

WHATAFIND.COM

Digital Marketing Plan

For the year 2010

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Assignment 2 for the IDM Certificate in Digital Marketing - a one-year digital marketing acquisition communication campaign plan including budget for Whatafind.com.

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Executive Summary

This digital marketing plan for Whatafind.com for the year 2010 examines the opportunity for growth through a variety of channels and not taking into account their recent expansion into fashion. Brand awareness can be created through display advertising and search engine marketing, customer engagement improved through e-mail marketing and social media and onsite conversion increased through web analytics. These improvements will, in turn, increase sales to over 8,000 per year with a marketing cost per sale of £56.

Situation Analysis

In this situation analysis, we'll take a quick look at Whatafind.com's (WAF.com) customers, competitors and the current economic climate. After examining the strengths, weaknesses, opportunities and threats to the company, we will have identified the key issues affecting growth of WAF.com.

Customers

WAF.com has identified its customers as bargain hunters, aspirational shoppers and geographically challenged shoppers. The following are pen portraits of these three segments:

Bargain Hunter



Meet Louise, 32, single and living in London. She loves going out with her friends to bars and restaurants, going to the theatre and visiting museums. She has a gym membership and goes 2 to 3 times a week. She earns around £35k in a middle management job in the city and enjoys shopping holidays in New York. Louise uses the internet every day at work and at home and frequently makes purchases online from clothes to holidays.

Aspirational Shopper



Meet Bill and Sue, 45 and 40, and their two children Chris, 8 and Lindsay, 5. They live in their 4 bedroom house in Sussex. Bill works full time in London and Sue splits her time between caring for her kids and her small jewellery business. They have a household income of £60k. The family likes to visit parks and places of natural beauty and they travel to France for a family holiday every year. Sue likes to hold dinner parties for her friends when she gets a

chance. Sue uses the internet at home to help with her jewellery business and occasionally shops online. Bill uses the internet at work and regularly comparison shops for products like electronics.

Geographically-challenged Shopper



Meet Sheila, 35. She lives with her partner in Bearsden, Glasgow. She earns around £30k working for a public body. She enjoys socialising with friends, eating at new restaurants with her partner, cycling and walking. Sheila loves living in Bearsden, close enough to Glasgow to take advantage of the great shopping, restaurants and nightlife but not in the bustle of the city centre. Sheila and her partner take one holiday abroad a year to places just off the beaten track like Croatia, but also like to get out into the Scottish Highlands and islands.

I would venture that the driving force behind these consumers potentially shopping with WAF.com is brand affinity – recognition of the brand name and quality associated with it. These shoppers would keep company with people with the same appreciation for high quality goods. Much of the furniture, even when discounted, is out of the price range of many consumers therefore highly targeted marketing must find the customers who want to spend money on high quality goods.

As for previous customers and those opted-in to the database, they are highly valuable and underutilised. Those signed up to the database have done so without incentive, which means they are truly interested in purchasing as opposed to joining to win a prize or get a discount. There is a huge opportunity to communicate with these people, which WAF.com currently do not do. On the other hand, there is a real threat that this database has grown cold through lack of communication.

