DIGITAL MARKETING AND CROWDFUNDING

DR. A. SITA MADHAVI

Professor, Department of Management Studies Geethanjali College of Engineering and TechnologyHyderabad, India

Abstract

This article defines digital marketing, and it explains the components of digital marketing. It compares traditional marketing with digital marketing. It throws light on customer persona, content marketing matrix and RACE model. As an application area, it takes the example of crowdfunding in social media. It highlights the role of crowdfunding and social capital in business.

Keywords: Digital marketing, Crowd funding, crowdfunding, Customer persona, content matrix, content marketing matrix, RACE, AIDA, Social capital

INTRODUCTION

Digital and social media are platforms for reconstructing social relationships and engagement. The responsibility of social disengagement has been often attributed to pervasive busyness and the rising pressure of time (Antoci, A., Sabatini, F., & Sodini, M. 2012). Though Social media is being used as a tool for social engagement in business, it has the risk of becoming a factor for social disengagement in a family. This article intends to highlight the role of internet-mediated interaction on social participation. Activities that bring social consciousness may hopefully aid in keeping families together, be it individual or business.

This article intends to urge every individual to encourage entrepreneurship. At the lowest level students of management may try innovative strategies to improve existing businesses. Start-ups have a limited success rate, but a judicious level of risk may be taken with crowdfunding. Crowdfunding churn social capital for social and economic development.

LITERATURE REVIEW

The responsibility of social disengagement has been often attributed to pervasive busyness and the rising pressure of time (Antoci A., Sabatini F., and Sodini M. 2012)[1].

Umami, Zakiya&Darma, Gede. (2021), state that digital media has become ideal places for image creation and brand building. Promotion using Instagram (IG) endorsement and paid promote could increase brand awareness and buying interest[2].

According to Brutticè, Vincenzo, Colombo, Massimo G., Wright, Mike (2017), serial crowdfunders take advantage of the social contacts with those that backed their previous campaigns. This internal social capital

---

[1]Antoci, A. , Sabatini, F. , &Sodini, M. (2012). See you on Facebook! A framework for analyzing the role of computer–mediated interaction in the evolution of social capital. The Journal of Socio–Economics, 41(5), 541–547

[2]Umami, Zakiya&Darma, Gede. (2021). Digital Marketing: Engaging Consumers With Smart Digital Marketing Content. JurnalManajemen

Dan Kewirausahaan. September 2021.

developed within the platform, which is not available to "normal" serial entrepreneurs, makes serial crowdfunders' campaigns more successful than those launched by novice crowdfunders. However, this type of social capital is a substitute for the internal social capital built by backing other campaigns, and has a limited lifespan[3].

Adler, P.S. & Kwon, S.W. (2002). believed that social capital helps people find jobs, helps in career success, inter unit resource exchange, , reduces turn over, strengthens supplier relations[4].

Belleflamme, P. , Lambert, T. , & Schwienbacher, A. (2014), in their article titled "Crowdfunding: Tapping theright crowd", have said that with crowdfunding, an entrepreneur raises external financing from a large audience (the "crowd"), in which each individual provides a very small amount, instead of soliciting a small group of sophisticated investors. This article compares two forms of crowdfunding: entrepreneurs solicit individuals either to pre-order the product or to advance a fixed amount of money in exchange for a share of future profits (or equity). In either case, we assume that "crowdfunders" enjoy "community benefits" that increase their utility[5].

DISCUSSION

With the advent of technology, marketing, and promotion precisely has taken the form of Digital marketing. Digital marketing includes:

- Content marketing- for creating the story behind an offer,
- Search Engine Optimization- for higher traffic,
- And Search Engine Marketing- for higher visibility.

Social media is a platform that brings people with a common persona together. It has the power of "commonality" and "number". Digital marketing has eased the process of marketing with the availability of information. It has made the business process cheaper, effective and has permitted better reach.

Digital media is gaining popularity in the field of image creation and brand building. Promotion using Instagram(IG) endorsement and paid-promote increase brand awareness and buying interest. Digital marketing is found to appeal to all groups of people, at all times and at all places. It is observed that there has been an increase in social media users in 2019 by 10 million users from the previous year. Even non-digital organizations are found to partner with other digital companies for benefits like awareness, business analytics, market reach, and so on. Digital techniques have made integration between traditional media partners possible. This has led to aninformation explosion in multichannel marketing communication.

