

UNDERSTANDING THE IMPACT OF PERFORMANCE MARKETING ON VIRTUAL BRANDING

Dr Ashamayee Mishra¹, Ms Sujata Rath², Mr Divham Tripathy³

^{1,2}Assistant Professor, AGBS Bhubaneswar, India.

³Student, AGBS Bhubaneswar, India.

DOI: <https://www.doi.org/10.58257/IJPREMS35434>

ABSTRACT

For several reasons, digital marketing is now essential for the expansion of modern enterprises. Digital marketing has numerous benefits beyond the obvious fact that most individuals use social networking sites for two to two and a half hours per day. Digital marketing is scalable, less expensive, offers a better return on investment, and lets you monitor your progress. In addition, it enables you to understand your target market and develop content marketing strategies that are specifically customized to your clients' tastes. Targeted advertising and email marketing are traditional methods of using this type of digital marketing to inform customers about goods and services that resemble those they already purchased.

Keywords: Marketing, Digital Marketing, Performance Marketing, Customer, Business

1. INTRODUCTION

Businesses consistently find it difficult to track their progress in real-time and adjust their strategy in response to it when using traditional marketing approaches. However, modern marketing techniques let firms efficiently target their audience, control their growth, and accomplish their objectives. One such tactic that has shown to be extremely beneficial for contemporary businesses is performance marketing. More flexibility in tracking brand reach and coordinating all marketing tactics and resources has been made available to marketers, which is crucial for maintaining continuing, scaled-back, and business-optimized campaigns. Additionally, performance marketing helps marketers enhance their brand marketing by leveraging innovative technologies to produce more consumer-focused advertising campaigns.

Despite many other traditional marketing tactics, performance marketing allows you to track the success of your campaigns and show statistics in real time. It makes it possible for a company to make decisions based on this data and statistics. It also makes it possible for companies to pay fairly for the use of other people's fan bases, resources, and labour. It may raise consumer knowledge of your company's name and merchandise, which could boost sales for your enterprise. By integrating performance and digital marketing, a business may create a thorough and focused marketing plan that produces positive outcomes. This virtual marketing approach is also simple to keep an eye on, ensuring your company has more control over its marketing campaigns.

The goal of performance marketing, which includes social media advertising and sponsored search, is to increase sales and conversions right away. Contrarily, virtual branding aims to increase brand recognition, forge a deep emotional bond with customers, and cultivate a favourable perception of the company over time.

Performance marketing has emerged as the primary strategy used by businesses to engage with customers during the last 20 years. Paying for the results of marketing campaigns—like sales, leads, or clicks—conducted through third-party channels like direct mail providers, search engines, and social media sites is what the Performance Marketing Association defines it as. Virtual branding has been significantly impacted by performance marketing, which has changed how companies interact and communicate with their target markets online. The process of developing and advertising a brand's identity, goods, and services, mostly using internet platforms, is known as virtual branding. This is an examination of how virtual branding is affected by performance marketing.

How performance marketing works?

Another kind of digital advertising method is performance marketing, where advertisers make payments in exchange for particular actions or outcomes of their campaigns. Performance marketing is different from traditional advertising in that it focuses on quantifiable outcomes, such as clicks, leads, sales, or other predetermined activities, instead of charging for ad space or time.

Here's an overview of how performance marketing works:

1. Define Goals and KPIs

Before launching a performance marketing campaign, advertisers need to define their goals and key performance indicators (KPIs). These could include objectives such as:

- Increasing website traffic
- Generating leads
- Driving product sales
- Boosting app installations
- Growing email subscribers

2. Choose the Right Channels

Performance marketing can be conducted across various digital channels, including:

- Search Engine Marketing (SEM): Using paid search ads on search engines like Google, where advertisers bid on keywords related to their business.
- Social Media Advertising: Running targeted ads on platforms such as Facebook, Instagram, Twitter, LinkedIn, etc., to reach specific demographics or interests.
- Affiliate Marketing: Partnering with affiliates who promote your products or services on their platforms and earn a commission for each sale or action.
- Email Marketing: Sending targeted emails to subscribers, encouraging them to take action, such as making a purchase or signing up for a service.
- Display Advertising: Placing banner ads on websites or mobile apps that target specific audiences based on interests or browsing behaviour.

