# Digital Marketing Specialization

## Capstone Plan Submission

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## Executive Summary

In this capstone project of the Digital Marketing Specialization course we are called to develop a channel strategy to increase sales of Bosch power tools on the Grainger.com website, by combining all the tools and techniques obtained through all the courses in this specialization.

After conducting some analysis on both Brands we have identified the main Business Objectives and Audience Profiles that need to be addressed in our digital marketing campaign, so that the outcome of this campaign would fulfill our goal of increasing the sales in this certain product segment.

Business Objectives:

- Improve Sales Process

- Grow Loyalty

- Reposition the Brand

The channel and content strategy that needs to be implemented can be summarized as follows:

Email advertising can be used in the Post-Purchase Experience and Initial Consideration Set of the Customer Decision Journey and the message delivered should **listen to the Voice of Customer** and **understand the Loyalty Relationship**.

Display advertising should be used on both the audience profiles, defined from our analysis, and applied through both Grainger.com and Boschtools.com websites. Remarketing lists and Contextual Targeting across different advertising platforms can be utilized to deliver content to people that are more likely to convert, while monitoring KPI's and optimizing through A/B multivariate testing is the key to reach our desired outcomes.

Lastly, we make a proposal for a new business model that requires a New Journey Management Organization that your business would benefit from implementing, given the fact that in this new era of Big Data and IoT the scientific analysis will be vast and interdisciplinary which will inevitably result in a more complex but better performing organizational model. Businesses like Grainger that are pioneers in the Ecommerce Industry could make exceptional use of this new model and take a huge leap forward.

## Client/Brand Analysis

Grainger is an industry leader in Industrial Supply Distribution for the US market with a revenue of $10bn and worldwide presence in Europe, Australia and Asia. Founded in Chicago in 1927 by W.W. Grainger the company has always been focused in the B2B market providing supplies for businesses. With more than 40% of its revenue generated digitally the brand is not only blending in the digital marketing ecosystem but it is defining it, by investing in R&D projects in combination with top Universities in the Digital Business sphere(research office at Research Park, University of Illinois at Urbana-Champaign)

By combining Email Marketing techniques, Search Engine Marketing, Search Engine Optimization, Online Display and Out Of Home Advertising, Social Media, Mobile Apps, Sales Representatives, Contact Centers and Ecommerce the brand has increased, and is continuing to do so, its expended marketing outcome. With more than 1.2 million products available from its website and online traffic on the tens of millions every month the company leverages all the available channels and combines them into one unique Data Management Platform (DMP) that can give and receive feedback from all stakeholders and provide the management with meaningful insights that can lead to accurate business decisions. By doing a small SEO research (http://www.spyfu.com/overview/domain?query=grainger.com) we can see some estimated numbers:

- Organic Keywords: **211,925**

- Monthly SEO Clicks: **915,200**
- Monthly PPC Clicks: **1.8M**
- Paid Keywords: **495,609**(possibly goes to million with alternates)
- Organic Clicks: **34%**

We can assume that the importance of SEO is considered a lot when designing and implementing the Digital Marketing Plan, something which is added by the fact that the website has a vast number of inbound links 3.583(http://www.alexa.com/siteinfo/grainger.com). This means that a big effort has been made to reach a high Domain Authority number: 77/100(https://moz.com/researchtools/ose) that will add this 34% in the SEO/PPC marketing mix. The brand has also presence in all major social media platforms such as (https://www.facebook.com/grainger, https://www.linkedin.com/company/w.w.-grainger, https://twitter.com/grainger, https://www.youtube.com/grainger ) that keeps updated regularly which results in a strong and loyal fan base. There is although some room for improvement (http://www.socialmention.com/search?t=all&q=grainger&btnG=Search) that could strengthen the brands awareness and improve the reach by creating some interesting and out-of-the-box campaigns while keeping of course in mind the brands original image. By researching for trends (https://www.google.com/trends/explore#q=Grainger) we cannot see some significant difference in the brands name trend but we see a Breakout (tab Rising) for the keyword *"grainger locations"* which when we deep a little deeper we see that it comes from the US only and it can result to a big spike like in December 2008. Therefore, it would be wise by the SEO team to currate the page that results by this search (https://www.grainger.com/content/find-branch-location) with some interactive map and some better UX characteristics to fulfill the needs of their visitors.

