



“I highly recommend *Digital Marketing, Strategy & Tactics*. The book does a great job of helping students to understand the challenges and opportunities of marketing in a digital era. It also builds upon core marketing concepts with a digital lens applied — which I appreciate as an educator in this too.”

Jennifer B. Barhorst, Ph.D.,
Marketing Professor,
College of Charleston

about the author



Jeremy Kagan is the founder and Managing Partner of Textbook Ventures, an early-stage venture capital firm investing in founders from the university ecosystems in New York. Kagan is a professor at Columbia, Cornell, and New York University, and is an advisor to corporations, startups and digital media companies on growth and innovation strategy.

He is the former Managing Director of the Eugene Lang Entrepreneurship Center at Columbia Business School, where he managed the entrepreneurial curriculum and programming, the multimillion dollar Lang Investment Fund, and the Columbia Startup Lab. For almost two decades, he has also been a Professor at Columbia Business School, in the Marketing Division, the MBA, EMBA, and Executive Education programs, teaching in the areas of Digital Marketing, Strategy and Innovation, and Entrepreneurship. At Cornell and Cornell Tech, he teaches Digital Marketing and Culture, Media, and Technology classes, as well as seminars in the Business of Gaming and Data Analytics. He teaches Entrepreneurship classes at New York University in both the business and engineering schools.

He previously founded *PricingEngine.com*, a SaaS marketing technology company helping small businesses manage search engine marketing (SEM) and digital advertising, with peer benchmarking, a simple, unified platform for deploying and managing campaigns, and many other features to save them time, money, and acquire more sales and leads.

In his consulting capacity, he works with several non-profits helping them with their digital marketing strategies. Jeremy also mentor at numerous accelerators, such as the ER Accelerator, the Columbia Startup Lab (where he won Mentor of the Year!), SOSA, the Founder Institute, XRC Labs, as well as advising individual startup companies.

Kagan has held executive positions at Sony Music Entertainment in the Global Digital Business unit handling Global Mobile Accounts; as Vice President/Director, Strategy and Customer Insights in advertising at Publicis Modem, where he was head of Strategy and Innovation; and as a strategy consultant at IBM and Dean & Company. He holds an MBA from Columbia Business School and both a BS from the Wharton School and BA at the College of the University of Pennsylvania.

Kagan lives with his wife and children in Greenwich Village in New York City — just down the block from where he used to promote Indie rock concerts and parties. Life’s funny that way.

Digital Marketing: Strategy & Tactics 3e

Kagan: *The irony of writing a book on digital marketing is not lost on me.* Indeed, as I developed the material that first became the course, then became this book, the one constant has always been change. Updating lectures the night before, continuously adding innovations from my consulting and research as well as “In the News” references to keep my lectures fresh and relevant, change is definitely the norm, not the exception.

This, in turn, has forced me to think of digital marketing from a principles perspective, and why it is so important to the modern professional’s tool kit. This book approaches digital marketing in two ways: from the point of view of the strategic thinker ... and the tactical perspective.

Each chapter is designed to present frameworks for thinking broadly and structurally about the channel being discussed, but with many examples and exercises to bring the practical deployment of digital marketing into a real world focus.

Additionally, it’s my hope that the book can be used not just as the backbone text for a foundational digital marketing class, but ultimately *remixed* — to support classes on related topics. Importantly, each chapter is supported in another key way. Most chapters have an industry partner (or even two) showcasing relevant, active, and successful companies in the fields explored throughout the text. They provide applicable support for the core text, but even more notably ongoing content for learning, including updates on what’s new and noteworthy. We’ve added extensive case studies and examples, and tools, resources, and certifications available online to supplement and support the lessons from the text, ensuring that it’s always applicable and never outdated.

brief contents

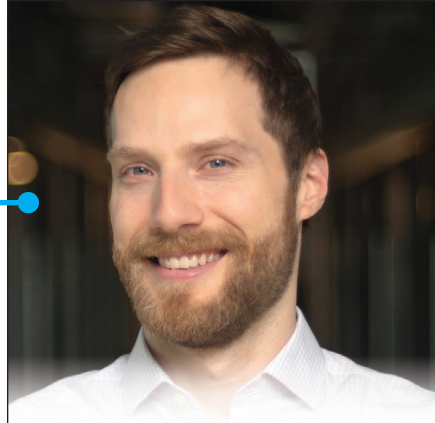
- Chapter 1 — Digital Marketing and the 4 Ps
- Chapter 2 — Search Marketing: Search Engine Optimization
- Chapter 3 — Search Marketing: Searching Advertising (PPC)
- Chapter 4 — E-mail Marketing
- Chapter 5 — Display Advertising: The Basics
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- Chapter 7 — Social Media: Communities and Targeting Advertising
- Chapter 8 — Social Media: Content Marketing, Influence, and Amplification
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- Chapter 11 — Evolving Business Models
- Chapter 12 — Emerging Channels and Opportunities

