

**THE DEVELOPMENT OF A RECOMMENDED DIGITAL MARKETING
STRATEGY FOR PAN MACMILLAN, SOUTH AFRICA**

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by

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DECLARATION

I, Tessa Jane Conradie, declare this research to be my own original work and ensure that all resources are referenced correctly and are acknowledged.

A handwritten signature in black ink, appearing to read 'Tessa Jane Conradie', written in a cursive style.

Tessa Jane Conradie

24 June 2015

EXECUTIVE SUMMARY

This research attempts to create a recommended digital marketing strategy for Pan Macmillan, South Africa.

As a result of the advance of technology and the increase of connectivity, digital marketing is becoming a highly important tool with regards to competitive advantage, differentiation and the overall marketing of a company and its product or service (Barwise and Farley, 2005, p. 68). Digital marketing is, in South Africa specifically, a relatively new concept (Sandmann, 2014, p. 1). If South African companies are able to efficiently utilise the gap in the market, they will ensure a significant competitive advantage (Sandmann, 2013, p. 1). In order to accomplish this successfully a digital marketing strategy must be created and adopted to ensure a full understanding of the requirements of effective digital marketing. This research focusses on understanding digital marketing requirements in relation to a South African book publisher and how those requirements can be met by the publisher through the development of a digital marketing strategy.

The literature has been reviewed and previous research indicates that an established framework is needed to guide the development of a digital marketing strategy. The framework used in this research is the RACE framework (Chaffey and Bosomworth, 2013, p. 14) which is used in conjunction to the SOSTAC planning system (Chaffey and Bosomworth, 2014, p. 11) and the 7 steps to digital marketing strategy creation (Chaffey and Bosomworth, 2014, p. 2). The literature suggests that a combination of the established traditional marketing strategy of a company and current digital marketing practices and tools is the most practical with regards to the development of a successful digital marketing strategy, implementation and evaluation. In order to understand the current marketing strategy and practices of Pan Macmillan, interviews with the Marketing Manager of the company were conducted as well as an analysis of marketing documents relating to Pan Macmillan's current marketing actions. Results of the interviews and documentation analysis showed that Pan Macmillan had many elements digital marketing but no decisive digital marketing strategy. Using the selected frameworks and information gathered on the company's marketing practices, digital marketing goals were established and a digital marketing strategy was created.

The goals of the research were reached as a recommended digital marketing strategy was developed for Pan Macmillan based on the assessment made, using RACE, SOSTAC and the

7 steps to digital marketing creation, of the company's current practices, challenges and opportunities with regards to digital marketing

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CHAPTER ONE: INTRODUCTION

This research is a developmental study into the digital marketing opportunities within Pan Macmillan South Africa. As technology continues to develop and with a vast majority of the South African population operating on some form of digital platform, the movement towards digital marketing and the strategies surrounding it must be investigated and utilised.

This research is situated within the area of digital marketing strategy development within Pan Macmillan, focussing on the publisher-to-customer relationship rather than the publisher-to-distributor. This is because, predominantly, the interest of the customer drives the interest of the distributor (Hammond, 2015). As digital media becomes more important in the world of business (Greenberg and Kates, 2014, p. 5), marketing strategies must be adapted to incorporate the rapid pace of digitalisation. Although many developed countries have examined digital marketing strategy (Miller, 2012, p. 23), South Africa lacks literature introducing and examining the emergence of digital marketing and the strategies surrounding it (Evans, 2015, p. 1). The book publishing industry itself is more familiar with the threats and opportunities of digitalisation (Hall, 2014, p. 4) however few publishing houses have investigated and researched the need for or the implementation and effects of digital marketing (Davies and Balkwill, 2011, p. 45). Pan Macmillan, although a dominant company in the South African publishing industry, does not have a digital marketing strategy (Hammond, 2015).

Digital marketing is a relatively new concept in the world of marketing, but is especially so in technologically developing countries such as South Africa (Sandmann, 2013, p. 1). Despite this, the use of digital marketing is increasing worldwide (Ryan, 2014, p. 5) and is an exciting new space that can be highly beneficial when utilised correctly (Ryan, 2014, p. 5). Because of the novelty of digital marketing in South Africa (Evans, 2015, p. 1), the companies which are innovative enough to recognise the ‘gap in the market’ with regards to the digital marketing space in South Africa and to use it efficiently, could profit hugely from the modernisation of digital marketing (Sandmann, 2013, p. 1). Many South African businesses have already recognised the power of digital marketing (Pursey, 2015, p. 1), but research is still required to fully understand digital marketing; from its concept to its strategy and implementation and to its effects (Wertime and Fenwick, 2011, p. 54). This research will focus predominantly on the need for, and creation of, a digital marketing strategy for the South African publishing house, Pan Macmillan. The company will be discussed and explained in order to understand the requirements for a digital marketing strategy. Pan Macmillan is a trade book publisher based

in the United Kingdom, Australia and South Africa (Morris, 2015). The South African branch of Pan Macmillan is a small subsidiary of the United Kingdom branch which is the largest and most profitable of the three publishing houses (Morris, 2015). Pan Macmillan is a part of the Macmillan Group, an international publishing house which covers most types of publishing ranging predominantly from educational works, to children's books, to trade books (Morris, 2015). Pan Macmillan is an established and highly regarded book publisher (Hammond, 2015) with a reputation for excellence reaching back to its creation in 1940 (Morris, 2015). Today Pan Macmillan South Africa represents several smaller "imprint" (Morris, 2015) companies which publish mainly trade and children's books.

Pan Macmillan has an established marketing strategy which focuses mostly on traditional forms of marketing (Hammond, 2015). Although successful (Hammond, 2015), this strategy must be adapted to include digital marketing techniques, especially as the world of books relies so heavily on publicity and marketing (Hammond, 2015). Pan Macmillan has an established extensive outline of a strategy that is adapted and accommodated to each specific book that is published based on the genre of the book and the intended audience (Morris, 2015). However, the company itself has a relatively broad marketing strategy as opposed to the detailed, smaller strategies for each individual book that the company publishes (Morris, 2015). In order to establish a digital marketing strategy for Pan Macmillan this research will seek to determine a digital marketing strategy for the company as a whole, as well as determine a digital marketing strategy outline for the books published individually. In order to establish a digital marketing strategy for Pan Macmillan, one must understand the difficulties and advantages of "merging online and offline strategy" (Dann and Dann, 2011, p. 61) as Pan Macmillan has an established traditional (offline) marketing strategy. This will not be discarded but rather used to develop a more successful digital marketing strategy.

The digital marketing strategy framework utilised for this research will be Chaffey and Bosomworth's Reach, Act, Convert, Engage (RACE) strategy (2013, p. 14) which incorporates the goals of the particular business, in this case Pan Macmillan, as well as the most effective use of digital marketing and how best to develop the required strategy. Information given by Pan Macmillan employees will ensure informed knowledge of the requirements needed for a digital marketing strategy and how best to incorporate it into the company.

The goals and objectives of the research will be stated and the information gathered by company employees will be analysed and utilised to ensure an effective and appropriate digital

marketing strategy framework. The data gathering technique and analysis process will be discussed and examined. As a result a conclusion will be drawn that effectively incorporates the goals and requirements of the company with regards to a digital marketing strategy using the digital marketing strategy framework that will best suit the needs of the company itself, as well as other growing South African companies.

CHAPTER TWO: LITERATURE REVIEW

1. INTRODUCTION

The aim of this chapter is to provide an overview on the relevant theoretical literature on digital marketing and digital marketing strategy development in an attempt to create a digital marketing strategy for Pan Macmillan, South Africa. It begins with a summary of traditional marketing strategy in order to use established marketing theories in digital marketing strategy development. It then focuses on digital marketing theories and the development of digital marketing strategy. Using best practice and international research, this thesis will determine the best digital marketing strategy for Pan Macmillan and why the development of a digital marketing strategy, not only in the publishing industry, but for most marketers is becoming more and more important as technology and the way in which it is used by the consumer, changes.

In order to develop a recommended digital marketing strategy for Pan Macmillan, one must examine and understand the key concepts of digital marketing, traditional marketing, digital and traditional marketing strategy as well as the development of digital marketing strategy (Kaufman and Horton, 2014, p. 4). Based on international best practice and research from identified and accepted chiefs within the field of digital marketing strategy combined with experience and knowledge of Pan Macmillan's established traditional marketing strategy, one can determine the need for and development of a digital marketing strategy for the publishing house. Many international publishing houses, including Pan Macmillan UK, have an established and implemented digital marketing strategy (Taylor, 2014, p. 1) as the movement towards the use of digital methods in marketing is far more advanced in countries like the United Kingdom and the United States than in countries like South Africa. As a result, in order to develop an effective and reasonable digital marketing strategy for Pan Macmillan, international best practice and existing and proven digital marketing strategies must be used.

2. MARKETING STRATEGY

The study of marketing as an academic subject is a relatively new discipline, as “academics have only studied marketing as a discipline in its own right for just over a century” (Eliss, Fitchett, Higgins, Jack, Lim, Saren and Tadajewski, 2010, p. 13). As a result, the study of marketing strategy is one with many shifts and changes in the research as new ideas are formed

and successes and failures in marketing strategies are understood. As the discipline of marketing and marketing strategy is better understood, more and more large and small businesses have implemented marketing strategies to ensure marketing success. Eliss et al (2010, p. 22) highlight that the 1980s saw very few internationally successful companies with a developed marketing strategy and fewer still with an implemented strategy. By 2010, however, over eighty percent of global companies, not only had established and implemented strategies, but were highly secretive and protective of those strategies. This rapid growth in the development of marketing strategy and the importance of marketing within a firm emphasizes the need to understand the past, present and future of marketing strategy.

2.1. HISTORICAL THEORIES OF MARKETING STRATEGY

In order to track the historical path of marketing and the theories of marketing strategy one must ask: when and from where did the concept of marketing strategy come? And who are the main contributors to the fundamental concepts and terms used to define and understand marketing strategy (Shaw, 2012, p. 30). The most predominant early research on marketing strategy is widely accepted as Rosenberg's *The Roots of Marketing Strategy: a Collection of Pre-1950 Readings*. However, despite the title, the articles barely mention marketing strategy and do nothing to describe, explain or determine what it is. Shaw (2012, p. 31) highlights that, like other authors, Rosenberg likens marketing strategy to marketing management and as a result uses the term as a substitute for marketing as a whole. These terms must be separated and studied accordingly as "marketing covers an entire discipline which contains both micro (e.g. marketing management, buyer behaviour and consumer psychology) and macro (e.g. industry, distribution channels and aggregate marketing system) perspectives" (Shaw, 2012, p. 31). Shaw believes that marketing strategy is a unique element of marketing management as it is used to establish a marketing plan which is created under marketing management. This means that, although marketing strategy should be treated as its own subject to be researched and understood, this must be done with the knowledge that marketing strategy is linked to other aspects within marketing management. Although marketing strategy is seen as an important element of marketing management and marketing success (Baker, 2014, p. 21), the term 'marketing strategy' was not discussed or explained at all in the early findings and research of marketing. This understanding had not been fully explored when the early concepts of marketing strategy were formed (Baker, 2014, p. 23). However, many remnants of the early concepts and findings of marketing strategy are seen in contemporary concepts and theories. Examples include "Borden's marketing mix, Smith's product differentiation and market

segmentation, Dean's conception of skimming and penetration and Forrester's product life cycle" (Shaw, 2012, p. 34), although these concepts have been built upon and added to in order to better understand marketing strategy, what it entails and how it has changed and adapted as needed. As a result of these concepts and the changes they have experienced an examination of contemporary theories of marketing strategy is necessary.