Defining the high number of audience segmentation's, that derive by the high traffic numbers and reach, is a key part in the designing process of the Digital Marketing Plan and equally important when targeting the marketing efforts to potential consumers. From alexa.com Geography Demographics we can see that most of the online traffic comes from the US (78.8%) and we also see a presence in India that seems promising to market to, if the company wants to widen its market share there and target the country with relevant and localized marketing campaigns which of course need a local team to implement them.  Other segments, or **personas** as mentioned from Akin Tosyali - Director of Digital Marketing, include **the buyer vs. the installer, the new vs. returning customers, the contracts vs. those with no contract** multiplied together resulting in a couple of thousands of different shells of audiences that they track and try to create a unique experience for them.

Bosch, is a German multinational engineering and electronics company headquartered in Gerlingen, Germany. It is the world's largest supplier of automotive components measured by 2011 revenues and one of the largest manufacturers of portable power tools worldwide with €49bn of sales revenue in 2014 (http://www.bosch.com/en/com/bosch_group/bosch_figures/business_sectors/business-sectors.php ).

Bosch Power tools reflect a relative small percentage of the revenue share but it is the tools most commonly used by average consumers and thus adding significantly in the brands reputation, of **durable, reliable and top quality products**. By doing a trend research for the term *"bosch power tools"* (https://www.google.com/trends/explore#q=bosch%20power%20tools ) we can see that there is significant decline globally in interest over time. Drilling down to Regional Interest we see that the US are in the 7th position. Moreover we can see a Breakout for the term *"bosch cordless tools"* which can prove to be useful when we will design and conduct the marketing

campaign for this Capstone. The products that we want to promote are in this URL (https://www.grainger.com/category/bosch/ecatalog/N-1z13mrn?ssf=3) where we see that Cordless is already defined as a unique category but maybe it should be promoted more with product filtering or visually through the website.

As Grainger is focused at middle and large businesses, the customer segmentation should be mainly divided, according to their marketing strategy, to buyer vs. installer **defining the *buyer* as the primary audience and the *installer* as the secondary audience** respectively. These audiences' needs should be focused in finding the right price (Hot Buys, Offers as correctly presented in the relevant URL) for the primary audience and in ease of product discovery for the secondary audience. This need of the installer should also be met in the URL by being able to filter products by Industry or Category, which will enhance the UX of the website and provide added functionality, thus better experience, to the visitor/audience.

Bosch's immediate competitor in the US market is Makita there is though no key point difference that could be used against the competition (http://www.contractortalk.com/f40/makita-vs-bosch-18881/ - *"You cannot go wrong with either brand!"*).

Doing a SWOT analysis for the Bosch we can derive the following results:

## Strengths
- Extensive focus on R&D – 3800 patents
- Quality of products – customer loyalty
- Balanced portfolio –different sectors

## Weaknesses
- Slow to respond to dynamic market demand
- Employee productivity
- Extensively process oriented
- Huge debt

## Opportunities
- Increase demand for quality long serving products
- Renewable energy sector
- Innovative new technologies, products

## Threats
- New players in sector – higher competition
- Lower sale due to high pricing

*Reference: https://prezi.com/l0lp2mmrufyt/bosch-swot/*

# The Consumer Decision Journey

Regarding the 3 different Scenarios in the Problem Statement we should take for granted that since the visitor is already on the Boschtools.com website this means that he has the need to acquire a product (or he is doing a research for a potential need that will come) thus he is already on the "Trigger" phase of the Customer Decision Journey. Moreover, since the visitor is on a branded website selling only Bosch tools means that the brand is already inside the "Initial Consideration List". Therefore the focus should be on the remaining stages of the CDJ which are the:

- Active Evaluation-Zero Moment of Truth

- Moment of Purchase

- Post-Purchase Experience

- Loyalty Loop

Potential customers have specific concerns for each of one of these stages which must be addressed by the brand. For each of these different questions there are different analysis that we need to conduct and come up with valuable insights.

## Active Evaluation

The brand needs to experiment and test. Put products into market and see what the response is and identify potential customer needs that its products fail to meet of even better create some new ones. Another great method is conducting A/B experimentation testing with tools like https://www.optimizely.com/ab-testing/ to identify what pages are converting better.

