Article

Effective use of marketing technology in Eastern Europe: Web analytics, social media, customer analytics, digital campaigns and mobile applications

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ABSTRACT

The transition economies of Eastern Europe present both the opportunities and challenges for companies operating in these markets. On one hand, these countries have a large number of technology savvy young consumers, and on the other, the markets must also take into consideration the macro-environment of a country and market conditions which make the use of certain market technologies more feasible and attractive compared to others. It is certainly true in terms of the timing for introduction of various technologies in a country. Drawing analogy for the "IDITAROD RACE" we develop three different "Sled Dog Team layouts" for market characteristics and technologies for three Eastern European countries, namely, Slovakia, Bulgaria, and Albania. The ten market characteristics included in our research are: digital connectivity divide, economic power, demand type, privacy laws, demographics, and competitive conditions, attitude towards technology, institutional maturity, corporate social responsibility, and corruption. The ten marketing technologies included in our research are: digital profiling, segmentation, websites, and search engines marketing, campaign management, content management, social media, mobile application, digital collaborations, and analytics. Company case studies are analyzed and reported for each of these three countries which support the three models presented in our research.

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Uso eficaz de la tecnología de *marketing* en Europa del Este: analíticas de web, medios sociales, analítica de clientes, campañas digitales y aplicaciones móviles

RESUMEN

Las economías de transición de Europa Oriental presentan a la vez oportunidades y retos para las empresas que operan en dichos mercados. Por un lado, estos países cuentan con un gran número de jóvenes y expertos consumidores tecnológicos y, por otro, los mercados deben tener en cuenta el macroentorno de un país y las condiciones del mercado, que pueden facilitar el uso de ciertas tecnologías y hacerlas más atractivas en comparación con otras. Esto es realmente cierto al elegir la oportunidad para introducir diversas tecnologías en un país. Utilizando la analogía de la "CARRERA IDITAROD", desarrollamos tres diferentes "diseños de equipos de perros de trineo" para las características del mercado y las tecnologías de tres países del este de Europa, es decir, Eslovaquia, Bulgaria y Albania. Las diez características del mercado que incluimos en nuestra investigación son: clasificación de la conectividad digital, poder

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económico, tipo de demanda, leyes de privacidad, características demográficas y condiciones competiti-vas, actitud hacia la tecnología, madurez institucional, responsabilidad social corporativa y corrupción. Las diez tecnologías de *marketing* incluidas en nuestro estudio son: perfil digital, segmentación, sitios web y *marketing* de motores de búsqueda, gestión de campañas, gestión de contenidos, medios sociales, aplicación móvil, colaboraciones digitales y analítica. Se analizan y reportan los estudios de los casos empresariales para cada uno de estos tres países, que respaldan los tres modelos presentados en nuestro trabajo de investigación.

1. Introduction

To a casual observer, the revolution that is unfolding in the transformation of traditional marketing into digital marketing is breathtaking. New tools, techniques and paradigms continue to enrich, simplify and speed how marketers and their audiences interact. In perusing contemporary literature on this revolution, a deeper examiner may also find the revolution bewildering. Most publications, blogs and expert opinions espouse the merits of a par-ticular technology or method, or perhaps a couple of closely related ones. Tactical retrospectives of real life use cases, both successful and unsuccessful, tell discrete stories. Consider just four examples from McKinsey (Galante, Moret, & Said, 2013).

1. McDonald's attempt at soliciting positive customer feedback via the hashtag "#McDStories" was pulled within two hours, when customers started posting derogatory tweets.
2. Oreo's 2013 tweet when the lights went out during the Super Bowl, "You can still dunk in the dark", was retweeted 15 000 times and gained 20 000 Facebook "likes" and 34 000 new Insta-gram followers.
3. Kraft launched Nabisco 100-calorie packs in response to trends in online discussions, racking up $100 million in sales within a year.
4. A European CPG company used advanced analytics of SKU data to match retail assortments with consumer preferences, achieving a higher sales growth.

Engrossing as these case studies are, the overarching question one is left with is, "Is there a method to this madness?" That is not to say there isn't; just that it is hard to glean how one goes about marrying specific tools and methods to specific problems. The McKinsey article cited in the previous paragraph says that even experienced executives at consumer-packaged-goods (CPG) com-panies are seeking to understand how their staff can leverage these technologies more effectively.

There is a plethora of technologies available for today's mar-keters, especially for targeting young customers in emerging markets, many of which are undergoing tumultuous political, economic, socio-cultural and demographic changes. This paper proposes a holistic and methodical approach to determine which technologies and competencies to invest in, based on marketing goals and segment characteristics. This paper develops a conceptual model for this purpose. We label this model "Iditarod Model".

The Iditarod is a grueling annual race held in Alaska, where teams of 12 to 16 sled dogs, with one human musher, compete over 1 000 miles of harsh territory and about 10 exhausting days. Winning requires many elements to work in harmony. Routes are planned in advance, but conditions change along the way. The ter-rain, conditions, individual skills, and complex dynamics between team members determine which dogs are best suited for a given

year's race, and in which positions they should run. Some mushers may choose to run with fewer dogs than others. The musher's ability to adjust tactics (pace, resting times, attention to dogs' health), and the overall strength of his/her race plan are both important.

An objective of this paper is to provide a useful technology selection framework for marketers to penetrate emerging East-ern European markets in transition economies. The usefulness of the Iditarod framework is illustrated by applying it to three sam-ple countries in Eastern Europe, chosen to represent each of the three groups of countries described by the "Three-Speed Eastern Europe" model (Lynn, 1993). These nascent and emerging mar-kets represent a complex array of factors, including their degrees of "Marketization" and "Westernization" (Dana-Nicoleta, Manrai, & Manrai, 1997) that make it particularly relevant to apply a tech-nology selection framework. In our research, we cover ten market characteristics and ten technologies.

2. Proposed iditarod framework

2.1. An analogy

To understand the proposed approach, we will use an analogy of an Iditarod team as depicted in Figure 1. The analogy between the Iditarod and digital marketing may be conceived as follows:

Musher = Competitive strategy. Provides clarity on goals and pri-orities. Maps the route. Picks the right team and puts them in the right positions.
M1 through M10 = Market (terrain) characteristics. Direction, trail conditions, weather, checkpoint locations.
T1 through T10 = Technology (dog) capabilities. Individual and team strengths.

The harnesses and lines tie all the dogs together. Even though dogs are most influenced by the other dogs that are closest to them (stronger correlations amongst market and technology variables), each one is also affected by ones farther up or down the line (weaker correlations amongst market and technology variables).

As you set out to use new digital marketing technologies to penetrate Eastern European markets, you must first create your marketing strategy in support of your broader business strategy (musher's plan and preparation), identify the relevant market char-acteristics that you need to contend with (M1 through M10), and focus on the technologies that would be most suitable (T1 through T10). These market characteristics and technologies form the two dimensions of the Iditarod framework.

The following sections provide lists of these market character-istics and technologies. The paper describes how these are broadly related to each other. Not all of them may be applicable for a par-ticular situation, or the marketer may have some additional ones to incorporate.