Customer acquisition and retention for SME using digital marketing

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Abstract:

The aim of the research is to understand and analyze the impact of digital marketing in small and medium enterprises (SME’s) to acquire and retain customers. We also discuss about generic sales funnel SME’s follow and what kind of digital tools they use at the different stages of customer lifecycle to reach out and engage with them.

The metrics like impression share, click through rates, search volume, quality score, conversion rates, and relevance score will be analyzed. Finally, we analyze and recommend is it worth using automation tools for marketing. Three case studies will be discussed

a) Recruiting Indian students for Graduate studies by University of Leicester, U.K.

b) Recruiting Indian students for BBA by Ritsumeikan APU. Japan.

c) Recruiting students from GCC countries for Online MBA Education

Key word: Digital Marketing, Online marketing, Matrix tools, Google Analysts, Facebook Analysis & tools, Sale funnel, digital agency.
Certification

I, VANKAYALA Madhav Krishna, hereby declare that this Independent Final Report is my own work which contains ideas and information from published as well as unpublished works of different scholars who are recognized throughout the references listed in the thesis. The main arguments and ideas that are not cited are ideas and agreements written by author of the independent final report.
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1 Introduction:

1.1 Background:

SME’s are small and medium enterprises with 50-300 employees vary between different sectors in Japan. According to METI there are 4.2 Million SME’s in Japan employing more than 28.27 Million i.e. 66% of total employees in Japan are working for SMEs (Small and Medium Enterprise Agency, 2013).

1.2 Domestic demand in Japan is declining:

Domestic demand of Japan is seeing a sharp decline and has a direct impact on manufacturing which is leading to decline in jobs as well as salary increase of Japanese people. In a recent article from NYtimes stated that household savings of Japanese people is also taking a hit due to no salary increase and spending whatever they are earning.

SME’s in Japan needs to internationalize their business either by making investments out of Japan or by acquiring customers’ in entire Japan and at the same time globally. SME’s already facing huge financial problems in Japan for making investments in R&D and expanding globally, risk averse Japanese enterprises doesn’t want to invest globally without understanding the demand.

SME’s in Japan needs to reach out to mass number of people who could potentially buy their services and products globally without any huge investment, unless they create awareness about their products/services to global audience it is very unlikely that Japan can boost its economy.
The best way right now available for SME’s is to invest in digital marketing activities to reach out various countries who believes in Japanese products/services and actively measure the performance of the investment with various metrics for customer acquisition and retention.

1.3 Internet Adoption in emerging countries:

According to the internetworldstats.com the number of Internet users in the world is 3.07 Billion and the average Internet penetration rate of the world is 42.4% (Miniwatts Marketing Group, 2014)

![Internet users worldwide by region](image)

**Figure 1-1: Internet users worldwide by region**

Source: Miniwatts Marketing Group, 2014
Internet users are growing at a very fast pace, Internet users growth between 2000-2015 has seen a steep spikes and grown over 6000% in certain regions. Emerging continents like Africa, Asia, Middle East and Latin America has seen huge Internet adoption rates. (Miniwatts Marketing Group, 2014)

Source: Miniwatts Marketing Group, 2014
1.4 Internet adoption projects:

Apart from above data, big organizations like Facebook, Google and others are trying to increase the adoption rate in developing countries like Africa, India, Brazil using projects like Internet.org, Loon which will enable every corner of the world to access internet. Google, Baidu, Facebook, Twitter are the most common tools are being used by the world to access information and for online social networking. With everyone trying to enable the world more connected through Internet, it also enables every business to reach out to every user in the world using Internet.
1.5 Traditional Marketing to digital marketing:

SME’s to grow their business successfully, apart from using traditional ways of marketing like TV, banners, outdoor advertisements they should consider using digital platforms to create awareness about the services they provide and establish a process to convert into a sale.

1.6 Establishing sales funnels:

Sales funnel plays a very important role for SME’s sales success, and funnel stages gives you very clear understanding of customers persona’s. It also will help you to find if there’s any friction (Lack of support, sales people effectiveness) in the conversion process.
2  Research Objective

2.1  Hypothesis

Does digital marketing help Japanese SME’s to grow globally?

2.2  Objective

The objective of this research is to analyze the digital marketing activity of two SME’s that are located in Japan, UK and India. Post analysis the recommendations follow for best practices, tools, metrics and process for SME’s that they can adapt and reach out to global audiences.
3 Digital marketing for SME’s

3.1 Digital marketing

Digital marketing is the use of digital channels like Google Adwords, Facebook, LinkedIn and Twitter to reach out the audience for promoting and marketing products or services to consumers and business.

There is lot of techniques available for businesses such as Search Engine Marketing (SEM), display advertisement, mobile ads, online listing in classifieds, and marketplaces like Amazon, Rakuten.

Digital marketing has evolved over the last years, every single Yen invested in digital can be measured and effectiveness can be co-related towards the Return on investment (ROI). There are several metrics that SME’s can trace and tracked throughout the marketing efforts by digital marketing manager that we will discuss later in this report.