3. Set Up Tracking and Attribution

- To measure the success of performance marketing campaigns, it's crucial to have proper tracking and attribution in place. This involves:
- Implementing tracking pixels or codes on the website to track user behaviour, conversions, and other actions.
- Using tools like Google Analytics, Facebook Pixel, or third-party platforms to monitor campaign performance and attribution.

4. Create Compelling Ad Creative

The success of performance marketing often relies on creating engaging and relevant ad creatives that resonate with the target audience. This includes:

- Crafting compelling ad copy that highlights unique selling points, offers, and calls-to-action (CTAs).
- Designing eye-catching visuals or videos that grab attention and convey the brand message effectively.
- A/B testing different ad variations to optimize performance and improve click-through rates (CTRs) and conversion rates.

5. Optimize and Refine Campaigns

- Performance marketing is an iterative process that requires continuous optimization based on real-time data and insights. This involves:
- Monitoring key metrics such as click-through rates, conversion rates, cost per acquisition (CPA), return on ad spend (ROAS), etc.
- Making adjustments to targeting criteria, ad placements, bidding strategies, and ad creative based on performance data.
- Scaling successful campaigns by allocating more budget to high-performing channels or audiences.
- Pausing or refining underperforming campaigns to improve efficiency and ROI.

6. Analyse Results and Iterate

After running a performance marketing campaign, it's essential to analyse the results and draw insights for future campaigns. This includes:

- Reviewing campaign performance against predefined KPIs and benchmarks.
- Identifying trends, patterns, and audience behaviour to inform future targeting and messaging.
- Iterating on successful strategies and testing new ideas or channels to stay ahead of the competition.

Understanding Virtual branding

A strategic approach to brand management known as "virtual branding" makes use of digital platforms and technology to establish, preserve, and advance a company's identity online. An extensive examination of virtual branding's essential components, advantages, difficulties, and potential directions is given in this synopsis.

Virtual branding is the technique of developing a brand presence, interacting with consumers, and communicating brand values via the use of several digital platforms, including social media, websites, mobile applications, and online

marketing. By emphasizing relationship-building with customers in the digital sphere, it transcends conventional marketing.

Key element of virtual branding:

- **Brand Consistency:** Maintaining a consistent brand image across all digital touchpoints is crucial for virtual branding. This includes using the same logos, colour schemes, messaging, and tone of voice to reinforce brand identity.
- **Engaging Content:** Creating compelling and relevant content is essential to attract and retain online audiences. This includes blog posts, videos, infographics, social media posts, and interactive experiences.
- **User Experience (UX) Design:** A seamless and intuitive user experience on websites and apps is vital for virtual branding. Easy navigation, fast loading times, and mobile responsiveness contribute to a positive brand perception.
- **Social Media Presence:** Active engagement on social media platforms allows brands to connect with customers, respond to feedback, and humanize their brand. It also provides opportunities for viral marketing and user-generated content.
- **Search Engine Optimization (SEO):** Optimizing online content for search engines improves visibility and ensures that the brand appears in relevant search results. This increases brand awareness and attracts organic traffic.

Benefits of Virtual Branding

- **Global Reach:** Virtual branding enables brands to reach a vast global audience without the limitations of physical borders. This opens up new markets and opportunities for growth.
- **Cost-Effective Marketing:** Compared to traditional advertising methods, digital marketing through virtual branding is often more cost-effective. Brands can target specific audiences with precision, reducing wasted ad spend.
- **Enhanced Customer Engagement:** Through interactive content, social media interactions, and personalized messaging, virtual branding fosters deeper connections with customers. This leads to increased brand loyalty and advocacy.
- **Real-Time Analytics:** Digital platforms provide detailed analytics and insights into consumer behaviour, engagement metrics, and campaign performance. Brands can make data-driven decisions to optimize strategies for better results.
- **Brand Differentiation:** Effective virtual branding helps a brand stand out in a crowded marketplace. Unique storytelling, creative campaigns, and memorable digital experiences create a distinct brand identity.

