

Optimizing Digital Marketing Strategy on Return on Investment

Maduabuchukwu Augustine Onwuzurike

¹. Higher National Diploma In Marketing (Federal Polytechnic Nekede, Owerri, Imo State, Nigeria)

². Master's Degree In Business Administration (Lincoln University, Oakland, California, USA)

Augustine Rita Chikodi

Higher National Diploma In Public Administration (Abia State Polytechnic Aba, Abia State Nigeria).

Abstract:- In the business environment globally, there is a paradigm shift in the way businesses conduct their daily functions. In the business environment, there has been an upsurge in terms of digital migration. A large percentage of businesses globally have shifted from analog operations to digital. The advancement in technological innovations, coupled with increased use of the internet among the general public globally has forced businesses to adopt the use of the internet as a platform to reach their existing and prospective customers. The current competitive market environment has forced businesses to innovate more ways to retain as well as acquire new customers, if they are to survive in the current competitive business environment. Customers play a critical role in the growth of the business. This review seeks to analyze how optimizing digital marketing strategy affects the Return on Investments for a business.

I. INTRODUCTION

The increased competitiveness in the business sector globally has made business organizations realize that there is a dire need to develop, manage, monitor and implement marketing strategies in an efficient manner so as to achieve their business objectives (Bhagowati & Dutta, 2018). Marketing is an important factor in any business organization, especially in the Small and Medium Size Enterprises. It is asserted that most start-up business units fail in the first six months, and this is attributed to failure to have proper marketing strategies. This therefore means that the success or failure of a business depends largely on how the marketing strategies are aligned to the needs and benefits the customers or stakeholders accrue from utilizing the business' products or services. Business organizations need to employ marketing strategies that are responsive in the dynamic business environment as well as the needs of their customers (Cox, 2012). With the advancement in technological innovations, digital marketing has become a backbone to the performance of business organizations.

II. DIGITAL MARKETING STRATEGY

As Cox (2012) suggests, digital marketing strategy is no longer just a road that is a mile long. On the contrary, it is a complex combination of decision, attitude, and strategic planning that shows the final direction to which the organization must go to implement their digital marketing initiatives as Yasmin puts it. (Et, al, 2015). Business strategies, which are founded in the business' budget, the vision and objective of the business and the personas of the customers, can be viewed as a powerful weapon that can be used to find a direct path towards achieving set objectives and goals. The main idea behind a marketing strategy is, for a business company, to accomplish a particular objective like increasing the online presence (OECD, 2012).

Digital marketing strategy is argued as a goal-oriented framework of actions, for which positive outcomes are achieved through addressing a specific digital audience group. In other words, this is all about regularly carrying out one or more fThe increased competitiveness in the business sector globally has made business organizations realize that there is a dire need to develop, manage, monitor and implement marketing strategies in an efficient manner so as to achieve their business objectives (Bhagowati & Dutta, 2018). Marketing is an important factor in any business organization, especially in the Small and Medium Size Enterprises. It is asserted that most start-up business units fail in the first six months, and this is attributed to failure to have proper marketing strategies. This therefore means that the success or failure of a business depends largely on how the marketing strategies are aligned to the needs and benefits the customers or stakeholders accrue from utilizing the business' products or services. Business organizations need to employ marketing strategies that are responsive in the dynamic business environment as well as the needs of their customers (Cox, 2012). With the advancement in technological innovations, digital marketing has become a backbone to the performance of business organizations.

As Cox (2012) suggests, digital marketing strategy is no longer just a road that is a mile long. On the contrary, it is a complex combination of decision, attitude, and strategic planning that shows the final direction to which the organization must go to implement their digital marketing initiatives as Yasmin puts it. (Et.al, 2015). Business strategies, which are founded in the business' budget, the vision and objective of the business and the personas of the customers, can be viewed as a powerful weapon that can be used to find a direct path towards achieving set objectives and goals. The main idea behind a marketing strategy is, for a business company, to accomplish a particular objective like increasing the online presence (OECD, 2012).

Functions like sales and marketing online via the best available platform or suitable channel for the purpose of generating additional revenue streams and strengthening the relations between the business and with its clients and/or stakeholders.

