



DIGITAL CHANNEL EFFECTIVENESS FOR MARKETING

MARKETER AND CONSUMER PERSPECTIVES IN NIGERIA

June 2016

About Wild Fusion Digital Centre

Wild Fusion Digital Centre (WDC), in addition to being a training centre, is an innovative digital marketing research organization. We provide the best service in digital marketing research by combining innovative digital research methodologies with world-class industry expertise in supporting businesses to make profitable decisions. More information is available at <http://wdc.ng/professional-diploma-modules/digital-marketing-research/>

About School of Media and Communication, Pan-Atlantic University

The School of Media and Communication (SMC) is an educational and market research partner of Wild Fusion Digital Centre (WDC). SMC is dedicated to the formation of media and communication professionals, to enable them pursue their calling to the service of human cultures with a sense of creativity, skill, knowledge and values. More information is available at www.smc.edu.ng

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This report contributes to WDC's mission that business decisions should be based on quality insights about their consumers and the markets they operate in. We would like to emphasize that this work is independent and has not been commissioned or sponsored in any way by any business, government, or other institution.

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On behalf of the Wild Fusion Group and the School of Media and Communication, we are pleased to present the maiden quarterly digital marketing research report 2016 by Wild Fusion Digital Centre in partnership with the School of Media and Communications, Pan-Atlantic University, Lagos. This is a quarterly view on digital marketing trends that will have a profound impact on marketing in Nigeria.

The real world is coming online, and it is time for the marketers to reimagine the way marketing works. The rise in Internet usage the world over has breathed new life into the dynamics of digital marketing, and Nigerian marketers must position themselves at the center of the emerging digital ecosystems. For consumers, the Internet provides new levels of empowerment. In addition to being highly informed, consumers can interact with and influence the way they see the world in general. Hence, there is a pending need for marketers to integrate digital with all other marketing channels, especially offline, in order to capture all facets of consumer behaviour.

Digital marketing is dependent on the technology of various digital channels. Identifying what channels work best for the business and working on them will help marketers propel their business forward.

Marketers need a consolidated view of customer preferences and expectations across all channels – web, social media, mobile, direct mail, etc. – while ensuring integration with other marketing channels, including ATL, BTL and TTL. The more a marketer's insight into customers' behaviour and preferences, the more likely it is to engage them in meaningful interactions and eventually into the buying cycle.

The critical message from our report, **Digital Channel Effectiveness For Marketing: Marketer and Consumer Perspectives in Nigeria, 2016**, is that Nigerian marketers should discover the most effective digital marketing channels that will result in maximum two-way communication and a better overall ROI for their brand. A single technology, a single channel will no longer be the key to success.

The Wild Fusion Digital Centre quarterly digital marketing research report is a must-read for leaders and marketers of organizations across all industries in Nigeria as well as foreign businesses willing to invest in Africa's largest emerging market. We hope it provides relevant ideas to help you stretch boundaries in your journey to become a marketing success.

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EXECUTIVE SUMMARY

Background

Digital marketing which is an aspect of marketing that is becoming increasingly popular in Nigeria, is facilitated by multiple channels. A marketer's core objective is to find channels that result in maximum two-way communication and a better overall ROI for the brand.

Objective

The main objective of this research was to determine the most effective digital channels for marketing in Nigeria

Design

A cross-sectional study of perspectives on digital channel effectiveness was carried out among marketers and consumers in Nigeria. Survey responses were obtained from 384 marketing executives and 416 consumers.

Key Findings

Overall, the research conducted by Wild Fusion Digital Centre (WDC) in partnership with the School of Media and Communications, Pan-Atlantic University, Lagos, shows that marketers are working hard to understand their consumers, and they use this understanding to provide tailored communications wherever possible via online marketing. However, this research reveals some disconnect between marketers and consumers; there is a difference between the channels that marketers perceive to be effective and those that resonate with the customer. In terms of path to purchase decision, the consumers prefer search engine way ahead of social media, for regular research and purchase of product/service.

In contrast, marketers place more value on social media as a digital marketing channel. What's more, findings show that a sizable number of consumers have stopped engaging with brands or companies due to poor communication experience. Contrary to marketers' beliefs, consumers are telling us that search marketing and company websites are still trusted sources of company information and communication strategy, despite the growing popularity of digital channels that marketers are turning to- social media. The disparity between marketer and consumer perspectives can be further seen in the fact that marketers' plan for spend increase in 2016 excludes search engine marketing.

There are a few areas where Nigerian marketers are doing well in charting more effective digital channels for their marketing plans. However, this report shows that there is still a need for them to better understand consumer behaviour in the digital age, for effective marketing.



INTRODUCTION

For every marketing professional that has embraced digital marketing as a tool for business promotion and growth, the reality is this: growing the audience base and making money from the brand is at the core of every marketing objective. In the contemporary digital marketing landscape, deciding which channels to use for what purposes is core to any business strategy.

Digital marketing encompasses multiple channels, with the matrix looking different for every business. Overall, their communication use must resonate with the consumer to deliver greater value to the consumer, enhance the consumers' experience as well as translate their loyalty into monetary value.

Get it right and you can benefit from reaching and retaining your consumers. Get it wrong and you can lose valuable resources trying to either coax consumers to switch channels or chase a non-existent market.

There is obvious need to prioritise investment on the relevant digital marketing channels for a business. It is not practical for most to manage all channels, and certainly one needs to prioritise resources on the channels that will give the greatest revenue opportunities. With the increasing reliance on digital communications – by both consumers and marketers – it is imperative that these two groups have a common meeting point. So how would your digital marketing channels stack up? How would you know which digital marketing channels to focus on to deliver good ROI? Which channel is most relevant to what marketing objective? What is the current state of play for digital channels in marketing and what opportunities abound for the future?

To help marketers in Nigeria appreciate how their peers are employing digital channels in their marketing efforts as well as help them chart the process for effective two-way communication with consumer in their consumer-decision journey, Wild Fusion Digital Centre (WDC) in partnership with the School of Media and Communications, Pan-Atlantic University, Lagos, recently completed a research into “the most effective digital marketing channels in Nigeria”. We surveyed 384 Nigerian marketers and 416 Consumers to pool their views on digital channel effectiveness.

The insights contained in this report can be used by marketers to develop and support key decisions about which channels work, and which ones fail to connect.

The report draws on two main sources for its research and findings: Two surveys that included responses from 384 marketing executives and 416 consumers in Nigeria. More than 64% of the marketing executives polled hold the CEO title or top marketing position, and about 36% are lower-level executives. The executives were drawn from different sectors: 25% of them were from advertising/media agencies, 11.46% from e-commerce, 10.42% from financial services and 9.64% were from FMCGs. All other industry representation fell below 8% each. Over four-fifth of the consumer respondents (84%) belong to the 19-35 years age bracket while the majority are low income earners (about 84% earn below N80,000).





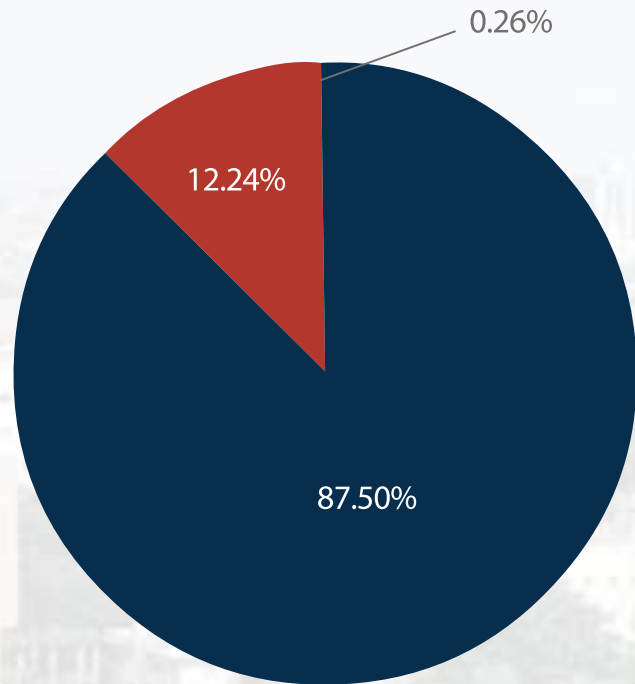
FINDINGS

1.

Interaction with digital channels

At the epicentre of consumer-driven marketing is the Internet, and it is changing the way consumers and marketers interact with digital channels. The proliferation of the Internet has been the single most critical catalyst in the power shift from marketers to consumers (McIntyre, 2013)¹ as such, consumers now have a plethora of choices from which to source information, reviews, and recommendations about a product or service. For marketers, the Internet presents an opportunity to decipher instantaneous behavioural data and use it to not only segment and target consumers based on their buying patterns, but also to generate specific advertisements based on unique search behaviour and purchases.

Marketers' Q1: Does your organization sell products or services online?



ORGANISATIONS' ONLINE USAGE

■ Yes ■ No ■ Choose not to answer

Fig 1. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey March/April 2016

Majority of marketers (87.5%) responded in the affirmative that they sell their products and services using the online medium. This shows that the Internet is a very important communication medium in the lives of Nigerian marketers today.

Only about 12.24% do not use online medium while just about 0.26% did not state if they use or not. This underlines the fact that Nigerian marketers are beginning to understand the importance of realigning their marketing strategies to reap commercial gains, specifically through incorporating the online approach.

