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# Tensions in digital marketing

Strategies, cases, and more

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Report RUGCIC-2013-02

ISBN: 978-90-367-5935-9





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# Management summary

Tensions in digital marketing







# Digital grows phenomenally fast



~28% of sold phones  
 = **smartphones**

~61% of all internet connections  
 = **mobile**



**Smartphone  
 Becomes main  
 stream device**



Number of e-mails  
 sent every second?

**2.9**  
 million

Data processed per  
 day by Google?

**24**  
 petabytes

Total minutes spent on  
 Facebook each month?

**700**  
 billion

Content uploaded to  
 YouTube per minute?

**20**  
 hours

Data consumed by  
 households each day?

**375**  
 megabytes

Tweets per day?

**50**  
 million

Data sent & received  
 by mobile internet  
 users?

**1.3**  
 exabytes

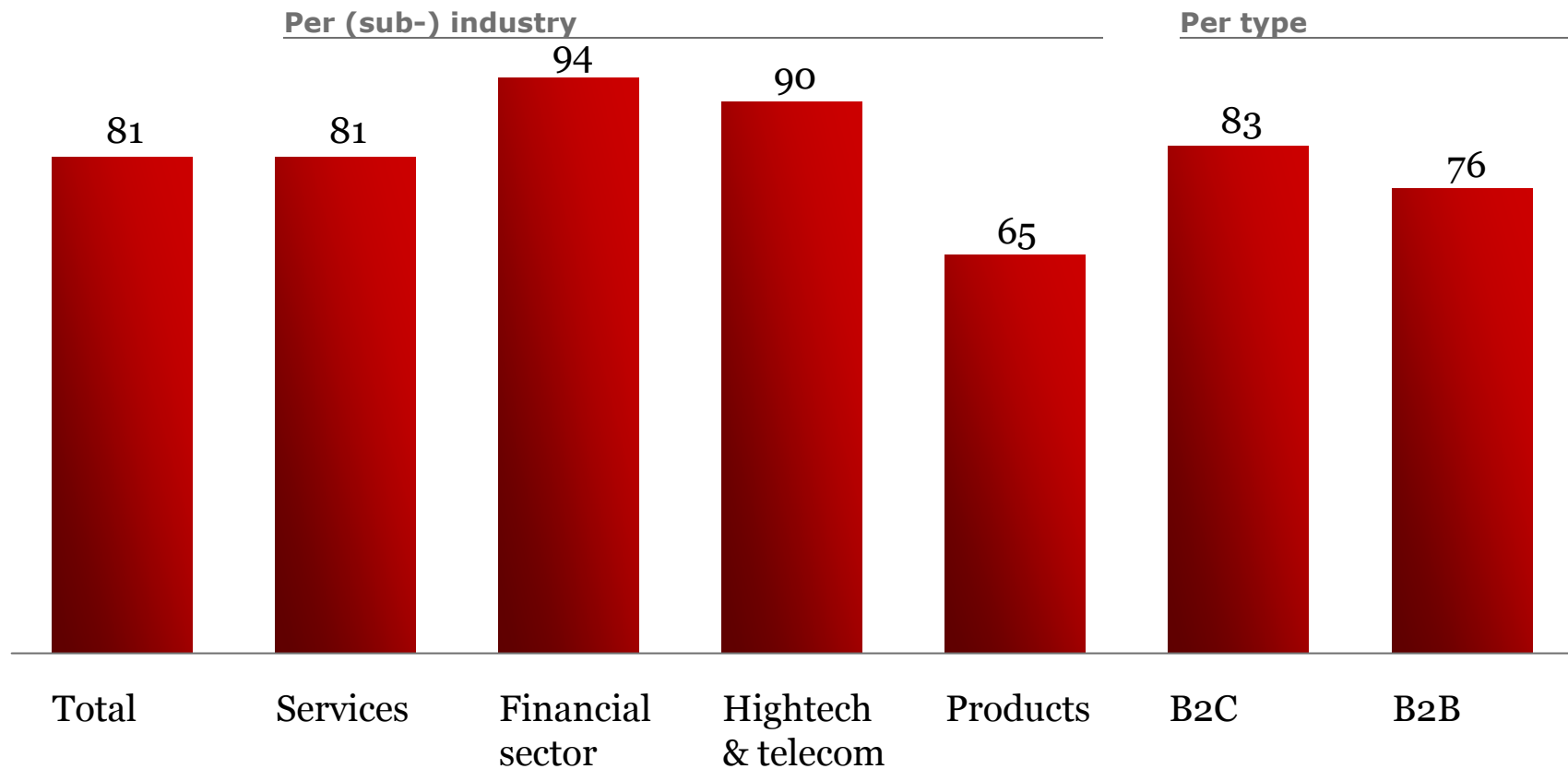
Products ordered on  
 Amazon per second?