Competitors

Competitors

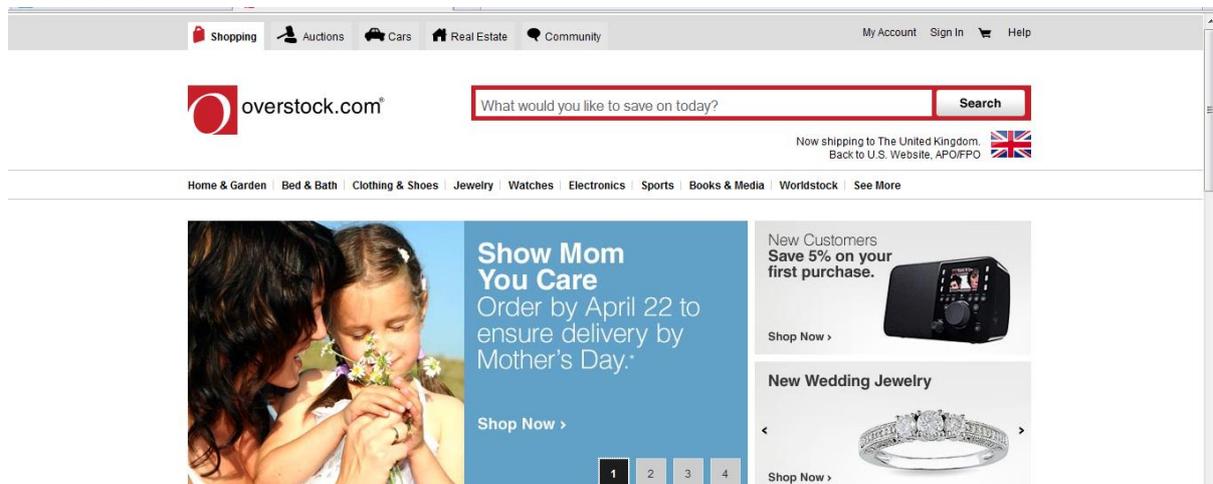
There seem to be very few, if any, competitors for Whatafind.com in the UK. Sites that are regularly brought up in search results include overstock.com, an American outfit. Of course, due to the nature of the business and the requirement of delivery, it would be unusual for a UK customer to order furniture to be shipped from the US. What WAF.com does have to compete against are cheaper furniture suppliers such as Littlewoods and Argos, although WAF.com target market is looking for high quality name brand furniture, which they would not be able to find at these stores.

The lack of competitors in the UK highlights the potential for WAF.com to establish itself as a reputable brand providing a unique service.

There is the threat of new entrants as there are few barriers to entering the online world for a new business. Whatafind.com must combat this by establishing itself as “the” brand for clearance, brand name furniture on the internet.

Top three results when searching “clearance name brand furniture”:

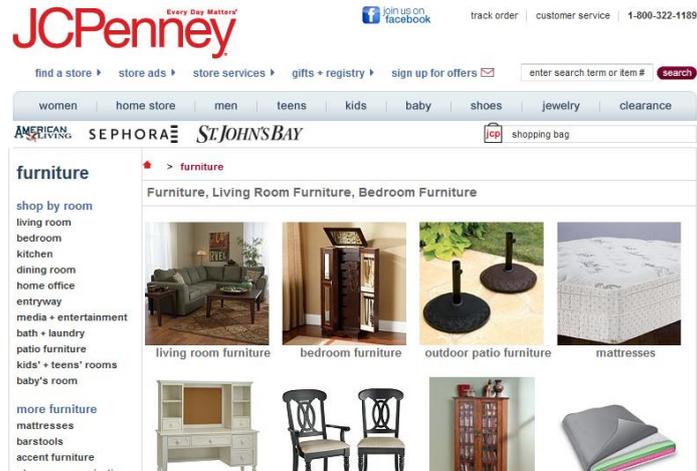
Overstock.com



Highpointfurniture.com



JCPenny



Top three results when searching for "discount quality furniture":