Nigeria Internet Users

86,219,965
Internet Users in Nigeria (2016*)
Share of Nigeria Population: 46.1 % (penetration)
Total Population: 186,987,563
Share of World Internet Users: 2.5 %

Internet Users in the World: **3,424,971,237**

* Estimate for July 1, 2016

Source: Internet Live Stats (www.InternetLiveStats.com)
Elaboration of data by International Telecommunication Union (ITU),
World Bank, and United Nations Population Division.

Where is the Consumer looking? How are Marketers Responding?

86% of consumers use Social Media for leisure

Findings from this report show that 86.06% of consumers like to spend their free time on social media platforms. On these social media platforms, consumers are now able to contribute, share and access information extensively on the Internet. 64.18% also regularly use the search engine tool during their free time, and this is closely followed by the use of mobile apps with a share of 62.74% of consumers.

This finding is reflective of the characteristics of the millennial generation (19 -35 years of age) who are the majority; they form about 84% of the consumer respondents for this study. Millennials are the first group that grew up after the Internet, social media, and mobile apps became the norm—most have not known a world without them²

Consumers' Q1:

Which online channel(s) do you use regularly in your free time? Check all that apply

REGULARLY USED CHANNEL BY CONSUMER

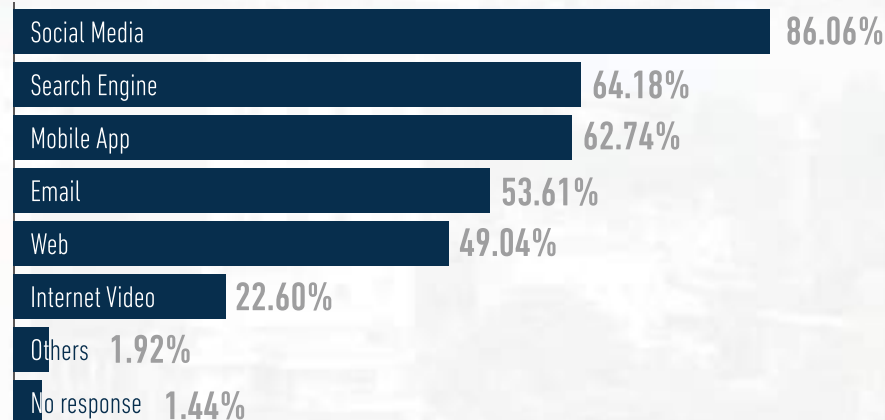


Fig 2. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey. March/April 2016

64% of consumers use Search Engine for purchase decisions

Now, let us consider the consumers' perceptions and views on Internet marketing. For the research into and purchase of products and service using digital channels, the tables turned. Survey results show that 63.94% consumers rank search engines as the most preferred digital channel. Next was social media which was preferred by 57.69% of the consumers while visiting the website of the brand or company ranked third with 46.63% of consumers.

This point to the fact that, when it comes to consumer behaviour as regards their buying decision, more consumers prefer to explore mixed sources. The reason for this is yet to be ascertained, but it is most likely explained by the simple fact that consumers are looking for better deals.

Consumers' Q2:

Which online channel do you use regularly for research and purchase of product/services?

Check all that apply

REGULARLY USED CHANNEL FOR RESEARCH AND PURCHASE BY CONSUMERS

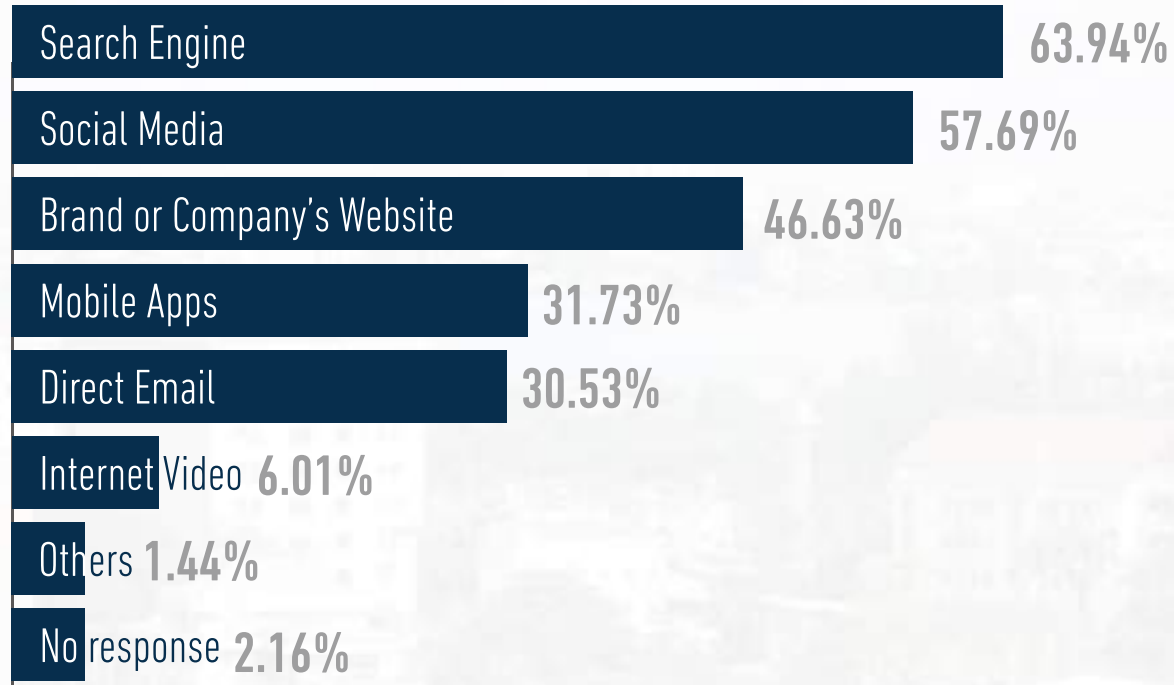


Fig 3. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey. March/April 2016

69% of marketers say they regularly use the social media channel in their organizations

Social media marketing is a form of Internet marketing that implements various social media networks in order to achieve marketing communication and branding goals. It is a recent occurrence that began with the social media taking over online communication. This report shows that about 69% of Nigerian marketers see social media as key for mobilizing consumer engagement in this interactive world.

Marketers' Q2:

Overall, which digital marketing channel(s) do you use regularly in your organization?

Check all that apply

DIGITAL CHANNEL USE BY INDUSTRY

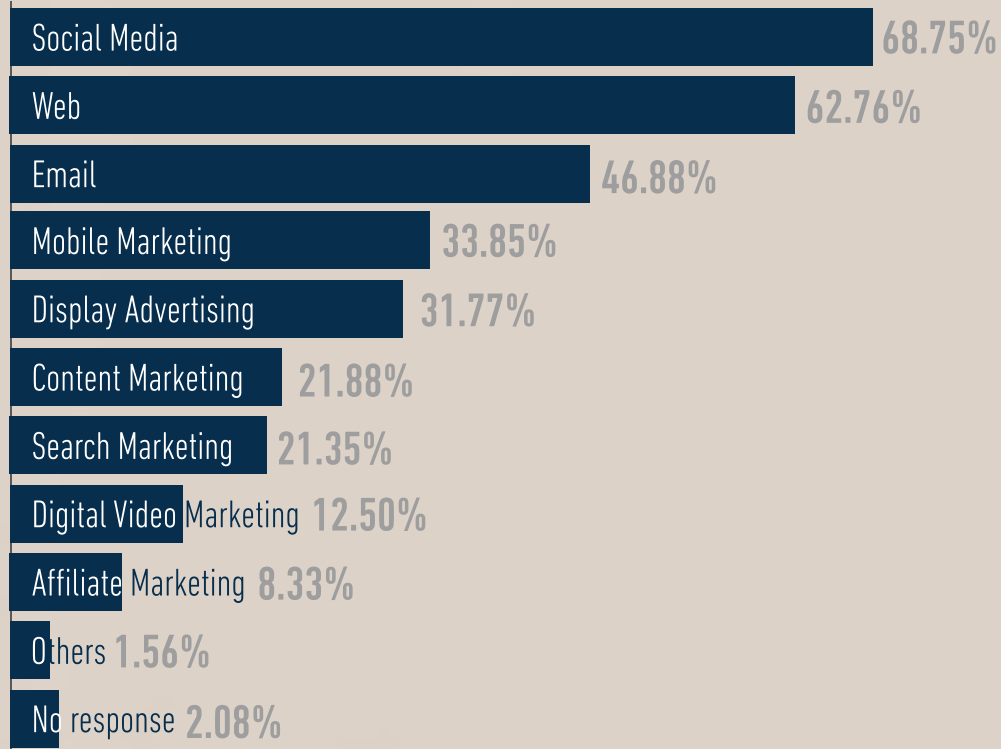


Fig 4. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey. March/April 2016

However, there is a major disconnect between what marketers value compared to what consumers value. Findings indicate that consumer purchasing decisions extend well beyond the scope of social media. Nigerian marketers need to be in touch with this reality. They need to realize that it is not just about social media engagement, but people want information about the products or services they want to purchase.