It is understood by many marketing chiefs that the first explanations of marketing strategy were infused with the definitions and findings of marketing management (Lyon, 1926, p. 3). Within these early definitions of marketing management, one could establish the need for a marketing strategy to assist in meeting the goals of marketing management (Morgan and Vorhies, 2011, p. 273). A well-informed and effective marketing strategy is able to predict the constantly changing conditions and pre-empt the job of adapting marketing actions (Sheth, 2011, p. 170). However as the discipline of marketing was better understood and observed, the use of the term 'marketing strategy' became more frequent and effective (Morgan and Vorhies, 2011, p. 273). In the 1960s, large developments were made with regards to the implementation of marketing strategy in the research of marketing management (Lee and Carter, 2011, p. 6). However, despite an integration of strategy into marketing planning, Shaw (2010, p. 32) emphasises that the current knowledge surrounding marketing strategy is highly limited by inconsistency or, worse still, incoherency. As a result, for the purpose of this research, one must examine and discuss, using historical theories of marketing strategy, the contemporary theories of marketing strategy in order to establish a digital marketing strategy.

2.2. CONTEMPORARY THEORIES OF MARKETING STRATEGY

Marketing strategy is a main tool in marketing (Morgan, 2012, p. 104) and must therefore be studied and researched effectively. Although the study of marketing as a whole is relatively new, there are many theories of marketing and marketing strategy. However, Shaw highlights that research and findings on marketing strategy are conflicting and have often caused confusion. This is because there is a large amount of literature on the subject of marketing strategy resulting in many varying definitions of marketing strategy. However most definitions agree on the inclusion of the marketing mix and target markets within the marketing strategy. Ferrell and Hartline (2012, p. xvii) claim that marketing strategy is "about people (inside an organisation) finding ways to deliver exceptional value by fulfilling the needs and wants of other people (customers, shareholders, business partners, society at large), as well as the needs of the organisation itself". Marketing strategy is a key component of an organisation and its

ability to market itself. It is the plan that allows for successful marketing development, implementation and reputation. David Aaker (2013, p. 24) defines marketing strategy as the procedure in which a company focusses predominantly on its available resources and how best to use them to ensure increased sales and a continual competitive advantage. This means that having a marketing strategy is crucial to the competitive advantage of a business and its continuation in a rival-filled market.

Shaw (2012, p. 33) claims that, although many marketing scholars differ on marketing strategy definition, most agree on the need for “segmentation and differentiation” within the marketing strategy. This is linked to the idea of the marketing mix and target markets.

According to Kotler and Armstrong (2012, p. 12) there are four different types of marketing strategies based on market dominance. The four types are "market leader, market challenger, market follower and market nicher". A business usually determines its marketing strategy type by examining its corporate strategy or the strategy of its business unit. A strategic business unit is a profit hub aimed specifically at market segments and the products offered (Koontz, 2010, p. 14). This means that a large corporation will divide its business units, often into categories such as 'marketing', 'sales', 'human resources' etc. allowing each unit to determine its own strategy based on unique goals. The strategy of the business unit "determines the nature and future of each business unit including its competitive advantages, the allocation of resources and the coordination of the functional business areas" (Ferrell and Hartline, 2012, p. 34). As a result, a marketing business unit will determine its own strategy using the strategy of the larger business as well as the goals and objectives of the marketing unit itself.

A marketing strategy can be comprised of more several marketing programs which include the target market and the marketing mix (Ferrell and Hartline, 2013, p. 17). According to Shaw (2012, p. 180) In order to define a target market and marketing mix, a marketing strategy must use market segmentation in order to effectively categorise an intended market. Market segmentation is a division of people who share a common trait and as a result having a common or similar need for particular products (Lamb et al, 2010, p. 177). This means that market segmentation is the operation of dividing a market into important, similar and distinguishable groups. This allows marketers to target specific groups based on their product needs and wants. There are generally five different bases for market segmentation. They are "behavioural segmentation, geographic segmentation, demographic segmentation, psychological segmentation and benefit segmentation" (Lamb et al, 2010, p. 180-187). Using these bases

marketers are able to determine their target markets and as a result create their marketing strategy.

Kurtz (2010, p. 27) highlights that a target market is a collection of people on which a business chooses to focus its goods and marketing labours. This means that a marketing strategy must understand and incorporate correctly, the chosen target market of the business. If a target market is not identified and understood, a marketing strategy cannot be successful as products will not appeal to the correct customers. In order to identify a target market, a target market strategy must be adopted. The process of identifying market segments for a target market begins with a "market opportunity analysis" (Kotler and Armstrong, 2012, p. 39) which analyses the size and sales opportunities within market segments that will benefit the business and the product it wishes to market. An evaluation of competitors within market segments must be made. Once this is complete target markets are selected using the three strategies for selecting target markets which are "undifferentiated targeting, concentrated targeting and multi-segmented targeting" (Lamb et al, 2010, p. 195). Once a target market is selected, a marketing mix is used to appeal to the market chosen. Target markets are chosen by the use of a single marketing mix aimed at an entire market, by focussing on a single segment or by the use of multiple marketing mixes to attract many market segments. (Lamb, Hair and McDaniel, 2011, p. 45).

Lamb, Hair and McDaniel (2011, p. 53) highlight that a marketing mix is a combination of place, people, price and promotion strategies which are used to ensure the benefits of exchange for both the business and the target market. Using the 4Ps (McCarthy, 1964, p. 7), which are tools that are used to explain marketing theories in a more practical format, the marketing mix determines how a marketing strategy is developed.

2.3. MARKETING STRATEGY DEVELOPMENT

Marketing strategy development is a changing procedure impacted by many factors. The tools of "segmentation, target market selection and positioning" (Vincent, 2009, p. 177) are used to determine McCarthy's 4Ps for the organisation. The application of an organisation's specific segmentation, target market and positioning as well as a clear definition and understanding of the organisation's marketing mix and 4Ps, would result in an effective marketing strategy development (Gilligan and Hird, 2013, p. 49). Adjustments and changes may need to be made in order to establish which processes and strategies will be truly effective (Gilligan and Hird, 2013, p. 49). The marketing strategy may need to be implemented in order to establish these

processes, understanding what works and what does not work. Results from the implementation of the marketing strategy would then be used in a re-evaluation of the marketing strategy within the development phase. It is often a cycle established by trial and error (Vincent, 2009, p. 178).

3. DIGITAL MARKETING

With the constantly adapting and changing technology of today a large number of the world's population uses digital media in some form or another. As digitalisation becomes more and more a part of everyday society, more industries and companies are seeking ways in which to use the digital world to their advantage. Marketing is such an industry. Ryan and Jones (2012: ix) state that "if one wants to connect with one's customers today and into the future, digital channels are becoming essential to the marketing mix". In order to understand the effects and necessity of digital marketing one must first understand the history of digital marketing, what the term itself means and what digital marketing entails.

The term 'digital marketing' was first used in the early 1990s (Dorie, 2012, p. 1) as the internet and World Wide Web were launched becoming a key aspect of everyday life for many people around the world. The term has seen a few adaptations and still varies from country to country (Chaffey and Smith, 2013, p. 1). In the United States of America it is known as 'internet marketing' while the United Kingdom uses the term 'e-marketing'. As a result the terms can often be used interchangeably but 'digital marketing' is becoming the most widely used. Digital marketing is a term that encapsulates and includes both terms as it is "any type of marketing activity that needs some form of interactive technology for its implementation" (Dann and Dann, 2011, p. 4). Digital marketing grew with the advances in technology and the increasing reliance by many consumers on the internet and its interactivity. Ryan and Jones (2012, p. 5) state that many marketing advances are intertwined with the development of new technologies. The internet is perhaps the greatest communication and connection tool that history has known making it a key resource; one that marketers must utilise.

However digital marketing is comprised of and makes use of more resources than the internet. Dann and Dann state that digital marketing can be divided into three different forms of interactive marketing. They are "marketing over internet protocol, interactive marketing and mobile marketing" (Dann and Dann, 2011, p. 6). Marketing over internet protocol includes all forms of marketing that use the internet in any way. This is the main aspect of digital marketing. Interactive marketing does not make use of the internet but uses interactive systems that do not require internet or mobile. Examples include CD and DVD as well as iPods and interactive or

‘smart’ televisions. This form is diminishing as technology advances and fewer non-internet devices are available. Mobile marketing uses a distinguishing group of communication practices and tools such as short messaging systems (SMS), Bluetooth capable devices and multimedia messaging (Dann and Dann, 2011, p. 6). Each of these three forms uses mediums within the forms as platforms for marketing and must be incorporated into a digital marketing strategy. Because the internet is so prominent in everyday life, marketing over internet protocol has many different marketing tools at its disposal. Such marketing tools include social media marketing, search engine marketing, affiliate marketing, email marketing and mobile marketing-making use of the constant internet access of smartphones and tablets (Chaffey and Smith, 2013, p. 26). Figure 1 depicts the most common uses of and tools for digital marketing. They are “email marketing, pay per click marketing, search engine optimisation, social media marketing and online presence” (Cameron, 2014, p. 1). Practically, many companies may not be able to make use of all the tools offered in Figure 2, however many successful combinations of the tools can be determined and tailored to a specific company’s digital marketing needs (Cameron, 2014, p. 1).

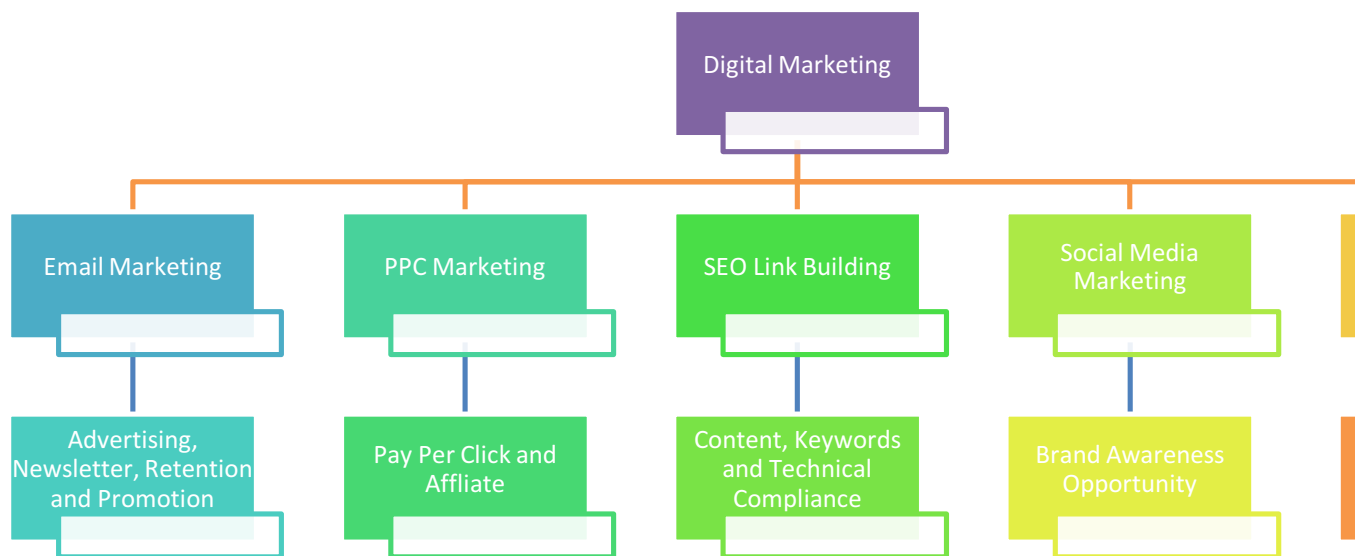


Figure 1. Digital Marketing Tools (Source: Cameron, 2014, p. 1)

Digital marketing is a form of marketing that is growing in importance and necessity for marketers and the promotion and advertisement of their businesses. As a result of its increasing prominence in the marketing domain, further research and investigation must be made into the prospects of digital marketing.

3.1. THEORIES OF DIGITAL MARKETING

Because digital marketing is a relatively new concept to the world of marketers (Wymbs, 2011, 22), there are conflicting views on the subject with few proven theories of digital marketing. However, the lack of information, allows for innovations and new ideas into the world of digital marketing and the theories surrounding it (Wymbs, 2011, p. 22). The scarcity of digital marketing theories in marketing research results in varying opinions and disputes (Frick, 2010, p. 7). However, a general consensus, with regards to digital marketing theory, includes the use of traditional marketing theories to create digital marketing theories. An example of this is seen in the digital marketing theories such as “game theory, signalling, innovation, product quality, market share, market pioneering and market orientation” (Mason, 2011, p. 1). Game theory highlights the ability of an organisation to act in a rational, expected manner. Signalling dictates how the behaviour of an organisation’s competitor is deciphered. Innovation is a key theory for digital marketing strategy as there are few strategies that have been developed and are being implemented which means innovation and creativity will be needed to create new, successful and constantly changing strategies. Product quality dictates other influences of demand for a product, not simply price. Market share dictates the likely profitability of an organisation based on the ability to market itself and its product or service. Market pioneering dictates an organisation’s ability to create a new product or influence its market in a new or innovative way. Market orientation focuses on the customer’s needs and wants and how the organisation should ultimately meet those desires.