## Moment of Purchase

At this phase an outcome analysis is of great value to the brand and especially to the marketing team because they can monitor the whole purchase funnel and fix issues that can lead to cart abandonment and loss of revenue. The team can also apply attribution modeling to evaluate the different marketing channels, regarding their macro-conversion rates, and provide some very useful insights to the relevant stakeholders.

## Post-Purchase Experience
## Loyalty Loop

In these very important stages the voice of the customer should be heard by the brand either through experience surveys or through monitoring social brand power and advocacy. User reviews is also another great tool to monitor your clients feeling of the brand although it tends to aggregate the data and not give you a "performance through time" metric, which is of the biggest value, thus reviews and customer feedback should be monitored closely and replied in a fast and pleasant manner.

• **Scenario 1:** Audiences that visit Boshtools.com, look at a power tool (for example a drill), but do not visit Grainger.com

## Business Objective: Improve Sales Process

- Do my sales efforts result in wins of my brand?

- Data from Outcome Analysis – Tools: Google Analytics Ecommerce, http://www.dialogtech.com/, https://www.liveperson.com/

• **Scenario 2:** Audiences that visit Boshtools.com, look at a power tool, and then visit Grainger.com, log in to Grainger.com, and visit the power tools category

## Business Objective: Grow Loyalty

- Do customers advocate for my brand?

- Data from Voice of Customer –Tools https://www.google.com/trends/ , https://klout.com/home , Google Consumer Surveys, http://www.loop11.com/ , https://www.trustpilot.com/

• **Scenario 3:** Audiences that visit Boshtools.com, look at a power tool, and then visit Grainger.com, log in to Grainger.com, and visit the plumbing category but not power tools

## Business Objective: Reposition the Brand

- Do the experiences I deliver fulfill customer expectations?

- Data from Voice of Customer – Tools as mentioned in the previous Business Objective with more focus in customer experience surveys

# Collect and Analyze Data

In order to fulfil the first business objective, to improve sales performance we will start with a **descriptive analysis** and will analyze web transaction data reports from the data file given.
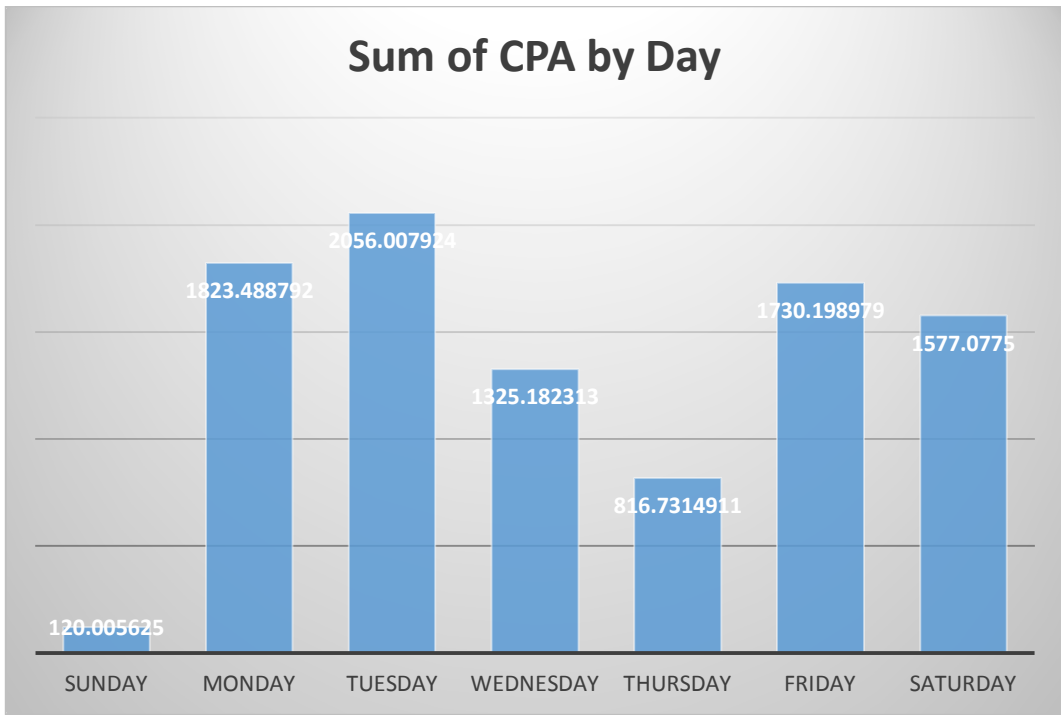
*Graph.1 Sum of CPA by Day*

We can see in Graph.1 that Tuesday is the best performing day for our advertising spent, with Monday coming second, therefore we should focus our advertising efforts there and avoid promoting Bosch products on Sunday.