The difference in position between both groups can be verified by taking a deeper look at the statistics from our survey and comparing them:

COMPARING MARKETERS' PREFERENCE TO CONSUMER CHOICE FOR DIGITAL CHANNELS

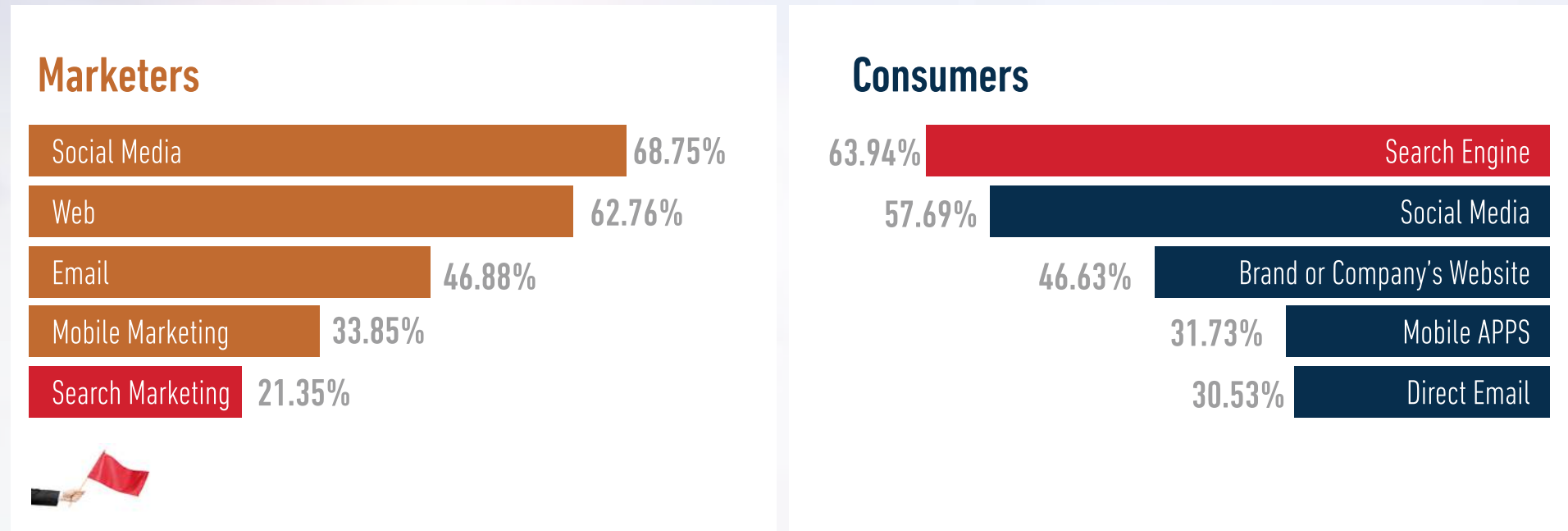


Fig 5. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey. March/April 2016

While there seems to be a connect with other forms of channels between these two groups, the most glaring disconnect from the above chart lies in the fact that about 64% of consumers rate the search engine channel as a strong influence on their research and purchase decisions, but just 21% of marketers say they regularly use search engine marketing regularly in their organizations.

Consumers habitually use search engines to find what they are looking for, and they select the topmost links listed. They want to know the brands, understand them and see what they offer in terms of the ability to create a brand experience that matches their individual tastes. Businesses might have a visually-appealing website as well as a certain number of shares or followers on the social media platforms, etc., but all this will be useless if they cannot get people to visit them.

2.

Channel effectiveness versus marketing objectives

Whenever marketers begin to investigate the implementation of a new tactic, it is likely that the first questions asked are, "Why should I do this?" and "What are our goals in doing so?" Marketing objectives are no exception. Our survey asked marketers about their most important marketing objectives and, interestingly, given the closeness in data results, the findings suggest that they view all of them, relatively, as important. However, it is worthwhile to note that majority of the respondents (68.75%) indicated awareness creation as the most important, followed by acquisition (66.15%), engagement (65.63%), retention (64.06%) and conversion (63.54%).

Marketers' Q6:

In a scale of 0 to 5, indicate the level of importance of each of the following categories of marketing objectives to your organization in the digital marketing space

(0=not important and 5= Very important)

IMPORTANCE LEVEL OF MARKETING OBJECTIVES

Share of respondents saying "very important" or "fairly important"



Fig 6. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey, March/April 2016

Marketers' reactions to conviction about channel effectiveness

Surprisingly, findings from this research show that Nigerian marketers are generally less confident on how to track or measure the various digital channels in relation to their marketing objectives. The table below show that majority track wrongly, do not track at all or simply did not respond, perhaps due to lack of interest in how to track or measure effectiveness.

Inferring from the proportion of lack of response, marketers are least confident about tracking or measuring digital video marketing (65.10%), affiliate marketing (64.58%), content marketing (55.21%) and search marketing (54.69%). However, inferring from the proportion of positive responses, marketers are more confident in tracking websites (78.91%), social media (76.56%), email marketing (64.06%) and mobile marketing (56.51%).

Marketers' Q5:

How do you track or measure the effectiveness of the following channels for meeting your marketing objectives?

Channel	Page views	Bounce rate	Conversion rate	Unique visitors	Search Engine traffic	Inbound Links	Num of downloads	I don't track	No response
Websites	39.58%	16.41%	3.91%	7.29%	5.47%	0.52%	2.08%	3.65%	21.09%
Search Marketing (SEO and SEM)	7.81%	8.33%	3.65%	4.17%	15.63%	1.04%	0.52%	4.17%	54.69%
Content Marketing	12.24%	9.90%	5.73%	3.65%	3.65%	3.65%	1.56%	4.43%	55.21%
Social Media	23.18%	8.07%	29.69%	8.59%	2.60%	2.08%	0.78%	1.56%	23.44%
Mobile Marketing	8.33%	9.90%	10.94%	4.95%	1.82%	2.60%	11.98%	5.99%	43.49%
E-mail Marketing	11.46%	11.46%	5.99%	4.17%	2.08%	25.00%	1.04%	2.86%	35.94%
Affiliate Marketing	8.59%	7.55%	4.69%	3.39%	2.60%	2.08%	0.00%	6.51%	64.58%
Digital Video Marketing	13.54%	4.69%	2.86%	2.08%	1.04%	0.78%	4.43%	5.47%	65.10%
Display Advertising	13.80%	7.29%	4.95%	11.46%	2.86%	2.34%	0.78%	4.69%	51.82%

Fig.7. Source: Wild Fusion Digital Centre Research Unit survey, March/April 2016

Confidence in tracking or measuring all the channels is higher in the e-Commerce sector than the industry average - website and social media (88.6% each); email channel (75%); mobile channel (68.2%); search (77.3%) and content marketing (68.2%). The advertising/media agencies are most interested and confident in measuring websites (75.8%), social media platform (76.8%), email channel (64.6%) and mobile channels (61.6%). Fast moving consumer goods (FMCG) are only interested in measuring websites (75%) and social media channels (70%).

Marketers' channels achievement ratings on marketing objectives

60.36% of Nigerian marketers gave social media the highest rating

Nigerian marketers were asked to rate each channel on its effectiveness in achieving the following marketing objectives: awareness, acquisition, conversion, retention and engagement. On the average, 60.36% of marketers rated social media channels as the highest; 50.18% of marketers rated websites as the second highest while 47.19% rated emails as third.

Marketers' Q7:

In a scale of 1 to 5 please rate each listed channel with respect to how well each type of marketing objective is achieved by you using the respective channel"

(1=least achievement rating, 5=highest achievement rating)

CHANNELS' ACHIEVEMENT RATINGS ON MARKETING OBJECTIVES

Share of respondents rating "highest achievement" or "fair achievement"

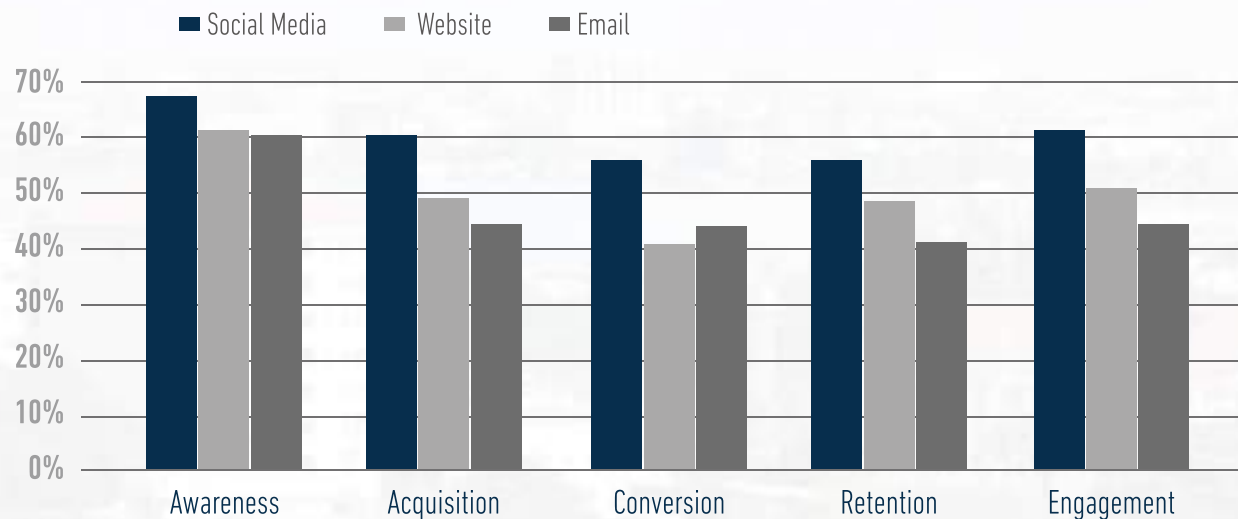


Fig. 8. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey. March/April 2016

Channel effectiveness at delivering ROI:

63% of Nigerian marketers say social media channel does deliver

Return on investment (ROI) in sales terms is the language of every business, and it is a measure of the sales generated from using a particular channel relative to the amount spent on the channel.

