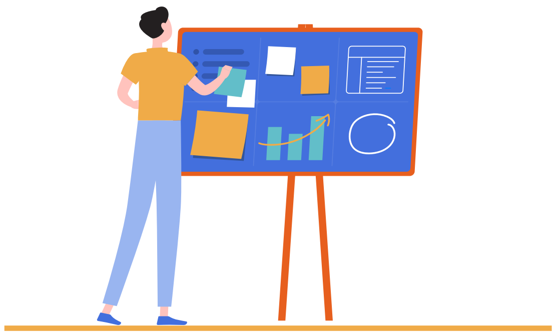
During my MBA classes, as probably all MBA students, I had a Strategic Planning course. The book I took for the class was one of the most popular in MBA programs. It was a relatively big book that presented a very time and resource-intensive methodology. During that class, I remember the lecturer explaining that following this methodology required a team of several full-time strategists working all year long. This methodology probably makes sense for large companies with dedicated strategic teams and company-wide strategies. The process didn't make sense to me, then the owner of a small company. It still doesn't now that we run a larger organization.

Then, several years later, while reading Vene Harnish's book Scaling Up, I found a simple but powerful idea that made sense to me: it is time to break away from the old idea of strategic planning and embrace the idea of two different activities; strategic thinking and execution planning. As Verne suggests, these require two very different teams and processes.

I believe this to be true for large and mid-sized companies at the digital marketing strategy level. For medium and small companies, I'm convinced it also works at the company strategy level.

The digital marketing strategy should be the primary responsibility of the digital marketing director. The CMO should also be involved. Even the CEO should be involved in this process in companies that are not that large, or for which digital marketing represents a critical area of the business (i.e., app-centric companies or online retailers).

But, once the digital marketing strategy has been established, a lot of execution planning must be done, and this time-consuming activity should be delegated to those that are closer to the execution of each activity, project, or initiative.



For example, let's say that during the digital marketing strategic thinking process, it is concluded that the company needs to implement a robust marketing automation platform (MAP), to substitute a currently used simple email marketing platform. This decision is made so, down the road, more sophisticated initiatives may be implemented. This is a critical strategic decision by itself that most companies go through eventually. But then, a plan to decide which specific platform to choose must be developed. This plan should include activities regarding evaluating different options, choosing one, then selecting the licensing level that will be used at the beginning, and preparing the company to implement the selected platform. Developing this platform-choosing process doesn't require the involvement of the senior team, even if, in the end, the final decision is made by or with them.

Strategic thinking in digital marketing

Strategic thinking occurs when the right people are together to talk, discuss, and make decisions regarding the digital marketing of a company. If enough time is invested in this process, the possibilities of deploying a winning strategy are much higher.

Carefully deciding who should participate in these meetings is fundamental for their success. In these sessions, the participation of decision-makers is highly recommended. For smaller organizations, this could mean the CMO or above. For larger organizations, the digital marketing manager must be involved. The critical thing here is that the outcomes of this meeting should carry weight and shouldn't require too much lobbying afterward. Digital marketing operational leaders should also be part of this process. The right external partners and consultants definitively enrich these meetings and bring multi-industry, multi-country experience. Let's call the participants of these sessions the Digital Marketing Strategic Committee or strategic committee (understanding that we are only talking about digital marketing in this book).

During these meetings, the strategic committee should follow an appropriate methodology to ensure time is used wisely and the objective is reached. Participants should also revise relevant data and information before or during these meetings to improve the assertiveness of their decisions. Let's call these meetings strategic thinking sessions.

It is hard to say how many strategic thinking sessions a company should have. If there is too much "digital marketing strategic debt" (more on this later), then probably a company will need to have several meetings before stabilizing in a more with a sparser rhythm.

As a process, an organization with an already robust strategy should hold digital marketing strategy thinking sessions at least two times per year. One year is too long in this rapidly evolving ecosystem. Once-per-quarter meetings could make sense for companies with largerbudgets and teams.

During these digital marketing strategic thinking sessions, participants should get into the following.