4. DIGITAL MARKETING STRATEGY

As the impact of digital marketing grows, marketing strategies must adapt and change to incorporate a more diverse, digital forum. According to Ryan and Jones (2012, p. 23) the foundation of digital marketing strategy is to understand one's business, to understand one's competition, to understand one's customers, to know what it is one wants to achieve and to closely follow one's marketing progress. These goals are similar to those of a traditional marketing strategy. Other similarities to traditional marketing strategy are the focus of digital marketing strategy on the product life cycle, Porter's competitive strategy and the Ansoff growth matrix (Dann and Dann, 2011, p. 63-71). Digital marketing strategy makes use of positioning, objectives, target markets and segments (Chaffey and Smith, 2013, p. 554), as does a traditional marketing strategy (Morgan, 2012, p. 105). However, digital marketing strategy

incorporates further theories such as incorporation of the web and the arrangement of e-tools (Chaffey and Smith, 2013, p. 554). These theories deal with the integration of the internet and social media into marketing strategy. Re-visiting traditional marketing strategy tools is useful, especially when appropriate elements are chosen which will enhance and inform digital marketing strategy. Within the theory of the product lifecycle model, Dann and Dann (2011, p. 63) state there are six phases of a product's life. Understanding these phases and what occurs during each is very important because the digital marketing strategy can be adapted to each phase of the product's life. For example, phase four of a product's life is, state Dann and Dann (2011, p. 64), the last growth spurt of the product but it is also the phase that earns the business the most profit from the product as consumers are aware of the product's reputation. This means that it is the last time the product is seen as new and innovative, with high interest from new buyers before it becomes dependent on loyalty purchases. For this phase digital marketing begins to find new uses for the marketing of the product rather than new ways to market the product. This means that instead of redoing what was done at the product's creation with regards to posting to the web on social media sites or within computer games or via mobile, the company will create a longer lasting marketing techniques for the product such as blogs or recurring Multi-Media Message videos which have less of an immediate effect but keep the product in the public eye for a little while longer.

Elements of Porter's (Dann and Dann, 2011, p. 68) generic competitive strategy can also be used to determine a successful digital marketing strategy. With regards to product differentiation, it is difficult to differentiate one's product currently as information is so readily available (Ryan and Jones, 2013, p. 26); it is easy to flood the market allowing one's product to slip through the cracks. However, product differentiation can be reached by correctly applying personalisation, customisation and a construction of the product mix which is difficult for competitors to duplicate (Dann and Dann, 2011, p. 69). Cost-leadership is also necessary in digital marketing strategy as it allows the organisation to create a long term competitive advantage (Dann and Dann, 2011, pp. 69). With regards to digital marketing the use of many internet services are free, resulting in lower cash investment (Dann and Dann, 2011, p. 70). However, a digital marketing strategy will be highly time intensive, with constant updates and variations needed (Dann and Dann, 2011, p. 70). With regards to niche marketing which focuses on the idea of meeting specialist, particular needs for a distinct group of consumers within the market, digital marketing strategy is key and very useful (Ryan and Jones, 2013, p. 27). This is because technology gives marketers information with regards to what different

consumers want and why. Dann and Dann (2011, p. 69) claim that in many regards, the internet is the perfect tool for niche marketing.

Chaffey and Smith (2013, p. 555) claim that digital marketing strategy "guides the choice of target markets, positioning and propositions which in turn guide the optimum mix- the sequence of e-tools, service levels and evolutionary stages". This means that digital marketing strategy is similar to traditional marketing strategy in many ways; however, digital marketing strategy can be more complex as the marketing mix incorporates e-tools. Another key issue for a digital marketing strategy, although important for a traditional marketing strategy, is that of branding. This is a particular issue with regards to the internet as it is difficult to differentiate a product or brand in the large expanse of the web. Dann and Dann (2011, p. 85) claim that branding and market segmentation allows the organisation the ability to appreciate its customers desires through a digital marketing strategy as well as understand the consumer base it wishes to expand into with other online products or services.

Ryan and Jones (2012, p. 33) claim that when a business is establishing a digital marketing strategy it must have researched, analysed and understood three things. They are: "your business, your competition and your customers". This means that a digital marketing strategy must be formulated specifically for your business and its requirements. Although there are general guidelines to establishing a successful digital marketing strategy, each business's strategy is going to differ based on its specific marketing mix and segmentation. McCarthy's 4Ps of place, promotion, price and product are crucial to determining the correct digital marketing strategy. Recent research has added to McCarthy's 4Ps, introducing the 8Ps of the marketing mix. They are "product, price, promotion, place, productivity and quality, people, process and physical evidence" (The Chartered Institute of Marketing, 2009, p. 4). Digital marketing strategy incorporates most of the traditional marketing strategies as well as adding new techniques and theories to ensure a successful digital marketing campaign. Stone and Woodcock (2013, p. 1) highlight that the advance of digital marketing means that organisations must have a more comprehensive knowledge of their consumers and the relationship customers have with the organisation itself. Digital marketing strategy must create and implement this understanding.

5. DIGITAL MARKETING STRATEGY DEVELOPMENT

Chaffey and Bosomworth (2013, p. 12) claim that the main focus of the development of digital marketing strategy is the incorporation of the important elements of one's marketing strategy, new ideas from other plans and the movement towards an online setting. With the incorporation of traditional marketing strategy techniques into digital marketing strategy, an organisation is able to adapt the strategy as is needed (Stokes, 2012, p. 16). Another recommendation for digital marketing development is to break down the various digital marketing strategies such as the division of "targeting and segmentation, positioning, proposition and the marketing mix, brand strategy, online presence, engagement strategy and social media marketing strategy" (Chaffey and Bosomworth, 2013, p. 12-15). Not all these various divisions are necessary for most organizations but the knowledge of the divisions would be useful when beginning to establish a digital marketing strategy.

In order to develop a digital marketing strategy, one must establish the goals and objectives of the digital marketing strategy. A favoured approach for establishing marketing strategy objectives is "SMART" (Dann and Dann, 2011, p. 76) which breaks down into 'specific', 'measurable', 'actionable', 'realistic' and 'timetabled'. 'Specific' refers to a clear statement of what is trying to goal is trying to be reached and why. 'Measurable' highlights the need for the ability to measure one's progress and success with regards to goals and objectives. 'Actionable' refers to the need for action-orientated tasks in order to reach set goals. Where 'measurable' indicates what is going to happen, 'actionable' indicates how it is going to happen. 'Realistic' highlights the need for objectives that are real and actually obtainable. 'Timetabled' dictates when the objectives will be achieved.

5.1. ESTABLISHED STRATEGIES

As mentioned above, digital marketing strategies are organisation-specific depending on the product or service offered and the segmentation and target market of the organisation. This means that although many international companies have established strategies, they may have to be adapted or reworked. However, examining the outlines of effective, established strategies will ensure an understanding of what will work and what will not work when applied to the organisation for which the strategy is being created. A tested strategy is that of "Reach, Act,

Convert, Engage (RACE)” (Chaffey and Bosomworth, 2013, p. 14) depicted in Figure 3. *Reach* focusses on the initial stages of digital marketing strategy with the determination of the organisation’s digital marketing goals and objectives and how to build the organisation’s online presence and customer awareness with regards to the organisation’s brand (Chaffey and Bosomworth, 2013, p. 14). *Act* focuses on how the organisation is going to connect to its customers and which digital tools are best suited to the organisation’s digital marketing strategy and its overall brand (Chaffey and Bosomworth, 2013, p. 14). *Convert* focusses on the desired and expected effects of the increased online presence with regards to increased sales, increased customer base and how the digital marketing strategy has helped to achieve the overall marketing goals of the organisation (Chaffey and Bosomworth, 2013, p. 14). *Engage* focusses on the achievement of customer retention, customer loyalty and customer increase goals as a result of digital marketing strategy (Chaffey and Bosomworth, 2013, p. 14). Figure 3 shows that the RACE framework (Chaffey and Bosomworth, 2013, p. 14) is a continual cycle as it must be constantly adapted and improved to ensure successful results.

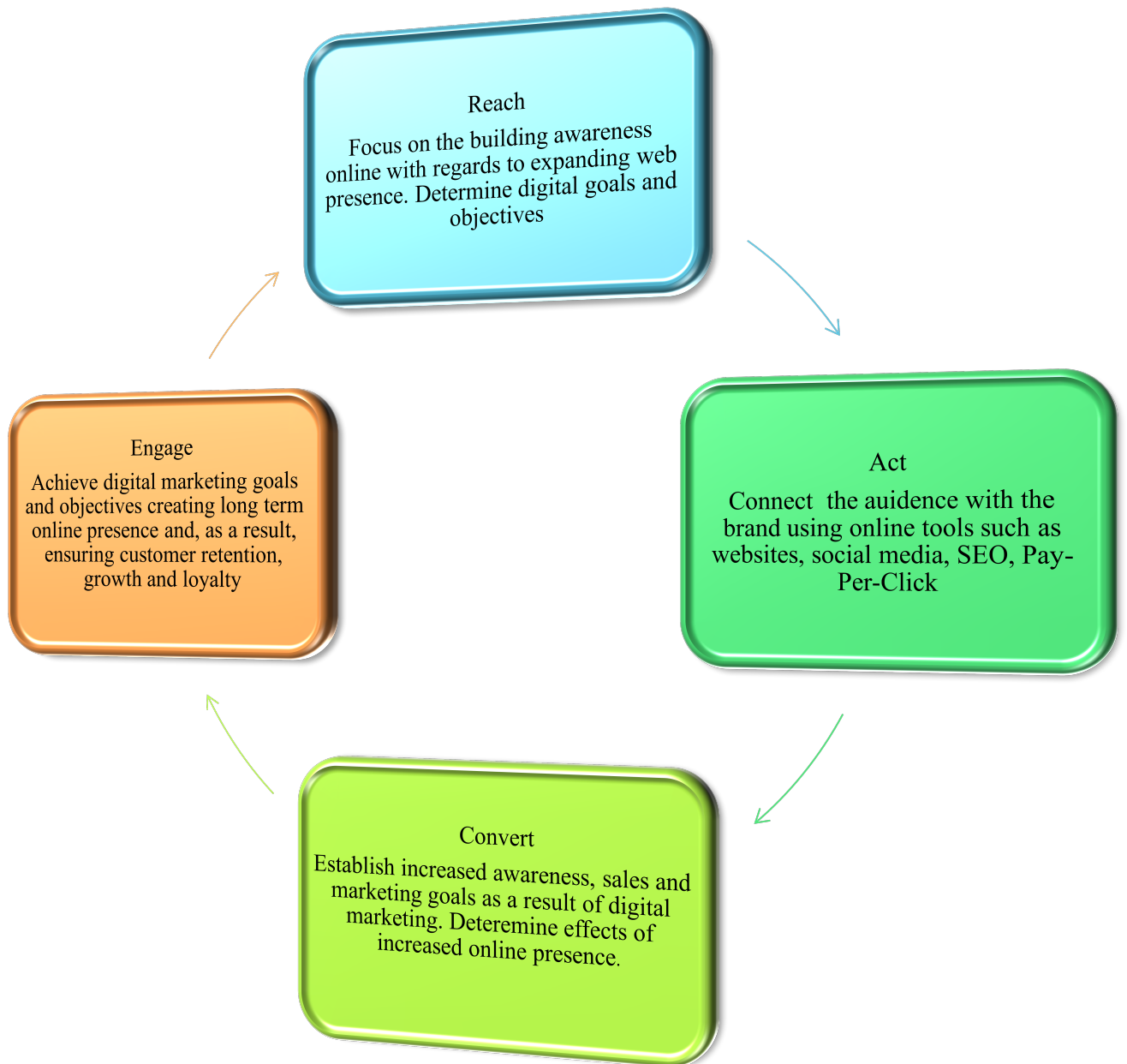


Figure 3 The RACE Framework (Source: Chaffey and Bosomworth, 2013, p. 14)

RACE is an effective strategy because it is forward-thinking and allows for the integration of traditional marketing methods with the innovations of digital marketing strategy (Chaffey and Bosomworth, 2014, p. 5) The strategy is also a practical one as is depicted in Figure 4 which shows the integration of the RACE strategy with the product life cycle and how it should be marketed using digital techniques. This model makes allowances for the unpredicted changes that come from the advocacy of the consumer. As mentioned previously, the strategy is based on a cycle of trial and error depending on how well the digital marketing strategy was utilised

and implemented as well as the changing and shifting demands of the consumer themselves. Chaffey and Bosomworth (2014) also make use of the 7 steps to digital marketing strategy creation in conjunction with the RACE framework which explains the steps needed to align the RACE framework with a specific company's digital marketing strategy creation.