“Kagan’s book builds both a firm foundation across the channels of digital marketing from search to social media, while also diving into the most important areas emerging today, from influencer marketing to mixed and augmented reality. It’s a perfect guide for someone new to the world of digital marketing, and a reference manual for those with more experience, sure to provide insights and a new perspective. Kagan’s approach ensures a high level strategic view while digging into practical and tactical tools for the digital marketing professional.”

Jamyn Edis, VP, Enterprise Data,
Pearson, Professor – NYU Stern
School of Business and Columbia
University

sample pages

each chapter begins by showcasing a **relevant industry partner in the world of digital marketing today**



“In today’s competitive online environment, search marketing is essential because it helps you reach potential customers exactly when they’re looking for what you offer. Businesses that aren’t taking advantage of it are missing a huge, high-ROI opportunity. Semrush allows anyone to run effective paid and organic search marketing campaigns to reach new audiences efficiently and effectively.”

— Kyle Byers, Director of Growth Marketing at Semrush

Semrush is a leading online visibility management SaaS platform that enables businesses globally to run search engine optimization, pay-per-click, content, social media and competitive research campaigns and get measurable results from online marketing. Semrush offers insights and solutions for companies to build, manage, and measure campaigns across various marketing channels. Semrush, with nearly 108,000 paying customers, is headquartered in Boston and has offices in Philadelphia, Treviso, Austin, Dallas, Amsterdam, Barcelona, Belgrade, Berlin, Limassol, Prague, Warsaw, and Yerevan.



SEMRUSH

www.semrush.com

Chapter 1

occasional catalog or promotion in the mail; or even have a “loyalty card” for repeat purchases. While some retailers and catalog merchants used to rely on direct mail and optimize their performances, it has been the advent of inexpensive, targeted digital communications that have allowed true customer communities to flourish.

E-mail and mobile can engage customers and remind them of events, and personalized suggestions. Social media can allow service and support — often through a newly emerged customer community itself. And a customer’s relationship goes beyond the occasional transaction to a broader-based partnership.

Embracing Digital Change to Change Digital Strategy

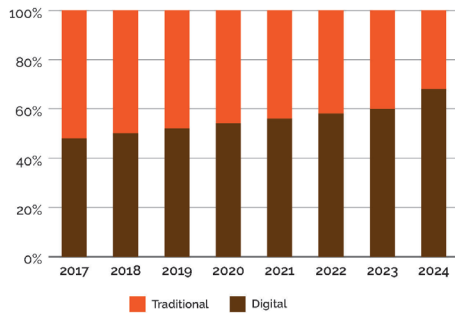
With all the fundamental changes to marketing wrought by digital tools, remember that marketing’s purpose remains the same — to drive sales for the organization. As we review each of the channels and many of the new tools and strategies in the text, it’s important to keep things in perspective. Marketing’s goals and successes will ultimately be measured and defined by its impact on the bottom line. Digital channels provide new tools and techniques to support these goals, both in new ways and by supporting and enhancing traditional marketing methods.

Tools and Resources (for further insight and additional data)

- Interactive Advertising Bureau: Industry organization with regular tracking data, standards, and other key information. (<http://www.iab.com/insights>)
- Pew Internet Life Research Center: University-based research center with deep resources in studies of behavior of different demographics. Data and presentations available for download. (<https://www.pewresearch.org/topic/internet-technology/>)

tools and resources at the end of chapters with links to pertinent data and information

Figure 1.1 Media Ad Spending by Share



Source: Kagan 2023, based on data from Statista February 2019.

Figure 1.2a Digital Ad Spending in the U.S., by Format, 2019–2023 (billions)

	2019	2020	2021	2022	2023
Display	\$70.06	\$81.38	\$92.53	\$100.71	\$107.91
Video	38.01	42.58	49.02	53.99	58.39
Banners and other*	25.94	30.20	34.23	37.12	39.70
Rich media	5.28	5.44	5.85	6.00	6.10
Sponsorships	2.84	3.16	3.44	3.60	3.72
Search	53.73	63.90	73.31	80.43	87.15
Lead generation	2.59	5.84	3.05	3.15	3.24
Classifieds and directories	2.19	2.34	2.49	2.53	2.56
Email	0.49	0.55	0.61	0.65	0.68
Mobile messaging	0.28	0.28	0.29	0.29	0.29
Total	\$129.34	\$151.29	\$172.29	\$187.77	\$201.83

Note: Includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other Internet-connected devices on all formats mentioned.