Rowley, in the year 2011, demonstrates digital marketing as using online platforms like the Internet to market, promote or endorse an entity that provides products or services (Rowley, 2011). At the discretion of the organic process, business can adopt strategies on digital marketing such as Facebook, Twitter, Salesforce marketing Cloud (SFMC), SEO, Website and Blog among others. Digital or online channels are the primary tools that organizations use to promote their products or services, thus, getting a wider customer base, and also, in the process, becoming stable in the dynamic and nimble business environment that keeps on changing. Such digital marketing policies, in their turn, create an opportunity for businesses to segment their audiences depending on which preferences these audiences appear to have, age, social and economic status. Lee and Kim (2013) conclude that one of the advantage of digital marketing is that, it is cheap compared to the traditional ones where the startup business usually send their message through various means such as TV, Radio, and mass media like newspapers.

Self-said, by Lee & Kim (2013), these digital marketing styles are far cheaper and are more effective in terms of reaching the readers than the traditional approach of advertising. However, there are a number of challenges such as creating digital content, management, and so on (Lee & Kim, 2013). update on sites and update customers online regularly. It, therefore, means that businesses need to gain new and updated skills and competencies regarding digital marketing to realize the full benefits of digital marketing.

As a result of competitiveness in the global market environment, constant challenges and market trend dynamics, it is important that a digital strategy adopted by any business should be devised and developed by a highly skilled and competent person. Therefore, marketing leader in a business unit must have relevant knowledge and skills so as to ensure that the goals and objectives of a business are aligned.

It is therefore imperative that business possesses a deeper and clear understanding of the current market landscape, relevant technologies, and relevant tools and resources to achieve the desired business' goals and objectives (Bhagowati & Dutta, 2018). Globally, digital marketing has gained presidency as a major business function in the past few decades. This is attributed to the advancement in technology and the acceptance of businesses organizations to utilize digital tools in running their daily business functions. More importantly, digital marketing is not constrained in terms of geographical and cultural aspects. Therefore, it has a capability of reaching wider market scope within a short time, its cost notwithstanding. Business organizations, with the use of digital marketing strategies, either large or small, can have the ability to infiltrate and attract customers anywhere and in any place (Cox, 2012).

Tuten, (2014) posits that digital marketing has in the recent past become a critical component in daily business functions more so in the marketing environment. This is because of the increased number of people accessing the internet and the adoption of technological resources and tools in day to day activities like communication, acquiring government services, education, travelling, and shopping among other daily activities. This paradigm shift in technological acceptance provides an opportunity for marketers and business organizations to access a wider pool of customers in various geographical locations (Cox, 2012).. Further, digital marketing has also enabled business organizations to have dedicated communication channels and infrastructure with its customers in real-time. This enables the business to understand the needs, desires, expectations, challenges and difficulties of their customers which in turn lead to increased customer loyalty and satisfaction and therefore enabling the business to retain existing customers while at the sometime striving to acquire new customers.

III. TYPES OF DIGITAL MARKETING STRATEGIES

It is in the business world today where digital marketing is of paramount importance as there is a big percentage of every population irrespective of their social standings look up either by word of mouth or by the internet, regarding specific topics, products or services. Therefore, businesses need to analyze the digital marketing strategy to adopt depending on various preferences of their intended customers such as to the type of digital marketing platforms they are currently on (Bhagowati & Dutta, 2018). The modes of digital marketing always come in various types, and a business can now further widen its customer reach. A business focuses on the places where the prospects will find out about the product or services, will maybe enquire about the purchasing or buy the product or services right away. At the same time, the business covers the larger market share. These strategies include:

- Search Engine Optimization (SEO)
- Content Marketing
- Pay-per-click advertising
- Email marketing
- Social media marketing
- Video marketing

➤ *Search Engine Optimization (Seo)*

Search Engine optimization is the creation of content in such a manner that search engines like Google rank an optimized page the highest or top on the list (Odongo, 2014). Search engines like Google use algorithms to decide the relevance of a page as per the keywords that a user inputs. The main advantage of SEO is that it increases the brand visibility of a business unit. On the other hand, it is cost effective compared to other digital marketing strategies like Pay-Per-Click.

➤ *Content Marketing*

Content marketing strategy is a scheme in which a business entity give out channels by providing customers with useful and engaging content that attract and creates connection. The mode of content delivery could comprise of blogs, videos, infographics, among many others. A successful content marketing strategy can be something that rings with the reader as it helps the audience have answers (Odongo, 2014). Most content gives the user an overview of how to operate and use a supported device during the demonstration session. The main aim of any content marketing plan is to give distinct pieces of meaningful information to a specific consumer group, improve traffic between websites and bring both the business and the customer into conversation together. Technically, content marketing crafts the SEO strategy that optimizes that business' content to match searches launched by search engines like google and thus helps the business become visible online for the searches that are made (Odongo, 2014). The reason why content marketing strategy is important is that it is really strong at building better relationships with

customers and other relevant stakeholders within all funnel segments. Moreover, it is a lot cheaper because what you will need is the content that brings organic traffic, which is unlike Pay-Per-Click (PPC). A company will depend on the adoption of quality content which therefore calls for a keen attention to quality of content.