Challenges of Virtual Branding

- **Digital Noise:** The online space is saturated with content, making it challenging for brands to capture and maintain audience attention. Brands must develop compelling and relevant content to cut through the noise.
- **Negative Feedback Amplification:** Negative reviews or comments on digital platforms can quickly spread and damage a brand's reputation. Effective reputation management strategies are essential to mitigate this risk.
- **Technological Changes:** The rapid evolution of digital technologies requires brands to stay updated with the latest trends and tools. This can be resource-intensive and challenging to keep pace with.
- **Data Privacy Concerns:** With the increasing focus on data privacy, brands must ensure compliance with regulations such as GDPR and CCPA. Collecting and using customer data responsibly is crucial to maintain trust.
- **Brand Consistency Across Channels:** Managing brand consistency across multiple digital channels and platforms can be complex. Inconsistencies in messaging or visual identity can confuse customers and weaken brand perception.

Future Trends in Virtual Branding

- **Immersive Technologies:** Virtual reality (VR) and augmented reality (AR) present exciting opportunities for immersive brand experiences. Brands can create virtual showrooms, product demos, or interactive storytelling to engage audiences.
- **Voice Search Optimization:** With the rise of voice assistants like Alexa and Siri, optimizing content for voice search will become crucial. Brands can create voice-activated experiences and tailor content for voice queries.
- **Personalization and AI:** AI-driven personalization allows brands to deliver tailored content and recommendations based on individual preferences and behaviours. This enhances customer experiences and boosts engagement.
- **Sustainability and Ethical Branding:** Consumers are increasingly conscious of sustainability and ethical practices. Brands that align with environmental and social causes can build strong connections with socially responsible consumers.

- Live Streaming and Ephemeral Content: Real-time engagement through live streaming events, webinars, or social media stories creates a sense of urgency and exclusivity. Brands can leverage these formats for authentic interactions with their audience.

Performance marketing impact on virtual branding:

1. Measurable Results:

- One of the key advantages of performance marketing in virtual branding is its emphasis on measurable results. Brands can track metrics such as clicks, conversions, engagement rates, and ROI with precision.
- This allows brands to optimize their marketing strategies in real-time, focusing on campaigns and channels that deliver the best results.

2. Targeted Reach:

- Performance marketing enables brands to reach highly targeted audiences based on demographics, interests, behaviour, and more.
- By using data analytics and audience segmentation, brands can create personalized campaigns that resonate with specific consumer segments.

3. Cost Efficiency:

- Virtual branding through performance marketing can be cost-effective because brands only pay when specific actions are completed.
- This pay-for-performance model allows for better budget control and ensures that marketing resources are allocated efficiently.

4. Enhanced Customer Engagement:

- Virtual branding efforts can be interactive and engaging, encouraging customers to participate in contests, polls, surveys, or user-generated content.
- Performance marketing tactics such as retargeting and personalized recommendations can enhance customer engagement and brand loyalty.

5. Global Reach:

- With the internet breaking down geographical barriers, performance marketing allows brands to expand their virtual branding efforts globally.
- Brands can tailor their messages and campaigns to resonate with diverse audiences across different regions and cultures.

6. Data-Driven Insights:

- Performance marketing provides brands with a wealth of data and insights into customer behaviour, preferences, and trends.
- By analyzing this data, brands can make informed decisions to refine their virtual branding strategies, improve products/services, and enhance the overall customer experience.

7. Multi-Channel Approach:

- Virtual branding through performance marketing often involves a multi-channel approach, utilizing platforms such as social media, search engines, email, affiliate marketing, and more.
- This helps brands create a cohesive brand presence across various online touchpoints, reinforcing brand messaging and identity.

8. Adaptable and Agile:

- In the fast-paced digital landscape, performance marketing allows brands to be agile and adaptable.
- Brands can quickly test new ideas, campaigns, or channels, and make adjustments based on real-time performance data.

9. Building Brand Awareness:

- While performance marketing is often associated with direct response and conversions, it also plays a crucial role in building brand awareness in the virtual space.
- Consistent visibility through targeted ads, content marketing, influencer collaborations, and other tactics helps in brand recall and recognition.

Here are few of the area and methods to track the performance of a Virtual Brand:

1. Rise of Online Advertising:

In the 1990s, as the internet gained popularity and businesses began establishing an online presence, the need for online advertising solutions became apparent.