Strategic alignment

One of the first things we should do during digital marketing strategic thinking sessions is to assess the alignment of the digital strategy with the overall marketing and company strategies. A quick review of the overall strategy, company priorities, and market trends could help everyone be on the same page, especially since the senior management would probably be more informed on these matters than the rest of the strategic committee.

The goal is to identify a strategic misalignment and if so, take corrective actions.

Suppose there is no previously documented digital marketing strategy. In that case, the goal should be to articulate the first version of the strategy, ensuring this version is aligned with the company's strategy.

Someone with enough knowledge of the company's strategy should be ready to give an executive presentation for this to flow smoothly and quickly.

Digital Demand Generation Model Review

Most companies invest in digital marketing, at least partially, to drive revenue and growth. Of course, other business objectives may be achieved through digital marketing, but even those are done to eventually drive customer satisfaction and revenue.

The Demand Generation Model is how our digital marketing strategy translates into specific tactics, processes, and digital assets, to move our prospective customers down the funnel. It includes not only lead generation, which would be considered "lower funnel" or “demand capture,” but also demand creation, brand positioning, and other “upper funnel” activities.

A robust Digital Demand Generation Model has a full-funnel approach and connects with the target market regardless of if it is already in-market (already in the process of looking for what we sell).

If there are doubts about the need to review and upgrade the company’s Digital Demand Generation Model, doing so during digital strategic thinking sessions is a good idea.

Digital Media platform assessments

With the help of the digital marketing team or an external partner, an executive presentation should be prepared to quickly get an overview of the most relevant digital media platforms, including up-and-rising players, with particular attention to those believed to be the most relevant for the business. This information should also contain some benchmarks or insights on what relevant competitors are doing, as well as demographic and psychographic data, from the platforms.

This assessment should cover both social and paid media platforms, noting that, in many cases, a platform can be both.

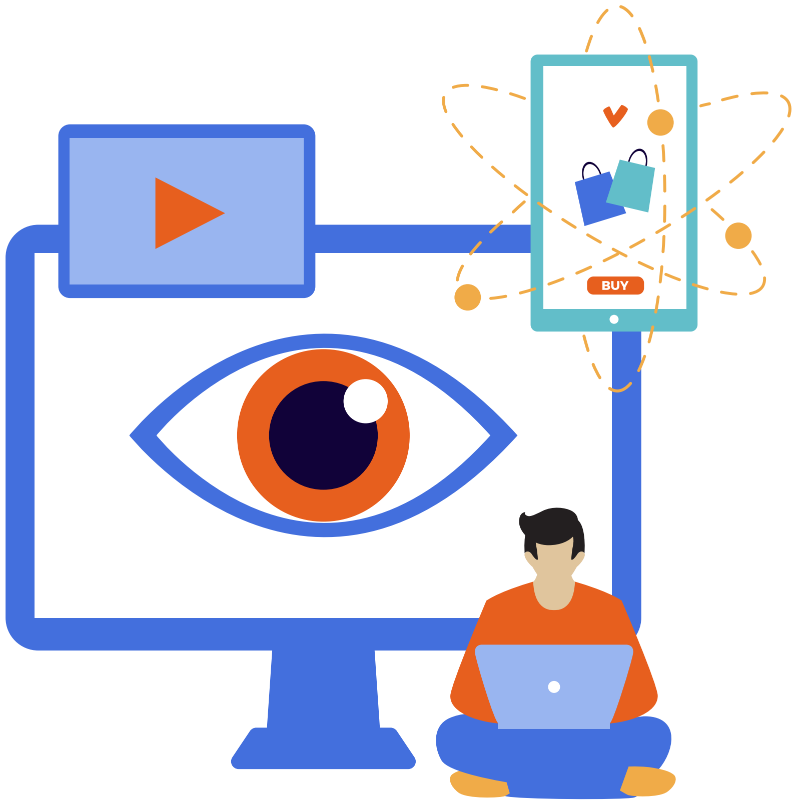
The objective is to ensure that we are currently invested in the most relevant platforms. We may decide to enter a new platform, exit one, or stay as we are. Everyone involved in digital marketing operations knows that each platform we decide to be in if managed professionally, requires a significant effort and financial resources, regardless of paid media budgets. So, being on too many platforms, or being ahead of time, could be as harmful as not being on the right platforms.