**72.9**  
 items

*Connectivity  
 creates data  
 to be leveraged...*

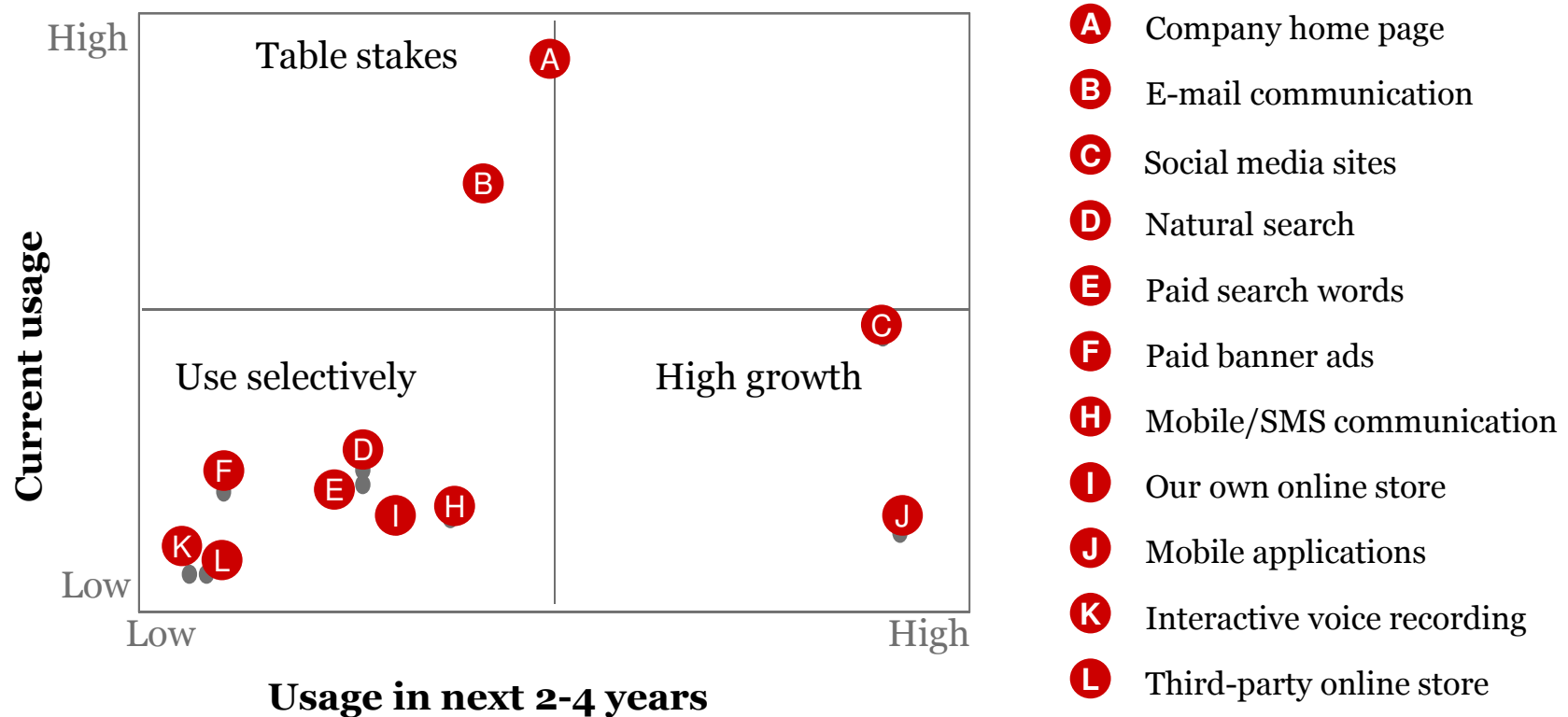


# Online is crucial for coming two to four years





# Social media and Mobile are Growth Opportunities







Digital change induces marketing tensions.