Banner ads and pop-up ads were among the earliest forms of online advertising, but businesses lacked the ability to accurately measure the effectiveness of these campaigns in terms of customer acquisition, conversions, and ROI.

2. Pay-Per-Click (PPC) Advertising:

Google AdWords, launched in 2000, revolutionized online advertising by introducing the concept of pay-per-click (PPC) advertising.

With PPC, advertisers only paid when users clicked on their ads, allowing for a more direct correlation between ad spend and results.

Advertisers could set specific budgets, target keywords relevant to their products or services, and measure the performance of their campaigns in real-time.

3. Affiliate Marketing Programs:

Affiliate marketing played a significant role in the evolution of performance marketing.

In the early 2000s, affiliate networks such as Commission Junction and Amazon Associates emerged, enabling businesses to partner with affiliates who would promote their products or services in exchange for a commission on sales.

This performance-based model ensured that advertisers only paid for actual conversions or sales, shifting the focus from impressions and clicks to tangible results.

4. Evolution of Tracking and Analytics:

As digital advertising platforms advanced, so did the tools for tracking and analytics.

Advertisers gained access to sophisticated tracking technologies that allowed them to monitor the entire customer journey—from the initial click on an ad to the final conversion.

Detailed metrics such as click-through rates, conversion rates, cost per acquisition (CPA), and return on ad spend (ROAS) became standard in performance marketing campaigns.

5. Focus on Measurable Results:

Performance marketing distinguished itself by its emphasis on measurable results and ROI.

Advertisers could precisely track the performance of their campaigns, optimize for better results, and allocate budgets based on which channels, keywords, or affiliates were driving the most conversions. This data-driven approach enabled businesses to make informed decisions, maximize their marketing budgets, and achieve higher returns on investment.

6. Expansion into Multiple Channels:

Over time, performance marketing expanded beyond PPC and affiliate marketing to encompass a wide range of digital channels.

Email marketing, social media advertising, search engine optimization (SEO), content marketing, and more became part of the performance marketing toolkit.

Advertisers could now create integrated, multi-channel campaigns, measuring the performance of each channel and optimizing their strategies accordingly.

7. Customization and Personalization:

With the wealth of data available, performance marketing allowed for highly customized and personalized campaigns.

Advertisers could target specific audience segments with tailored messages, offers, and content, increasing the relevance and effectiveness of their marketing efforts.

Dynamic retargeting ads, personalized email campaigns, and adaptive landing pages became common strategies in performance marketing.

8. Present-Day Landscape:

Today, performance marketing is an integral part of the digital marketing ecosystem.

Advertisers have access to a diverse array of tools, platforms, and technologies that enable them to drive specific actions—from clicks and sign-ups to purchases and app installations.

The focus remains on achieving measurable results, optimizing campaigns in real-time, and delivering a positive return on investment for businesses of all sizes.

2. LITRATURE REVIEW

Digital marketing in business

Digital marketing factors play an important role in influencing business performance in this new millennium. It is important to drive a more creative and global business with the involvement of access, skills and motivation of using this digital marketing medium. Malaysia is a country that strongly supports the efforts to integrate the usage of ICT in development. The provision of technological infrastructure is one of the government's efforts to ensure that Malaysians are able to compete globally. In fact, digital marketing has grown exponentially since the 1990s and 2000s thus has changed the way brands and businesses are run using digital communication technologies as well as tools for marketing entrepreneurs and business owners. Digital marketing campaigns are becoming more efficient, as digital platforms are incorporated into the marketing strategy and daily life of consumers, and as the consumers use digital devices instead of going to physical stores.

In this regard, Zhang, Dubinsky and Tan (2013) state that blogging is a tool for digital marketing that has created an impact on increasing sales revenue, especially for the products that the customers can read reviews and comment on their personal experiences. Online surveys show that business activity works just as well as overall marketing strategies. Online services show greater influence on consumers than traditional communication methods (Helm, Moller, Mauroner & Conrad, 2013). Thus, the digital marketing variables in this study will be measured by three dimensions, namely the benefits, reputation and purpose of using digital media in business.