Next we are going to apply an **exploratory analysis** on our data regarding the overall outcome and the performance correlation to identify patterns inside the numbers or if not any to get direction on where we can optimize our purchase funnel.
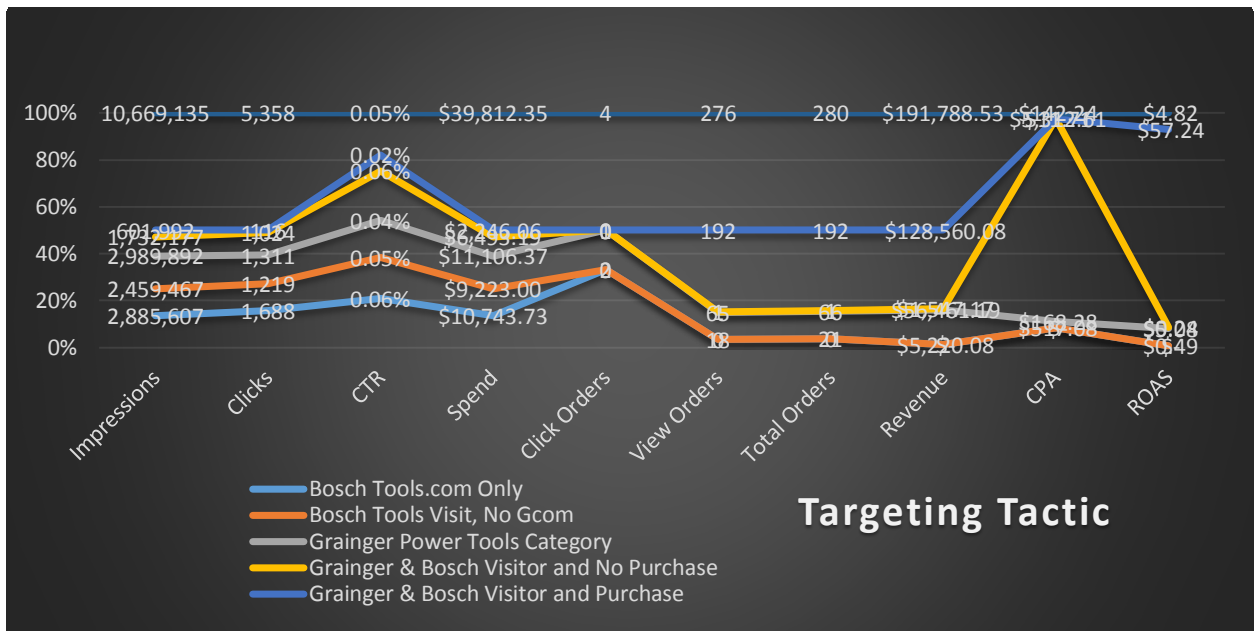


*Graph.2 Targeting Tactic*

In Graph.2 we can visualize all the corresponding data and see some interesting results. Firstly if we follow the yellow line (Grainger & Bosch visitor and No purchase) we face a huge step in the Cost Per

Acquisition (CPA) at an alerting level reaching $5,312.61 which is **data noise**, since there are supposed to be no transaction /acquisitions in this line.