➤ *Pay-Per-Click Advertising*

Pay-Per-Click advertising is a digital marketing strategy where business organizations or individuals pay a certain amount of fee every time their ad is clicked by the user, reader or a customer (Rogers, 2009). PPC is an effective and efficient way of generating targeted online traffic to the business' web pages. This is because advertisers can bid on the keywords and demographics in order to reach the targeted customers. PPC is an important strategy in digital marketing because it provides measurable results and also enables business organizations to control their advertising budget (Odongo, 2014).

PPC strategy to reach customers with transactional queries. These are searchers who are potential buyers of the products or services the business is offering. When they click the ads, customers arrive at a landing page and see a call-to-action (CTA) to convert.

There are several types of PPC ads which include:

- Display adverts
- Shopping adverts
- Search adverts
- Video adverts
- Social media adverts
- Remarketing adverts

PPC is thus an important strategy as it propels the business website to the top of the search results and therefore helps the business' search results

➤ *Email Marketing*

Email marketing is a digital marketing strategy which involves nurturing potential leads, promotion of products and services and building brand loyalty with customers through email. It is a more targeted approach of advertisement as it strives to retain existing customers. It is an important strategy for building brand awareness among the existing customers leading to repeat purchases. It is based on the theoretical assumption that while this customer may not require this product or service, they will remember the products or service that the company is selling when the time to make a purchase arises (Bhagowati & Dutta, 2018). The main objective of email marketing strategy is to ensure that the business is in the mind of the customer while at the same time providing the customer with relevant and updated information about the product or service. According to Achieng, B. (2016), more than 80% of business organizations use email marketing as a digital marketing strategy all the way from manufacturing, to retail stores. Achieng, B. (2016) further stated that email

marketing has an average Return on Investment (ROI) of 36 dollars for every 1 dollar invested.

➤ *Social Media Marketing*

Social media as digital marketing solution aims to boost the sales on one hand and to create brand recognition at the same time. Social marketing media is inclusive of all the social media sites including Facebook, Twitter, Instagram, LinkedIn and Pinterest among others. 70 percent of enterprises around the world take advantage of social media marketing strategy as a great opportunity with widespread implication because a high proportion of the global population has social media account hence it is a good haven for marketing to such a large population. Therefore, social media marketing is exclusively online and something that can do this that a person can use to reach a huge group of people.

➤ *Video Marketing*

Making videos as a form of multimedia marketing would make it possible for a business corporation to enlarge its sales, surge its earnings, and broaden its sphere of influence. Similarly as content marketing, business's video marketing should primarily focus on developing and producing video contents aiming at informing and engaging target audience.

A few types of marketing videos include:

- Announcement videos
- Behind-the-scenes videos
- Instructional videos
- Event videos

Video Marketing targets the necessary people for your business through grabbing the attention of your customers. A brand awareness can later bring a strong sales performance. Video marketing that aims "conversion rate of visitors to customers" becomes photo marketing that is now favoured by the majority of online marketers. (Wang, & Chang, 2013). Besides the context of email and content marketing, videos also fit so well within their fields.

➤ *Importance of Digital Marketing Strategy*

Digital marketing strategy provides a clear direction for a business organization and enables it to achieve its marketing objectives (Lee, et, al, 2009). It is therefore important to understand how a digital strategy contributes to the overall marketing objectives. On the other hand, a well-defined digital marketing strategy enables the business to maximize their Return on Investments. An exact marketing strategy is an effective tool that allows a business company to interact with their customers in a way that every customer feels special and important. Thus, it becomes crucial determining channels that are appealing to a specific group since this will allow the company to focus on the preferred content by these people leading to greater conversions rates (Lee, 2009).

In today's crowded marketplace, a strong value proposition helps your business stand out from its competitors. When you continue to deliver on the promises you make in your value proposition, you can build customer loyalty and increase the lifetime value of your customers.