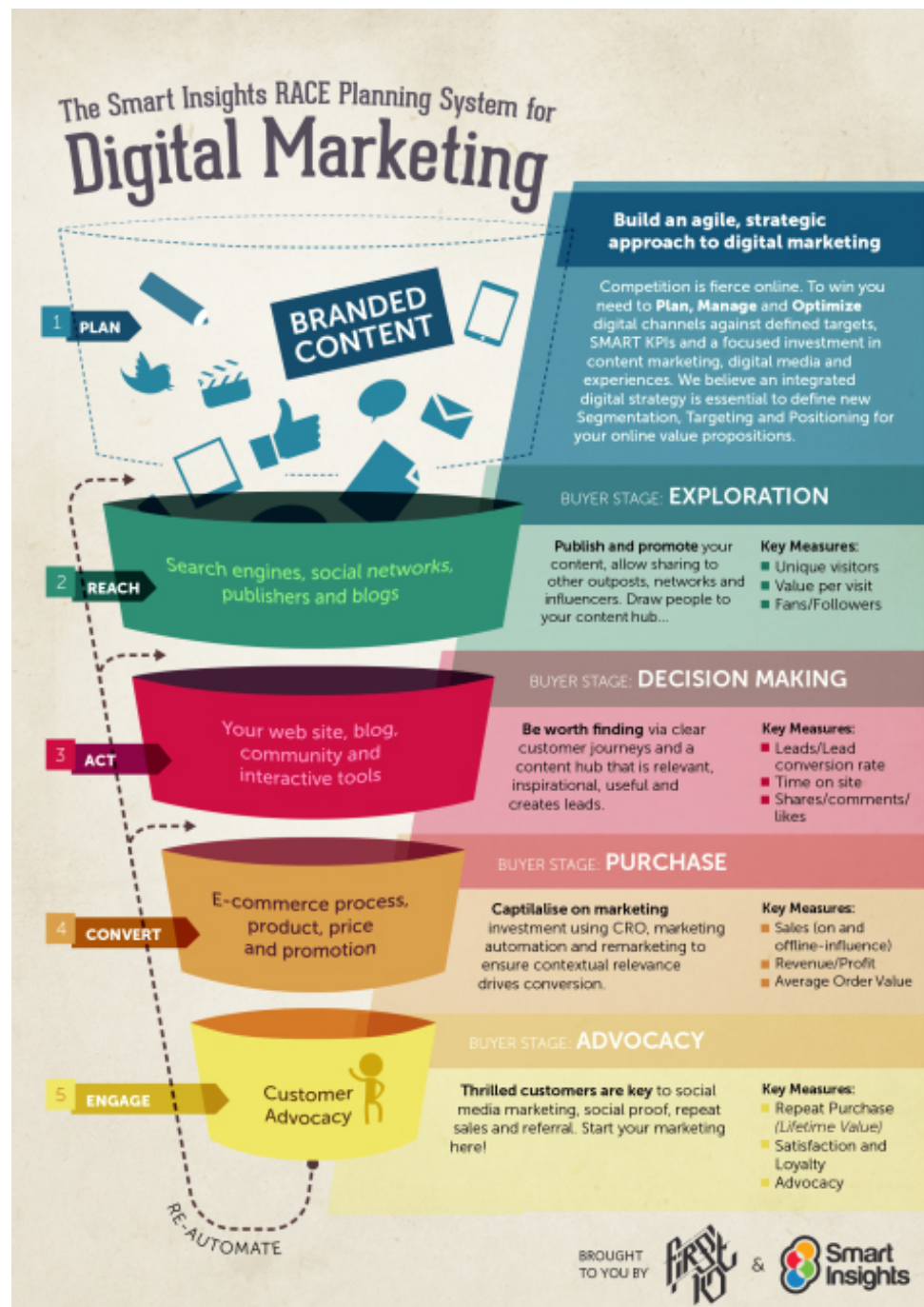


Figure 4, The RACE Framework and the respective Digital Marketing Tools that should be used for each RACE segment. (Source: Chaffey and Bosomworth, 2014, p. 14)

The 7 steps of digital marketing strategy creation (Chaffey and Bosomworth, 2014, p. 2) are:

1. Define your approach to digital marketing strategy
2. Understand your ecosystems
3. Define your future
4. Targeting
5. Positioning
6. Getting new customers
7. Keeping customers engaged and loyal

These steps focus on the internal digital marketing attitude of a company as well as the external digital marketing attitude of the industry in which the company operates (Smith, 2014, p. 5). However, the steps mainly focus on the understanding from a company of its own digital marketing strategy development and its own goals for its digital marketing strategy (Chaffey and Bosomworth, 2014, p. 2). In order to understand in what way a company will benefit from a digital marketing strategy, the company must understand in which direction it is headed, which market segment it wishes to target, how it will position itself digitally, how it will obtain new customers and retain current customers in such a competitive digital marketing environment (Chaffey and Bosomworth, 2014, p. 3). When used in conjunction with the RACE framework, the 7 steps to digital marketing strategy creation will ensure an effective and realistic digital marketing strategy is created (Smith, 2014, p. 5).

Included in the 7 steps is the planning outline “SOSTAC” (Chaffey and Bosomworth, 2014, p. 10). SOSTAC represents “situation analysis, objectives, strategy, tactics, actions and control” (Chaffey and Bosomworth, 2014, p. 10). This framework is used predominantly in the implementation of a digital marketing strategy and is highly useful when creating a digital marketing strategy. When used in conjunction with RACE and the 7 steps of digital marketing strategy creation, SOSTAC ensures a digital marketing strategy that is informed and realistic. This means that the digital marketing strategy developed will be practically viable as well as theoretically sound.

Figure 5 depicts an in-depth explanation of the cycle of SOSTAC. Within each title, an evaluation of the digital strategy of an organisation is divided into certain questions that must be answered in order to create an effective digital marketing plan. The cycle moves from

current evaluation, through the process of digital presence creation and actions to customer expansion through digital growth and customer retention through consistent high performance and digital excellence. The SOSTAC framework is designed for a large organisation with a high number of resources that can be dedicated to digital marketing expansion (Chaffey and Bosomworth, 2014, p. 11). However, even for a small company it is an effective framework to employ when creating a digital marketing strategy. It is most effective when aligned and used with the RACE framework (Chaffey and Bosomworth, 2014, p. 10).



Figure 5. The SOSTAC System of Planning. (Source: Chaffey and Bosomworth, 2014, p. 10)

6. CONCLUSION

Ryan and Jones (2012, p. 33) state that “going through the process of defining a clear strategy, based on a thorough analysis of where your business is now, and where you want digital marketing to take it, puts you in the ideal position to know what’s likely to work for you, and just as important, what probably won’t”. This emphasises the growing importance of digital marketing and the need for companies to understand and formulate clear pathways for digital marketing success. This thesis will attempt to give insight to Pan Macmillan specifically, and optimistically other companies facing the digital marketing change in general, as to how to begin to comprehend and embrace the movement of marketing strategy towards the digital world.

CHAPTER THREE: RESEARCH DESIGN

1. INTRODUCTION

This section will describe and discuss how the research was conducted. The research problem, goals and objectives will be stated and the population and sample used will be identified. The RACE framework (Chaffey and Bosomworth, 2014, p. 2) used will also be discussed in order to better understand why this particular framework was chosen and how best to utilise it for the company's needs. The 7 steps to digital marketing strategy creation and SOSTAC will be used with the RACE framework (Chaffey and Bosomworth, 2013, p. 14) to apply the framework to the specific company used. Thereafter, the method, procedures and technique of data collection and analysis will be discussed.

2. RESEARCH PROBLEM

The research will focus on the area of digital marketing strategy development within a South African book publishing company, Pan Macmillan. As digital media becomes more important in the world of business, marketing strategies must be adapted to incorporate the rapid pace of digitalisation (Smith, 2014, p. 5). The book publishing industry itself is more familiar with the threats and opportunities of digitalisation, however few publishing houses have investigated or researched the need for, or the implementation and effects of, digital marketing (Costigan, 2014, p.183). Pan Macmillan, although a dominant company in the South African publishing industry (Le Roux, Struik and Labuschagne, 2011, p. 4), does not have a digital marketing strategy. The research aims to begin to solve the problem of Pan Macmillan's lack of a digital marketing strategy by researching digital marketing, traditional marketing, digital and traditional marketing strategy as well as the development of digital marketing strategy. In a practical sense, the marketing manager at Pan Macmillan must identify what problems need to be solved by a digital marketing strategy. This research must be understood within the context of Pan Macmillan's existing marketing strategy and the requirements of a digital marketing strategy for the company are vital. Once this research problem is investigated and understood in the context of Pan Macmillan, a recommended digital marketing strategy can be created.

3. GOAL OF RESEARCH

The goals of this research are to:

1. Use Chaffey and Bosomworth's strategy components (RACE framework, 7 steps to digital marketing strategy creation and SOSTAC) to assess Pan Macmillan's current practices, challenges and opportunities with regards to digital marketing.
2. Develop a proposed digital marketing strategy for Pan Macmillan.

The research is qualitative in nature. The paradigm of the research is post positivism which is a "form of positivism that allows more interaction between the researcher and his/her research participant" (Willis, 2007, p. 24). The participant in this research is the marketing manager of Pan Macmillan SA, Laura Hammond. Her answers to the interview questions allowed the researcher to understand Pan Macmillan's current marketing practices and the challenges and opportunities that will exist with regards to a digital marketing strategy.

3. POPULATION

Pan Macmillan SA requires its own digital marketing strategy as the two country's markets differ significantly (Hammond, 2015). Pan Macmillan SA has a marketing team consisting of six personnel who are responsible for the trade publisher's entire marketing campaign, both for individual books and for Pan Macmillan SA as a whole. Although there are six marketing personnel working for Pan Macmillan, for the purpose of this research, the knowledge that was needed was that of the marketing manager. As a result, the marketing manager was the only employee interviewed. Because trade publishing is not a large industry in South Africa, there are limited resources available to Pan Macmillan SA (Morris, 2015). However, Pan Macmillan is one of South Africa's larger trade publishers as it is a smaller subdivision of the much more profitable and larger Macmillan which is an educational publisher. The existence of Pan Macmillan UK and Australia is also a significant benefit for the South African division of the company as many international books and therefore marketing techniques and strategies are shared between the cross-continental divisions (Hammond, 2015). However, because the cultures of the different countries vary pointedly, the marketing techniques and strategies must be adapted to accommodate the different cultures and audiences for which they are intended.

As a result Pan Macmillan SA must create its own digital marketing strategy to fit the demands of the South African book market (Hammond, 2015).