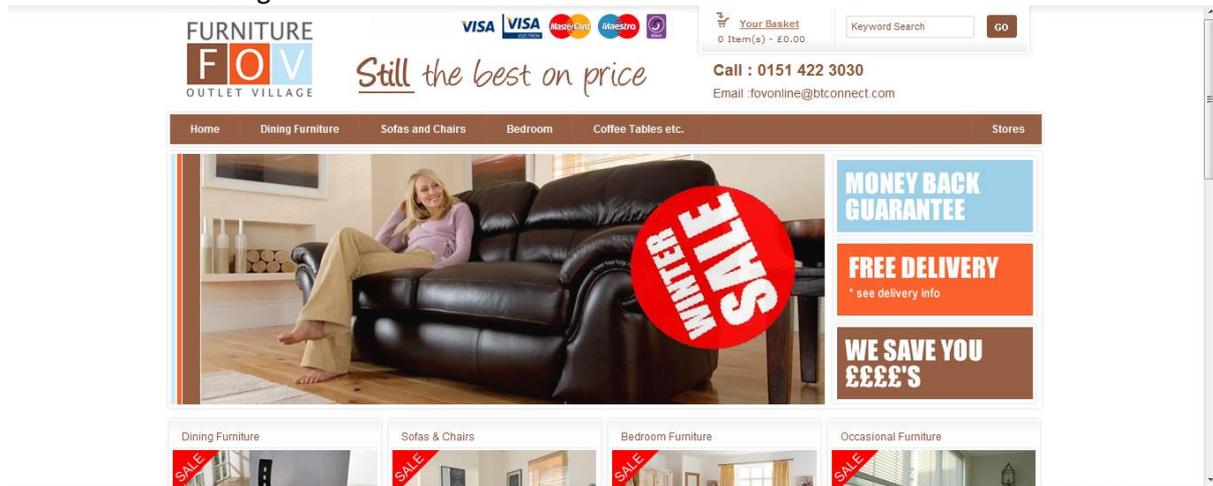
Qualitydiscountfurniture.com



North Carolina Furniture Outlet



Furniture Outlet Village



Change

The economic crisis has had an immense effect on consumer spending, with household expenditure taking a nosedive in quarter 4 of 2008. The beginning of 2010 brought optimism with the announcement that the recession may be over. Whether or not the recession is officially over, trends in consumer household spending show that it has increased in quarter 4 of 2009. On further examination of the ONS Consumer Trends Quarter 4 2009 report, it shows that expenditure on furnishings and household goods was up 2.3% from the previous quarter.ⁱ With growth in quarters 3 and 4 we can assume there is an upward trend and WAF.com can only benefit from this growth.

SWOT Analysis

Strengths:

- Unique business in the UK
- Young company without a negative legacy for consumers
- Positive working relationship with furniture brand names
- Professional appearance of website aids consumer trust of company

Weaknesses:

- Lack of brand awareness means a large part of their target market are unaware of the site, therefore unable to make use of WAF.com's services
- Parts of the website, which is the company's only interaction with its customers, are not user-friendly (see Website Analysis in supporting information)
- There doesn't appear to be any e-mail marketing
- In WAF.com's foray into social media through Twitter, they are still working in broadcast mode instead of interacting with the audience.

Opportunities:

- By growing brand awareness, there is the opportunity to make WAF.com "the" online furniture destination
- WAF.com can take advantage of the upward trend in consumer expenditure on household furnishings
- WAF.com has a potentially valuable database to which it can communicate
- Also opportunity to grow the database through incentivisation

Threats

- New entrants to the online clearance furniture market in the UK
- Any purely online business is threatened by systems failures and susceptible to viruses
- Database grown cold due to lack of communication

Key Issues

1. The key issue affecting Whatafind.com establishing itself as the leading brand in homeware retail clearance is brand awareness. Whatafind.com offers a unique product in the UK – clearance, brand name furniture at a discount – yet consumers with the potential to purchase seem to be unaware of the site. Looking at natural search results for terms such as “discount name brand furniture” and “clearance name brand furniture”, Whatafind.com does not appear in the first page search results. Meanwhile, when searching for the brand Whatafind or some of the furniture brand names, Whatafind.com is well optimised. One can assume that consumers would only discover the brand if they are in the market for a particular brand of furniture or are aware of the Whatafind.com site. WAF.com is missing a step by not targeting people looking for high quality discounted furniture. The decision has to be made whether targeting this segment would be profitable.
2. In terms of cost-effective sales, the most cost-effective media channels according to the table are affiliate, word-of-mouth and previous customers. The key issue affecting word-of-mouth and previous customers is how to increase positive word-of-mouth about WAF.com and increase previous customers’ spend. This is crying out for an effective Email Marketing strategy and impeccable customer service to nurture the existing database and customers and increase customer engagement. From personal research, WAF.com’s e-mail marketing is falling short by not offering added value to its subscribers. There is no incentive to join the database or follow the brand on Twitter, which means the people on the database are actually interested in purchasing. On the other hand, the database will most likely not grow without incentivisation such as discounts available to only those on the database and previous customers.
3. The issues affecting customer base growth in 2010 is a combination of increasing brand awareness and onsite conversion. With a limited budget, media buy must be highly targeted to eliminate wastage. For onsite conversion, a website analysis should be conducted to identify where customers are dropping off the buying cycle.