3.2 Executing digital marketing activities

SME’s can hire digital marketers to execute their campaigns or they can hire digital marketing agencies that can help them to execute digital marketing campaigns for them. Hiring full time digital marketing person will not be cost effective unless the marketing budgets are high and at the same time it is also important to an SME that they know about how digital marketing works before they outsource the marketing activity to a marketing agency.

It is also learnt that availability of digital marketing people are less in Japan, however this skill can be learnt using online courses which are available for free.
3.3 Sales funnel lifecycle

The sales funnels should be built based on customer lifecycle process a business usually follows from creating awareness about the product to a sale. This could include several stages like reaching out to new customers, qualifying the prospects, engaging them using social media, nurturing them about the products/services, push for conversion and retain them for upsell as well as cross selling the services.

Replicating the sales process and strategizing digital marketing activities for engaging prospects or customers in every stage is important for a successful outcome.
Understanding the sales process is very crucial for a business for executing successful digital marketing campaigns. The sales lifecycle should be prioritized for three things a) revenue generation b) qualifying process c) conversion activity.

Sales lifecycle can vary for different types of business, for example Universities will have awareness creation, web visitor, lead, application and conversion. At the same time retail industry will have awareness creation, web visitor, transaction and retention of the users.

3.3.1 Create Awareness

In this particular stage of a funnel business will aim to create awareness about their product or service to the global audience. Usually the users are segmented based on their demographics, behavior then start targeting them using various digital tools which will be explained in next section.

There are several strategies a business could eventually try here to attract customers’ attention but before that a business should understand their target audience very well. Unless they understand their target audience it is not going attracts right audience for your product that will in turn burn your money with less conversion rate.

3.3.2 Engage

In the offline world businesses had no way to engage with their audience, with existing technologies and marketing tools businesses can easily get back to the audience who has shown interest in your product.

In this particular stage you’ll connect them with support, influencers, communities, existing customers, thought leaders so that they get clear idea about your product or services. At the same time this stage will also help businesses to understand more about their customer and
their needs so that when they start nurturing the questions can be personalized for the customer interests.

3.3.3 Retarget

When the sales cycle time is huge, prospects tends to forget the offering. Businesses needs strong follow up with prospective customers so that the businesses can stay on top of the mind of the prospects.

3.3.4 Conversion

In this stage lead has been converted into a customer who is started bringing in revenue for the business.

3.3.5 Retain

Having spent lot of money and time on the customers it is also important to retain the customers for longer time. Usually the retention rates apply only to certain number of businesses. For e.g. for Universities retention rates don’t apply, however for services, retail retention rates apply in a different format.

A business should aim to keep the retention rate to very high so that lifetime value of a customer will increase. Once the lifetime value of a customer increases the business will usually makes higher profits, these metrics will be discussed in later part of this section.

Once the sales funnel has been setup the metrics needs to be defined and measured for every stage. Metrics like lead qualification rate, conversion rates, average size of a sale, sales cycle time must be measured.
3.3.6 Lead qualification rate

This metric is important in a sales process that, how many numbers of leads you generated has been qualified for a sale. To do that, businesses must have their customer demographics defined e.g., age, demography, education qualification, budget etc. Once the demographics are defined and it will help businesses to attract quality leads into the funnel.

3.3.7 Conversion rate

Once the lead is qualified using the defined parameters, sales team will start engaging with them. It’s a measure that how many qualified leads are converting into a sale. This particular metric will have a defined value parameter that helps the business to track how much value that particular lead has brought into the business. Fluctuating or very low rate means that competitiveness is higher or lead qualification parameters needs to be changed.

For e.g.: If the business basic service costs are 300K Yen/Month, then the qualifying lead should have at least 300K Yen/Month budget allocated for that particular service. Most of the businesses fail in understanding which qualifying parameter leads for successful sale. It’s important to understand these parameters so that once its conveyed digital marketing agency/manager can bring in right quality leads into the sales funnel which eventually should increase the conversion rate.

3.3.8 Sales cycle time

Sales cycle time is measured by number of days a lead takes to reach the conversion stage. This metric is an average number of days of all the deals closed and at the same time this can be clustered based on different segments of the customers.
For e.g. assuming a University offers three courses, Undergraduate, Graduate and Post Graduate courses – sales cycle will vary for every course a University offers. This metric is also important for business to understand because they need to prioritize the lead that is very close to the deal rather spending time on no buy-in.

For an effective sale, the sales cycle time must be as much less as possible. Unless this metric is optimized towards less number of days, the conversion rate will take a hit and cost of a sale will eventually increase.

3.3.9 **Average size of a sale**

This metric is defined as average revenue value every sale has brought in. While calculating this metric it must be noted that low and very high values must be skewed for arriving the right size of a sale.

This metric will help you to do sales forecasts and at the same time it also helps sales guys to identify the factors that can contribute for increasing the deal size if it’s a service based businesses.