4. THE SAMPLE

The type of sampling involved in this research is purposive, as the individuals participating in the research have been decided upon by the researcher based on the criteria of the information needed for the research (Oliver, 2006, p. 2). The research required the understanding of digital marketing strategy as a whole and the most effective digital marketing strategy frameworks as well as a considerable knowledge of the existing marketing practices at Pan Macmillan SA and what is expected from a recommended digital marketing strategy for the company. The research focuses on sampling documents relevant to Pan Macmillan's established marketing strategy and related sources of information dealing with components of digital marketing strategy development. The marketing manager of Pan Macmillan was interviewed for a more in-depth understanding of challenges and opportunities relating to a digital marketing strategy development. Although there is a marketing team of six at Pan Macmillan, because there is no existing digital marketing strategy and this research offers the very beginning of a strategy, the knowledge of the marketing manager was the key information needed. As such interviews were conducted with the marketing manager only, each interview focussing on different aspects of the research, to ensure a full understanding of the existing marketing strategy, as well as what is required from a digital marketing strategy.

5. DATA COLLECTION

The research focussed on acquiring data through interviews with the marketing manager of Pan Macmillan and document analysis. Documents analysed will include Pan Macmillan's current marketing strategy template and outline, Advance Information Sheet templates for the various genres published by Pan Macmillan, Pan Macmillan's marketing goals for 2015 and brand templates. Gill, Stewart, Treasure and Chadwick (2008, p. 291) highlight that there are three types of interviews: structured, semi-structured and unstructured. The research was conducted using semi-structured interviews which allowed for the interviewer to guide the interview with structured questions while enabling the interviewee to include other information they found relevant that the interviewer may not have incorporated (Harrell and Bradley, 2009, p. 13). This method was used as it allowed for a less rigid direction of the interview resulting in a greater possibility of new discovery of the relatively new concept of digital marketing strategy.

The researcher created semi-structured interview questions, as shown in appendix 1, based on the goals of the research which focus on the incorporation of Chaffey and Bosomworth's (2014, p. 14) RACE framework to understand Pan Macmillan's current marketing practices, what challenges are currently being faced and those that may be faced with the incorporation of a digital marketing strategy. The questions were also focussed on the opportunities that a digital marketing strategy may create and the expectations of Pan Macmillan towards a recommended digital marketing strategy that would be feasible to implement within the company. The interview questions were emailed to Hammond three days before the actual interview took place. This allowed for more informed and elaborate answers during the actual interviews, giving Hammond more time to consider her answers. The interviews were scheduled for an hour each session, but the length of each varied depending on the length of answers needed for different questions. The RACE framework (Chaffey and Bosomworth, 2013, p. 14) was used in order to establish what Hammond required from a digital marketing strategy and how that goal could be achieved.

6. DATA ANALYSIS

Documentation analysis (Bowen, 2009, p. 27) was used with regards to understanding Pan Macmillan's traditional marketing strategy and identified the benefits and obstacles of a new digital marketing strategy. An understanding of Pan Macmillan's established marketing strategy goals was accomplished, as well as an understanding of digital marketing frameworks explored in the literature review, allowing for the identification of components required for an effective digital marketing strategy for the company.

Existing marketing plan templates were given to the researcher to examine. These templates are used for each individual book that is currently being marketed in the country by Pan Macmillan. Each template is adapted for each new book with regards to genre, age appropriation and market segmentation (Hammond, 2015). An example of an Advance Information (AI) sheet was also examined by the researcher as it is a key tool used for the marketing of individual books (Hammond, 2015). An AI is a synopsis of a book that includes all the crucial information about a book such as the International Standard Serial Number (ISSN), the author, publisher and price of the book and whether or not the book is available as an eBook (Hammond, 2015). The AI is sent to all media outlets that the publisher makes use of to publicise a new book. These and other tools of marketing for a book publisher, that are discussed further presently, are incorporated by the researcher into the recommended digital

marketing strategy, making use of the RACE framework (Chaffey and Bosomworth, 2013, p. 14). Analysis of brand strategy for different genres was made in order to establish the goals of current branding practices and how they can be assimilated with the branding goals of the digital marketing strategy.

In conjunction with the analysis of Pan Macmillan's current marketing practices, analysis was made with regards to which forms of digital marketing would be most effective for Pan Macmillan's digital marketing strategy. This was done by the researcher based on the requirements of a digital marketing strategy for Pan Macmillan which were identified by Hammond. There are many platforms for digital marketing (Chaffey and Bosomworth, 2013, p. 4), however not all platforms are viable or needed with regards to Pan Macmillan's strategy. Analysis of the various forms and platforms of digital marketing were done in order to identify which would be suitable for Pan Macmillan SA.

7. ETHICAL CONSIDERATIONS

An ethical issue that could have arisen in the research is that of subjectivity. This is because key aspects were collected via interviews which allow for bias from workers within the organisation. Remenyi (1998, p. 109) states that "the question of giving appropriate importance and thus weight to statements and opinions becomes a central issue and the researcher needs to take great care to balance his or her approach". The researcher identified the issue before the interviews took place and was able to prepare the structure of the interview accordingly. However this was an unnecessary precaution as the interviewee accepts the need for the implementation of digital marketing and was enthusiastic about the development of a digital marketing strategy to assist in the transition.

The participant volunteered all information willingly, with full knowledge of what was required and was agreeable to having her name and position reported in the research. The company involved approved of the research being used for educational purposes as well as its own practical purposes and was willing to have their name reported in the research. No information that was need for the research was an institutional secret.

CHAPTER FOUR: RESEARCH RESULTS AND DISCUSSION

1. INTRODUCTION

Results were obtained through interviews and through relevant documentation analysis. The overall results of the interviews depicted that Pan Macmillan's current digital marketing presence is limited to social networks, emailed newsletters and the company's own website. Davies and Balkwill (2011, p. 30) state that most publishing houses operating within smaller markets are limited in their digital output. As a result Pan Macmillan is similar to the majority of other smaller publishing houses in terms of digital presence. However this does not mean that Pan Macmillan cannot adapt to a more competitive market (Davies and Balkwill, 2011, p. 3). Currently Pan Macmillan SA is making use of small fractions of Email Marketing, Social Media Marketing and Online Presence (Chaffey and Bosomworth, 2014, p. 17) digital channels. This is an extremely restricted use of the digital platforms open to Pan Macmillan SA and how best to utilise them. The documentation analysis of digital marketing strategy concepts and frameworks and of the marketing documents already in use by Pan Macmillan showed that traditional practices can be integrated into new digital practices at Pan Macmillan. Finally the RACE framework, the 7 steps to digital marketing strategy creation and SOSTAC (Chaffey and Bosomworth, 2014) were applied to Pan Macmillan's current marketing practices and Pan Macmillan's requirements and needs of a digital marketing strategy to develop a recommended digital marketing strategy for the company.

2. DOCUMENT ANALYSIS

Analysis of Pan Macmillan's current marketing strategies, brand templates and other document tools used assisted the researcher in understanding the current marketing practices at Pan Macmillan SA. Ideally, for a more comprehensive study, one would examine the exact digital marketing strategies of international book publishers as they have been working in the digital space for longer than South African publishers, however most publishing houses do not make their strategies public (Hammond, 2015). The templates used for each individual book suggest that different genres have different marketing strategies, as do the various market segments. The documents show that the main base of segmentation for Pan Macmillan's market is the genre of a book. This is conducive with Hall's (2013, p. 4) theory that the most efficient and effective way in which to organise a book with regards to digital marketing success is through various genres. The predominant genres in the South African book industry are Non-Fiction,

Crime Fiction, Young Adult (YA) Fiction, Children's and Autobiography (Publishers Association of South Africa, 2015, p. 3). As the South African book industry is so small, works by new or previously unpublished authors are rare (PASA, 2015, p. 2). An example of this is that only four South African fictional books were published by Pan Macmillan SA in 2014 (Morris, 2014). The majority of Pan Macmillan's revenue is generated from international books that are published by Pan Macmillan UK or Australia and are then distributed into the South African market (Hammond, 2015). However, non-fiction South African works are popular within the country and are therefore the main focus of the sales and marketing teams as well as the publishers themselves. For this reason larger budgets are allocated to the marketing of international bestsellers, where they are YA, crime, cookery or another genre, and non-fiction South African works. South African crime novels are also popular.

The marketing team at Pan Macmillan SA is highly informed on which books will be popular in the South African market by evaluating how they are received internationally and how they are received by the local media within South Africa. Davies and Balkwill (2013, p. 34) highlight that media outlets are crucial to the success of a book regardless of the area in which the book is being publicised. As a result the findings with regards to the usage of media by Pan Macmillan align with that of the literature and other publishing houses. An AI is sent to all media houses with a relation to literature. These include (Hammond, 2015):

- Regional radio stations
- High grossing South African magazines
- Regional South African newspapers
- All bookstores that stock Pan Macmillan works
- Other publishing houses

The various media outlets are paid to advertise the books but Pan Macmillan, ideally, attempts to get the media house to write a review or to directly mention the book in an article or on air. This offers more coverage of the book and publicity which would otherwise cost Pan Macmillan financially. The AI is also displayed on the Pan Macmillan's website (Hammond, 2015). This allows customers the opportunity to view a synopsis of the book before they buy it. Pan Macmillan records each AI individually to ensure a full archive of the books that have been published. The website functions as an online store for all Pan Macmillan books and as a result records the number of copies purchased over a digital platform, via computer, tablet or smart phone. However the website does not sell the eBook versions of the books, although

most of Pan Macmillan books are available in eBook format, and customers who require a digital copy must download it from another source.

Both document analysis and results of the interviews confirm that the most significant marketing tool available to Pan Macmillan is the authors themselves. This fact is evident throughout the literature focussing on the marketing tools of book publishers. Davies and Balkwill (2013, p. 20) state that an author is a publisher's crucial instrument in the marketing campaign of a book. Both the literature and research show that there is a distinct correlation between the involvement of an author with regards to the marketing and publicising of a book and the awareness, reception and sales of the book. Book tours by authors require a significant amount of time, finances and personnel given up by Pan Macmillan itself (Hammond, 2015). This means that a substantial amount of the budget required to market a bestseller is frequently used to finance a tour by the author to promote their new book. However the return on investment is considerable and hugely valuable to the marketing campaign of the book (Hammond, 2015). As a result book tours are planned precisely and according to the intended market segment of the book. For example the marketing campaign of a book written by a celebrity food critic involved a book tour in which the author visited three major food festivals in South Africa within a particular month. As a result of the tour the number of books sold increased by 43% which, for a single element of an overall marketing campaign, is hugely significant. However the opportunity cost of the book tour must be taken into account. The financial cost of the author's travelling around South Africa must be weighed against the opportunity cost of the same amount of money being used for the book's promotion within bookstores or within magazines. Hammond (2015) claims, however, that with regards to the promotion of international bestsellers when the marketing budget is significantly increased, the opportunity cost of a book tour is minimal. A South African book, however, requires a more in-depth knowledge as to whether or not the book tour would be the most beneficial marketing campaign path to take. These decisions are made by the experienced marketing employees at Pan Macmillan based on the expected reception of the book and current events in the country.

Based on document analysis, a digital marketing strategy would be highly useful for Pan Macmillan SA as it would allow for a more informed understanding of where marketing resources should be utilised.

3. INTERVIEW RESULTS

The interviews with the marketing manager of Pan Macmillan showed that although Pan Macmillan's marketing strategy is well-established and tested it requires an innovative digital integration. Hammond (2015) stated that although Pan Macmillan does not have a digital marketing strategy, the company outsources its online activity to an external digital consultant. Hammond (2015) highlights that the financial cost of hiring an external digital consultant is equal to that of the salary required should the marketing team at Pan Macmillan hire a full-time digital marketing employee. This shows the importance of the company's online presence and the financial needs to maintain it. However, Pan Macmillan has a restricted budget as trade books are not as profitable as textbooks. This means that Pan Macmillan cannot afford to make use of all the digital platforms that are available to its larger counterparts in the UK and Australia. This must be taken into account when determining a recommended digital marketing strategy for the company.