Creating marketing strategies for digital media does not differ significantly from the

traditional Segmentation, Targeting, and Positioning (STP) of the non-digital media. The STP may be closely related with:

---

[3]Brutticè, Vincenzo, Colombo, Massimo G., Wright, Mike (2017), Serial Crowdfunding, Social Capital, and Project Success, Entrepreneurship Theory and Practice, 41 (2), 183–207https://journals.sagepub.com/doi/abs/10.1111/etap.12271
[4]Adler, P.S. & Kwon, S.W. (2002). Social capital: Prospects for a new concept. Academy of Management Review, 27(1), 17–40. [5]Belleflamme, P. , Lambert, T. , &Schwienbacher, A. (2014). Crowdfunding: Tapping the right crowd. Journal of Business Venturing, 29(5), 585–609.

Creating a customer persona (for segmentation)

1. Creating a content matrix (for targeting)

2. Applying RACE model (for developing an actionable strategy that may be used for positioning)

Every stage listed above has specific objectives directed towards converting a customer's need into satisfaction by the use of digital media.

Creating customer persona using real-time data

Customer personas are detailed representations of segments within a large target audience. Identifying the personal is not so easy, because the same customer might have created a different persona in different media. For example, a potential customer might have created the persona matching that of an engineering graduate in LinkedIn, while he might have the persona of a pop singer on YouTube. Identifying and understanding customer's persona correctly is essential. Any error in the process may be risky. Accordingly, it may be concluded that Customer personas could be simple or complicated. The objective at this stage is to identify who is the potential customer, what are his personality attributes, what does the potential customer value, and what are the things he wills to buy. Challenge lies in identifying the worth of each persona, identifying their driving motives, and analyzing the scope for converting a prospect into a customer or a repeat customer.

Customer personas value lies in studying dimensions like the mind-set, behavioural drive, spending habits, and obstacles in satisfying themselves.

Content matrix

A content matrix or content marketing matrix gives the framework a content manager may use to reach out to the maximum possible people in the target audience. The content has to reach the right people, in the right place and time. It is a tool that prioritizes content creation and delivery. Content has to cover the specific goals of specific customer personalities. It has to be kept fresh and new. It has to be relevant and must explore the scope to enter into new territories in the market. In a nutshell, it does the job of a salesman who changes the tone and content of his communication based on the type of prospect he meets. A good content manager has to continuously work on the measurement and analysis of the effectiveness of the content.

This may be done through qualitative and quantitative research. Qualitative research is based on questionnaires, talking/ interview, feedback, complaints, web and exit survey, while quantitative research may be done using Google Analytics, an analysis of the number of new customers and repeat customers, number of viewers, customer spend, frequencyof purchase, demographic studies and so on.

Content matrix gives an insight on:

1. Users who have intent to purchase

2. Possible hesitation to purchase

3. The feel experienced by a potential customer: Sense of doing something right

4. Customer Expectations

The objective of the content matrix is to stay with the potential customer right from the awareness stage to purchase. The content manager travels along with the customer from the emotional stage of the journey (where the customer is encouraged and attracted) to the rational stage (where some action is seen). Once the marketing plan is in place, just like the AIDA model (Attention, Interest, Desire, and Action), we have a RACE model. It is a mnemonic that stands for Reach, Act, Convert and Engage. This model summarizes almost all the online marketing activities done under digital marketing.

Reach

It has the objective of building awareness, reaching the right audience as quickly as possible, and managing the media touch points. It generally uses both online as well as offline media. Early exposure to customers may leadto a higher return on investment. Earned, paid, and owned media may be used for a better reach. Earned media includes reviews given by customers, mentions in blogs, social shares in media such as Facebook or LinkedIn, guest posts on articles or blogs, and media coverage. Paid media includes Pay per click (PPC), display ads, paid native ads, and so on. Owned media includes company websites, blogs, social media pages, emails, and so on.

Some of the objectives of organic reach may include an increase in the number of first-time visitors (of a website for example), value per visit, number of followers (on social media).

Act

Some of the desirable actions include "View product", "Add to Basket", "Register as a member" or "Sign up for an e-newsletter". The objective of the Act phase is to generate leads, lead conversion, increase the time spent on page/ site, shares, comments, and likes. Some of the strategies used to generate leads include:

1. Use of terms like "Upgrade to new version", "Content upgrade"

2. Offering free trials or demos

3. Offering free tools (freemiums)

4. Creating videos with success stories

5. Reducing user's spend

6. Creating a case studyConversion

The prime objective of the Convert stage is to turn a lead into a sale. That is to converting a potential customerto paying customers. This conversion may happen through any online or offline transaction. This happens purely when the offer was able to solve a problem for the prospect. It calls for an elaborate data-driven marketing strategy to finally close a call.