Objectives

The acquisition and conversion objectives for this digital marketing plan for Whatafind.com are:

1. Increase visits to website from 360k per annum to 450k through a programme of brand awareness activities and search engine marketing (acquisition objective).
2. Grow opt-in e-mail database from 4k, made up of 1.5k existing customers and 2.5k opt-in e-mail addresses, to 5k and Twitter followers from 87 to 150 (acquisition objective).
3. Increase sales from previous customers from 465 per annum to 550 p.a. by developing an e-mail marketing and social media (Twitter) strategy to nurture and add value to the database (conversion objective).
4. Increase onsite conversion from 0.56% to 1% by examining web analytics and improving website to encourage sales (conversion objective).

These objectives are under-pinned by an allowable marketing cost per sale of £80 and a budget of £500,000.

Strategy, tactics and channels

Display Advertising

A programme of display advertising has been chosen to increase brand awareness.

The KPIs for our display advertising are:

- CTR on display ads
- Conversion to sale directly attributable to display ads
- Traffic to site

With a limited budget, we have to make our media pounds go further so I suggest a series of highly targeted ads, both in content and impressions.

Whatafind.com, as an extension of their PPC campaign with Google, should venture into Google's Content Network. By joining the content network, we would catch consumers as they search furniture sites, targeting those who have a high propensity to buy. The best performing creative in terms of CTR would be served over the less well performing ads. Appearing on the content network would be a purely brand awareness exercise, contributing towards the acquisition objectives.

Aiming for achievement of our conversion objectives, the Whatafind.com ads should take advantage of Google's new offering of behaviourally targeted ads within their Content Network.ⁱⁱ Research shows that "online consumers are consistently more receptive to behaviourally targeted ads than contextual advertisements, with behavioural targeting (BT) outperforming contextual by 22% in some categories".ⁱⁱⁱ By considering consumers' web habits to serve the appropriate ad, BT has been highly effective but until recently charged at a premium rate. Google's option of BT through its Content Network is an excellent entry point for fledgling companies wanting the benefits of BT but not the exorbitant costs. Even larger brands such as Samsung and Center Parcs have been using the service. The behavioural targeting would serve ads to consumers who had visited Whatafind.com and left the site. They would then be served a Whatafind.com ad on other websites on the content network. By increasing touch points with people who have shown an interest in purchasing by visiting the site, Whatafind.com will remain in the forefront of their minds and lead to increased purchasing.

From a metrics point of view, tracking links and spotlight tags should be placed on all display ads to get a clear picture of consumers' online behaviour when interacting with the ads. This will also allow tracking of sales directly attributable to display advertising.

Media choices

Channel4.com/4homes hits our target market with the breakdown of their audience figures being such: 40% male, 60% female, 69% ABC1. Lifestyle statements include: "I often refer to the internet before making a purchase" and "I would like to set up my own business one day". By purchasing a skyscraper ad, there is the potential to hit 6m monthly page impressions and 670k unique monthly unique users.^{iv} This would be followed with a Facebook ad campaign, hopefully catching our potential customers at two powerful touch points in their online activity.

Recent reports from Facebook show that the fastest growing demographic in site membership is women over 55, but there is also significant membership growth amongst females aged 26-45.^v This is our perfect demographic as furniture purchases are generally decided by women and women of this age group are more likely to have an established income and be home owners.

Search Engine Marketing

Search Marketing is essential for any online marketing campaign, especially for a business whose entire presence and revenue stream is online. According to a Google sponsored study from Enquiro Research, “occupying the top of organic and paid search listings can not only pay off in terms of performance marketing – it can also have a big impact on consumers’ perception of brands”.ⁱⁱⁱ This is key for a new company trying to establish itself as a brand leader.