The second observation is that the line for – Grainger & Bosch Visitor and Purchase – performs better amongst the other tactics. With the smallest amount of impressions it is bringing the most revenue from all tactics. We can assume that these are loyal Bosch product fans therefore we should focus our next marketing efforts on them (display remarketing, email marketing, phone calls, print catalogues, etc)
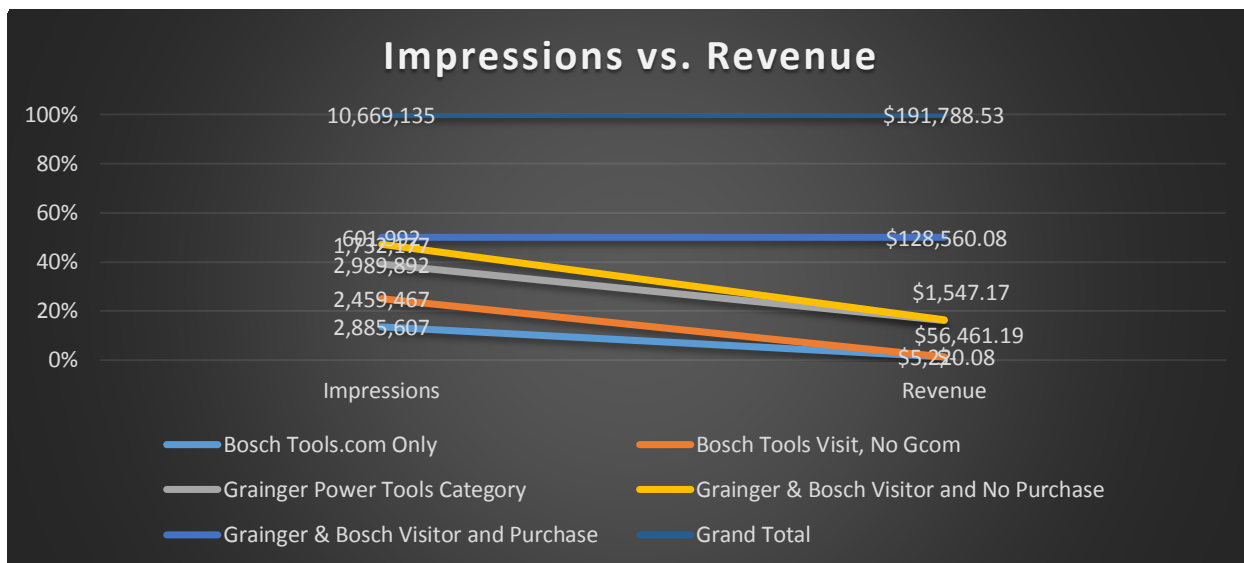


*Graph.3 Impressions vs. Revenue*

Lastly we observe a very high Cost per Acquisition for the –Grainger Power Tools Category – that is surely putting some drag in our marketing efforts draining budget from the previous mentioned target that could perform better (http://www.wordstream.com/blog/ws/2011/05/02/five-ways-to-lower-cpa).
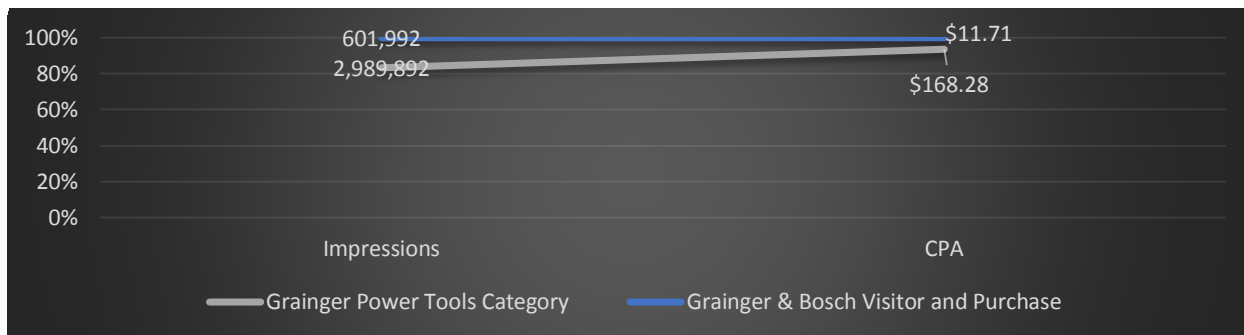


*Graph.4 Impressions vs. CPA*

If we had Conversion Data from each distinctive channel, social media, remarketing, PPC, display, email, etc, we could also perform a very trustworthy **predictive analysis** to optimize our performance across all channels. The final analysis that we would be doing if we had the relevant data would be an **inferential analysis** in which we would use Usability Studies, Voice of Customer Studies and other surveys to come to meaningful assumptions regarding the other two Business Objectives (Loyalty, Brand Reposition). Benchmark data should be used in order to validate our results and see where we stand compared to the competition. Internal historical data should be used to compare our results with relevant campaigns in the past and external data such as from Google Analytics and other marketing platforms that provide aggregate industry data that can compare us with competitors and provide valuable context. https://support.google.com/analytics/answer/6086666?hl=en