Commonly used Call-to-action (CTA) strategies include:

1. Sign up for free

2. Get started

3. Get in touch

4. Learn moreEngage:

Engage is a strategy used to develop long-term customer relationships. The customer moves from prospect stage to first time customer and from first time customer to repeat customer. Customer experiences in the journey rest in the efforts of marketing, sales, delivery, and customer support personnel.

Some of the glitches that need to be controlled include:

1. Slow response to customer inquiries

2. Poor customer service

3. Misinformed customer service agents

4. Confusing website architecture

5. Slow page load times

6. Hidden contact details

7. Lack of reviews/ referrals

8. Difficulty returning a product

9. Lack of documentation for online servicesCrowdfunding on social media:

Crowdfunding platforms permit easy search and information on how the others have responded. Its principle liesin collecting smaller funds from a lot of people (the crowd) for a particular social cause.

The social cause may range from immediate medical attention for a victim or funding for protecting animals or a request for investment in a business idea. Reason can be any, but the solution lies in joining hands. Crowdfunding uses technology to lower risk and financial burdens. It lessens the need for day-to-day monitoring compared to traditional funders of early-stage projects and ventures (e.g., Gompers, 1995; Lerner, 1995). It provides information on the nature of investment in which society is expected to contribute, the fund generated, the online identity of current funders, and tools for funder to communicate with fundraisers.

Serial crowd funders are entrepreneurs who repeatedly turn to crowdfunding to finance their projects. Serial crowdfunders do take advantage of the social contacts who have a history of supporting such campaigns. Start- ups are supported by social capital developed through a crowdfunding platform. People responding to crowdfunding platforms have a unique persona. They show a genuine attempt to make a difference to someone in society.

They share whatever they can- time, money, or effort. Crowdfunding may not always mean a pure "donation". It could mean an advance order, a promise of a long term- repeat order, partnership, sponsorship, and a lot more. Apart from crowdfunding, social capital takes other forms like helping people find jobs, helping in career success, inter-unit resource exchange, reducing turnover, strengthening supplier relations, and more.

Crowd funder's persona:
1. Mindset: People are willing to share whatever they can. They may spare their time, or funds, orknowledge, or skill, or maybe willing to make some efforts for the benefit of society.
2. Behavioural drive: They are sensitive to news related to mankind as well as other life forms (animals)
3. Spending habits: They could be people who enjoy window shopping, make online purchases, search forquality goods, they may be willing to pay a premium.
4. Obstacles in satisfying themselves: They need convenience to pay (multiple payment options), theymay have a lack of time (so the transaction has to be quick), theymay be fickle-minded at times (transaction has to happen before they can change their mind).

To approach a crowd with this kind of profile, digital marketing may heavily depend on content management. The content will have to address different types of customer persona. Accordingly, the content manager may have to create a content management matrix to reach his goal.

Content management matrix: Here is a content matrix for an entrepreneur who wishes to "Make a business by a Crowdfunding agency for different types of social cause".

Entertainment:	Educate:
Content manager will have to create activities leading to Awareness of each campaign: Example: Encouraging Articles and videos showingcalamity caused due to COVID 19	Activities directed to Purchase: Reassuring the customer that the act of his will lead to a sense of doing the right things. Example:
Content manager may engaging customers with physical activity: eg. YouTube videos on Breathingexercise	1. Helping the needy in the society Personal benefits: 2. Image building
Content manager may have to create a feel of personal and emotional satisfaction after the activity.eg. Giving a receipt for the donation, sending an acknowledgement and thanking the funder, showingan evident of right utility of the fund.	3. Personality development 4. Network development 5. Tax deduction
Inspire:	Convince:
Content manager will have to create an emotionalappeal Customer may be encouraged to: volunteer, share as well as his network	Rational influence: Encourage customers to indulge in value additionConvince the customer on the cost-saving and revenue generation for the cost

The above matrix is designed to entertain, educate and engage the customer for the long term. It journeys the emotional to the rational path of the prospect. The above matrix shows different examples of content that needs to be prepared to satisfy the potential customer.