Through this, percentage of sales of individual businesses with respect to products/categories can be known. Market share definition is the hair cut of the complete sales volume/revenue of a particular product in a particular market by a company or brand. It provides an indication of a company's relative competitive position within a market and can be used as a key performance metric to track growth or decline over time. When your digital marketing strategy is connected to growing your brand's market share, your campaigns become more focused on the results that matter for your business (Yuniarthe, 2017).

With competition on digital channels at its highest level ever, there is little room for weak or underperforming strategies (Bhagwati & Dutta, 2018). But it can be hard to keep everything optimized when you're running multichannel campaigns. You need to identify the right metrics, analyze your data effectively, make informed decisions, and adapt to changing trends. Your digital marketing strategy can help keep everything optimized and aligned to the business organization's objectives.

A digital marketing strategy enables a business organization to have a clearly defined budget by providing a holistic view of what marketing team should work on (Chevalier, & Mayzlin 2006). This way, you can allocate resources more efficiently to maximize the ROI of your marketing campaigns. When you have a clear picture of where your marketing budget is going, it's easier to make the case for higher budgets and more resources (Lee, et, al, 2009).

A clearly defined digital marketing strategy is an asset for any business trying to reach more customers. It helps your marketing team stay aligned with your organization's goals, improves marketing efficiency, and drives better decision-making for your business

➤ *Return on Investment (ROI)*

ROI refers to the amount of leverage the investment creates as a result of the amount of financial investment (Helper, et, al. 2016). Back organizations turn to Return on Investments calculations to determine the best scenario for investment and to select from different scenarios the one that would produce the biggest net income. As determined by section of Independent Economics (2013), ROI is an indicator of performance that businesses use to gauge the effectiveness of investment. Firstly, ROI is calculated by dividing the monetary value of benefits from an investment by the total cost and expressing the result as a percentage (Zaglia, 2013).

This is the financial alliance that is used to figure out the co of investment decision outcome. It attaches financial gains from investment – directly proportional to the investment gains – with financial costs (Helper, et.al. 2016).

What is ROI? ROI is an assessment term that focuses on the increase of profit due to a particular investment and on the ratio of this increase to the costs related to the investment. The businesses apply this valuation comparison to review various possible investment cases and figure out which will be more rewarding and will do good to the company's growth. Additionally, this calculation can be adjusted to help consider the best options in terms of investment for other purposes that may include buying cars, computers, paying for college, and many more (Helper, et, al. 2016). The simplest form of the ROI formula involves only two values: the fund invested amount and the profit in derived from the investment. The formula is as follows: The formula is as follows:

ROI= Returns on Investment Gap= Income From Investment-The Cost of Investment/ Income From Investment-The Cost of Investment×100

Let multiplier be 100, then the ratio is transformed into percentage. In addition, when a person decides to invest they will have the perspective of how much their money is gained back after a time is passed by.