Social media marketing was ranked as the most effective channel in terms of return on investment, with 63% of marketers rating the channel as 'highly effective' or 'somewhat effective'. This was closely followed by websites (61%) and then email marketing (52%). It should be noted that this report is skewed towards measuring ROI in terms of sales only. It did not take into consideration, other non-sales metrics.

Marketers' Q8:

Rate the following digital marketing channels based on their effectiveness at delivering positive return on investment (ROI) in terms of sales

CHANNELS' EFFECTIVENESS AT DELIVERING ROI

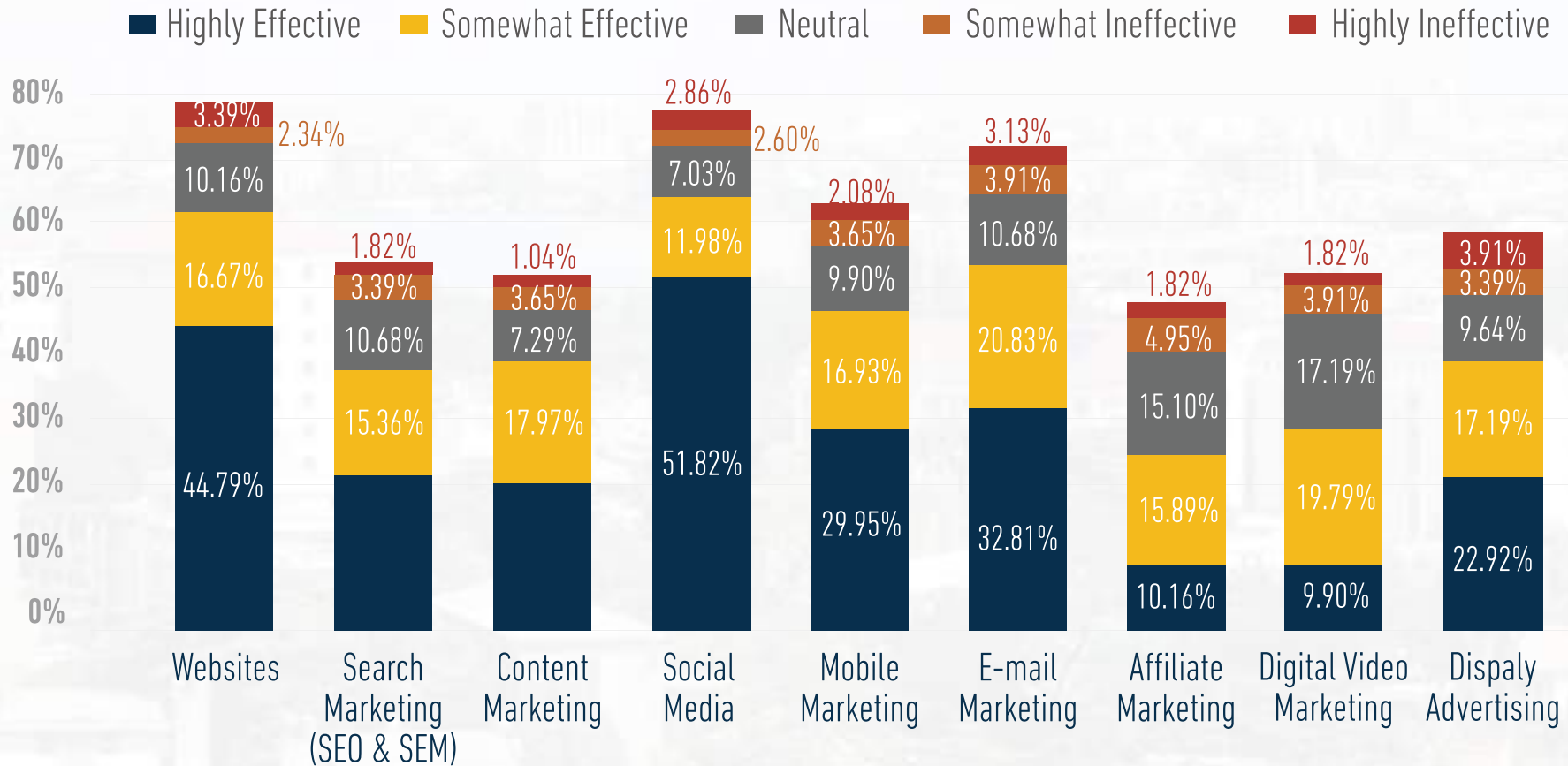


Fig. 9. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey. March/April 2016

3.

Budget Allocation

As discussed earlier, the amount of money spent on digital channels will have an effect on ROI. Common logic will dictate that the most successful budgets will allocate resources in accordance with the level of the return on investment in that particular marketing channel. A look at the statistics from our survey will confirm whether this logic holds water.



Where are Nigerian marketers investing their Naira?

The digital/online marketing spend is on the rise world over. Of course, this could be attributed to the surge in use of the Internet as well as the need to optimize consumer experience in an increasingly digitized world. According to the CMO council report in November 2015, more than a third of chief marketing officers say that digital marketing will account for 75% or more of their spending within the next five years.³ Now let us look at the results of our survey.

% OF MARKETING BUDGET FOR DIGITAL

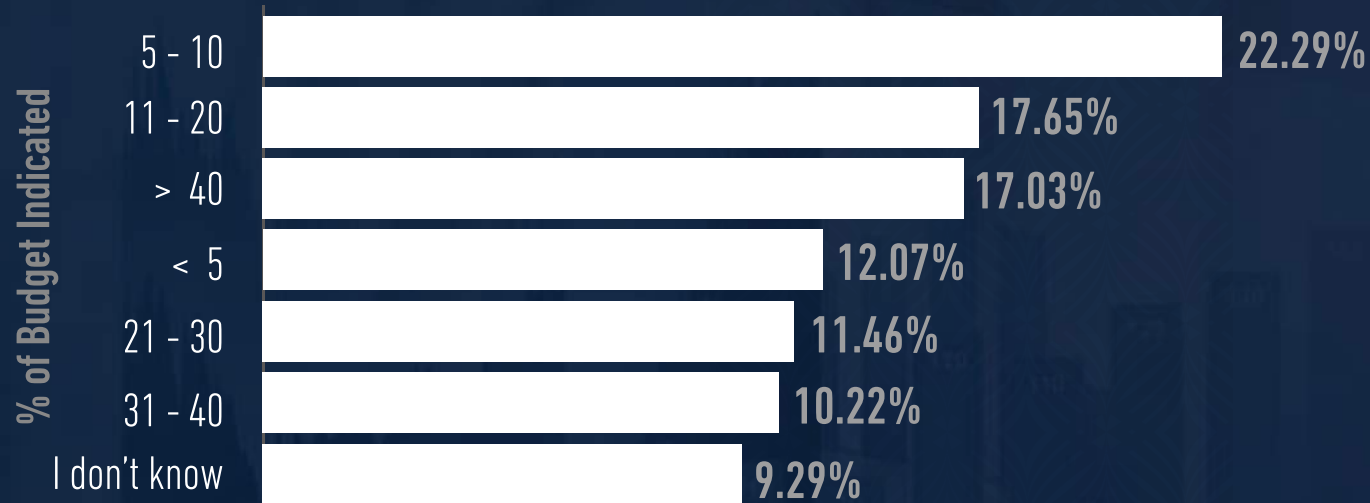


Fig. 10. Source: Wild Fusion Digital Centre Research Unit survey, March/April 2016

Various industries have different budget priority for their digital marketing activities. Analysis shows that marketing budget is significantly dependent on industry type ($p = .023$, Fisher's exact test). About a quarter of Nigerian marketers (27.25%) spend more than 30% of their marketing budget on digital channels. The e-Commerce sector spends more than any other with about 31% reporting that they spend more than 40% of budget on digital channels.

Table 1: Proportion of respondents across industries that allocate 31% and above of marketing budget to digital channels

Industry	Proportion of Respondents (%)
Financial services	25.72
e-commerce	45.25
FMCG	16.13
Advertising/media agencies	34.10
Real estate	20.00
Oil & Gas	8.30
ICT/Telecommunications	31.80

A recent forecast stated that in 2016, the average firm will allocate 30% of their marketing budget to digital/online. This rate is expected to grow to 35% by 2019⁴. The Nigerian e-commerce sector, advertising/media agencies and ICT/Telecommunications are already above this while the financial sector is inching towards the figure.

Which digital channel receives what? Spend favours social media again

It is equally important to know how digital marketing budgets are distributed across the different channels. 28.39% of Nigerian marketers say social media receives more spend from their digital marketing budget. This was closely followed by website and mobile marketing with 19.27% and 10.16% of marketers respectively.

Marketers' Q4:

Which particular digital marketing channel receives more spending in your organization?