# Data is the King and Visualization is the Queen.

Our analysis techniques have provided some very accurate insights regarding our marketing efforts that we will point here:

- Data should be cleared from signal noise before further process
- Focus should be on - Grainger & Bosch Visitor and Purchase – targeting tactic
- CPA at – Grainger Power Tools Category- should be optimized and monitored

# Preparing for the Analysis Journey

Scenario 1

| Business Objective | Key Questions | Data -> Sources |
|---|---|---|
| Improve Sales Process | Do my sales efforts result in wins of my brand? | Data from Outcome Analysis – Tools: Google Analytics Ecommerce, http://www.dialogtech.com/, https://www.liveperson.com/ |

Scenario 2

| Business Objective | Key Questions | Data -> Sources |
|---|---|---|
| Grow Loyalty | Do customers advocate for my brand? | Data from Voice of Customer – Tools https://www.google.com/trends/ , https://klout.com/home , Google Consumer Surveys, http://www.loop11.com/ , https://www.trustpilot.com/ |

Scenario 3

| Business Objective | Key Questions | Data -> Sources |
|---|---|---|
| Reposition the Brand | Do the experiences I deliver fulfill customer expectations? | Data from Voice of Customer – Tools as mentioned in the previous Business Objective with more focus in customer experience surveys. |

# The Channel and Content Strategy

**Email advertising can be used across all phases in the Customer Decision Journey**, carrying different messages to each audience. This message should be relevant to the audience and moreover to the place on which this audience is set.

Since Grainger already has the email address of this person, this means two things.

1. That this person is already a customer of Grainger
2. That this person has shown some interest in Grainger products.

Therefore, the audience of the email campaign is either on

1. Post-Purchase Experience
2. Initial Consideration Set

To drill down Grainger can filter through its database the customers that bought Bosch tools and so the messages sent to these two audiences should be

1. Voice of Customer (Do the experiences delivered fulfil consumer expectations?)
   - Consumer Satisfaction
   - Product Reviews
   - Relevant Product Offers etc.
2. Loyalty Relationship (Am I part of the initial consideration set?)
   - New Products
   - Offers

**Display Advertising should be used on both Audience Profiles**

1: Users landing on Grainger.com directly can be targeted with banner ads that promote Bosch tools and combined with A/B multivariate testing optimize the outcome performance.

2: Users landing on Boschtools.com first can be targeted with remarketing lists so when they visit another website a relevant banner ad from Grainger can drive quality traffic to their site.

Also different advertising platforms (such as Google and Bing) can be used to deliver banner ads with contextual targeting for keywords like "power tools" or "cordless tools" to drive more potential customers to the Grainger.com website. Demographics can be combined in these remarketing lists to target gender, age or location that is more likely to convert.

## Audience Profile 1: Users landing on Grainger.com directly

### New customers
- Email Advertising is not relevant for them since Grainger does not have their email address yet.
- Display Advertising can be used through the Grainger.com website showing banners with Bosch tools products or offers optimized with A/B testing.

### Current Customers
- Email Advertising is a great tool to leverage and increase sales performance for this segment. According to current shopping patterns Grainger can target these audiences that are more inclined to buy power tools or have a passion about the Bosch brand. A/B testing is again the key for performance here.

- Display Advertising can be used with remarketing lists to the emails of current customers to target them across the Internet. Frequency cap is the key here not to overwhelm and frustrate our customers.

## Audience Profile 2: Users landing on Boschtools.com first

*In this profile the Grainger email database is not relevant and cannot be used for targeting.*

To be able to target these profiles a specific tracking cookie should be set at the Boschtools.com website that will be then identified at the Grainger.com website or with the use of the Data Management Platform. Also the Boschtools.com reference traffic should be set individually as a segment in the Grainger analytics platform to quickly identify and analyze this traffic.

### Display advertising

- Scenario 1: Remarketing from Boschtools lists can be used to show this audience Grainger banner ads and drive them to the website.
- Scenario 2: The specific cookie and reference analytics can be used to identify this audience and when they login into the website show them a relevant banner add with new tools or promotional offers.
- Scenario 3: Tracking of this audience should be as above and the promotional banners can follow them across all Grainger website.