The research of Indrupati and Henari (2012), one digital marketing tool that assists businesses or organizations optimize earnings is the Facebook platform. These platforms serve as a vital conduit for interactions among new and returning clients.

Mahwish et al. (2017) found that the impact of internet usage on business performance shows that entrepreneurs in Lahore who used social media platforms as a more popular business network and growing in their marketing compared to the entrepreneurs who do not use internet mediums for advertising or marketing purposes. According to Nawal (2015), four factors that describe the impact of social media usage in entrepreneurship are advertising and branding, information access, customer service and social capital. As such, the usage of social media as a digital marketing medium has also influenced entrepreneur marketing strategies and has increased the reputation of brands and services in the business field. Fruhling and Digman (2000) found that the internet usage can help businesses to increase the numbers of customers and market share as well as have contributed to their business growth strategy. The usage of the internet facilitates the business to expand its scope and core business through market penetration and product development. This fact is supported by Porter (2001) who found that relationships established through the internet would increase sales and generate opportunities for new products and services.

Advertising

According to Park and Park (2010), display advertising consists of pop-up and banner ads that show up on websites that prospective clients are seeing. These ads are simple to make and comparatively less expensive than traditional commercials. In addition, organizations can enhance the visibility of their websites in different search engines, such as Google and Yahoo, when people look for information relevant to them. This method is called Search Engine Optimization (SEO), and it involves utilizing keywords that users have entered into search engines in order to determine how relevant a website is to their needs (Park & Park, 2010).

Marketing performance

Any business that invests time and money in marketing, especially small and medium-sized businesses (SMEs) with limited access to marketing funds, must measure its marketing performance. Success is determined by taking a look at how marketing initiatives affect sales and market share, as well as brand recognition, customer satisfaction, customer experience, and customer loyalty (Wang & Chang, 2013).

3. REFFERENCES

- [1] Zhang, G., Dubinsky, A. J., & Tan, Y. (2013); Impact of blogs on sales revenue. *International Journal of Virtual Communities and Social Networking*, 3, 60–74.
- [2] Helm, R., Möller, M., Mauroner, O., & Conrad, D. (2013); The effects of a lack of social recognition on online communication behavior. *Computers in Human Behavior*, 29(3), 1065–1077. <https://doi.org/10.1016/j.chb.2012.09.007>
- [3] Indrupati, Joel & Henari, Tara Fryad (2012); Entrepreneurial success, using online social networking: Evaluation, *Education Business and Society Contemporary Middle Eastern Issues* 5(1):47-62 https://www.researchgate.net/publication/235306435_Entrepreneurial_success_using_online_social_networking_Evaluation#:~:text=10.1108/17537981211225853

[4] Mahwish, S. F., Saeed, F., Sultan, M. T., Riaz, A., Ahmed, S., Bigiu, N., et al. (2021). Bitter melon (*Momordica charantia* L.) fruit bioactives charantin and vicine potential for diabetes prophylaxis and treatment. *Plants* 10, 730. doi:10.3390/plants10040730

[5] Fruhling, A.I., & Digman, La.(2000). The impact of electronic commerce on business-level strategies. *Journal of Electronic Commerce Research*, 1(1), Retrieved from <http://www.csulb.edu/web/journals/jecr/issues/20001/paper2.htm>

[6] (2) (PDF) Strategic Information System: A source of Competitive Advantage. Available from: https://www.researchgate.net/publication/308786506_Strategic_Information_System_A_source_of_Competitive_Advantage [accessed Jul 09 2024].

[7] Porter, M, (2001) Strategy and the Internet, *Harvard Business Review*, Vol. 79, No. 3, pp. 63-78.

[8] Park, C. L. (2010). Making Sense of the Meaning Literature: An Integrative Review of Meaning Making and Its Effects on Adjustment to Stressful Life Events. *Psychological Bulletin*, 136, 257-301. <http://dx.doi.org/10.1037/a0018301>

[9] Wang, J.C., & Chang, C.H. (2013). How online social ties and product-related risks influence purchase intentions: A Facebook experiment. *Electronic Commerce Research and Applications*, 12(5), 337-346. <https://doi.org/10.1016/j.elerap.2013.03.003>