Pan Macmillan's current digital presence (Hammond, 2015) focuses on the Pan Macmillan website, social media marketing such as the company's Facebook page, Twitter account, LinkedIn profile and blog on BooksLive and email marketing which involves the distribution of the Pan Macmillan newsletter to those who have submitted email addresses voluntarily (Hammond, 2015). Hammond (2015) states that the marketing team subscribes to a media alerting tool which alerts the marketing employees to any media attention directed towards a particular book that is being promoted. There is a monthly cost for this service but Hammond highlights that the information is valuable as it ensures the publicity of a book is monitored and recorded. This allows the marketing team the opportunity to predict on which platforms a certain type of book is going to appear and to utilise that platform for a similar book in the future. Although the company is small and has a limited budget assigned to marketing, a digital marketing strategy will assist in the allocation of time, money and personnel to the most rewarding marketing ventures, for both traditional marketing and digital marketing campaigns (Evans, 2015, p.1). The multitude of digital channels available are not well-known to the marketing employees, however the digital marketing strategy will incorporate them all, not necessarily to be used by Pan Macmillan, but to generate knowledge of what is available should it be beneficial in the future. Literature shows that this is a critical problem with regards to smaller companies that are moving into a digital space (Stone and Woodcock, 2013, p. 6).

Marketing employees are unaware of or are unwilling to learn how to use the various digital platforms and opportunities available. Hammond (2015) states that the digital channels that would be most effective for Pan Macmillan would be the Pay-Per-Click, Interactive Advertising and Online Partnership (Chaffey and Bosomworth, 2014, p. 17) as well as a more comprehensive use of the Social Media Marketing, Opt-in-Email, Media Alerting and Website Presence that the company already utilises to a certain extent. The majority of these channels are used by publishing companies moving into the digital marketing space (Sandmann, 2014, p.1). Literature focussing on the most used digital tools by smaller companies highlights that the majority of companies use the channels highlighted by Pan Macmillan (Ryan, 2014, p. 28).

The marketing team at Pan Macmillan predominantly markets Pan Macmillan as a whole through the marketing and success of the books which the company publishes. This is similar to most trade publishers within South Africa (PASA, 2015, p. 8). For this reason, if the marketing of individual books is done effectively, the marketing of the company as a whole will benefit. This means that the digital marketing strategy must be focussed on the marketing of the books primarily and on the marketing of Pan Macmillan as a publisher secondarily. Hammond (2015) states that the book are the end products and are, themselves, the marketing tools used to promote the reputation of the company as an industry dominating book publisher. Hammond (2015) states that influential competitors within the industry are utilising digital marketing to a significant extent and the results of such are visible. This is another reason for Pan Macmillan's need for a digital marketing strategy that can compete with those of the dominant publishing houses in the country.

Based on the interviews conducted, Pan Macmillan's goals and objectives for the development of a digital marketing strategy would be (Hammond, 2015):

1. To increase the awareness of the marketing team with regards to the tools and innovations that are available within the digital marketing space
2. To incorporate the existing marketing strategy into a new digital marketing strategy, within the restrictions of financial budget, time and existing personnel
3. To increase the company's digital presence and as a result increase sales of books published
4. To compete with larger publishers in the digital sphere

The creation of a digital marketing strategy for Pan Macmillan is the first step towards a more modern-orientated approach to marketing for the company and, if it achieves nothing more

than an increased awareness of the opportunities and challenges of digital marketing within the Pan Macmillan marketing, will be considered an improvement and a success (Hammond, 2015).

The document analysis and interview answers confirmed what the recommended digital marketing strategy for Pan Macmillan requires and what issues it needs to address. Results from both the interviews and document analysis are confirmed by many aspects within the literature focussing on digital marketing strategy and its development within a smaller publishing company. The integration of current marketing practices into the digital marketing strategy is crucial and will allow for the successes of the traditional strategy to combine with the modernisation of the digital marketing strategy. The recommended digital marketing strategy must create awareness within the marketing team of Pan Macmillan and must incorporate realities such as limited budget and personnel. It must not create over-exaggerated or unrealistic goals or changes but must address the digital marketing needs and expectations of the company.

4. A RECOMMENDED DIGITAL MARKETING STRATEGY

In order to create a recommended digital marketing strategy an existing and proven framework must be employed (Ryan, 2014, p 12). The RACE framework (Chaffey and Bosomworth, 2013, p. 14), in conjunction with the 7 steps to digital marketing strategy creation, has been chosen to create a recommended digital marketing strategy for Pan Macmillan. The review of literature identified that these tools are the most efficient with regards to digital marketing strategy development. Because the SOSTAC framework is designed for a larger organisation with a greater number of resources available, only the elements of the framework which are suitable for Pan Macmillan will be used. The three frameworks are guidelines for the creation of a digital marketing strategy and are incorporated with the research discovered through the document analysis and interviews to create a recommended digital marketing strategy for Pan Macmillan SA.

In order to begin the process of creating the digital marketing strategy, the following steps must be decided upon, in relation to the requirements of the company from a digital marketing strategy, to establish an easily understood checklist (Chaffey and Bosomworth, 2013, p. 7). This ensures that no crucial information or needed action is forgotten. The SOSTAC planning

system and 7 steps of digital marketing creation will ensure a full understanding of the current digital practices of the company and what to do in order to expand those practices while the RACE framework (Chaffey and Bosomworth, 2013, p. 14) will instruct the company as to how this expansion can be achieved. Using the frameworks and planning systems the following checklist must be identified for Pan Macmillan:

1. Define the company's attitude towards digital marketing strategy
2. "Where are we now?" - Establish the company's current practices, using various tools, with regards to both traditional marketing practices and digital marketing practices.
3. "Where do we want to be?" - Establish the company's objectives with regards to a digital marketing strategy.
4. "How do we get there?" – Determine the company's desired digital market segmentation, target markets and positioning.
5. "How exactly do we get there?" – Establish the company's traditional marketing mix as well as the desired digital marketing mix.
6. "The details of tactics" – Determine the actions that need to be taken and by whom they will be taken.
7. "How do we monitor performance" – Establish customer expansion and retention and how to consistently measure expected performance of the digital marketing strategy and the digital marketing growth as a whole.

The digital marketing strategy needs to ensure that each of these checkpoints are explained, investigated and completed in order to be a successful strategy. The RACE framework (Chaffey and Bosomworth, 2013, p. 14) is applied at point 3. This allows for a comprehensive overview of how the digital marketing strategy will *Reach* new customers digitally, will *Act* in the digital sphere, will *Convert* established marketing strategies into digital marketing strategies and *Engage* new and existing customers in a digital space. The 7 steps to digital marketing creation are included in the points. Both step 1 (define your approach to digital strategy) and point 1 highlight the need to identify the organisation's attitude towards digital marketing and the creation of a strategy. Step 2 (understand your ecosystems) and point 1 identify the need to determine and understand the current practices of the company. Step 3 (define your future) and point 3 correlate as they both examine the digital marketing desired future of the company. Step 4 (targeting) and point 4 highlight the need to identify market

segmentation. Step 5 (proposition) and point 5 and 6 identify the positioning of the company in the digital marketing mix and how that is achieved through the actions of marketing employees. Step 6 (getting new customers) and step 7 (keeping customers engaged and loyal) correlates with point 7 as they highlight the need to retain and stimulate existing customers while engaging and exciting new customers through digital performance excellence.

4.1. THE IMPORTANCE OF CURRENT ATTITUDE TOWARDS DIGITAL MARKETING

Chaffey and Bosomworth (2014, p. 3) emphasise the importance of the internal attitude of an organisation with regards to the movement towards digital marketing. As a result, in order to establish a successful digital marketing strategy for Pan Macmillan, the attitude of the company towards digital marketing itself must be investigated and understood. Not only must the internal attitude be examined, so too must the attitude of the external industry be investigated (Chaffey and Bosomworth, 2014, p. 3). Hammond (2015) states that larger publishing houses in the country are embracing the opportunities of digital marketing and are witnessing the results of such opportunities. This fact is clear in the literature with Sandmann (2014, p.1) highlighting that successful South African publishers are now “digitally minded” with noticeable results. This means that Pan Macmillan must, at the very least, investigate the sphere of digital marketing to ensure they remain informed on competitors’ strategies. However, in order to remain a prominent competitor itself, Pan Macmillan must employ a digital strategy of its own. These are the external forces compelling the company to enter into the digital marketing sphere.

The internal forces are more crucial than the external forces as they ensure the success of the digital marketing strategy once it is established (Chaffey and Bosomworth, 2014, p. 67). This is because the actions of the employees, which lead to the success or failure of a digital marketing strategy, depend on a positive attitude towards the movement into the digital marketing sphere. As a result, it is vital to the success of the digital marketing strategy that the attitude of the company and its employees is one of enthusiasm and willingness. Hammond (2015) emphasises that the attitude of the Pan Macmillan employees is one of interest and excitement with regards to the digital marketing sphere. The company’s resources are limited but the marketing employees are ready for the challenges and opportunities involved with digital marketing. This is a positive position from which to start the development of a digital marketing strategy for the company.

4.2. SITUATION ANALYSIS

The situation analysis focuses on the question “where are we now?” which the company must ask before a digital marketing strategy can begin to be established (Chaffey and Bosomworth, 2013, p. 9). This question was asked during the interviews and it was determined that Pan Macmillan does not have a digital marketing strategy but simply outsources a few elements of its marketing plan to be converted onto a digital platform. The literature shows that many companies outsource their digital marketing presence (Dann and Dann, 2011, p. 18) however there is a distinct increase in the number of companies, globally and locally, that are moving the digital marketing in-house (Evans, 2015, p.1). As a result of Pan Macmillan’s outsourcing its digital marketing, there is a base of digital marketing within the company that is already established and can be built upon. The situation analysis involves the evaluation of the company’s current “key performance indicators, customer insight, market trends, competitor analysis and internal capabilities” (Chaffey and Bosomworth, 2014, p. 11) which will help determine the current condition of the company’s traditional marketing techniques as well as its digital marketing techniques. The review of literature shows that Pan Macmillan’s situation analysis is similar to most other publishing houses within South Africa (PASA, 2015, p.26) and is as follows:

4.2.1 Key Performance Indicators

The key performance indicators that differentiate Pan Macmillan from other South African publishing houses are quality publications, effective and efficient distribution and reputable author relations (Hammond, 2015).

4.2.2 Customer Insight

Customer insight for Pan Macmillan is drawn from two main sources (Hammond, 2015). The sources are bookstores and online retailers. These platforms offer the main insights into Pan Macmillan’s customers and their book retail habits (Hammond, 2015). Through these forums Pan Macmillan has found that its customers are predominantly educated consumers who are able to afford the luxury of spending a certain amount of money on trade book (Hammond, 2015).

4.2.3 Market Trends and competitor analysis

The movement towards digital platforms is one that is a familiar one for the book publishing industry as the demand for the eBook increases (PASA, 2015, p. 32). Therefore the idea of digital marketing is a not a new one for those involved in the book industry. The larger publishers are embracing the benefits of digital marketing but the challenges of it are relatively undiscovered and therefore are difficult to overcome (PASA, 2015, p. 34). Despite this the market trends show that there is a large increase in the number of companies in South Africa, not only within the book publishing industry, which are embracing digital marketing (Sandmann, 2014, p.1).

4.2.4 Internal Capabilities

The current internal capabilities and resources of Pan Macmillan include the budgets allocated to certain books, the marketing personnel, the existing digital platforms from which Pan Macmillan operates and the growing research on digital marketing that is being made available to many South African companies (Hammond, 2015). In the cases of international bestseller books, the budget allocated to the various marketing campaigns will be larger than those of smaller, South African books (PASA, 2015, p. 4). This means that the marketing staff can financially afford to be more flexible with the campaign's marketing strategy (Hammond, 2015). As a result, it will be in these campaigns that the digital marketing strategy will first be implemented and tested (Dann and Dann, 2011, p. 11). The marketing staff and senior personnel at Pan Macmillan are enthusiastic about the movement towards digital marketing and are prepared to start the integration of digital marketing into the overall marketing strategy. Pan Macmillan's existing digital presence is a solid base from which to build the digital marketing strategy as it shows that the basic understanding of digital marketing is present. However, currently all digital marketing activity is outsourced which the Pan Macmillan marketing team is hoping to, eventually, no longer require. Because digital marketing is a relatively new concept, especially within South Africa, it allows for innovation and creation about which the marketing employees at Pan Macmillan are enthusiastic (Hammond, 2015).