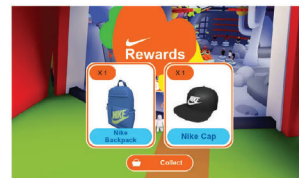
*Includes ads such as Facebook's News Feed Ads and Twitter's Promoted Tweets

Source: eMarketer, February 2019. <https://blog.milestoneinternet.com/paid-media/guide-to-pay-per-click-marketing-and-ppc-paid-search-marketing/>

The relative youth and dynamism of these channels offer huge upside potential and opportunity for marketers. For example, Retail Media Networks are seeing explosive growth, with not just Amazon but Walmart and Instacart growing ad businesses. Streaming media companies like TikTok and Spotify, as well as Hulu and other new video offerings, are seeing double-digit

charts and tables with the latest data in digital marketing

ayer One, but a lot of the ready available as noted in like Minecraft and Roblox concerts, collaborative envi-play, even virtual currency-avatars all exist today. or example, allowed kids by their avatars.



Cars, and Homes

Apple and Samsung watches and fitness devices, etc., are becoming more and more common, but we have barely tapped their potential. These devices highlight connectivity to home and phone products from these companies and feature health and wayfinding capabilities prominently. PCAs are supposed to help with these, too. New generations even incorporate new gesture controls. (Google Glass, Snapchat Spectacles, along with other glasses-based tech, have not fared as well in user adoption.) These devices provide more and more places to send and receive digital information. Much of this information is commercial in nature — from refrigerators, smart speakers, and TVs and other appliances to the cars and homes themselves, “smart” devices will be able to signal when (and what) action needs to be taken.



Apple Watch Ultra Series (left); Samsung Ultra watch (right).

images showing the latest technology



Snapchat's Spectacles never took off — thousands of unsold pairs are in a warehouse.

How this impacts marketers is difficult to discern, but as more people get selective information from dedicated devices, the possibilities for targeting and the complexities in reaching them increase dramatically. Someone wearing a smart watch that records your workouts is clearly

CHAPTER 2

Search Marketing: Search Engine Optimization

Search engine marketing (SEM) is the foundation of any digital marketing strategy. After all, the most important thing a marketer can do is ensure that the consumer can find the product you're selling. Search engines are the "find anything" magic that allows marketers to target consumers who are actively searching for something and present them with a solution to their problem as they are displaying the search engine that helps referred to as "harvesting"

Search engine marketing search engine advertising (the ads). SEO is the strategies leveraging this keywords results. PPC (or search show how creative mess same page but are very different engine optimization in the

Figure 2.1 Google PPC



Google and the Google logo are registered trademarks of Google LLC.

Search Marketing Search marketing as a accounting for roughly

CHAPTER 6

Display Advertising: Programmatic, Video, and Trends

In Chapter 5, we discussed the "basics" of display ads, their versatility as a channel, and their essential role in any digital marketing strategy. Here we will cover the important advances in the way banner ads are both presented and targeted that have helped drive display advertising's amazing growth. With more and more inventory and advertising popping up (sometimes literally) everywhere on the clutter. A more advanced and changes in the display well as and the strategies sense.

In this chapter, we will most engaging forms of programmatic display, at (Free Ad-Supported) Tele possible impacts of an in changes and debates up of measurement and target to see the right ads, ensure

Creative Trends

The assortment of formats amazing is the exponential traditional media, which television and mass media book, increasingly new distribution channels.

Creative: You Don't

As mentioned in the previous consumers have come down

CHAPTER 8

Social Media: Content Marketing, Influence, and Amplification

In Chapter 7 we explored some of the basic ways social media communities and applications differ, and how the rich information they provide on users creates excellent opportunities for marketers to find, reach, can go beyond reliance outreach, using content efforts are often part of with discovery through portive virtuous cycle.