We want to avoid stretching resources too thin or investing in a dead platform that has become irrelevant to our business.

A recent typical example of a rising media platform that is becoming increasingly relevant for many companies is TikTok. A few years ago, we could all see it rising, and it was frequently discussed in strategic thinking meetings. The most common decision for several years was to not jump into the platform but keep looking at its growth. Now, more and more companies are deciding to incorporate TikTok into their organic social and social paid initiatives.

Does this mean every single company should jump into TikTok? Of course not. At the time of the writing of this book, TikTok is still remarkably relevant for younger users. A company targeting 65+ years old would probably be wise to decide not to enter TikTok now unless a specific element of its strategy calls for it.

If something there is something that should be learned from this section, it is that getting into a new social media platform, or paid media platform, should be the result of an informed thought process, and not an impulsive decision based on some news article, or what a specific competitor is doing. Without robust strategic thinking processes, the former is what ends up happening.



Technological stack assessments

The digital marketing "tech stack" of a company is the combination of software that it uses to operate its digital marketing. Decisions around which software to use, when to do implementations, changes, or upgrades, who or how to run an implementation, etc., can make or break the execution of the marketing of a company. Therefore, these are big decisions that should be made in the context of strategic thinking.

I will dedicate an entire section of this book to this topic. Right now, I'll focus on what I recommend during the strategic thinking sessions regarding this topic.

All technology-related decisions require a generous amount of time for research and analysis. Therefore, in the strategic thinking sessions, only short executive presentations should be reviewed, aimed at helping the strategic committee to make well-informed decisions.

Creating these presentations and the corresponding analysis should be done by the digital marketing team (operations team) or should include this team if a partner is invited to lead these initiatives.

Here I'd like to share a client's horror story. The company is a private university whose senior leadership was approached by a Marketing Automation Company. After being sold on all the fantastic benefits they could receive by successfully implementing their platform, they went for it and signed up for a substantial licensing commitment.

This is a big university with different marketing operations teams. Those teams were aware of this process and lightly consulted but not involved in the scoping or decision process.

After the decision was made and a plan was centrally established, the plan was communicated to the different marketing teams.

It's been three years since this happened. Unfortunately, things have not run smoothly. Most of the university's marketing operation units were not ready to implement this marketing automation platform. The senior leaders that made the decision thought that they were readyand that whatever was missing would be easy to develop.

One of the main problems has been the considerable underutilization of the software. The university has been paying a lot of money in licensing (or SAAS) fees that they have not fully utilized because they need to honor the contract they signed. At the same time, the budget allocated to pay for this licensing could have been used to accelerate the development of the missing capabilities, including hiring more people, training, and external partners.

The university also reduced the funding of channels previously providing good results, with significant consequences in their revenue and growth.

If they had approached the selection and implementation of the Marketing Automation platform appropriately, as recommended here, I'm sure things would have been different.

They would probably have chosen the same provider since it is a great software company and a good fit for what this and many universities need. The problem was not the software provider.

Suppose the operations teams had been invited to form part of the decision and planning committee. In that case, they could have planned according to their current operational capabilities and given feedback about the importance of developing those capabilities with time. For example, many units didn't have the capabilities to generate content, which is a vital input of these platforms.

So, even if the same software had been selected, as I suspect it would end up happening anyways, they could have done a better planned, gradual implementation, saving hundreds of thousands of dollars in licenses. This money could have been used to expedite the development of content generation and other capabilities along the different business units, therefore having a much better overall business outcome. Finally, underfunded channels would have continued to provide revenue and growth.

The takeaway here is the following. Technology decisions are essential, and the strategic committee should be involved. But the heavy lifting should involve the operations team and their buy-in. Every technology project has risks, but they are minimized if everyone is on board and every critical angle is considered in the plan.

Potential threats from the digital ecosystem

It is very well known how long-standing companies have been disrupted by startups with technology-based business models.

In some cases, the disruption could also happen if a competitor or group of competitors nail an effective go-to-market strategy before we do and with it, take a significant portion of market share from us.