4.3 OBJECTIVES

While the situation analysis focusses on the present marketing state of the company in question, the objectives focusses on where the company wants to be with regards to its digital marketing future (Chaffey and Bosomworth, 2014, p. 11). A useful method to evaluate the objectives of the company is to divide the goals into five groups; "sell, serve, sizzle, speak and save"

(Chaffey and Bosomworth, 2014, p. 11). Pan Macmillan's objectives can be better understood when evaluated under the five headings.

4.3.1 SELL

'Sell' focusses on goals to retain current customers and acquire new customers by creating a digital marketing strategy that both inspires loyalty and commitment in existing customers while at the same time encouraging new customers to engage with the company (Chaffey and Bosomworth, 2014, p. 11). Pan Macmillan's objectives with regards to sell are to motivate loyalty in existing customers by creating an interactive space in which current customers can offer input into the marketing campaign of a specific book in which they are interested. The review of literature highlights that companies are reluctant to create an interactive space for customers as it could result in negative reviews or experiences (Morgan, 2012, p. 104). However the marketing team at Pan Macmillan believes the benefits outweigh the damage (Hammond, 2015). For example, if a customer is a crime thriller enthusiast, they may want to offer advice as to how they believe a new crime thriller book should be promoted. This engages the customer, not only in the sense of whether or not they enjoy reading the book but moreover they are able to participate in interesting ways publicise the book. Another objective of Pan Macmillan's is to reward loyal customers with the opportunity to meet authors for whom they show support. The various digital platforms such as skype, instant messenger forums and social media networks allow for variations of this reward. To obtain new customers, digital vouchers can be offered for discounts on certain books should the customer acquire the digital voucher via a digital platform. An example of this would be a voucher given for a discount on a favourite book because the customer 'shared', on social media, a promotional piece on the book resulting in free publicity generation. This would encourage customers to 'spread the word', leading to promotion for a book and the expansion of the potential customer base.

Hammond (2015) states that, even with the limited digital position that Pan Macmillan currently holds, the company's customer database has grown exponentially as a result of, predominantly, the introduction of Pan Macmillan on social media. The literature supports these findings as most companies report a significant increase in the company's customer database (Stone and Woodcock, 2013, p. 10). This shows that the growth of the company's digital presence will increase customer acquisition significantly.

4.3.2 SERVE

Because digital marketing allows for a wider customer base, customer satisfaction targets can begin to fall within a company as it attempts to satisfy all its customers (Hammond, 2015). The difficulty arises when the company offers too much to too many customers (Ryan and Jones, 2012, p. 1). This means that a simple strategy that will satisfy the majority of customers is easier to maintain and to follow than one that is trying to satisfy a multitude of demands. This does not mean, however, that customers with specific demands must be ignored or discarded (Ryan and Jones, 2012, p. 1). It means that the digital platforms which create a wider and often more intricate customer base must be used to maintain customer satisfaction. An example of this is the ‘Recommended for You’ service that is offered by Amazon.com. This service evaluates which books a certain customer has purchased and directs them to other books within the same genre that the customer may like. Employing this service on Pan Macmillan’s website would encourage customers to continue to shop directly from Pan Macmillan. Amazon.com does sell the majority of Pan Macmillan books and eBooks, however a service such as the ‘Recommended for You’ service on the Pan Macmillan website would ensure, not only that the product is bought, but that customers are served and satisfied by the publishing house itself. Customer satisfaction targets are crucial in an industry that has relatively few customers but loyal customers (Taylor, 2014, p.1).

4.3.3 SIZZLE

The objective of most marketing campaigns is to differentiate a company’s product or service from that of a competitor (Baker, 2014, p. 23). The way in which the product or service is differentiated is the ‘sizzle’ or ‘wow factor’ created by the marketing team and campaign (Chaffey and Bosomworth, 2014, p. 12). Pan Macmillan’s objective with regards to sizzle is predominantly the quality publications that the company produces. Although the number of self-published works has increased due to digital advances, most customers are unwilling to buy works that do not have the recommendation of a publishing house (Hammond, 2015). This highlights the power of Pan Macmillan’s reputation for quality with regards to its product. However, in order to differentiate itself from other publishing houses Pan Macmillan must utilise its reputation as well as innovate and encourage new ‘wow factors’ (Chaffey and Bosomworth, 2014, p.12). The digital marketing strategy itself could be used as a tool to differentiate Pan Macmillan as the company expands its digital marketing presence as it would highlight Pan Macmillan’s enthusiasm for innovation and change. The review of literature

shows that this is a technique many companies utilise (Taylor, 2014, p.1). Many publishers are apprehensive of the move towards digital as it signifies a change in the traditional way of doing business (Hammond, 2015). This apprehension can slow the incorporation of digital marketing simply because the book publishing industry is suspicious of all things digital (Taylor, 2014, p.1). However digital marketing techniques and tools can assist in the transition, making the move more profitable and stimulating.

4.3.4 SPEAK

The 'speak' objective focusses on feedback from the customer and how best to receive it, evaluate it and change it (Chaffey and Bosomworth, 2014, p.12). Digital marketing is a highly useful tool for this objective as the entire goal is that of greater communication between producer and consumer. There are multiple digital platforms that could be utilised for the purposes of communication (Ryan, 2014, p. 13). Pan Macmillan makes use of an email service that allows customers to give feedback on any issue they feel is relevant (Hammond, 2015). However, an even easier platform would be that of social media, such as a Facebook page or Twitter profile. This would also create trust within customers because it is a transparent forum that is open to the public. Positive feedback from a customer on a public forum is the equivalent of free promotion while negative feedback, if dealt with in a timely and respectful fashion, can engender confidence and loyalty. The literature highlights that most companies, globally and locally make use of these tools and are employing personnel that know how to best utilise these tools (Chaffey and Smith, 2013, p. 45).

4.3.5 SAVE

The 'save' objective focusses on the financial gains of the digital marketing strategy and what financial objectives the company wishes to reach through the usage of the digital marketing strategy (Chaffey and Bosomworth, 2014, p. 13). Pan Macmillan's financial objectives for the digital marketing strategy is to keep costs as flat as possible while maintaining a marginal growth in earnings as a result of the increased digital presence.

Pan Macmillan's main objective with regards to a digital marketing strategy is to increase its digital presence and, as a result, increase its customer base and profitability (Hammond, 2015).

4.4 STRATEGY

Strategy deals with how the particular company is going to achieve its objectives (Chaffey and Bosomworth, 2014, p. 13). Although Pan Macmillan's current traditional marketing strategy identifies the company's market segments and target markets, positioning, tools and marketing mix, in order to create a successful digital marketing strategy these aspects must be identified in terms of digital marketing (Dann and Dann, 2011, p 3).

4.5 MARKET SEGMENTS AND TARGET MARKETS

Pan Macmillan's market segments are divided into retailers and independent customers (Hammond, 2015). Although retailers are Pan Macmillan's largest customers, Pan Macmillan itself must ensure that the books sold to retailers are bought by consumers as unsold books are returned to the publisher. As a result, like all publishing houses in South Africa, the company's target markets are greater than simply the retailers (PASA, 2015, p. 25). Target markets are mainly determined by genre and age (Hammond, 2015). The target markets of the digital marketing strategy will remain the same as the target markets of Pan Macmillan's traditional marketing strategy, however the digital platform utilised to engage with the various segments must be identified in order to determine how best to reach the intended target audience. The literature highlights that very few companies are willing to change their target markets when they are just beginning the move into the digital sphere (Kates and Greenberg, 2014, p. 13).

The genre market segment is an engaging one for digital marketing as it allows for innovative utilisation of digital marketing. An example of this would be an interactive forum over which intended audiences could engage in the solving of a crime or the completion of a fantasy journey in order to win a favourite crime or fantasy book. The combination of fictional genres and digital technology must be utilised efficiently in order to create a new and exciting interaction between Pan Macmillan and its customers over digital platforms (Ryan and Jones, 2012, p. 16). The age market segment is, similarly, a key tool that must be used in Pan Macmillan's digital marketing strategy. As a result of the advances in technology, younger audiences are engaging more and more with digital devices and platforms (Chaffey and Ellis-Chadwick, 2012, p. 6). This not only highlights the importance of Pan Macmillan's digital marketing adoption but encourages innovation within the digital marketing sphere in order to differentiate Pan Macmillan both within the digital marketing area and within the book publishing area. For example, Pan Macmillan publishes a bestselling children's book which involves a large fictional animal. The book is illustrated and as a result Pan Macmillan has

commissioned and bought a life-size costume of the fictional character to take to schools around the country and engage young readers in this well-loved story (Hammond, 2015). Digital marketing could enhance this experience by creating an online profile of the character which responds to curious readers over various platforms such as Facebook, WhatsApp, Instagram or Vine. The large costume, when unable to visit a particular school or area could be used to Video Chat with children over Skype. The review of literature shows that many publishers make use of visible and tactile props with regards to the marketing of children's books (PASA, 2015, p. 56). Such props are highly profitable within the digital space (Chaffey and Ellis-Chadwick, 2012, p. 19). This initiative would engage children, not only in the attainment of digital knowledge, but in the excitement of reading a story one particularly enjoys.

4.6 POSITIONING

Pan Macmillan's current marketing position is that of a reliable and quality book publisher (Hammond, 2015). This is a valuable position in which to be (PASA, 2015, p. 2) and the company does not wish to change its positioning. However, the digital marketing strategy simply attempts to expand Pan Macmillan's positioning to that of a quality and reliable book publisher with an effective, engaging and innovative digital marketing strategy and implementation.

4.7 TACTICS

The literature shows that, in order to position Pan Macmillan as a company that offers the product of a book as well as the service of digitally marketing that book, the marketing mix of the company must be expanded from McCarthy's 4Ps to the more comprehensive 8Ps of the marketing mix (Morgan and Vorhies, 2011, p. 278). As previously mentioned the 8Ps are "product, price, promotion, place, productivity and quality, people, process and physical evidence" (The Chartered Institute of Marketing, 2009, p. 4). Pan Macmillan's 8Ps of the marketing mix are as follows:

- Product: Quality trade book publications and a comprehensive and effective digital marketing strategy and implementation in place in order to market book publications.
- Price: Competitive prices for hardback as well as eBook publications based on demand and supply of specific publications. The price of the digital marketing usage is

determined by the extent of digital marketing needed for a specific book which itself is determined by consumer demand and expected revenue generation from said book.

- Promotion: Current advertising and promotion for books predominantly involves author tours, book launches, magazines, newspapers and radio talk shows. The integration of digital marketing will include Pay-Per-Click, Interactive Advertising and Online Partnerships.

- Place: Pan Macmillan makes use of indirect distribution as the company distributes from the manufacturer (Pan Macmillan) to a retailer (e.g. Exclusive Books or Amazon.com) to the consumer. Although digital marketing can hasten this process, Pan Macmillan does not wish to distribute products directly to consumers (Hammond, 2015).

- Productivity and Quality: Although Pan Macmillan has an established and well-founded reputation for productivity and quality with regards to book publications it is only recently entering the digital marketing space and as a result must ensure productivity and quality with regards to its digital marketing in order to differentiate itself.

- People: The marketing personnel at Pan Macmillan are enthusiastic about the integration of a digital marketing strategy (Hammond, 2015) and are eager to engage with digital marketing with innovation as they have done with regards to trade book publishing.

- Process: The use of digital marketing will ensure a more efficient and effective process of customer interaction as the various digital platforms that are being used and will be used by Pan Macmillan will allow for fast and complete responses to customer inquiries, complaints or suggestions. This will result in an improved process not only of book publications and distribution but also of digital marketing usage.

- Physical Evidence: Pan Macmillan's current physical evidence is most prominent in the layout and design of each specific book that the company publishes. If a customer likes the cover of a book, they are more inclined to consider buying the book (Hammond, 2015). However, the physical evidence marketing mix is established within the company and does not need to be addressed by a digital marketing strategy.