Content marketing is often distributing valuable and to drive profitable customer categories are key to success (CRM) programs. They customer interactivity as brand, as well as keep engaged and community outreach in their marketing mix, positive messaging for a major incident. Influence engaged audience and content have emerged as an important more authentic and engaging

Consumers Trust

At the core of social media Consumers trust one another survey after survey, content other sources of information

CHAPTER 12

Emerging Channels and Opportunities

One of the challenges of digital marketing is that it changes moment to moment, and keeping up with the latest developments can be a Herculean challenge. (That's why this text has a regularly updated online component, of course.) Throughout the book, our focus has been to discuss the strategies behind our marketing goals rather than just showcasing the tactics that one could execute to achieve them. In this way, a strategic marketer can apply the frameworks and techniques broadly to whatever new challenges, channels, or technologies arise in the future.

However, there are many areas where the trends are clear and current data show that the impact on business will continue to be significant. In this last section, we will review the forecasts of these macro trends, touch on the most promising emerging channels, and discuss what the future may bring for the best of these cool new technologies. While experience has shown that not every one of these new areas of interest will live up to the hype, it's a good bet that being aware of them will help protect and advance any future marketers' strategic plans and provide some vision of where things are heading.

Marketing in the Age of Generative AI

Perhaps no technology has exploded into the world faster than Generative AI. ChatGPT was released to the world by OpenAI in late 2022 and has created an ecosystem of amazing startups building on top of and around its innovations. Marketers are early adopters of this technology, and the main areas of potential impact are already becoming clear. Generative AI is essentially machine-learning algorithms, trained on structured and unstructured data, that can use this does this much like autocorrect, by predicting what the content it has been trained on. This has some amazing implications in content creation, from writing new copy to creating images. By rapid content creation, new marketing workflows are possible. The generative AI will take a marketer's job; it's that someone who learns

copy, generating e-mail responses for leads, and even writing press generative AI tools. By either using ChatGPT or models trained Jasper or GoCharli, creating new ads or even blog posts is much

CHAPTER 9

Mobile and Its Ongoing Impact

For years, the promise of mobile was just that: a promise. The consensus was that mobile Internet would be big, but that it would happen at some point in the future. In the U.S., carrier-controlled platforms ruled. To get "on deck" — making your app available to the users on a carrier's phone — you had to undergo a long, complex, and costly arrangement with the mobile phone company. Naturally, this hindered innovation, causing the U.S. to lag behind more forward-thinking markets like Japan and Europe with its WAP phones.

The history of mobile in Japan is somewhat the tale of an "Island of Geniuses" — a single, dominating company controlled and advanced exciting new innovations in mobile technology, but regulatory issues and unique business factors hindered their success outside of the country. In Europe, the early European-developed GSM standard reigned supreme, allowing for growth and innovation within a unified market. GSM became the first system to introduce the SMS (short message service) texting technology that later became the global standard. On their way to global domination? No. Europe, too, regulated itself into a similar situation as Japan with roaming restrictions, regulations, and proprietary technology standards that curtailed growth beyond the region.

Back in the U.S., AT&T was broken up into seven regional companies. Mobile was assigned to them as a business because the Bell Labs folks (back in 1979) forecast that the market size for mobile "could" reach 1 million subscribers by 2000. Each of the Bell companies chose its own technology and built out its own incompatible networks. Roaming was a difficult process, wireless frequencies were different, etc. Even today we can see the legacy of this.

All this changed with the introduction of the iPhone in 2007. The phone was an exquisitely designed piece of equipment for using the Internet, creating a more pleasant user experience with both hardware and software innovations. It offered a critical marketing innovation as well: the unlimited iPhone data pricing plan from AT&T as a condition of them getting the exclusive distribution rights from Apple.

Much like the pricing transformation that created an explosion of interest and utilization of Internet for AOL in the 1990s (from a per minute to unlimited browsing that resulted in busy signals as plenty of people explored the emerging world wide web), the removal of the meter on the iPhone's data and browsing capacity was a catalyst toward mobile web usage. Even before apps and serious mobile broadband, this shift from voice-only to messaging, search, and content sharing changed the world in ways we are still experiencing.

supplemental materials for students and faculty

For faculty, we provide a comprehensive selection of visuals in the form of PowerPoints, lecture guides with class exercises and teaching notes, and test questions for each chapter. Students, faculty, and practitioners can access both primary and secondary source documents and research to enhance their knowledge, new examples and visuals as they are published and other updates tied to the *Tools and Resources* available at the end of chapters in the book — visit www.wessexlearning.com.

sample PPT slides

Online Marketing: Why Do We Care?