It is the job of the strategic thinking process to assess and dismiss or do something about these potential threats.

The digital marketing strategy debt

I have been in the software industry for even longer than I have been in the digital marketing industry. There I learned the term technical debt. This term is used when, while looking to launch a new software or an update to an existing one, engineers cut corners to save time, professionally acknowledging they are doing so and in full conscience that in the future, they will have to repay this debt.

During this process, it is well understood this debt is paid with interest because fixing these issues normally takes more time than it would have taken at the beginning. Still, this approach makes a lot of sense for young software companies working fast to launch the first versions of their software, validate their product-market fit and gain market share. If done correctly, the logic dictates, doing this right by generating the resources, through external funding or revenue, that will make it possible to repay this debt.

Companies also commonly have Digital Marketing Strategy Debt. But, unlike in software development, many companies are not incurring this debt through a logical and well-thought process.

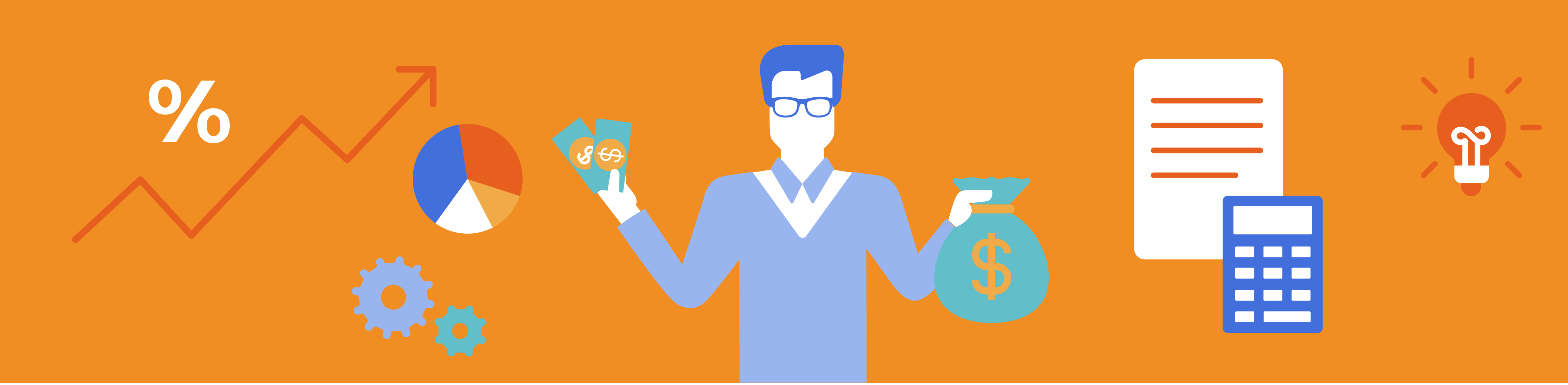
At some point, decisions have been made to go into social media platforms, invest in paid media campaigns, launch websites, blogs, and apps, choose and implement software platforms. In many cases, these decisions could have been made trying to follow a trend, or under the instructions of the senior leaders, and not trough a decent strategic thinking process. Thus, a debt that may be hard to pay.

A company looking to thrive in digital marketing needs to repay this debt as soon as possible.

This could mean having several strategic thinking meetings in a short period. It could also mean significantly restructuring what it is being done, including people, partners processes, and technologies.

Document conclusions, decisions, and initiatives

Without getting into too many details, the key conclusions of the meeting should be documented. This should include decisions (to be communicated and be referred to when executing), and the initiatives that will eventually (not in these meetings) be transformed into projects, processes, etc.



Also, the digital marketing strategy of the company should be documented. A documented strategy is easier to communicate to all relevant team members. It also can be revised whenever someone is in doubt. Finally, if a document with the strategy exists, it is much easier to revise during the strategic thinking processes.

Structural decisions

Without an adequate structure, any strategy implementation and operationalization will have a great risk of failing.

With structure, I mean the individual people and teams, including their roles and accountabilities. These individuals and teams could be direct employees, extended teams and/or agencies, and other kinds of partners.