Search marketing also complements display advertising activity as it has been shown that “nearly half of internet users (49%) who respond to online display advertising eventually perform a search on a search engine for the company, product, or service that was the focus of the online display ad to which they were exposed”.ⁱⁱⁱ

Search Engine Optimisation (SEO)

The power of SEO cannot be underestimated. Even thinking of our own search habits, it’s not surprising that Tamar’s 2008 Search Attitudes Report found that 91% of people polled prefer using natural search results when looking to buy a product or service online.ⁱⁱⁱ

Our KPIs for SEO are:

- traffic to site from search engines
- Keyword traffic share
- Search engine ranking for keywords appearing in display ads

WAF.com should continue its investment with its specialist SEO agency to help give steer and advise on technical aspects of the website for improvement.

Optimised keywords

Currently, WAF.com is optimised for brand terms only – its own brand (whatafind.com, what a find) and the furniture brands it sells (Tingewick Pottery, Feather & Black). This tactic means that WAF.com will reach only those consumers who are closer to making a purchase, but we are missing out on those consumers who are earlier in the search process.ⁱⁱⁱ With WAF.com unique price proposition, these consumers in the early, comparing stage of purchasing could prove to be a lucrative market.

There is potential to optimise for more generic terms such as “discount name brand furniture”. This keyword is currently optimised by American companies such as furnitureofamerica.com and furniturebuzz.com. There is room for a company to capitalise on the absence of a British company.

Optimised landing pages

The homepage of WAF.com is flash dominated with its use of inspiring imagery. We don’t want to lose the inspirational aspect of the homepage but this design does mean the lack of text and links will make the homepage difficult to optimise. The best tactic to counteract this would be to optimise the subpages of WAF.com. Doing a quick search on Google for “discount quality bedroom furniture”, WAF.com does not appear in the first 3 pages of natural search results, nor in the PPC results. There is room for improvement here.

Linking

Links from reputable sites to WAF.com can quickly improve SEO for the site. Currently, WAF.com has links from smaller brands such as Tingewick Pottery but is missing links from key brands like Feather & Black. Also, F&B have their own clearance section on their site, which could be detrimental to WAF.com’s business. WAF.com should use their good working relationship with the large stores to leverage links on their sites.

Paid Search/Pay per Click (PPC)

PPC, besides being an essential part of search marketing, has fantastic benefits for any search marketing campaign: paid search is highly trackable and the best digital marketing channel for being able to measure ROI. Research has shown that “visitors coming to an online retailer’s website from a paid search ad are 50% more likely to make a purchase than visitors coming from an organic search result”.ⁱⁱⁱ

Our PPC KPIs are:

- Traffic to site from PPC ads
- E-mail acquisition directly attributable to PPC ads
- Cost per lead
- Cost per sale
- ROI

With the overall conversion rate from paid search almost double that of organic search,ⁱⁱⁱ our PPC campaign will help achieve both the acquisition and conversion objectives by having ads split into two categories: ads promoting e-mail acquisition and ads aimed at conversion to sales.

For the e-mail acquisition ads, a specific landing page should be created extolling the benefits of joining the database (monthly communications of exclusive offers only available to WAF.com e-newsletter subscribers). There can also be a prompt to follow WAF.com on Twitter for more offers and higher frequency (daily/weekly) available to Twitter subscribers only. Promo codes should be used with the Twitter and e-mail offers to properly track sales attributable to these channels.

For the ads aimed at conversion to sale, price points should be used when possible and name brands mentioned at every opportunity. Underperforming ads should be pulled and well-performing ads examined to find the most successful formula (brand names vs price points, etc).

E-mail Marketing

E-mail Marketing is an invaluable tool that WAF.com have yet to take advantage of. Surveys have shown that for companies that are aware of their ROI from e-mail campaigns, the average ROI is 300% or more and can range to up to 500% and “73% of people said they would make an online purchase as a result of receiving an e-mail offer”.ⁱⁱⁱ Regular e-newsletters will increase customer engagement with the company and will increase positive word-of-mouth, one of WAF.com’s highest and most efficient sales channels.