3.3.10 **Sales pipeline value**

It’s a measure that how much value the entire funnel holds right now, and by applying the conversion rates into the existing value you can forecast that how much revenue you’d be making over a particular amount of time.

For e.g. if there are 300 leads in your funnel with average deal size of 300K Yen/month and you’ve conversion ratio of 10%, your expected revenue would be around 900K Yen/month. Optimizing the conversion ration from 10% to 15% will increase your revenues from 900K Yen/month to 13500K Yen/month.
The above are very basic metrics that every business should be focusing on day-to-day activities. It is also very important that business should try to optimize those metrics so that every single percentage of optimization will directly result in business revenues as explained above.

### 3.4 Digital tools

There are lots of tools available for digital marketers to reach out their prospective customers but at the same time it is also important for a digital marketer to choose the right tool for the business they are operating.

In this section we shall discuss in-detail about what tools the SME digital marketers should be focusing for effective results.

There are Search Engine Marketing (SEM), Display Ads, Product Ads, Mobile Ads, Content marketing and Community listing. We shall discuss in detail what the tools available are for each of the section and analyze whom it would help SME’s to get benefitted out of it.

Apart from these tools, there are analytics tools, which will help businesses to track the metrics and measure the business ROI for the businesses.

#### 3.4.1 Search Engine Marketing

The foremost marketing technique every business should try is search engine marketing, when there’s a demand exists people will look for the product/service using search engine. It makes absolute sense to let people know that a business provides that particular service to the customers who are looking.

SEM is very effective when there’s an existing demand in the market and people are looking to know or buy more about the service.
For e.g. only if a person knows about a course he will try to gather more information about the product online, if a person think the product doesn’t exists he may not even try to gather more information.

There are few popular providers of Search Engine Marketing; they are a) Google Adwords b) Bing and c) Baidu in China.

When a user use to search a service or product in the search engines like, Google, Bing or Baidu businesses can list their ads by paying a premium to those companies. Businesses will always pay when the user take an action this is a very important point to note.

All the search engines charges the businesses by pay per click, i.e. when your prospect trying to search for your product and the keywords matches to your product, then Adwords will show your product in the page with position varies from 1-7.

When a user clicks on your ad and lands into your website then Google charges you based on the bid.

The process of SEM as follows,

a) Keyword research, b) Adding keywords including the bids c) creating keyword groups d) Creating Ads and e) Launching the campaign.

Keyword research plays an important role in the entire process, lets take an example of a University that is offering BBA and MBA it is important for the University to do research about the keywords how prospects will search for the courses.

If someone searches for MBA in Japan, the keywords should be optimized in a way that only MBA and Japan exists in the ads, Adwords algorithms will automatically pick the matching
keywords “MBA in Japan” and ad copy “Study MBA in Japan @ worlds best multicultural University”.

Google will display that respective ad to the user who’s searching for it. Adwords can show only 7 ads per page so its highly important for anyone to display the ad in the first page or else your ads will never been show to the users.

Adwords decides the ads to be shown or not based on the quality score. There are several factors that affect the quality score that includes –

a) Click through rate
b) Ad copy relevance
c) Landing page quality
d) Keyword search relevance

3.4.1.1 Click through rate

The click through rate is a definition of how many times your ad is shown to how many people have clicked through it.

This is important to notice that 1-2% Click through rates are considered to be good. If you anyone could maintain a decent click through rate of about 2 and above considered to be performing above average.

3.4.1.2 Ad copy relevance

When a user searches for something the ad needs to be matched along with the keywords. For e.g. if someone is searching for “MBA jobs in Japan”, the following ad should not be shown “MBA in Japan”. It is important to have ad copy relevance for the ad.
To avoid this there’s a concept called negative keywords – in which you’ll ad “Jobs” as keyword and eventually Adwords will learn that when there’s a jobs in the search it won’t show the ad for “MBA in Japan”.

3.4.1.3 Landing page

Landing pages are where the user will land when they click on the ad, the landing pages content should also talk about MBA in Japan not anything else.

Any other content will attract negative scoring, which will impact the quality score.

3.4.1.4 Keyword Search Relevance

This is something how relevant a keyword to a user, which the user is searching for. Based on the quality score the bidding of the particular keyword term will be increased or decreased, so it is important to keep the quality score at a higher level.

Most of the successful businesses will have a quality score of about 7 or 8 out of 10 for most of their keyword terms.

3.4.2 Metrics and Analytics

3.4.2.1 CPC

Cost per click, it is a measure how much you are willing to pay for the particular keyword term when a user clicks on your ad.

3.4.2.2 Ad Rankings

What is the ranking of your ad on average, its usually believed that the higher the better.
3.4.2.3 No. Of Impressions

How much number of times your ad was shown in Google ad listings.

3.4.2.4 CTR

Click through rate, it is a ratio between how many times your ad was shown to how many times it was clicked by group of users.

3.4.2.5 Impression Share

Impression share is an important term to keep a track of how competitors are performing for the same keyword; it’s a metric that helps you to optimize your quality score and bidding. It’s a measure what’s the percentage of the share your ad is shown for the users when they are searching for the search term.