CHANNEL THAT RECEIVES MORE SPEND

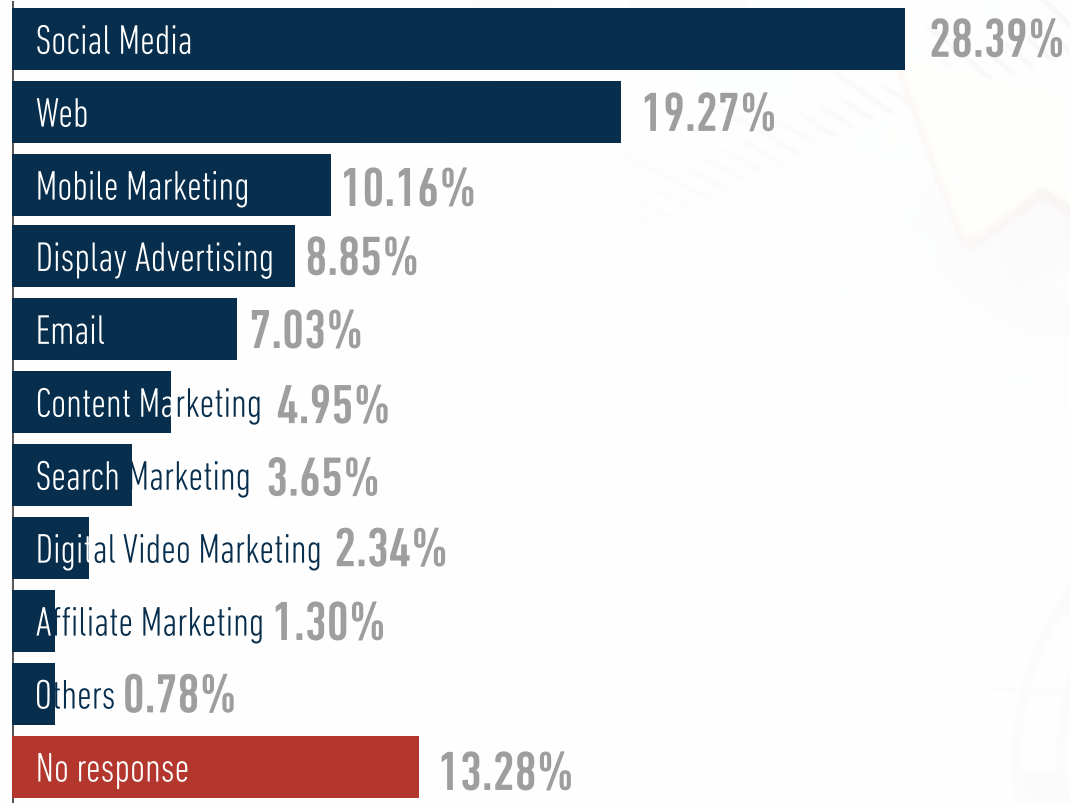


Fig. 11. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey. March/April 2016

This is all beginning to tie up. As earlier indicated in the report, most Nigerian marketers stated that they use social media regularly. This is perhaps because they perceive that the medium helps in achieving their marketing objective and is most effective at delivering ROI. Hence, it is only natural that they divert more funds to that medium. But where is the consumer in all of this?

Brand engagement is not all about social media engagement!

Today, consumer brand engagement is crucial to organizations, as they need to keep consumers interested, which will increase corporate performance, give them a competitive edge and increase profitability.⁵ Findings in this research show that there is a mismatch between consumer preferences for product or service information search and marketers' most preferred digital channel for reaching out to consumers in their organisations. Nigerian marketers are only viewing consumers' proactivity online via social media as a strong influence on their engagement measures while paying less attention to search marketing. Consumers, on the contrary, prefer search marketing in spite of the fact that they also use social media channel.

Interaction, trust and consumer experience

Every consumer wants to have a personal touch with the brand. The way a brand interacts with a consumer determines the polarity of the consumer's experience, positive or negative. Marketers need to be mindful of consumer concerns about trust. Knowing which digital channels produce the best communication effect to earn a consumers' trust will be highly beneficial. Let us turn to the survey results on this matter.

Consumers' Q4 & 5:

What online channels do you trust most for communicating or sourcing information about products or services?

COMPARING THE MOST TRUSTED CHANNEL FOR COMMUNICATION AND INFORMATION

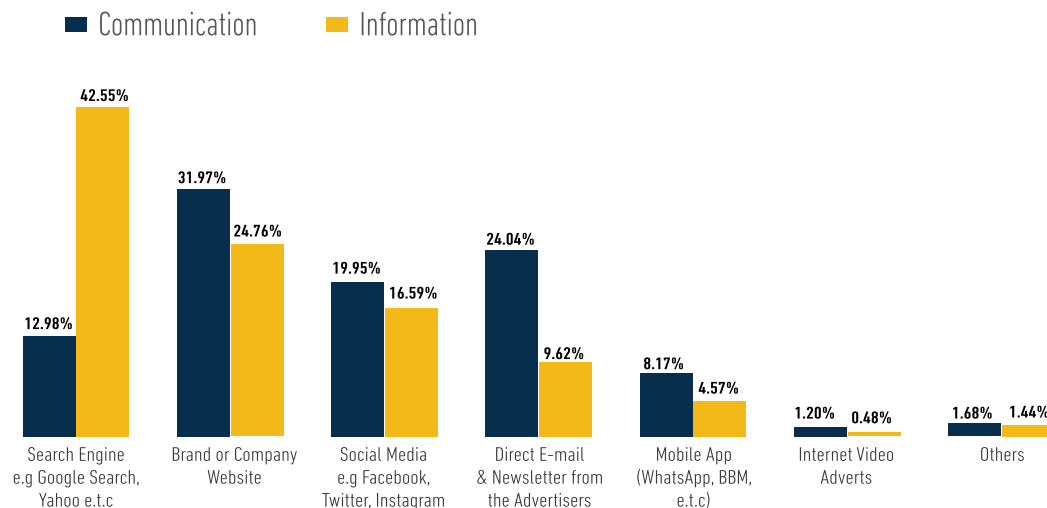


Fig. 12. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey. March/April 2016

Findings show that 42.55% of consumers trust search engine medium most for information. This goes to show that a consumer would rather trust information from other sources as compared to a marketer's pitch. They are heavily influenced by such experiences and more often than not, consult consumer reviews to form opinions about a business to make purchase decisions.

Whereas when it comes to communicating directly with the brand, 31.97% of consumers prefer to turn to the websites as it gives an opportunity to give direct feedback on their experiences. Consumers feel a website is the face of a brand and can directly speak to it. It is now what a business chooses to do with consumer feedback that presents the opportunity to create the most powerful brand marketing message there is: trust.

Although, communication allows for multiplicity of channels as seen in the survey statistics in varying degrees, marketers must not overlook the discrepancy between consumer preference for search engines, as a means of obtaining product information, and their own relatively low budget for search engines as well as the low perception of search engines for ROI in terms of sales.

Communication effect

This survey also assessed consumers' engagement level vis-à-vis communication experience. Result shows that about 30% of the respondents have stopped engaging with five or more companies in the last 12 months due to poor communication experience. Likewise, about a quarter of the respondents also indicated that they had stopped communicating with some companies for the same reason, while 12.98% of respondents could not remember the number of companies. The impact of this is that over half of the respondents (about 55%) now ignore the emails, social media messages, etc., that are sent to them by brands.



Consumers' Q5:

On the average, how many companies have you stopped talking/engaging with due to poor communication experience in the last 12 months?

CONSUMER ENGAGEMENT LEVEL DUE TO POOR COMMUNICATION EXPERIENCE

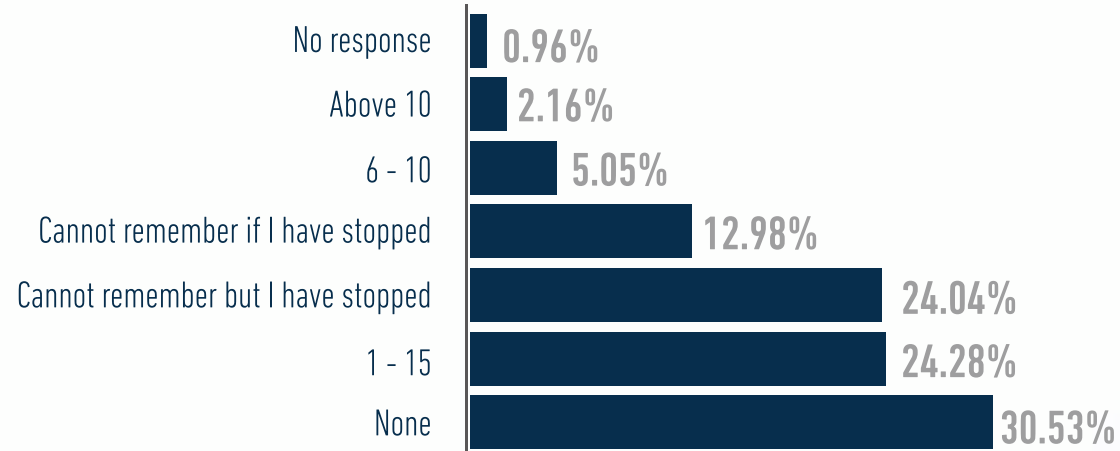


Fig. 13. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey. March/April 2016

Frequency and preferred mode for communication

At a time of increasing Internet buzz and consumer power, it is critical that marketers understand how to send the right message to the right person at the right time and through the right medium.

In this survey, four digital channels were assessed to determine consumers' preference frequency. The result shows that a little over half of the respondents prefer social media when it comes to receiving daily communication from brands. Next in preference for daily communication is the use of mobile by consumers. When it comes to weekly message communication, the tables turned; direct email was the choice by consumers, and this was closely followed by mobile.

Apparently, different communication frequencies attract different digital medium. By promoting relevant and consistent communication through the right channel, businesses have an opportunity to create a more lasting relationship with the consumer as well as deliver on ROI.

Q9: How often through the following medium would you like to receive communications from companies or advertisers?