Our KPIs for E-mail Marketing are:

- Size of database
- Opens
- CTR
- Unsubscribe rate
- Conversion to sale directly attributable to e-mail marketing

WAF.com has data from 1,562 previous customers and has collected e-mail addresses from 2,450 enquiries but has yet to do anything with this database of 4,012. Firstly, to increase conversion to sale within this database, we must start communicating with them. A welcome e-mail is essential to introduce subscribers to what is now going to be a fortnightly e-newsletter with fantastic discounts only available through the e-newsletter. We may initially see a high unsubscribe rate for the first couple of months because this database is cold and people won’t recall signing up for the e-newsletter, but if the content is compelling, relevant and the benefits to the consumer apparent then this should level out.

Growing the database is an acquisition objective as e-mail marketing is a proven high converter for a relatively low cost. Currently the e-newsletter registration is not prominent on the website (see Website Analysis). If we make this more prominent, highlight the benefits of subscribing to the e-newsletter (exclusive offers, maybe a free item for registering) and have it appear at the top of every page in the website, not just the homepage, this should increase e-newsletter sign up. This is also complemented by our PPC ads.

When consumers sign up, we should follow best practice and send a personalised welcome e-mail (this is currently absent). All communications should be personalised as much as possible by using the data collected – first name (Dear xxx), last name, address, etc. In the first few months, the KPIs should be closely watched and e-newsletters tweaked to increase opens, click-throughs, conversion to sale and lower unsubscribes. Further down the line, RFM and LTV analysis should be conducted to better understand the database and segment where appropriate.

E-mail marketing can also be used for shopping cart abandonment. The average basket drop out rate is 44% but 49% of online shoppers make their purchase decisions within 3 daysⁱⁱⁱ so a simple e-mail reminder to consumers who have not completed a sale within 24 hours of placing items in a shopping basket could be enough to complete a sale and increase conversion rates.

Social Media Strategy

We are going to use social media to increase brand awareness, customer engagement and better brand reputation. As a low cost option and because the account is already set up, we'll focus on Twitter as our prime activity in the social media sphere. We'll also develop an onsite ratings and review capability so that consumers can interact on the WAF.com site itself. Secondary attention will be paid to buzz monitoring.

Our KPIs for Social Media are:

- Followers on Twitter
- Uptake of onsite ratings and reviews
- Buzz monitoring

Twitter

Resource must be dedicated to tweeting at least every 2 days to make it relevant. If possible, the same person should be tasked with this to maintain tone of voice and be available to answer enquiries should consumers post them. These are key to increasing customer engagement with the brand. This is also a great touch point with our web savvy bargain hunters and aspirational shoppers.

Onsite ratings and reviews

An easy way to increase customer interaction with the brand and lend weight to online reputation is to create an onsite ratings and review functionality on the WAF.com site. Research shows that "more than half of UK online customers says reviews are extremely or very important in making an online purchase, and more than half say they have more trust and respect for brands that show product reviews".ⁱⁱⁱ On top of this, "65% of consumers read reviews 'all' or 'most of' the time. Of these users, 76% were more likely to shop on a website that offered user reviews".ⁱⁱⁱ This could really give WAF.com a leading edge on the market. If there is a concern about the effect of negative reviews, "88% of British consumers gave ratings of 4 or 5 stars out of 5".ⁱⁱⁱ This can only help WAF.com's online reputation.

Buzz Monitoring

"75% of respondents to a Tealeaf survey said their choice of retailer was influenced by what they read on social media sites".ⁱⁱⁱ Investment can be put into a simple buzz or sentiment monitoring tool.

This should pick up on any change in customer engagement created by the e-mail marketing activity and social media presence. It will also pick up on any 'organic' online PR and should customer complaints start appearing on social media sites, WAF.com can move swiftly to quell customer discontent.

Affiliate Marketing

To hit sales targets, a small investment should be made in affiliate marketing. Myvouchercode.com ranks highly in organic search results, number 3 after WAF.com when searching for "what a find", so investment will continue in this site.

Web Analytics and Onsite Conversion

Web analytics can be an invaluable tool for increasing onsite conversion and lend insight to customer behaviour and help with attribution modelling.

KPIs for web analytics:

- Onsite conversion rates
- Attribution modelling
- Improving customer journey

Many companies use both free and paid platforms for their web analytics to get more precise metrics, but for a company the size and with the turnover of WAF.com, the free tool Google Analytics should be sufficient for our analytical needs.