*\* For all campaigns to be more productive the Bosch power tools landing page (<https://www.grainger.com/category/bosch/ecatalog/N-1z13mrn?ssf=3&redirect=bosch&searchRedirect=bosch>) should be optimized with more filters like the Bosch brand page (<https://www.grainger.com/category/bosch/ecatalog/N-1z0r53a>) and a more **Search Engine Friendly URL** should be considered like: <https://www.grainger.com/category/bosch/power-tools>*

## The content strategy used should be focused around the Bosch power tools

products which is our main sales target and their unique characteristics, such as durability and quality of manufacturing along with Reviews that add to the overall estimate of the brand.

## The tone followed should be direct and accurate emphasizing to the fact that

**Boschtools are the tools to get the job done, with safety and ease** which is what all the potential customers want. The visuals used should focus on the worker and the benefits that he acquires from these unique products. A very good example is illustrated in this link: <http://www.modernmarketingpartners.com/modern-tips-for-advertising/>

To make sure that the visual is aligned with the Brand Manual of Boschtools along with that of Grainger all the designs should be made with the collaboration the two creative departments. This is a hard task to accomplish but it is the one that will provide the best possible outcome. One thing must be certain, that the final call of the creative and content design should be for the Grainger Marketing Manager. As mentioned above there should be variations on the messages delivered across different audiences.

*In Audience Profile 1: Users landing on Grainger.com* directly the content will not change but rather the visual which now could be not so branded with the Grainger brand manual as it would be if it was in a power tools forum like this one http://professional-power-tool-guide.com/power-tool-forum/index.php?/ , since the potential customer is already at the website and does not need any link to associate the banner with the landing page.

*In Audience Profile 2: Users landing on Boschtools.com first*, the content and tone also should not change, since it needs to be aligned to the overall campaign context but the banners should be branded with Grainger's brand identity so that the Boschtools.com visitors who click on the

banner should find a connection with the landing page and therefore continue their customer decision journey.

# Test and Control Plan

Research objectives:

**Improve Sales Process** - Do my sales efforts result in wins of my brand?

**Grow Loyalty -** Do customers advocate for my brand?

**Reposition the Brand** - Do the experiences I deliver fulfill customer expectations?

In order to verify and implement these objectives in our Digital Marketing and Measurement Plan (DMMP) we need to conduct both Primary and Secondary research on both Quantitative and Qualitative Data.

To improve the sales process we need quantitative data (secondary research) such as numbers, figures and statistics and monitor specific KPI's that are inherently connected with the sales process like **Return On Investment (ROI)** and **Return On Ad Spent (ROAS)** and analyze the Conversion Funnel of the Grainger.com website. It can also be combined with surveys into certain sample segment (like Boshtools buyers) to enrich our data with useful insight.

To grow loyalty the data we will need is mostly qualitative (primary research) to answer the question Why? Opinions, feelings, motivation are some key data that we can acquire from the Voice of Customer, Google Consumer Surveys, focus groups and online monitoring tools (like https://klout.com/home, https://www.google.com/trends, http://www.socialbakers.com/ )

To reposition the brand we need to focus on the experience that the brand is delivering to its consumers and if the products that we need to sell are correctly positioned on the consumers mind. Again we can use the same data as above with a focus in customer experience surveys.

*\* It is important when conducting consumer satisfaction surveys to keep in mind that personal bias can affect the questions given and the interpretation of the results, thus it should be considered when performing this kind of research. It is also a good practice to phrase the questions in the past (f.e. in the past 6 months how often did you buy Boschtools?) and avoid repetitive or obstructive actions.*

An interesting study that also gives a very good recommendation to top-tier ecommerce companies like Grainger is the following:

**Competing on Customer Journeys**

https://hbr.org/2015/11/competing-on-customer-journeys

In this study a new business model is proposed based on the Customer Decision Journey of McKinsey that requires a New Journey Management Organization which introduces new roles in the Digital Marketing landscape.