If a company is on a journey to execute increasingly ambitious and sophisticated digital strategies, it should also systematically develop its structures accordingly.

Budget decisions

Organizations need to do robust financial planning of their digital strategies. They need to adequately assess their financial possibilities and avoid deploying a strategy that they will not be able to adequately fund. If resources are limited, this should be considered when defining the strategy. There are digital strategies for any budget, but not all digital strategies are compatible with any budget.

Shooting bullets, then cannonballs

Many digital teams die of indigestion. They try to do and achieve too much in too little time and without enough resources. As Jim Collins recommends in his book Great by Choice, sometimes it is better to shoot bullets first and then cannon balls. Start small, get things going, and then double down and scale.

Execution planning –

The critical chain link between strategy and operations

Once a robust strategic thinking process is concluded, there is additional work before day-to-day operations can take over.

Execution planning is the chain link between strategy and operations. Here, the team in charge of implementing the strategy needs to do the homework and develop detailed initiatives and activities that should be structured in digital marketing plans. Some fundamental elements I will detail next.

Each plan should consider at least some fundamental elements I will detail next.

Plan accountability

Each plan should have one person, and one person only, to be accountable for it.

Being accountable doesn't mean bearing 100% responsibility for the success of the corresponding plan and all its elements. Being accountable means being the person that must raise their hand when things are off and the project is at risk of failing or being delayed.

To do this, the accountable persons should have enough empowerment and direct communication with the strategic committee. An ignored raised hand is useless. A culture of rigorous accountability is one of the pillars of successful execution.

Plan objectives and goals

Each plan should have, in written form, the objective it aims to reach and specific numerical goals, if possible. This information could guide the team to make better decisions and have a clearer understanding of what the strategic committee visualized.

Plan timeline and resources

Each plan should specify by when it needs to be accomplished, both for it as a whole and for its intermediary components. This will maximize the chances of being completed in time. Also, the resources should be specified to avoid exceeding the budget.

Plan risks and dependencies

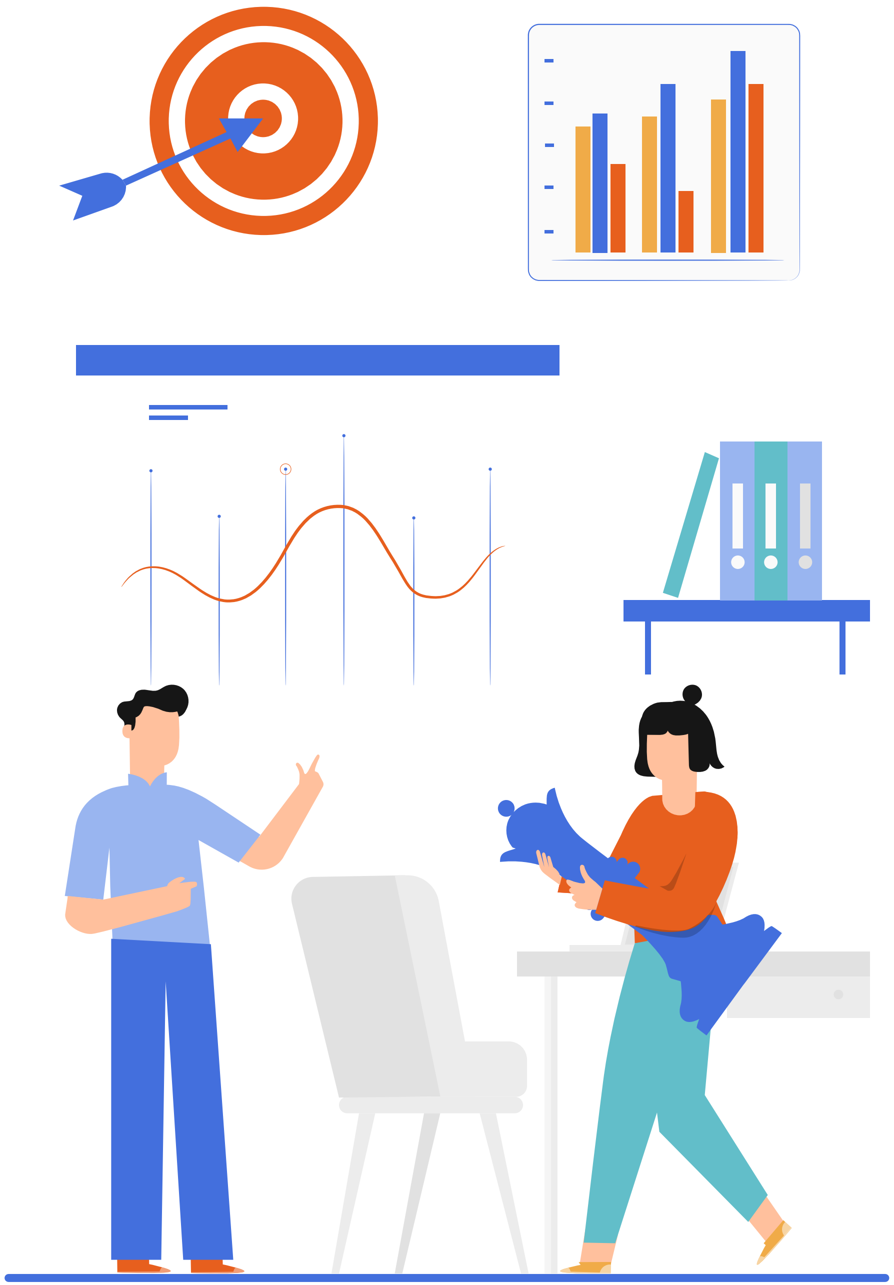
The plan should clarify any risk that has been identified so that the team may manage it. Also, the dependencies should be noted. A dependency is something relevant or critical for the plan's success but relies on someone else that is not part of the plan's team.