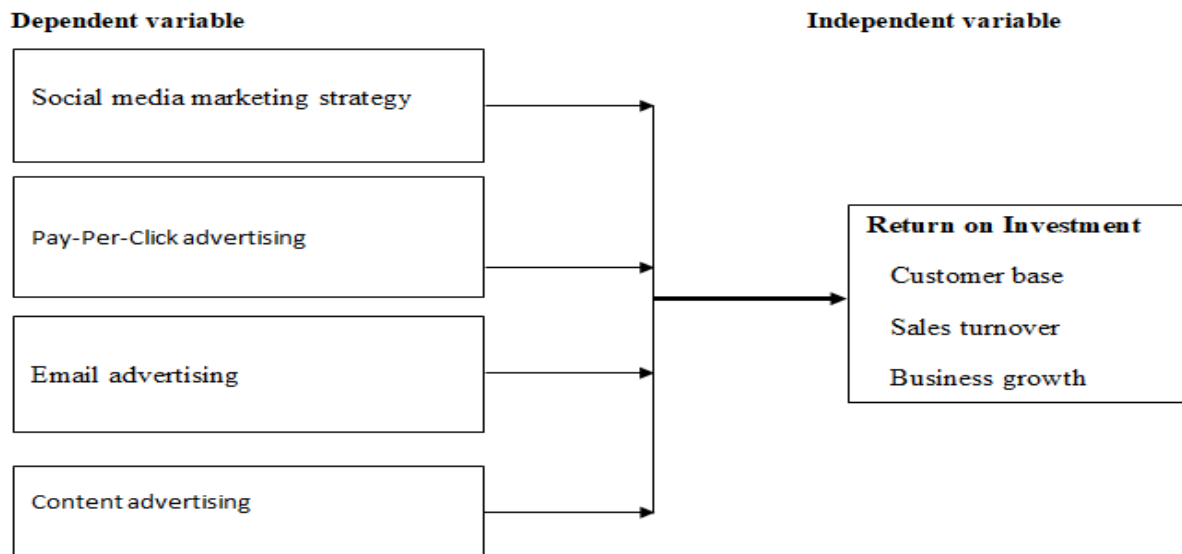
IV. EFFECTS OF DIGITAL MARKETING ON BUSINESS ORGANIZATIONS' ROI

Many business organizations and people globally spend their time on the internet looking for services, products or information on a particular topic (Lee, et, al, 2009). For business organizations to benefit from the massive audience base available over the internet, it is important for them to maximize their online presence. This is where the use of digital marketing strategies come in. digital marketing enables companies to reach the right audiences at the right time (Oana, & Adrian 2022). Therefore, business organization must have an online platform that makes it easy for it to navigate through the market base. This online platform has enabled brands to build their presence through PPC marketing, social media marketing, SEO, content marketing and many more platforms (Makori, 2014).

Small businesses compete with big corporations by having a comparative advantage they gain by doing competitor's analysis which is an essential in digital marketing. The activity is crucial to remain dynamic and competitive, especially as new brands or old ones, which can renovate themselves continually, are emerging on the market. Businesses take simultaneous approach here called multichannel marketing which as a family comprises of PPC, SEO, social media, and so on (Lee, et, al, 2009). Their strategy is helpful across the board for small and big companies in the execution of their marketing plan. This brings equality in this competitive field.

Online platforms enable brands to be known by different people around the globe through direct interaction with them. Digital marketing has been the instrument of businesses to maintain their presence in the arena of a highly competitive market. It is in contradiction with big businesses' online marketing strategy which is meant to provide a better opportunity of tapping into the competitive market and create brand name amongst big companies (Oni, 2014). On the other hand, strategic digital marketing enables the business organization to increase sales which is one of the key reasons why business organizations should embrace the use of digital marketing strategies. This is due as it is convenient to compute the Conversion Rate optimization (CRO) in a serious time period (Lee, 2009.). When the data gets distributed, the percentage of leads that searched converts into leads of customers who buy the product will be the action we focus on. With the help of tools such as PPC, SMM, SEO, affiliate marketing you get both better ROI and the chance to engage with your clients as a personal channel of communication. A return of investment In case you want to learn what a power of digital media is, watch business profits and losses that are the result of this technology.

ROI in digital marketing can be described as "how fiscally it is worth it to pay your marketing". The thing is, over and above such measures as content or e-mail marketing, PPC, social media campaigns and SEO still can be found the most spectacular return on investment. It begins with the display of the most prominent metrics such as visits and bounce rate. The organic traffic realized from the SEO would show 40% more return on investment as opposed to any other strategies (Lee, 2009). Brand Reputation Preservation One of the key issues in the digital marketing is building a sturdy reputation for the brand. Through that the reputation turns into the base for the brand to prosper (Makori, 2014).

➤ *Conceptual Framework***Fig 1 Optimizing Digital Marketing Strategy and ROI on Online Platforms****V. CONCLUSION**

In conclusion, people globally spend most of their time on online platforms, therefore, for companies to reach a larger market base, there is a need for businesses to embrace digital marketing strategies. Digital marketing sphere, too, shows a high dynamic, therefore digital marketing specialists have to find the way to find the way to stay current. It is equally vital to keep close track of the trends that are emerging and new innovative Search Engine algorithms that are showing up on the market. Digital marketing comes with a wide variety of options for reaching the market thus widening the base and therefore increasing the rate of success. It is also worth, noting that digital marketing strategy is more cost effective than the traditional marketing or advertising strategies. This therefore means that, when businesses use this wisely, they are able to realize high ROI as opposed to those companies that use traditional model of advertising. Understanding the marketing strategy established for some time and how to apply provides the company with a clear direction on how to use and what returns to expect.

REFERENCES

[1]. Achieng, B. (2016). *How SMEs Are Using Online Marketing to Improve Their Competitiveness in Kenya: A Case Study of Tembea East Africa Safaris* (Doctoral dissertation, United States International University-Africa). https://erepo.usiu.ac.ke/bitstream/handle/11732/3093/BI_LHA%20ACHIENG%202016.pdf?sequence=1&isAllow=ed=y.