Google Analytics can help with 4 aspects of the site:

- Website design – We can gain insight into the customer's online journey by examining dwell time, pages with most visits and views, clicks on a page and exit pages.
- Onsite conversion – By using funnel analysis, we can see at which point customers are dropping off in the buying process and adjust site using customer journey insights.
- Attribution modelling – We can examine entry pages and referrers and, by linking up the PPC, AdSense, e-mail and social media campaigns with the website analytics, we will be able to track the biggest traffic generators, e-mail acquisitions and sales convertors.
- General reporting – Google Analytics will give us high level traffic figures to help with our KPIs.

Budget & Contingency Plan

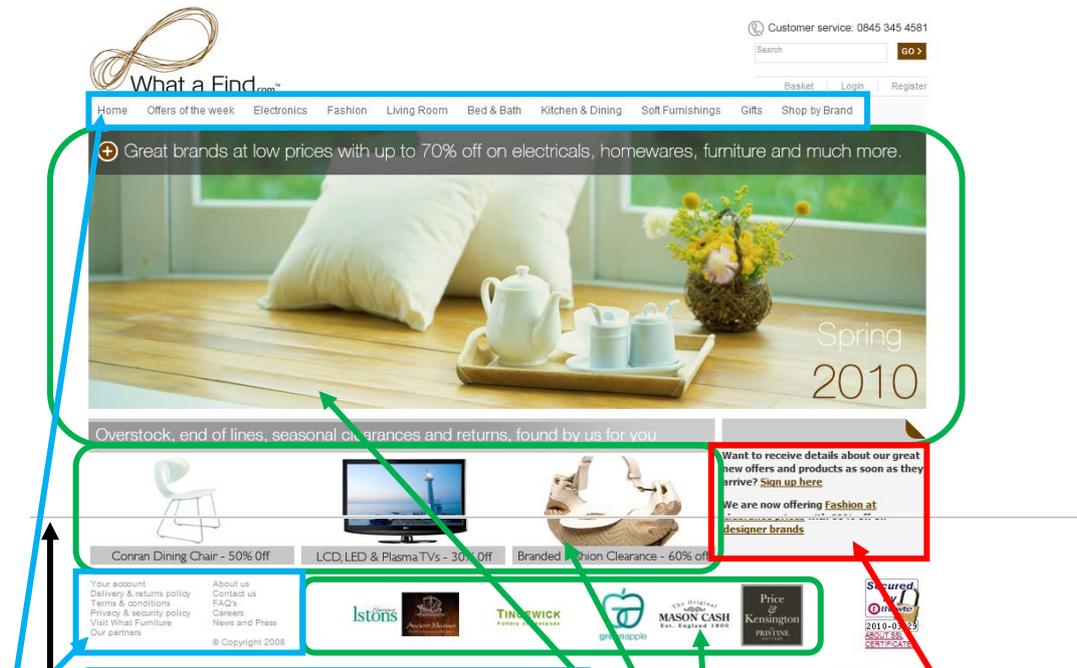
The budget that follows includes a 12-month activity plan with acquisition and conversion spend clearly labelled. Mid-year reviews of much activity and contingency has been factored into the budget. The second table shows spend, estimated impressions, views, conversion rates and sales showing a final marketing cost per sale of £56.18.