3.4.2.6 Top page bids

If an ad to be shown on the first page, the minimum bid should be more than what they have bid right now. The bid must be adjusted in a way that, the ads must be on the first page always.

There are other scenarios that SEM works better for e.g. someone who’s living abroad and looking to study MBA in Abroad, University can show their ad to them because that particular user is willing to study in abroad and is not very specific about the country. So Japan University has equal opportunity to reach out to that particular user.

One more scenario that exists here is if a user searches for “MBA in Tokyo University” and if other university decides to show their ads, the ad copy should highlight why it is best that Tokyo University and ad should persuade the user to click on it.
3.4.3 Display Ads

Display advertising is a kind of online advertising that displayed on website, social media and other areas. Display ads depend on the search text that shown to the consumers likes rich media, banner ads, text, video, image and audio its one way communication and on click drive to landing page website.

3.4.4 Landing pages

Lading page on your site that pipes a user to take one, particular activity. Commonly, points of arrival commute mailing rundown information exchanges with particular motivating forces (like free rewards). They take out everything that is not needed (like route connections, sidebars, footers, and so on.) and put the attention totally on the expected activity.

3.4.4.1 Key segments of a landing page

**Headline** What's the greatest, particular advantage a pursuer will get in the event that they make a move? Suggest a conversation starter if pertinent, then answer that question in the substance beneath.

**Content:** Clarify the worth obviously, just and sincerely. Keep it concentrated on the pursuer.

**Evidence:** Offer the expressions of others that have delighted in the impetus or your mailing rundown. Testimonials, audits, short contextual analyses, examples of overcoming adversity and details, even installed tweets.

**Pictures:** What photography, drawing, graph, or item shot makes the offer all the more engaging or clarifies it best? Never utilize mushy stock photography.

**Activity:** Utilize a substantial, outwardly highlighted and differentiating information exchange shape that calls the pursuer to activity. Verify your information exchange structure utilizes as
few fields as could be expected under the circumstances. An email location is essential, name is discretionary, and whatever else will lower change rates.

3.4.5 Google Analytics

Google Analytics is implemented with object embedded tracking code that owner of the website use Google JavaScript on every page of website to track the user activity, when they client the access to browser or Email based content using Google account number, Google automatically collect the visitor data collection and sent it to Google data server. Using Google server data it will analysis the client history and suggest the relevant display ads.

3.4.5.1 Google Adwords:

Google Adwords (Adwords) is online advertising keyword service largely focused on the keyword. Users can create online ads to display directly to the client what they are really interested in like product or service. If they visitor click on the ads its drive to the land website and web user have to pay based on pay per click. Adword will reduce the budget of displaying ads un-relevant keyword search and website.

3.4.6 Content Marketing:

"Content marketing is a strategic marketing approach focused on creating and distributing valuable, relevant and consistent content to attract and retain a clearly-defined audience and ultimately, to drive profitable customer action." (Content Marketing Institute, 2015)

Fruitful substance promoting is imparting the right message at the ideal time to your clients. The method begins with characterizing purchaser personas and distinguishing inquiries they ask amid there purchasing procedure. At that point advertisers, creative and business
partners can choose which substance sorts are most appropriate to answer these inquiries. Weekly web journals? A quarterly info-graphic? Perhaps a month-to-month feature instructional exercise.

Once these components have been characterized and recorded, you have the establishment of your technique.

Whatever the substance blend, at whatever point a purchaser visits your site, he ought to discover something new, important and convenient to welcome him. Brands that instruct prospects - superior to anything another person – acquire trust and validity. An exciting learning background conveys individuals back to your substance and organization, so when they're prepared to purchase, it's with you. That is a definitive objective of any effective substance system.

3.4.6.1 SEO

In today's inquiry space, substance promoting is site improvement – simply ask Google. Substance is stored, positioned and conveyed after examination from Penguin, Panda and Hummingbird. we mean to satisfy your clients – who are harsher faultfinders than the calculations. In addition, the all the more regularly individuals snap to your substance, the more you impact their own indexed lists, presenting to you one stage closer to winning more client

3.4.6.2 Online networking

Individuals expect social redesigns quicker than the rate of Twitter sustains. A substance file and a predictable publication voice bails you emerge as the (educator? companion? symbol?) clients need to take after online and off. 72% of advertisers concur: Redesigned social pages help
impact bargains. Your substance advertising arrangement ought to put your words and pictures to work crosswise over social channels for each chance to drive sway.