CONSUMER FREQUENCY PREFERENCE FOR COMMUNICATION

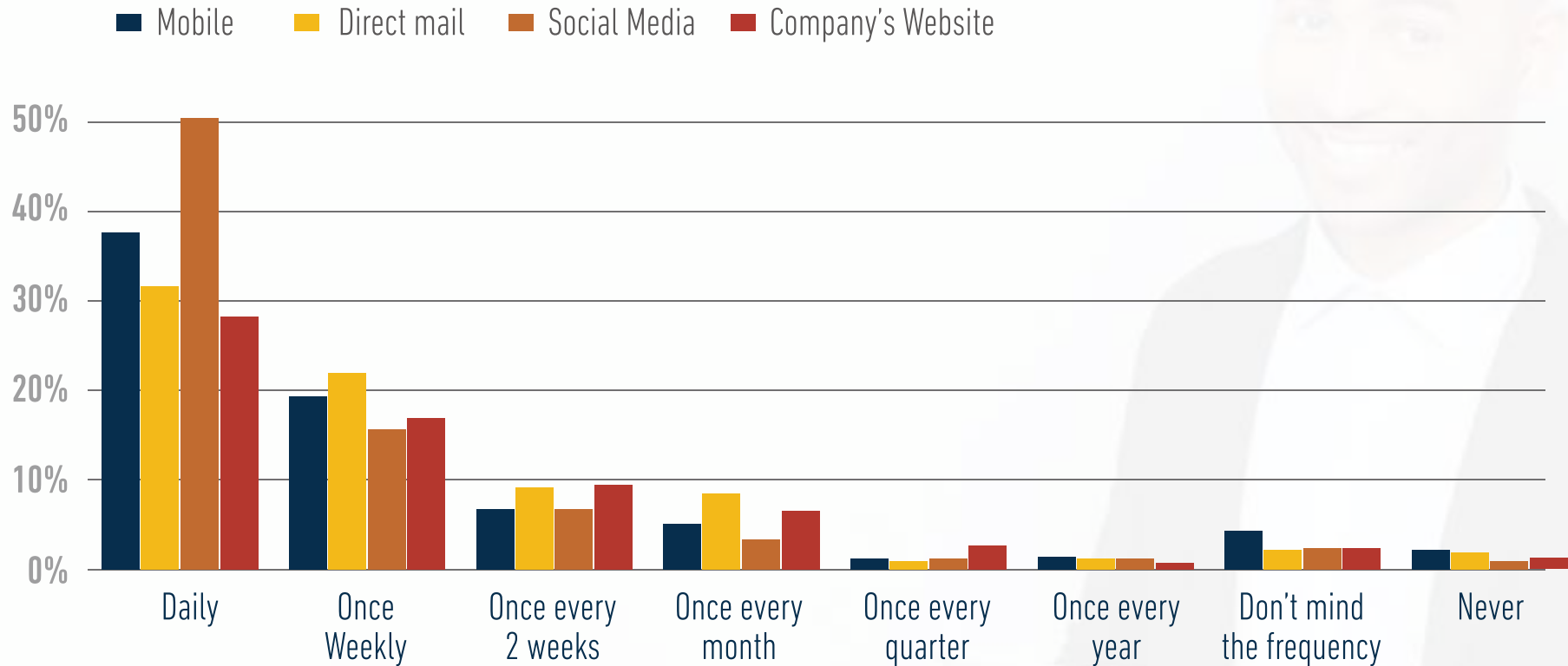


Fig. 14. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey. March/April 2016

5.

Adopting new online channels

Marketers are keen to try new channels, and many need to keep pace with shifting consumer expectations and behaviour. Our survey shows that the highest number of Nigerian marketers, 36.72% (141 out of 384), indicated first time use of social media this year. In addition, majority of those that indicated first time use (79.4%) also indicated that they are already using social media (i.e. 112 out of 141). For websites, 23.18% of respondents (i.e. 89 out of 384) decided to build a website for use the first time this year with 77.5% (i.e. 69 out of 89) of the respondents indicating they already use websites.

For search marketing, majority of the people that are not using it (88.1%) do not plan to use it this year. Besides, only 19.9% (66 out of 324) use search marketing. This shows a lack of popularity.



Marketers' Q10:

In your organization/business, which channels have you decided to use for the FIRST TIME this year? Check all that apply

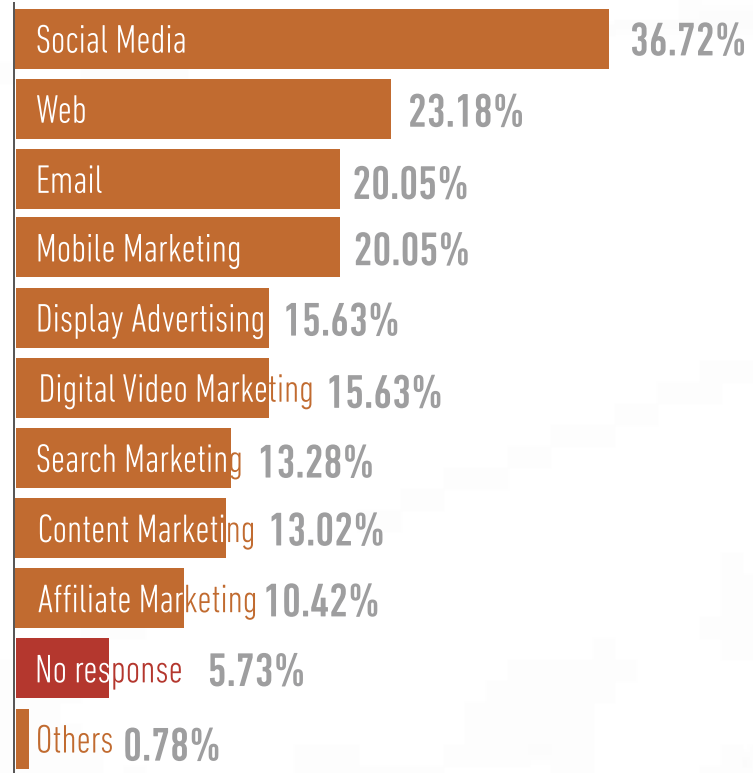
MARKETERS' FIRST TIME USE OF DIGITAL CHANNEL IN 2016

Fig. 15. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey, March/April 2016

Influencing factors on choosing new online channels

a. Marketers' view

When deciding to invest in new digital marketing channels, the most common influence that was indicated by over one-third of Nigerian marketers was 'perceived favourable communication effect' (35.68%). This is closely followed by about 29% of marketers who say they were influenced by 'perceived favourable sales effect'. Only about 19 per cent said they would consider 'ease of use' before committing to use a channel. The 'use by others' (competitors' use of a channel) also has a moderate effect in influencing the use of a channel for the first time.

These findings suggest that marketers take positive communication effect with consumers more seriously than 'favourable sales effect' or 'ease of use'. According to a McKinsey report, a company's brand is driven by more than the combination of promises made and promises kept. What is also critical is ensuring that consumers recognize the delivery of those promises, which requires proactively shaping communications and key messages that consistently highlight delivery as well as themes.⁶

Marketers' Q11:

What will inform your decision to use a channel for the FIRST TIME?

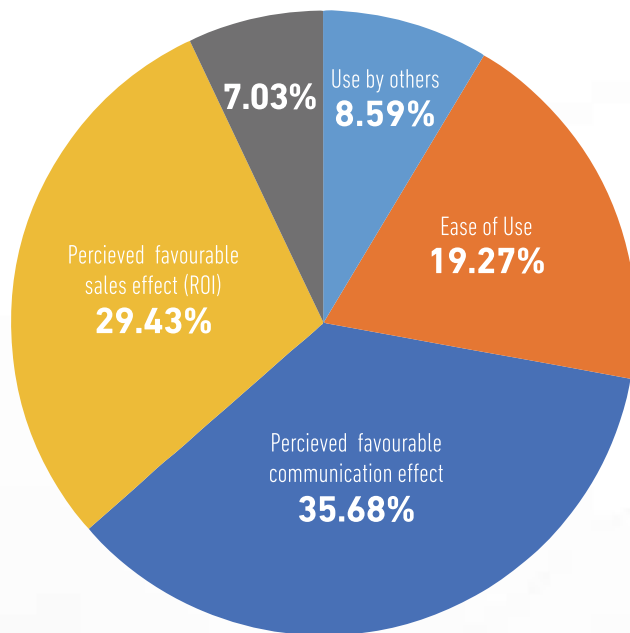


Fig. 16. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey. March/April 2016

b. Consumers' view

Consumers, more often than not, want to use a range of digital communication channels to interact with a brand. Trying out new channels gives the consumer the power of choice. In our survey, more than half of the consumer respondents (57.45%) stated that "perceived usefulness for information" will make them decide to use a channel for the first time. Only 21.63% of the consumers say "ease of use" will prompt them to use a channel for the first time. This result of this survey indicates that consumers are not keen only on the medium of communication; the content also matters to them. Once the message is right, then consumers will be motivated to try out the channel.

Consumers' Q6:

What will inform your decision to use a channel (e.g. website, search engine, social media, etc.) for the FIRST TIME?

WHY CONSUMERS DECIDED TO USE CHANNEL FOR THE FIRST TIME



Fig. 17. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey. March/April 2016

Adhering to digital channels

While findings from this research show that marketers are not ready to drop any of the current digital marketing channels in use, the result presented here is based on only those that indicated that they use a given channel. For example, for display advertising, 97% of those that use the channel indicated that they will continue using it.