[2]. Bhagowati, D., & Dutta, D. M. (2018). A study on literature review for identifying the factors impacting digital marketing. *International Journal of Sales & Marketing Management Research and Development (IJSMMRD)*, 8(3), 1-8. <https://www.academia.edu/download/57548789/2-33-1531830712-1.IJSMMRDAUG20181.pdf>

[3]. Chevalier, J. A., & Mayzlin, D. (2006). The effect of word of mouth on sales: Online book reviews. *Journal of marketing research*, 43(3), 345-354. <https://journals.sagepub.com/doi/abs/10.1509/jmkr.43.3.345>

[4]. Cox, S. L. (2012). *Social media marketing in a small business: A case study* (Doctoral dissertation, Purdue University). <https://search.proquest.com/openview/db04b7efc291092d47d46189a35b235c/1?pq-origsite=gscholar&cbl=18750>

[5]. Helper, S., Noonan, R., Nicholson, J. R., & Langdon, D. (2016). The Benefits and Costs of Apprenticeships: A Business Perspective. *US Department of Commerce*. <https://eric.ed.gov/?id=ED572260>

[6]. Independent Economics (2013). *Cost-benefit analysis and returns from additional investment in vocational education and training*, Independent Economics, Kingston, viewed April 2016. https://www.ncver.edu.au/_data/assets/pdf_file/0031/59368/Costs-and-benefits-of-education-and-training-2873.pdf

[7]. Lee, M., Rodgers, S., & Kim, M. (2009). Effects of valence and extremity of eWOM on attitude toward the brand and website. *Journal of Current Issues & Research in Advertising*, 31(2), 1-11. <https://www.tandfonline.com/doi/abs/10.1080/10641734.2009.10505262>

- [8]. Lee, M. C. (2009). Factors influencing the adoption of internet banking: An integration of TAM and TPB with perceived risk and perceived benefit. *Electronic commerce research and applications*, 8(3), 130-141. <https://www.sciencedirect.com/science/article/pii/S1567422308000598>
- [9]. Makori, J. (2014). *Evaluation of Digital Business Strategies Pursued By Equity Bank Kenya: A Study of Selected Branches in Nairobi* (Doctoral dissertation, United States International University-Africa). <https://erepo.usiu.ac.ke/bitstream/handle/11732/185/JAQ1.pdf?sequence=1>
- [10]. Wang, J.-C., and Chang, C.-H., (2013), *How online social ties and product-related risks influence purchase intentions: A Facebook experiment*. *Electronic Commerce Research and Applications*, 12(5), 337–346. <https://erepo.usiu.ac.ke/11732/156>
- [11]. Mishra, A.K. (2008). *Marketing to and serving customers through the internet: an overview and research agenda*. *Journal of the Academy of Marketing Science* 30, 286-295.
- [12]. Rogers, K. (2009). *Understanding digital marketing: marketing strategies for engaging the digital generation*, London, Kogan Page
- [13]. Yasmin, A., Tasneem, S., & Fatema, K. (2015). Effectiveness of digital marketing in the challenging age: An empirical study. *International journal of management science and business administration*, 1(5), 69-80. <https://www.academia.edu/download/55473523/6.-Effectiveness-of-Digital-Marketing-in-the-Challenging-Age-An-Empirical-Study1.pdf>
- [14]. Pricopoaia, O., Micu, A., & Susanu, I. O. (2022). The Implications of Digital Marketing on Business Performance. *Annals of the University Dunarea de Jos of Galati: Fascicle: I, Economics & Applied Informatics*, 28(3). <https://search.ebscohost.com/login.aspx?direct=true&profile=ehost&scope=site&authtype=crawler&jrnl=15840409&AN=161334969&h=yxi2H%2B6aOp06kcNIZb1FY5pMVqO7kmOlGyre8R23GJh%2FPcffelHx3HU0dpz7L4VjEEv%2ByJuviLREThV3F1umg%3D%3D&crl=c>
- [15]. Oni, O. A., Shumba, P. M., & Matiza, T. (2014). The impact of social media-based marketing on the turnover of retailers based in Polokwane, South Africa. *Mediterranean Journal of Social Sciences*, 5(9), 307. https://www.researchgate.net/publication/289181163_The_Impact_of_Social_Media-Based_Marketing_on_the_Turnover_of_Retailers_Based_in_Polokwane_South_Africa
- [16]. OECD (2012). Information technology outlook 2010 highlights. OECD publications. Retrieved 7 Septemeber, 2017, from: <http://www.oecd.org/dataoecd/60/21/46444955.pdf>