3.4.6.3 EMAIL

Bulletins and sustain crusades, no sweat. A strong substance advertising establishment includes the web journals, vlogs and eBooks that get to be assets for continuous email methods. By coordinating send portions to personas focused on somewhere else around the web, you have the opportunity to all the more nearly adjust your endeavors and take full advantage of substance advertising. Decrease, reuse – otherwise known as repurpose your substance – for return on investment

3.4.7 Facebook pages:

A Facebook page is an open profile particularly made for organizations, brands, VIPs, causes, and different associations. Not at all like individual profiles, pages don't pick up "companions," however "fans" - which are individuals who decide to "like" a page. Pages can pick up a boundless number of fans, contrasting from individual profiles, which has had a 5,000 companion most extreme put on it by Facebook. Pages work correspondingly to profiles, upgrading clients with things, for example, statuses, joins, occasions, photographs and features. This data shows up on the page itself, and in addition in its fans' close to home news bolsters.
4 Research Methodology

In order to collect data we required appropriate information for this research, so we used both primary and secondary method.

**Primary data**

For primary data we targeted High school student for six month of period from 2014 November till 2015 June who were using online service (Internet user) then to display ads and engage with them using Facebook custom Audience, Google Adwords, Facebook page and Group, and Google Re-targeting for particular service.

**Secondary:**

As for secondary data we received Email ID from Foreign Educational Agency’s. This Agency promote foreign educational institutes’ studies program through various channels of Advertisement. They create leads relevance to foreign studies and sell it to SME’S business. SME’s target them using E-mail campaigns to engage to this program.

To analysis the primary and secondary data, we used automated sale funnel engine tools has been developed for data analysis with help of SME in India. Automated sales funnel tool is a platform where social networking service (SNS) data can be analyzed to find visitor’s pattern of interest.
5 Case studies:

There are three case studies I would like to discuss, all are from education industry and has a limited budget to attract students from India.

a) Recruiting Indian students for Graduate studies by University of Leicester, U.K.

b) Recruiting Indian students for BBA by Ritsumeikan APU. Japan.

c) Recruiting students from GCC countries for Online MBA Education

5.1 Case Study 1: Recruiting Indian students for graduate studies in U.K.

a) University profile

The University was founded as Leicestershire and Rutland University College in 1921. In 1957 the college was granted its Royal Charter, and has since then had the status of a University with the right to award its own degrees. (University of Leicester, 2015)

- The QS World University ranks Leicester in the top 2% of universities in the world

- Rankings and THE World University Rankings

- Citation levels place Leicester amongst the top 1% of universities in the world and are the 7th highest in the UK (University of Leicester, 2015)

- DNA genetic fingerprinting was discovered here

b) Business Situation

University of Leicester has been recruiting students from India for two decades. As a result, has a very strong foothold in the traditional marketing avenues – the agent network. Since the recent recession, University has been on cost cutting mode and looking out for ways to improve operational efficiency.

- Excellent scholarships worth up to £4500 / student
- Strong brand pull for Engineering, Computers Science and Life Sciences departments

- Need to cut costs and improve operational efficiency

c) Technical situation

- Agents charge up to 10% per conversion, so there was scope for cost cutting

- Increased dependency on agents for admissions and low-quality students were being pushed into the University thereby affecting the quality of results

- Changes in UK Visa Policy led to decrease in demand

- Agents having internal capping on number of students they can send to Leicester (any university), thereby limiting the share of market available to capture

The crux of the problem was that almost zero marketing efforts were done in-house and the control balance was shifting in favor of the agents. Therefore, we decided that the best way forward is to work-backwards and go in-house.

d) Digital marketing solution

Since there are lot of budget cuts its highly impossible for the University to spend on traditional marketing without understanding the ROI from the marketing spend.

Steps University followed to reach out to prospective students:

a) University of Leicester decided to hire a marketing agency – it is important to hire a marketing agency for smaller budget campaigns rather hiring full time permanent role.

b) Built a strong sales funnel including automated re-targeting
c) For every stage of the funnel, they have created a different strategy to attract, engage and nurture the students.

d) Decided on performance metrics which they’ve agreed to monitor with marketing agency

e) Launched the campaign

e) Strategies University of Leicester followed:

Since Leicester as a brand well known in India, they have decided to invest more in Google Adwords and Facebook.

Awareness Creation

The primary tool University of Leicester used to create awareness is Google Adwords, they have chosen list of courses they wanted to target for e.g. MS in UK, Masters in Engineering in UK, Masters in Computer Science in UK and executed ad campaign. Whoever searching for above or related keywords marketing agency optimized the ads for the relevant keywords
At the same time, if someone is looking for Masters in US, Masters in Germany, Masters in Australia they started to show their ads using cross sell methodology. The idea is to highlight the scholarships available, internship programs in the ad copies for attracting the users who is showing interest towards US, Australia, Canada and Germany.

Engage

Once user is landed on the page, they aim to create an awesome UX experience with three important points, a) What is the course offering b) Testimonials c) Reference of previous students who has bought it. The idea behind that is when a user tries to buy in an online world he needs to be satisfied that he buying the right product.

It is the responsibility of the landing page that will act like sales person in the offline world and that should cover pretty much whatever the sales person tells a prospect. They have used Facebook custom audience tools for re-targeting the users who have shown interest and kept them engaged throughout the process.

Lead Generation

They have collected the prospect details including semester marks, education qualification for lead qualification purposes.