Table 2: Proportion of Respondents that will CONTINUE To use or DROP a Digital Marketing Channel

Channel	Continue	Drop	Total that use a channel
Website	199	4	203
	98%	2%	
Search Marketing	60	2	62
	97%	3%	
Content Marketing	58	2	60
	97%	3%	
Social media Marketing	216	1	217
	99.5%	0.5%	
Mobile Marketing	108	4	112
	96%	4%	
Email Marketing	146	7	153
	95%	5%	
Affiliate marketing	24	2	26
	92%	8%	
Display Advertising	62	2	64
	97%	3%	
Digital Video Marketing	37	2	39
	95%	5%	

From the research findings, Nigerian marketers will continue to use a channel for the same reason that motivated them to adopt a channel for the first time: “perceived favourable communication effect” (31.3%). A good percentage also opted for “perceived favourable sales effect” (26.6%), which matches the earlier finding. This research shows that Nigerian marketers are getting it right with consumers’ decision to continue to use a particular channel – creating useful information for the consumer to produce favourable communication effect. In fact, more than half of the consumer respondents stated that they will stop using a channel if the brand message through such medium is irrelevant and adds little or no value-experience.

Marketers and Consumers’ Q: What will inform your decision to CONTINUE to use a channel?

MARKETERS AND CONSUMERS’ Q: WHAT WILL INFORM YOUR DECISION TO CONTINUE TO USE A CHANNEL?

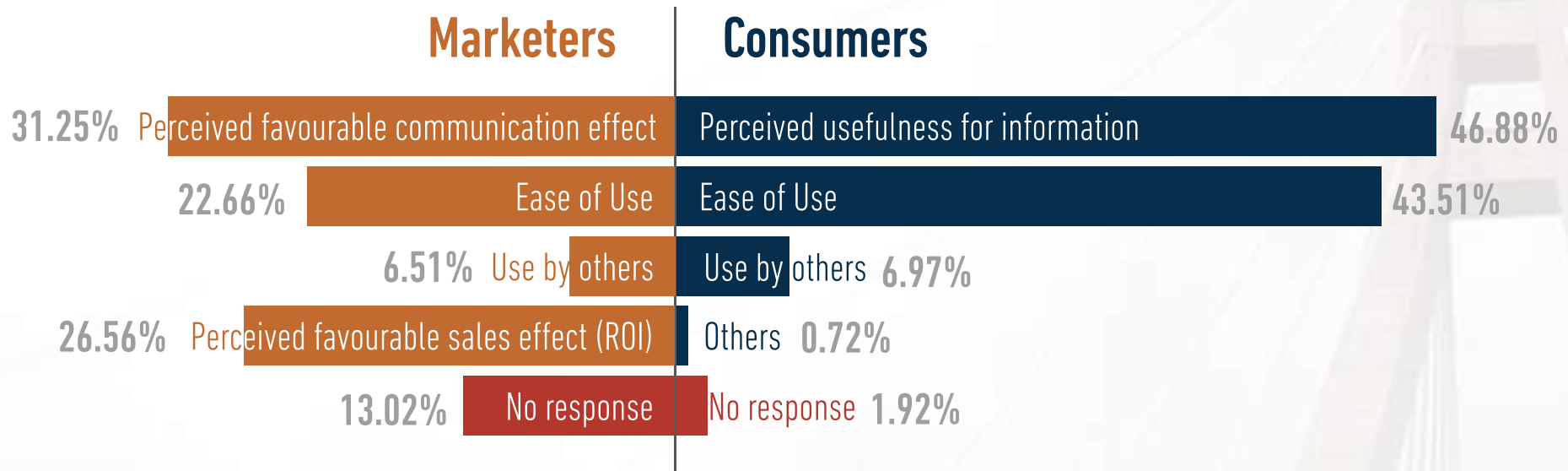


Fig. 18. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey. March/April 2016

Consumers' Q8: What will inform your decision to STOP to use a channel (e.g. website, search engine, social media, etc.)?

WHY CONSUMERS DECIDE TO STOP TO USE A CHANNEL

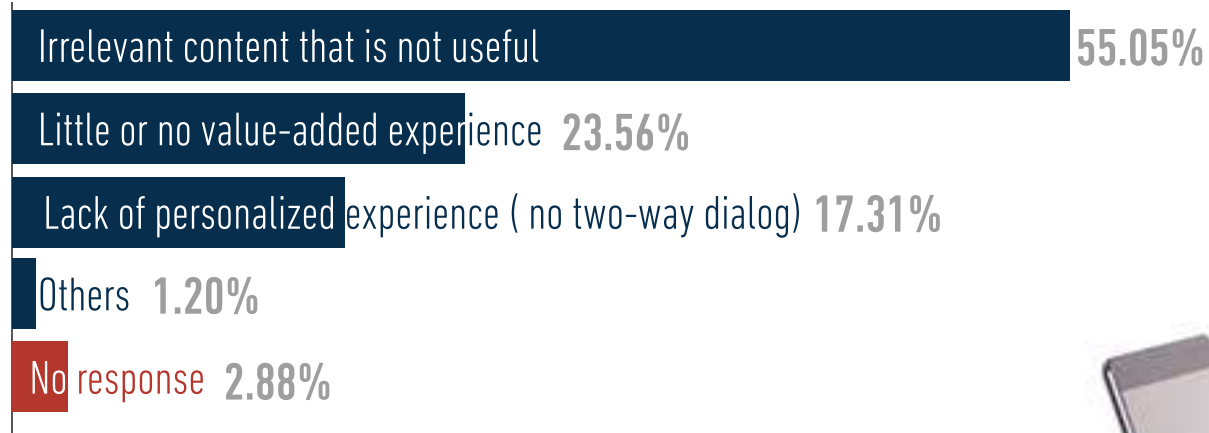


Fig. 19. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey. March/April 2016



6.

Future trends in investment

At the beginning of each year, marketers are always interested in forecasts for the year ahead as well as up-to-date information in marketing trends. With 2016 half gone, companies might be counting their mid-year achievements and making plans on how to spend their marketing and advertising naira in the next half of the year and through to 2017.

If such companies are thinking about simply replicating their digital marketing approach and budget and doing the same thing they have been doing, they had better think again. Grounds are shifting. To continue reaching prospective consumers online and making positive ROI, there is a need to follow the trends. Businesses need to stay on top of the game when it comes to connecting with consumers online through the digital marketing channels. The following statistics from our survey provide some guidelines for getting ahead.

65% of companies likely to increase budget of the most effective digital channel in the next 12 months!

About two-thirds (65.63%) of Nigerian marketers surveyed say they are likely to increase the budget of the most perceived effective channel. While this calls to mind the classical argument – “if 65% of marketers jumped off a bridge, would you?”– it is certainly a positive sign that the performance of online marketing makes marketers want to increase budget allocation. In order to remain competitive, companies should start getting ready to up their digital marketing budget.

Marketers' Q9:

Do you think your organization will increase the budget of the most perceived effective channel?

LIKELIHOOD TO INCREASE BUDGET OF MOST PERCEIVED EFFECTIVE CHANNEL

■ Yes ■ No ■ Maintain the same budget ■ I can't say ■ No response

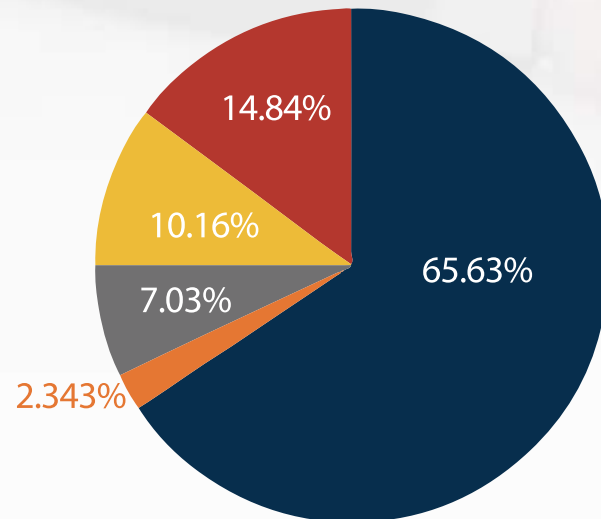


Fig. 20. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey. March/April 2016

Across board, Nigerian marketers think that the budget for all the digital channels will increase. Social media has the budget prospect with 73.07% of marketers anticipating its increase. This is closely followed by the anticipated increase for websites indicated by 66.93% of marketers, then increases for mobile and email marketing channels with 52.86% and 52.08% respectively. Search, display and content marketing look very promising with 43.23%, 43.75% and 41.15% of marketers, respectively, anticipating an increase in their budgets in the next twelve months.

Marketers' Q14:

In the next 12 months, how do you anticipate the budget for the different marketing channels to change?