## The New Journey Management Organization
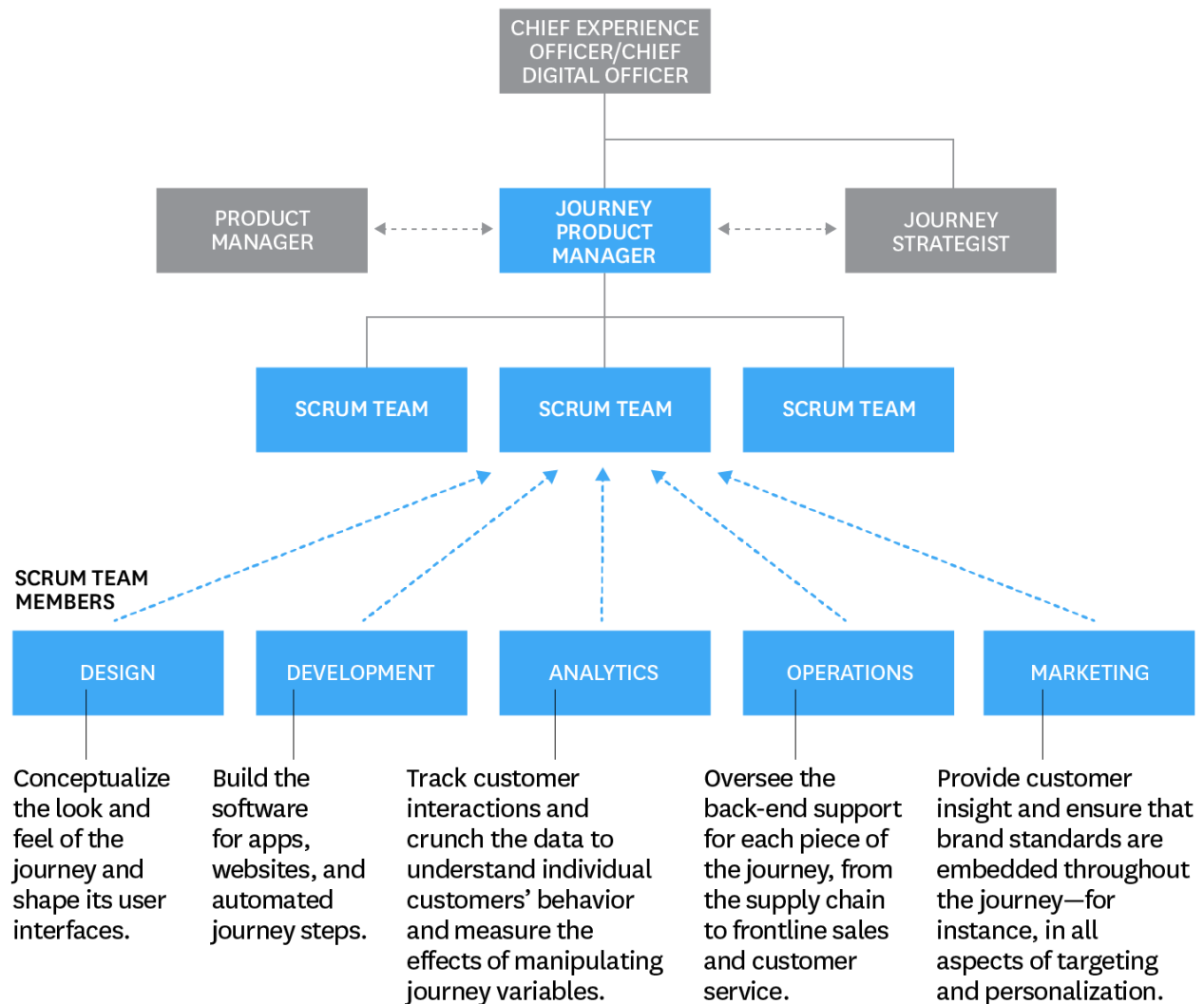


SOURCE DAVID C. EDELMAN AND MARC SINGER
FROM "COMPETING ON CUSTOMER JOURNEYS," NOVEMBER 2015                                        © HBR.ORG

*Overseeing all of a firm's interactions with customers is someone in the role of chief experience officer, a relatively new position in the C-suite. Chief digital officers are also starting to have this top-level responsibility. Typically reporting to this executive is a journey-focused strategist who helps guide decisions on which journey investments and customer segments to focus on; he or she prioritizes current journeys for digital development and spots opportunities for new ones.*

Businesses like Grainger should start to be seeing the customer Journey as a product rather than a process and revolutionize the Ecommerce Industry, given the fact that in this new era of Big Data and IoT the scientific analysis will be vast and interdisciplinary which will inevitably result in a more complex but better performing organizational model.


Thank you for your time.

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