## Strategic tension

## Challenge

## Description

### 1 **Digital Revolution**

Embrace vs.  
 Defend

The increasing prevalence of digital tools and technologies is threatening existing business models

### 2 **Customer Insights**

Differentiator vs.  
 Hygiene

Generating and leveraging rich and actionable customer insights is becoming a necessity to compete

### 3 **Break- through**

Data crunching vs.  
 Creativity

An overreliance on data and hard facts can stifle creativity and breakthrough innovation



## Operational tension Challenge

## Description

### 4 Social Media

Customer engagement vs. Customer enragement

Managing brand health and reputation is more challenging in a marketing environment where social media plays an important role

### 5 Online Opportunity

Youth vs. “Rest of us”

Too often, digital marketing targets only young customer segments, missing the promising older age groups

### 6 Price Transparency

Unleash vs. Control

Online price comparison tools are impeding companies' ability to set optimal prices

### 7 Automated Interactions

Productive vs. Destructive

Service automation and efforts to migrate customer online can create customer dissatisfaction and destroy value

### 8 Metrics

Expansive vs. Established

Assessing the effectiveness of digital marketing is difficult since online and traditional metrics are not readily comparable



## Organizational tension Challenge

## Description

### 9 Talent Gap

Incremental  
 upgrade vs.  
 Fundamental step-  
 change

Marketing and related departments are facing  
 a significant talent gap in analytical  
 capabilities

### 10 Organization

Functional vs.  
 Integrative

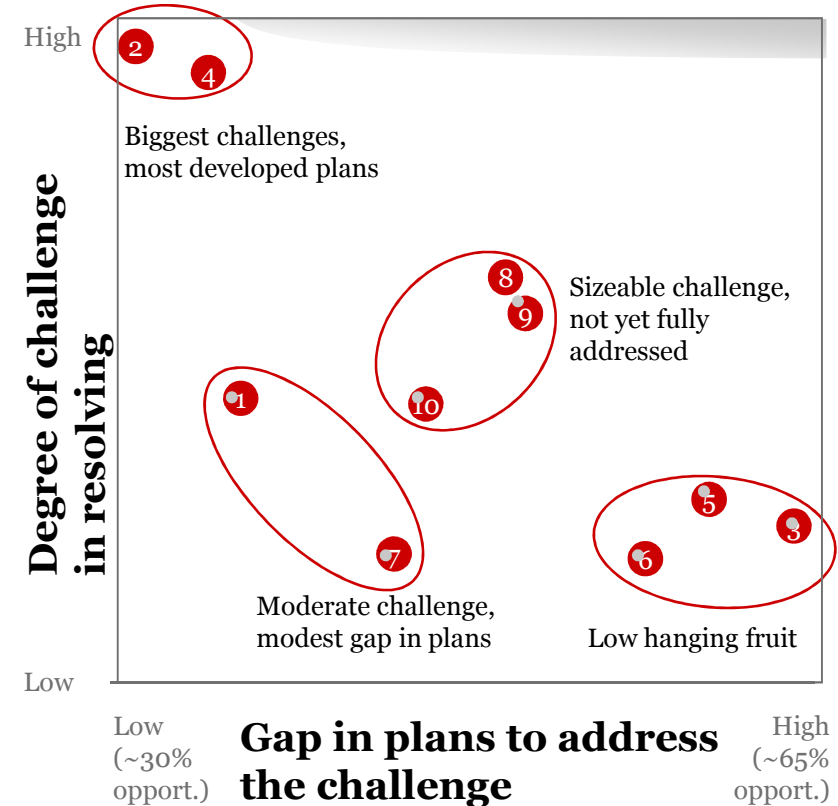
The pervasiveness of marketing activities  
 within companies is causing organizational  
 challenges (e.g., role ambiguity, unclear  
 accountability and incentives)



# Challenges present strategy, operations and organization

	Digital tension	Challenge
Business strategy and customer insights	1 Digital Revolution	Embrace vs. Defend
	2 Customer Insights	Differentiator vs. Hygiene
	3 Breakthrough	Data crunching vs. Creativity
Go-to-market operations and execution	4 Social Media	Customer engagement vs. Customer enragement
	5 Online Targeting	Youth vs. "Rest of us"
	6 Price Transparency	Unleash vs. Control
	7 Automated Interactions	Productive vs. Destructive
	8 Metrics	Expansive vs. Established
Organization and Capabilities	9 Talent Gap	Incremental upgrade vs. Fundamental step-change
	10 Organization	Functional vs. Integrative

Importance-Opportunity Matrix







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# Research method





# International research among 777 top marketing executives

- › Qualitative research among academics at EMAC conference in Lublijana and RUGCIC members on tensions in the digital era.
- › Identification of the 10 digital marketing tensions.
- › Quantitative research among the panel of the McKinsey Quarterly.
- › 777 marketing executives responded, 78 per cent from Europe or North America.
- › Corporations from several industries: professional services (19.4%), financial services (11.2%), high-tech and telecom (16.7%), manufacturing (15.5%), and other industries (37.1%).
- › Furthermore Business-to-Business (54.8%) and consumer markets.
- › Most corporations employ over 500 employees (59.9%).



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# Strategic Tensions in Digital Marketing