DIGITAL MARKETING BUDGET EXPECTED CHANGE

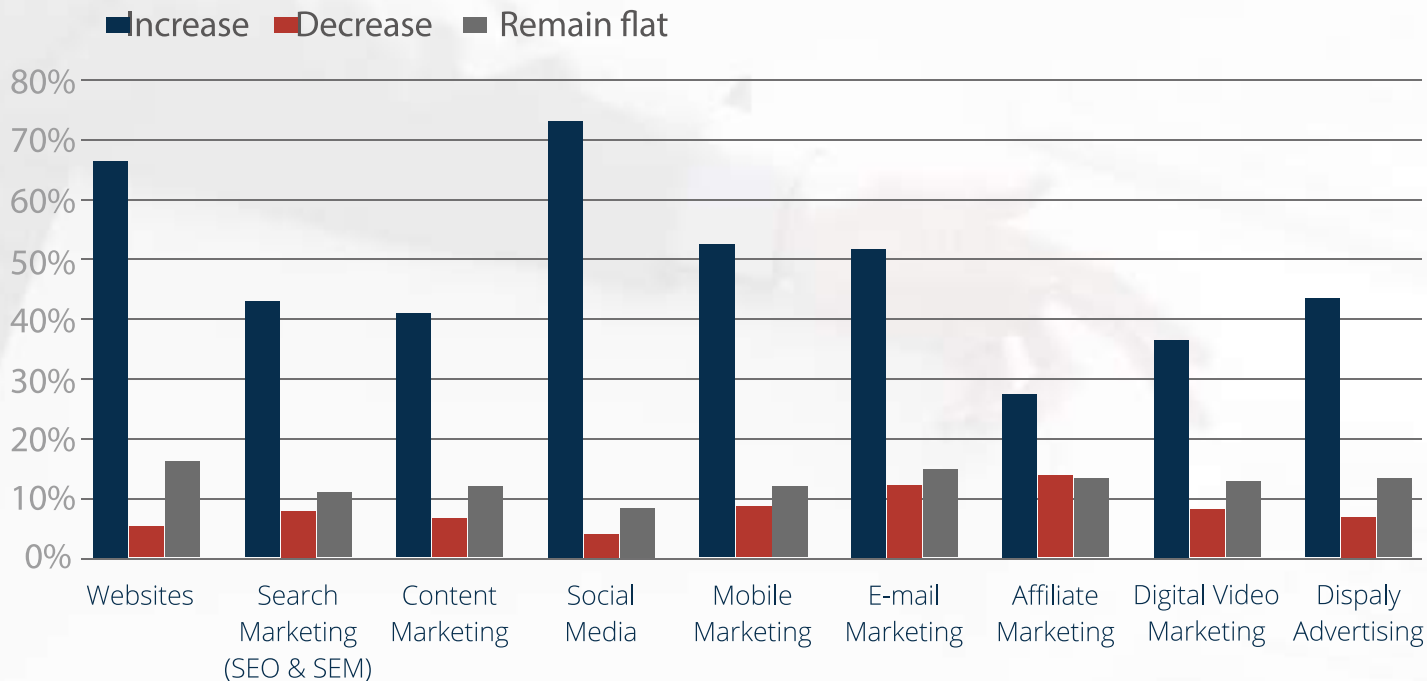


Fig. 21. Source: Wild Fusion Digital Centre Research Unit survey / SMC Survey, March/April 2016



CONCLUSION

Digital marketing is facilitated by multiple channels and almost all digital marketing campaigns wrap around channels that have maximum business impact. With several digital marketing channels available, it is important that marketers only focus on optimizing the important channels. But which channels should be focused on more in order to achieve business goals?

One of the key findings from the study is that there is lack of congruence between the preferred channels for consumers and those for marketers. For example, while more people are using social media for communication with friends and family (relational communication) they show lower acceptance for marketers who communicate with them via social media for marketing purpose.

The quickest way to your consumer's heart or wallet is through their channel of choice. The findings from this 2016 channel effectiveness study contain insights to help companies establish an ideal marketer/consumer connection that will make positive impact on their business.

Key takeaways

What Nigerian marketers should be doing

Use social media to listen to and engage consumers, not to market to them

Consumers prefer social media for personal communication.

It is suggested that marketers identify which social media platforms consumers are using and then use those same channels to interact with potential customers. Marketers should also listen and respond to feedback in order to offer help and advice. This will help consumers categorise a brand as a friend they can interact with.

Don't just talk: Communicate and Inform

Marketers need to understand their consumers' communication preferences as such understanding will determine which channels should be used to communicate with them. Findings from this study show that over half of Nigerian consumers have stopped engaging with brands due to poor communication experience. It is suggested that marketers should, through search engine optimisation, make their websites more visible as the brand/company website is the most trusted channel for communication by consumers. In addition, marketers should employ search marketing for information purposes as consumers prefer the search medium for research and purchase of products/services

Being more visible to your target audience is key to increasing the awareness of the brand

Findings from this research report show that awareness creation is the most important marketing objective to Nigerian marketers. The key to gaining visibility and increasing awareness of brand is through search engine optimization. No matter what type of content is contained on one's page, companies should consider improving their online visibility by making sure their SEO is done right.

Take Advantage of Consumers' Multichannel Nature

Consumers expect companies to use different channels for different types of communication. While it is commendable that more Nigerian marketers are looking at trying out new channels – social media, websites, email and mobile marketing – for the first time this year, it is apparent from this study that search marketing is the least prioritised. It is advised that marketers take advantage of consumers' preference for search engines to boost sales by creating a seamless cross-channel experience that puts online search advertising at the very core. Going forward, it is very important for businesses to look at search and social media marketing as one activity.

Increase the digital marketing budget

While just about a quarter of Nigerian marketers spend more than 30% of marketing budget on digital, over two-thirds of these marketers say that they are likely to increase the budget of their most perceived effective channel. Social media, websites, email and mobile marketing appear to be the primary recipients of interest when it comes to increased budgets, according to the findings of this report. It is advised that marketers devote at least 30% of the total marketing budget to digital marketing while increasing the channel spend on SEO.

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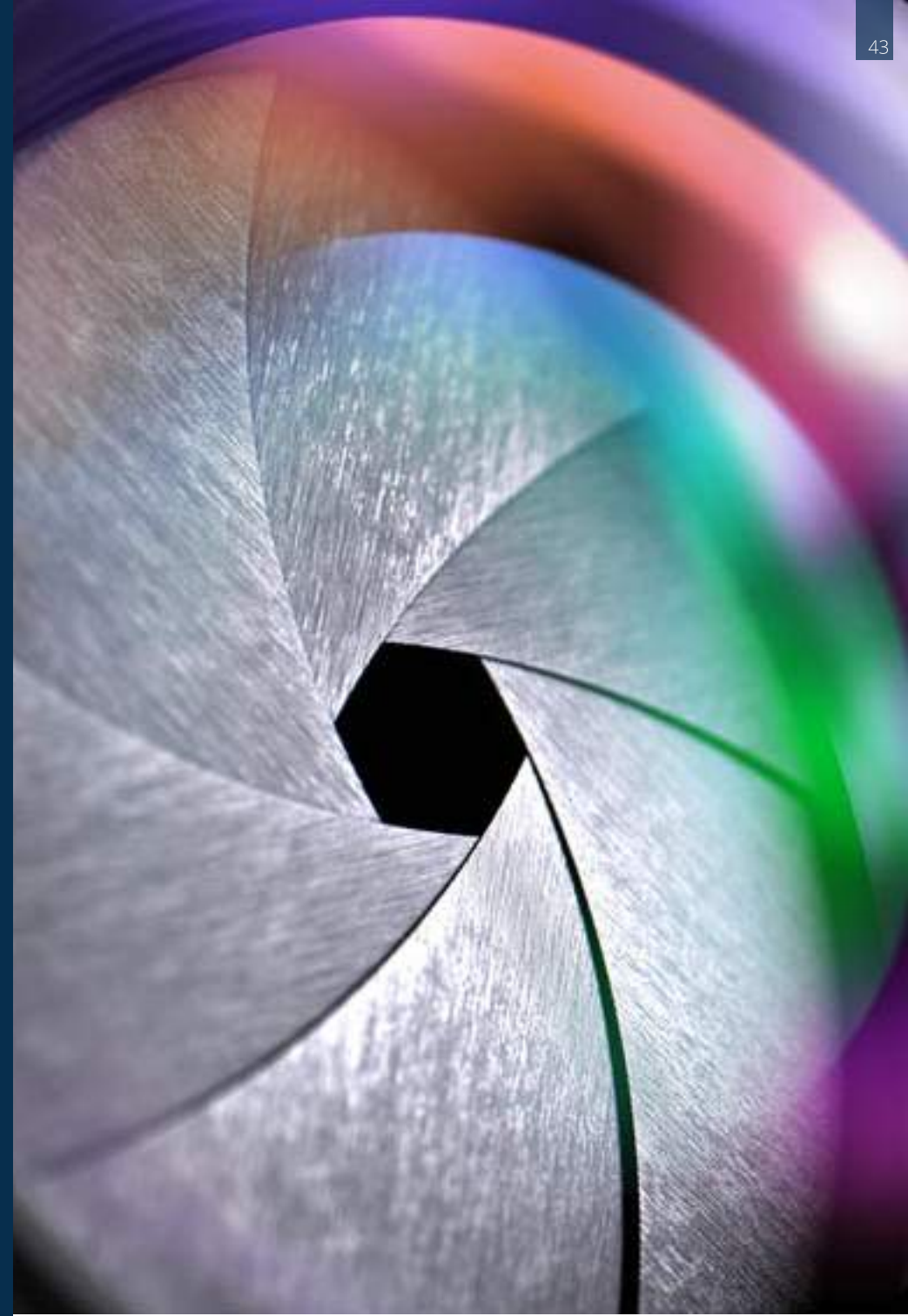
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METHODOLOGY

Wild Fusion Digital Centre commissioned an independent research with 384 Nigeria marketing professionals across the financial services, government, technology, e-commerce, travel industries etc.; it also involved 416 consumers aged 15+ across all geographic regions in Nigeria. The findings were used to develop this industry research paper on Digital channel effectiveness for marketing: marketer and consumer perspectives in Nigeria.

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DISCLAIMER

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