4.8 ACTIONS

The actions of the digital marketing strategy focus on the responsibilities held by each member of the marketing staff as well as a full understanding of the resources and skills available with regards to a digital marketing strategy (Chaffey and Bosomworth, 2014, p. 15). Pan Macmillan must utilise its own internal skills in order to efficiently make use of a digital marketing strategy. Pan Macmillan's current digital presence is handled by an external source. However if Pan Macmillan were to train employees on digital marketing platforms and their various uses, the cost of outsourcing the company's digital activity could be cut (Smith, 2014, p. 5).

Pan Macmillan does not have a large budget available to implement a digital marketing strategy and as a result must plan accordingly (Hammond, 2015). Pan Macmillan wishes to incorporate a Pay-Per-Click system which involves a payment made by Pan Macmillan each time an advertisement on a particular page is clicked. For example, should Pan Macmillan wish to advertise up-coming books on Facebook but cannot afford to pay the full advertising fees, a Pay-Per-Click system can be employed which means that Pan Macmillan only pays Facebook if its advertisement is utilised, in this case clicked on and redirected. Pan Macmillan can also offer this service out to book retailers for its own website. For example Amazon.com can advertise on Pan Macmillan's website and would pay for each click from the website that redirects the customer to Amazon.com. The company wishes to make use of interactive advertising with regards to projects such as the usage of interactive solving of a crime mystery or the completion of a fantasy journey as well as the creation of an online presence for children's favourite book characters. Author to reader online interaction and vice versa is a valuable interactive advertising tool, encouraging customers to buy the new books of authors they have interacted with digitally. It also allows the author the opportunity to reach a wider market as authors can only visit certain places on book tours (Hammond, 2015). Online partnership is an effective tool to make use of, as it reaches audiences that might have been overlooked. For example, Pan Macmillan published a book about a man who enjoys music and plays a guitar. Approaching a guitar manufacturer to form an online partnership with regards simply to the sale of the book would be beneficial to both Pan Macmillan and the guitar manufacturer. Pan Macmillan would promote the guitar manufacturer over any digital marketing material related to the book while the guitar manufacturer would promote the book over any digital material selling guitars. Online partnerships could be highly beneficial to Pan Macmillan as there are many instances in which it could be used. Although Pan Macmillan makes use of popular social networks such as Twitter and Facebook, another site which will

be beneficial to the company is YouTube. For example, a summary of a book can be recorded and uploaded onto the video site as well as trailers for upcoming books. This can engage the reader in a visual sense with regards to the book. The literature highlights that digital tools used by a company must be carefully selected when the company has limited financial resources (Miller, 2012, p. 15).

4.9 CONTROL

The main controls which Pan Macmillan would focus on would be that of customer satisfaction with regards to the usage of digital marketing as well as an increase in sales as a result of an increased digital presence (Hammond, 2015). Customer satisfaction would be measured using digital platforms which promote and allow for feedback and suggestions from the customer on their experience both with regards to the books published by the company as well as the digital marketing usage and effectiveness. Increased sales of books would be evaluated and conclusions found as to whether digital marketing made a difference or not.

5. A PRACTICAL DIGITAL MARKETING STRATEGY

Using the information acquired during the interviews and the information established using the SOSTAC planning system and the 7 steps to digital marketing creation, one can apply the knowledge gained to the overall digital marketing strategy framework, RACE (Chaffey and Bosomworth, 2013, p. 14). The RACE framework (Chaffey and Bosomworth, 2013, p. 14) shown below is aligned to Pan Macmillan with each listed point focussing on the main requirements of a digital marketing strategy for the company.

5.1 REACH

- Increase social network (Facebook and Twitter) activity to daily updates focussing on all the current happenings with regards to Pan Macmillan. This includes all digital marketing updates, book releases, author tours, author to reader interactions etc. Most of Pan Macmillan's activity, whether it is within the company itself or with regards to a new book, should be available to the public via these forums.

- Create accounts for new social networks such as Instagram and Goodreads. Instagram can enhance the physical evidence of each book as it is a visual digital

platform while Goodreads can offer more in-depth information on books such as reader reviews and author comments.

- Make use of YouTube by creating an account that shows book trailers, authors reading extracts from their own works, discussions on the future of publishing by various publishing directors, children interacting with their favourite costumed characters and authors meeting fans on book tours.
- Set aside a budget for digital advertisements that are used in the digital tools of traditional marketing such as online magazines and newspapers.
- Publicise podcasts of radio talk shows that mention a Pan Macmillan book and create recordings of authors reading extracts to turn into podcasts.

5.2 ACT

- Incorporate a Pay-Per-Click system with retailers and vice versa
- Use interactive advertisements to entice customers as well as to ensure customer satisfaction and interaction. Make use of digital devices such as WhatsApp and Skype in which authors can interact with readers.
- Engage in online partnerships which will reach a community that may not have been considered or may not have been reachable.

5.3 CONVERT

- Using these digital marketing tools convert existing customers that have engaged with Pan Macmillan in a traditional, non-digital capacity to customers that interact with company on a digital platform, saving time and often money. It also allows Pan Macmillan the opportunity to gain more knowledge from and on its customers to ensure it is aware of how best to satisfy their needs.
- Digital marketing is used to connect to a customer base that the company may not have had otherwise. This means that Pan Macmillan can acquire new customers through forms of digital marketing that are not open to traditional marketing.

- Identify whether or not the movement to digital marketing has increased the company's customer base and revenue.

5.4 ENGAGE

- Evaluate how current customers as well as new customers have reacted to the company's digital marketing changes and adaptations.
 - Use customer feedback and suggestions to establish whether or not the digital marketing changes positively affected the company.
 - Evaluate revenue to identify which digital marketing campaigns were successful and which were not successful.
 - Determine what, after the implantation of the digital marketing strategy, could be improved upon or changed to ensure higher customer advocacy.
- Keep evaluating and improving the digital marketing strategy. As the digital marketing sphere grows so too must Pan Macmillan's digital marketing presence adapt and innovate.

6. DISCUSSION

The aim of this research was to develop a recommended digital marketing strategy, based on the assessments made of Pan Macmillan's current digital marketing practices and opportunities in relation to Chaffey and Bosomworth's strategies of the RACE framework, the SOSTAC planning system and the 7 steps to digital marketing strategy.

The review of literature aligned with the results of the interviews conducted and the analysis of relevant documentation shows that Pan Macmillan is similar to most small South African companies (Sandmann, 2014, p.1) and as a result, previous successful digital ventures in other South African companies can be adapted to Pan Macmillan. The literature and the research determined the most suitable digital tools for Pan Macmillan and how best to utilise digital marketing to the benefit of the company.

This research is important because, as digital platforms and technologies continue to advance, Pan Macmillan and other South Africa companies must adapt and embrace digital marketing

in order to remain competitive. The research found that Pan Macmillan, in relation to Chaffey and Bosomworth's RACE framework, SOSTAC planning system and the 7 steps to digital marketing strategy, did have established current digital practices such as a functioning website but the company lacked the insight into how best to embrace its digital marketing opportunities. The research highlighted how to expand the current digital practices of Pan Macmillan and offered recommendations as to how best to grow its digital opportunities based on the resources, limitations and digital marketing objectives of the company.

The findings within this research can be linked to previous research and best practice as it focusses on the digital marketing capabilities of the company as well as the digital marketing desires of the company. The types of digital marketing, as identified and examined in previous literature, are incorporated into the recommended digital marketing strategy for Pan Macmillan. However this research is specific to Pan Macmillan and, as a result, focusses only on the types of digital marketing that will be useful and successful for Pan Macmillan itself.

CHAPTER SIX: CONCLUSION

1. LIMITATIONS OF RESEARCH

Although this research focusses on the development of a recommended digital marketing strategy for Pan Macmillan, there are elements of the suggested strategy that may not be feasible options were the digital marketing strategy to be put into practice. This research is limited by the fact that aspects of the financial figures involved in the current marketing strategy and implementation of Pan Macmillan were unavailable to the researcher as financial information was deemed sensitive by the company. Pan Macmillan did not have an established digital marketing strategy and this research would have been assisted by the guidance of an existing, successful digital marketing strategy of a similar South African company. However, despite these limitations, a recommended digital marketing strategy for Pan Macmillan was created and will, optimistically, be used as a guide in the implementation of a digital marketing strategy for Pan Macmillan.

2. SUGGESTED FURTHER RESEARCH

Because digital marketing and digital marketing strategy is a relatively new concept, especially in South Africa, the continuation of study into this area is highly recommended. The digital marketing sphere is expanding globally and South African businesses must keep up-to-date if they wish to remain competitive. As limitations of this research included an incomplete access to financial figures with regards to marketing strategy and implementation within a specific company it is advised that further research include financial figures as well as the other marketing resources of a company. Further research should also explore the external market of digital marketing, such as how a variety of South African companies are expanding their digital marketing strategies, implementation and evaluation. This would allow for specific companies to place themselves within the correct competitive level of digital marketing and would identify the expected digital marketing path within South Africa.

3. CONCLUSION

The goal of this research was to establish a recommended digital marketing strategy for Pan Macmillan. A digital marketing strategy focussing on the specific needs of Pan Macmillan with regards to increasing book sales and digital presence has been created and will, hopefully,

prove valuable to the company in the implementation of a digital marketing strategy. The company has an established marketing strategy which is highly successful (Hammond, 2015) and, with the integration of a digital marketing strategy, will hopefully see a growth in the Pan Macmillan brand and reputation as a quality and reliable book publisher. With the incorporation of digital marketing, current and prospective authors will, hopefully, be able to witness the spread of the Pan Macmillan brand and its published books with it. The recommended digital marketing strategy will offer the company a competitive advantage in a relatively new but growing area (Sandmann, 2014, p. 1) of not only marketing but of business itself. This research achieves the goals of using the RACE framework (Chaffey and Bosomworth, 2013, p. 14) alongside the SOSTAC planning system (Smith, 2014, p. 5) and the 7 steps to digital marketing creation to determine the current practices, challenges and opportunities of Pan Macmillan's digital marketing and, with this knowledge, offers a recommended digital marketing strategy that will be beneficial to Pan Macmillan.

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APPENDIX 1

INTERVIEW 1

Interviewee: Laura Hammond, Marketing Manager Pan Macmillan SA

Interviewer: Tessa Conradie, MBA Student

Date: 03 February 2015

Location: Pan Macmillan SA Offices, Melrose Arch, Johannesburg

1. What does your current marketing strategy entail?
2. Which audiences are your current target markets?
3. Are you familiar with the term 'digital marketing strategy' and what it involves?
4. Does your organisation have a clearly defined digital marketing strategy? If not, what does your current digital presence involve?
5. In your opinion, would the creation of a recommended digital marketing strategy be beneficial to your organisation?

INTERVIEW 2

Interviewee: Laura Hammond, Marketing Manager Pan Macmillan SA

Interviewer: Tessa Conradie, MBA Student

Date: 09 February 2015

Location: Pan Macmillan SA Offices, Melrose Arch, Johannesburg

1. Are you aware of the various digital channels (Search Engine Optimisation, Online Presence and Partnership, Interactive Advertising, Social Media Marketing, Email Marketing, Mobile Advertising, Pay-Per-Click) available?
2. Which digital channels do you already utilise?

3. Which digital channels do you believe will benefit Pan Macmillan SA when incorporated and which do you believe will not?
4. There is a difference between Pan Macmillan's marketing for individual books and Pan Macmillan's marketing as a company. Is this differentiation a threat or an opportunity for the incorporation of a digital marketing strategy?
5. In your opinion, will one digital marketing strategy be able to incorporate the different genres of the books, the different market segments and the overall marketing objectives of Pan Macmillan as a whole?

INTERVIEW 3

Interviewee: Laura Hammond, Marketing Manager Pan Macmillan SA

Interviewer: Tessa Conradie, MBA Student

Date: 13 February 2015

Location: Pan Macmillan SA Offices, Melrose Arch, Johannesburg

1. What are other book publishers in the country doing with regards to digital marketing? Are the digital marketing strategies of competitors affecting Pan Macmillan's sales and recognition?
2. What are Pan Macmillan's goals and objectives of a recommended digital marketing strategy?
3. What would Pan Macmillan want to include in a recommended digital marketing strategy?
4. Would the creation of a recommended digital marketing strategy assist Pan Macmillan with the movement towards a digital marketing mind-set?