Feedback to the strategic committee

Agility is crucial to be successful in the rapidly changing environment of digital marketing and technology. That is why clear and fast feedback should be allowed to flow from the operations team to the strategic committee.

It is painfully familiar for critical issues to arise during a professional execution planning process. With crucial issues, I mean things that were not considered by the strategic committee, that require big decisions to be made, or significant unaccounted-for risks to be considered. It is even more painful for these critical issues to arise three months later when time, money, and other resources have been wasted.

So, the intelligent thing to do is to have a straightforward process for the execution planning process to “return” strategic decisions for which key issues are detected. This way, the strategic committee may adjust the strategy and increase the chances of success of whatever is finally executed. Once again, any strategy is useless if execution fails.



Final notes on strategy

No strategy can have a guaranteed 100% success rate, even with flawless execution. But, indeed, there are good and bad strategies. Better strategies will typically emerge when the right people are involved, when enough time is invested and when a sound methodology is followed.

Also, what we would expect when looking at the final product of the strategic thinking process, is not a detailed plan but a set of established guidelines that help us make tactical decisions and define plans in further steps.

Strategic thinking is an iterative process that should receive good quality feedback, both qualitative and quantitative. With every iteration, if things are done right, we will increase the probability of developing excellent digital marketing strategies.

Digital marketing strategies should mind the resources the company can allocate to digital marketing. If, for example, a very ambitious strategy is set in place, it could lead to some financial stress for the company.

Alternatively, it could lead to the underfunding of the digital marketing execution and result in mediocre results on too many fronts. On the other hand, a relatively conservative digital strategy could have a tremendous opportunity cost for any company and lead it to lose ground against key competitors.

Jorge Ayala is an experienced digital marketing, sales & IT strategist, with a proven track record of multiple success cases increasing the sales of companies across several industries, mainly for higher education institutions, ecommerce companies (pure players and click & mortars), and other B2B and B2C companies.

As an entrepreneur, he is founder and partner of companies with 300+ direct employees as of today.

His companies include Ensitech, a software development firm and JULIUS, one of Latin America's largest digital marketing agencies with offices in the US, Spain, Colombia, and Mexico.

He has helped hundreds of companies to design and implement digital marketing and sales strategies. He has received three times de E100 award to the most important entrepreneurs in Mexico and was a finalist in the Ernst & Young Entrepreneur of the Year award.

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