Once the lead qualifies, sales person will get in touch with that prospect over the phone to understand more about his requirements

Application

Prospect then persuaded to apply for the respective course by filing in the application online

Offer Letter

When the application has been made with by the student with respective documents University of Leicester engages with students using email from Alumni and connect them over
the facebook for initiating the conversation, creating people to people connections to share their experiences.

**Registration**

Till the moment prospect reaches the University, the university keep nurturing and re-targeting them over different platforms.

**f) Tools used**

  a) **Google Adwords**

  Leicester used Google Adwords to address the demand, which they have already had.

  b) **Facebook Custom Audience**

  Engaged with leads who has shown interest into their courses and targeted them using personalized ad’s.

  c) **E-mail Campaigns**

  Sent emails to all the leads and whenever they need to take some action for e.g. if they’ve started the application and haven’t submitted yet the emails are sent in a way to take an action for submitting applications.

  d) **Google Re-targeting**

  After analyzing the students email engagement rate, which was abnormally low so they have decided to use Re-targeting mechanisms so over the web the user will be re-targeted and to persuade them to apply for Leicester.

  e) **Facebook Pages & Groups**

  Used FB pages www.fb.com/uol.india and other Facebook communities to connect the prospective students with existing ones so that the conversation will start and they can help each other.
f) Instapage – Landing page creation software

Used Instapage as landing page software that already had quite a lot of templates to work on.

g) Google Analytics

Google analytics is an important tool they relied a lot to understand the conversion rates in the landing pages and to do A/B testing about which landing pages works and doesn’t.

f) Solution Summary

- Using historical data, identified key selling courses and target age group
- Leveraged the fairly large existing fan base on Facebook and created niche targeted campaigns using Custom Audience
- Used a synchronized communication strategy to align the creatives, landing pages and ads
- Set up campaigns and tracking in Google Adwords
- Added exhaustive list of 4000+ negatives to keep the campaigns focused
- Created a temporary Facebook application to capture leads on Facebook

g) Business Outcome

Upon successful completion of the pilot campaign for University of Leicester, we were able to provide the following results:

- 480 leads in a budget of 600K Yen
- Reduced the cost of acquisition per student by 5 times
- Improved the ROI on marketing budget by 2 times
- Reduced the dependency on agent network
- Improved the quality of student by thoroughly scrutinizing applications in-house
5.2 Case Study 2: Recruiting Indian students for undergraduate BBA in Japan by Ritsumeikan Asia Pacific University, Japan

a) University profile

Ritsumeikan Asia Pacific University (APU) is a private educational institution inaugurated in April 2000, at Beppu – Oita, Japan (Ritsumeikan group, 2015)

- Part of the prestigious Ritsumeikan Group, which was first established in the year 1869
- APU has over 5700 students, including 2500+ international students originating from 84 different countries and regions
- 167 full-time faculty members are foreign nationals who come from 27 regions and countries

b) Business situation

APU has students from 80+ countries across the world. The goal was to attract talent from India, help them pursue higher education in Japan and create world-class Business leaders.

- Generous scholarships of 30-100% of tuition fee
- Need to capture a large market share
- Establishing Japan as an attractive study destination
- Promoting BBA and BSocSc courses to the class 12 students

c) Technical situation

- Despite offering generous scholarships, the living expenses in Japan are considerably high; thereby students with weaker financial background are not confident to apply
- Availability of students who wish to pursue non-technical Undergraduate courses abroad
- Concerns and myths about Japan as a study destination – Earthquakes, Tsunamis, Nuclear disasters, Food, Language, Safety and Adaptability
- The above-mentioned factors and a range of other factors led to dismal results in the first five years of operations

APU office in India has decided that the best strategy to adopt would be niche lead generation and constant nurturing by clearly and consistently communicating the financial implications from the beginning, reaching out to the right – schools, students, parents and influencers and demystifying myths & concerns about Japan.

d) Digital Marketing solution

APU also decided to go with digital marketing agency rather hiring full time digital marketing manager to keep the investment low.

They have faced a unique challenge, their target customers who are class/grade 12th students who are not very active in the web. So they’ve included influencers/stake holders who are parents and started targeting them using various methods.

Apart from it, they have also combined their efforts of offline marketing and online marketing for recruiting their students.

They picked up the schools they were visiting and collected students and their parents email address to re-target them using tools like Facebook custom audience for nurturing and creating awareness to parents about Japan, its education, safety and scholarships.

The marketing campaigns are executed in a drip fashion. They didn’t bombard all the information in one go, they constructed a sales funnel like below:

Figure 5-2 Sales funnel built for Ritsumeikan APU
They have an effective sales process in which they have combined the digital marketing to boost their conversion rates. The major they faced is, there’s no demand whatsoever to study in Japan. Firstly they need to create Japan as a favorable study destination only then students would be willing to streamline the focus on APU.

While creating awareness they have created a different approach than University of Leicester, which has already created demand for its courses and country.

They took a path of mass marketing, collected emails of the students and sent out email blast inviting for applications to study in Japan with scholarships. This has inculcated the students to register for information call, and they have qualified the leads manually based on English, Marks and extracurricular activities.