Budget breakdown

Total Budget:	£500,000											
	Media Costs					Media Volume/response				Conversion to Sale		
	Setup/creative/ Mgt costs	CPM	CPC	Media Costs	Total cost	Budget %	Impressions or names	CTR	Clicks or visits	CRS	Sales	CPS (CPA)
External Online Media												
Online ad buys (CPM)	£120,000				£120,000	24%						
Channel4/4homes	£0	£50		£100,000	£100,000	20%	2,000,000	0.4%	8,000	1%	80	£1,250
Facebook	£0		£1	£100,000	£100,000	20%	33,333,333	0.3%	100,000	2%	2,000	£50
Adsense network (CPC)	£0		£2	£120,000	£120,000	24%	3,000,000	2.0%	60,000	1%	600	£200
Paid search (CPC)	£0		£2	£10,200	£10,200	2%	2,000,000	2.0%	40,000	2%	800	£13
Natural Search (Fixed)	£5,000			£0	£5,000	1%	10,000,000	1.0%	100,000	1%	600	£8
Affiliate Marketing (CPS)												
myvouchercodes.com	£0			£27,600	£27,600	6%	6,000,000	4.0%	240,000	1%	2,400	£12
Total/Average	£125,000	£50	£2	£357,800	£482,800	97%	56,333,333	1.6%	548,000	1%	6,400	£75
Internal online media												
E-mail Marketing	£2,800	£0	£3	£0	£2,800	1%	5,500	20.0%	1,100	20%	220	£13
Twitter	£200	£0	£7	£0	£200	0%	150	20.0%	30	30%	9	£22
Website development/ratings & review functionality/analytics	£13,000	£0	£0	£0	£13,000	3%	750,000	15.0%	112,500	2%	2,250	£6
Total/Average	£16,000			£0	£16,000	3%	755,650	17.5%	113,630	17%	2,479	£6
Overall Total/Average	£141,000	£50	£1	£357,800	£498,800	100%	57,088,983	5.0%	661,630	3%	8,879	£56.18

Supporting Information

Website Analysis

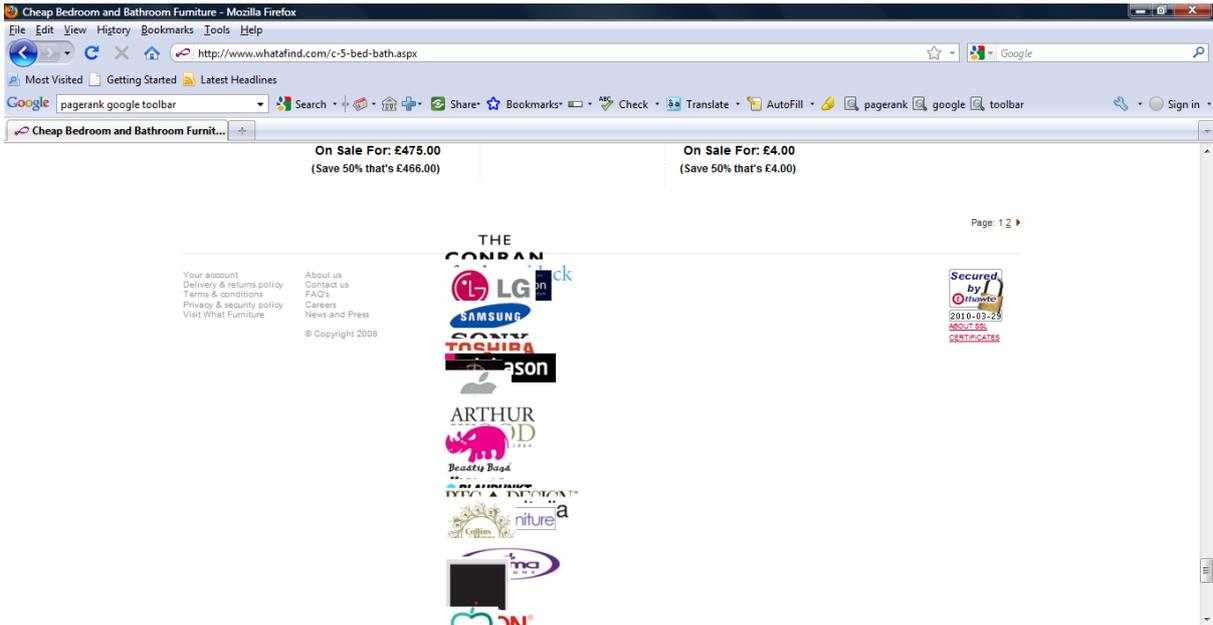


Fold

Website focusing on inspiration with use of high quality images and brand logos

E-newsletter sign up – even though this appears above the fold, it does not stand out on the page and e-newsletter registration only appears on homepage, not subpages

Very little text/text links on the page making SEO difficult for the homepage



Page display issues in Mozilla: <http://www.whatafind.com/c-5-bed-bath.aspx>



Breadcrumbs not logical

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