RACE model

Reach: Earned, owned and paid media may be used to maximize the reach.
Act: Leads may be generated using lead magnets like- Instant transfer, Quick help, Immediate help, and so on. Though the conversion rates may be poor, sales are generated from the leads generated.

Conversion

Marketing strategies that are truly value-adding for the customer may be designed because, for asuccessful long-term relationship, trust and reassurance are essential.

Engage: For a long-term relationship, customers may get good customer support, which is fast and easy.Customers should be updated with newer versions of service, feedback, and surveys.

Monitoring and measuring

Qualitative and Quantitative analysis may be used for the measurement of efficiency and

effectiveness of the marketing strategy. Search engines, Social media, email marketing, give information on quantitative measurement, while surveys, interviews, feedback, blog posts, etc give information on qualitative measurement.

CONCLUSION

Crowdfunders are people with the potential to make the world a better place. They are no less than social entrepreneurs who intend to teach the world that "help is just a call away". They give the courage "to hold on" and not give up before time. Digital marketing is an effort worth identifying these social entrepreneurs/crowdfunders.

References

Journals:

- Umami, Zakiya&Darma, Gede. (2021). Digital Marketing: Engaging Consumers With Smart Digital Marketing Content. JurnalManajemen Dan Kewirausahaan. September 2021

- Ervan Ismail, "Personal Branding and Behavioural Changes among the Millennial Generations in the Social Media", Asian Journal of Humanities and Social Studies (ISSN: 2321 - 2799) Volume 8– Issue 6, December 2020

- Susana Bernardino and J. Freitas Santos, Crowdfunding: An Exploratory Study on Knowledge, Benefits and Barriers Perceived by Young Potential Entrepreneurs, Journal of Risk and Financial Management, 2020, 13, 81; doi:10.3390/jrfm13040081

- Agrawal, Ajay, Christian Catalini, and Avi Goldfarb. 2015. Crowdfunding: Geography, social networks, and the timing of investment decisions. Journal of Economics & Management Strategy 24: 253–74.

- Belleflamme, Paul, Thomas Lambert, and Armin Schwienbacher. 2014. Crowdfunding: Tapping the right crowd. Journal of Business Venturing 29: 585–609. [CrossRef]

- Belleflamme, Paul, NessrineOmrani, and Martin Peitz. 2015. The Economics of Crowdfunding Platforms. Information Economics and Policy 33: 11–28.

- Cecere, Grazia, Fabrice Le Guel, and FabriceRochelandet. 2017. Crowdfunding and social influence: An empirical investigation. Applied Economics 49: 5802–13.

- Gerber, Elizabeth, Julie Hui, and Pei-Yi Kuo. 2012. Crowdfunding: Why People are Motivated to Participate. Northwestern University, Segal Design Institute, Technical Report 2: 1–28

- Lehner, O. M. 2013. Crowdfunding social ventures: A model and research agenda. Venture Capital 15: 289–311.

- Gümüş, Niyazi. (2017). The Effects Of Social Media Content Marketing Activities Of Firms On Consumers' Brand Following Behavior. Academic Research International 8.

- Albanna H., Alalwan A.A., Al-Emran M. An integrated model for using social media applications in non-profit organizations International Journal of Information Management, Volume 63, 2022

- Santos Z.R., Cheung C., Coelho P.S., Rita P. Consumer engagement in social media brand communities: A literature review International Journal of Information Management, Volume 63, 2022

- Barak Libai, Yakov Bart, Sonja Gensler, Charles F. Hofacker, Andreas Kaplan, Kim Kötterheinrich, Eike Benjamin Kroll, Brave New World? On AI and the Management of Customer Relationships, Journal of Interactive Marketing, Volume 51, 2020, Pages 44-56, ISSN 1094-9968, https://doi.org/10.1016/j.intmar.2020.04.002.

Websites:

1. https://xperra.com/solutions/buyer-persona.html

2. https://www.virginstartup.org/how-to/how-crowdfund-social-business

3. https://test.smartinsights.com/digital-marketing-strategy/race-a-practical-framework-to-improve-   your-digital-

marketing/

4. https://shout.com/digital-marketing/race-model-for-digital-marketing

5. https://kwiksurveys.com/blog/feedback/measuring-and-improving-customer-experience/

6. https://www.searchenginejournal.com/customer-personas-seo-ppc-content- marketing/397592/#close