Once they understood the quality of the lead they have eventually needed to go or social validation, peer recommendation. The smart move they have done here is connected the qualified leads to existing students at APU and they have started providing social validation for the leads which are showing interest to study at APU, Japan.

Meanwhile, they have used Email marketing to nurture the leads well. Every week they have sent two emails to the qualified leads so that APU brand stays on top of the leads mind.
Apart from that they also sent different emails to educate influencers including principals and parents.

In India parents ask suggestions from the school if they come across anything new, so strategically when a parent asks principals about APU principals would’ve heard about the brand.

Email campaigns worked the best for the APU, not the mass email marketing but in drip fashion.

e) Strategies APU followed

Awareness Creation

APU has used offline and online model for awareness creation and demand generation. At the same time they have had strong follow up process to educate users about Japan using Email

Once the awareness has been created they also used Google Adwords for anyone who’s searching about “BBA in Japan”.

They have also used education assistance portals like Shiksha.com, Minglebox.com who has registered to know about BBA in abroad. They have effectively used cross selling opportunity to attract the students who are interested in doing BBA abroad in countries like UK, USA, Australia and Canada.

Information Call and Lead Qualification

Once there’s a lead generated they have manually called all the leads every day they generated and qualified the lead based on their own parameters
Drip Marketing

Drip marketing is a process, in which users are educated based on the stage they are in. For top of the funnel they have sent out emails inculcating interests about Japan, opportunities at the same time they have sent different set of emails to the leads that are in bottom of the funnel.

Engagement

Leads have been actively engaged in various forms FB, Twitter, Ustream. However FB has worked the best for them as most of their students in India were using Facebook actively and it is easy for them to connect with existing students who are already in APU doing their courses.

f) Tools used

a) Mass email marketing software - MailChimp

b) Facebook Re-targeting

c) Higher Education information portals

d) Drip marketing

e) Facebook pages

f) Google Analytics

g) Solution summary

- Identified a niche set of schools to target and ran personalized re-targeting campaigns

- Applied drip marketing to nurture prospects and started mailer campaigns (existing database) to different bucket lists categorized under different stages of decision making

- Tested the waters with different platforms – Facebook, Google Adwords, Shiksha and MingleBox for generating high-quality leads
- Combination of online and offline activities

**h) Business outcome**

Upon successful completion of the campaign for APU, the following were the results:

- Increased the number of conversions by 75% in the first year
- Improved the conversion rate over 30% from lead to application with strong drip marketing
- Established the APU brand in South India
- APU is now executing its online campaign for 68+ countries using a digital marketing agency
5.3 Case Study 3: Online MBA provider from India who’s looking to recruit students from GCC countries 361DM

a) Company profile

Founded in 2006 by alumni of BITS Pilani, 361 Degree Minds offers a wide range of courses to its students.

- 361DM programs have reached corporate workforce in 5 countries belonging to 20 nationalities.
- Exclusive technology partnership in Tamil Nadu with Annamalai University, which was founded in 1929
- It’s a small sized company with 20 people working for them

b) Business situation

361DM has been generating leads through both traditional marketing and online marketing channels. The cost of Online MBA offered by Annamalai University in partnership with 361DM was low, hence it was imperative to keep the cost per student acquisition low and increase profitability.

- Purchasing leads from various vendors was becoming expensive and unviable
- Conversion rates were plummeting, since the quality of leads were low
- Overheads were increasing due to the need for more number of counsellors
- Need to identify new markets and expand global footprint
- Identify specifically people of Indian Origin as per the eligibility criteria
c) Technical situation
- Currently conversion rates were less than 5%
- Existing vendors did not have substantial experience in generating high-quality leads
- Setting up offices outside India to convert students was not viable
- Identifying prospective students who are willing to travel to India to write exams was a challenge

By eliminating the affordability problem and increasing conversion rate, capturing new markets abroad was the best option.

d) Digital marketing solution

Rather they followed simple sales cycle to target very niche market in GCC countries, with their limited budget they wanted to target the people who wants to do MBA online without coming down to India.

So they understood there was a demand and they wanted to focus on the people who are really in the need of knowing more about the course.
e) Strategies 361DM followed

They relied only on Google Adwords and nothing else, once they received the interest in the landing page. Usually their counselor calls them and asks for more details. When they started they had issues with quality of leads however, they applied filtering methodologies to qualify the leads in the lead form itself.

This has helped them to focus on the right leads rather spending lot of time on no-buy-in leads. It’s also interesting to know that they didn’t use any drip marketing techniques, despite that fact the conversion rates are quite high.