- Growing
- Effective
- Different

US Media Ad Spending Share, by Medium 2008-2023

Source: eMarketer

Digital Marketing is Effective

- Digital offers the most **cost-effective** way to reach and target customers
- Digital offers firms unique ways to **build superior customer relationships** through email, social media, and collaborative communities
- Digital allows for **optimization and improvement** on an ongoing basis rather than waiting to the end of a campaign to evaluate performance and make improvements

Impact on Product: LEGO Digital Designer

- Driving sales of high margin and unique items by allowing a user to download free computer-aided design software to create their own LEGO models

LEGO Digital Designer tools explained - Virtual Robotics. <https://youtu.be/F0bnRrJ8tU>

instructor lecture guide

Digital Marketing
strategy & tactics

Instructor Lecture Guide

CHAPTER 1
Digital Marketing and the 4 Ps

1 or 2 sessions

Digital Marketing • Instructor Guide Chapter 1 Digital Marketing and the 4 Ps

Getting Started with the Course

Before you jump into Chapter 1, I will provide a general overview of how I grade students in my courses, and the types of homework and in-class exercises used in my own classroom.

Final Exam: 50%

Group Project: 20%

Class participation: 10% - Comments in class and participation in discussions in class.

Homework: 10% - To both ensure the students follow the always-changing world of digital marketing, a class blog is the homework—suggested one blog post per week with the first week and last week exempted in a ten-week course. Topics can be anything related to the digital marketing world, from current events (privacy and data breaches, Facebook business) to class topics. This also ensures that students learn the power and ease of a modern content management system (CMS—the blog platform) and can be used as a live example of how it impacts SEO and social sharing, as well as other technical issues.

There are many free platforms—Google-owned Blogger.com is one we use—and using the platform to teach SEO (in class 2) or social sharing (in the social media classes) can provide hands-on learning. An added advanced bonus is using Google Analytics (the free website analytics tool) for the blog can be a risk-free and directly hands-on way for the class to discuss web analytics and see the impacts.

Lectures are generally set up in the following way, adjusted for availability of speakers, class discussions, question and answers, and other time-based factors. Generally, each week has 3 hours of lecture material if necessary, with the following guidelines:

- 1-2 hours of lecture material
- 30 minutes-1 hour of class discussion, in-class demos and practice with tools, or case study discussion
- 30 minutes-1 hour for an industry speaker on relevant topic. This could include a local digital agency executive, a digital marketing professional from a local company, an alumnus working in the industry, an academic or industry speaker, or similar relevant speaker.

Chapter Outline

- Overview of Online Marketing—why do we care?
- 4 Ps of Digital Marketing—why is this a theme of the book?
- Digital
 - Different
 - Growing
 - Effective
 - Dynamic

Digital Marketing • Instructor Guide Chapter 1 Digital Marketing and the 4 Ps

- How the 4Ps have been transformed through Digital Marketing
 - Impact on Product
 - The Long Tail Effect
 - Impact on Price
 - Impact on Placement
 - Impact on Promotion

Key Objectives

- Digital Marketing is growing exponentially (online and mobile).
- The “4 Ps” framework helps illustrate foundational points in digital marketing as well as traditional marketing.
- Digital is different from traditional mass media in the way we advertise, the pricing models, targeting models, and the way we engage and interact with consumers.
- The nature of what a *product* is has changed from mass produced similarity to customizable and dynamic platforms.
- The Long Tail concept is based on the concept that “online” removes the constraints of physical limitations for marketers, allowing new niche markets to be profitably served.
- Online media has forced more equal access to information through disintermediation.
- Promotion—or where we spread marketing messages—has exploded online with many unique and powerful channels.

Teaching Notes

- Slide 2:** Why do we care about digital marketing separately from traditional marketing? This is important because people are spending more time in online and mobile media, so marketers are spending more and more money trying to reach them. Brands and advertising are following user behavior with budgets to reach consumers where they spend time and make purchase decisions, and this will continue for the foreseeable future. Emphasize the double digit rates and how this will be the biggest channel by spend, particularly compared to traditional media such as TV, magazines, etc. Digital is probably effective with high ROIs. Digital is different in terms of targeting and pricing and is opening up many new models for business (that we’ll cover throughout the book).
- Slide 3:** Whatever the website, the business model involves advertising. The biggest companies on the Internet depend on this revenue.
- Slide 4:** Show the video—this is full of great factsoids to get students excited and start a conversation, but be sure to highlight that digital is not optional—companies that fail to address digital in their thinking will no longer exist.



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