From visitor to lead the conversion rates were above 30% and from lead to application the conversion rates were more than 24%.

f) Tools used

1) Google Analytics
2) Google Adwords
3) Instapage for landing pages
g) Solution summary

- Using analytical data, clearly categorized the target audience
- With constrained budgets, the scope for experimentation was low and hence decided to stick to Google Adwords platform
- Identifying intent of the landing page visitors was critical; therefore we clearly set-up Google Analytics integration with landing page tools to find out matched search queries
- Did extensive keyword research for 6 GCC Countries
- Knowing whom “not to target” was the key
- Set-up conversion tracking and kept eliminating non-performing keywords, ads, ad groups and campaigns

h) Business outcome

Upon successful completion of the pilot campaign for 361DM, the following results were achieved:

- Reduced the student acquisition cost by 50%
- Reduced the overhead of making numerous phone calls
- Improved the conversion rate from less than 5% to 23%
6 Recommendations and analysis

With above case studies it is evident that digital marketing helped these above-mentioned companies to acquire customers in a new territory without making huge investments.

However, all the companies understood their sales cycle very well. Every business has their own sales process and there’s no template for them to follow. When a business decides to take a digital marketing approach, it should be learnt that setting up the sales process is a highly important step.

Also, the sales metrics needs to be defined very carefully to understand the effectiveness of the investment a company is going to make on digital marketing activities.

Below is the process a company should follow for effective digital marketing activity:

a) Define a sales lifecycle process
b) Hire a digital agency
c) Define the metrics to be tracked and agree those metrics with digital marketing agency
d) Understand the basics of digital marketing tools
e) Choose the list of tools which suits the best for that particular business needs

6.1 Define a sales lifecycle process

Every business is unique; understand the sales process that fits into their business needs to derive before trying to get into a digital marketing activity. This is a very important process any marketing manager must put his time into effectively strategizing this step.
6.2 Analysis of sales lifecycle process:

All the companies we discussed above have a clear understanding of their own customer path in which they travel. For every step they have created their own strategies to overcome existing challenges.

Identifying the challenge will take time, it involves instant learning from the activity and it is important to adjust the lifecycle stages that can adapt to their customers.

All the business has segmented their customers and every segment will have their own lifecycle, it is also learnt that not only their customers involve in their lifecycle but also it is important to bring influencers into sales lifecycle for social validation and to increase the stakeholder involvement.

Every stage must be strategized in a way that the customer smoothly traverses into the next stage without getting blocked in that particular step. Metrics should be carefully taken care for the entire sales lifecycle.

6.3 Hire a digital agency

When a business is testing the waters it is important that they shouldn’t invest more on resources when they are trying it for the first time. So decision of hiring a digital agency must be considered because they charge 10 -15% based on the marketing spend.

6.4 Analysis for hiring a digital agency

Digital agencies must be hired based on relevant industry background, though the technical process is the same for all the marketing channels it is important to checkout for relevant industry vertical experience and previous track records of working with the industry.
Choosing the wrong digital marketing agency can lead to loss of money, waste of time and eventually will not yield any results at the end.

6.5 Tracking metrics

Good thing about digital marketing is every single action can be tracked; it would make sense for someone to use all the metrics to track the campaign results. Metrics that we mentioned like conversion rates, CTR, sales cycle time are very important to be measured all the time. All the strategies must be optimized to improve those metrics you define for your business.

6.6 Analysis of important metrics:

All the companies have focused on Lead to Conversion ration i.e. how many numbers of leads have entered into the sales funnel to how many converted into a business.

A) Conversion ration
B) Lead generation rate
C) Retention rate (if applicable)

Both were important metrics businesses were tracking to understand their business marketing activities over the time. Businesses used several strategies in between to improve the conversion rates for e.g. APU has used social validation for their influencers to recommend its courses to the leads. While creating metrics it is also important that a digital marketing firm understands the customer path very well. Unless they understand that it is very unlikely for them come up with new strategies to smoothen the process.
6.7 Understanding the basic digital tools

It is important for SME managers to understand the nuances of digital marketing tools like the basics that we have covered in the early section of this report. To reiterate them, basic understanding of following metrics is important:

a) Search Engine Marketing
   a. CTR, Ad ranking, Quality score, impression share, visitor to lead conversion ratio are some important metrics.

b) Landing Pages
   a. Unique visitors, bounce rates, visitor to form submission ratio are the important metrics when it comes to Landing pages.

c) Facebook Pages

d) Facebook community groups

e) Content marketing ideas are also very helpful to know and it is encouraged to learn them if need be.

6.8 Choosing list of tools that are important to that particular business

As discussed in the case studies, all the businesses have their own choice of marketing channels where they can acquire their customers. The marketing channels need to be chosen based on a lot of research, as we saw search engine marketing doesn’t work for a business which doesn’t have existing demand. It is good to find ways to create demand first and when people required more information in the web it is good for us to be there and respond to the possible question in the form of landing pages.
6.9 Analysis of tools chosen by businesses

APU has created the demand using offline mode and brought the users back into the funnel and started nurturing them using digital marketing techniques. Others have tried to cross sell their services to which they are trying for other countries.
7 Conclusion

7.1 Hypothesis

Does digital marketing helps Japanese SME’s to grow globally?

Based on the above case study and analysis it is recommended that Japanese SME’s to try digital marketing to reach out to global audience.
Bibliography


