



## **Race: An effective CRM model for digital marketing**

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### **Abstract**

Digital marketing is nowadays has become an integral part of marketing efforts for any company, and particularly essential for modern start-ups. As the business environment and market conditions are changing due to technological advances and newly available tools, the marketing dynamics are evolving and new trends are emerging in marketing, customer relationship management and customer service fields. Customer Relation Management (CRM) has faced significant changes in consumer behavior and media usage, customer expectations, needs and requirements. The shift of power to customers requires adequate response and actions from the companies. The overall digital marketing communication methods should above all work efficiently to capture, engage and retain customers, and create added value for them. In this connection, RACE model of digital marketing is analysed in this study. Further, the short-term strategic objectives are also identified using the RACE model. The proposed study is based on the secondary data and exploratory research methodology is used to understand RACE model for effective digital marketing. The RACE framework provides a simple approach that can be used across different levels within a digital marketing plan. It can help define objectives, strategy and tactics as well enable an organization to properly set suitable KPI's at each stage too.

**Keywords:** race, digital marketing and communication

### **Introduction**

Internet has tremendously changed the way business operates. Consequently, the approach to marketing has undergone significant transformation, and marketing has taken new forms. Over the last few years, new trends and innovations have emerged and reshaped the traditional concept and perspective of marketing. Further, many traditional marketing methods have become ineffective and obsolete in a new digital era. Digital marketing is growing in importance. It is developing continuously and becoming more complex, as the technology, new digital channels, tools and platforms evolve, and the competition strengthens. It is estimated that the influence of digital marketing will continue to grow in the coming years.

Today's marketing is dynamic and interactive; it integrates new technological advances in social and mobile domains to create new ways of reaching, engaging and retaining the customers. Due to cost effectiveness and accessibility, digital marketing tools and techniques are today within a reach for big corporations as well as for small businesses. They are providing a remarkable growth opportunity and global reach of customers. Hence, digital marketing is nowadays an integral part of marketing efforts for any company, and is particularly essential for a modern start-up company [1].

As the business environment and market conditions are changing due to technological advances and newly available tools, the marketing dynamics are evolving and new trends are emerging in marketing, customer relationship management and customer service fields. Significant

changes in consumer behavior and media usage, customer expectations, needs and requirements, as well as a shift of power to customers (Global Social Media Marketing) require adequate response and actions from the companies. Businesses have to focus more and more on consumers' needs, widen the offer and service proposition to benefit the customer. They should also create value-adding experiences, as well as ensure availability and accessibility of relevant information and up-to-date data in digital media.

### **Need and importance of the study**

Many digital marketing tactics, such as social media communication, blogs, digital and mobile content marketing are currently being adapted and used by a variety of B2C and B2B companies, large and small, in an attempt to serve the customers in a superior way. However, mere online presence is not a guarantee of success for anybody. In fact, it is still surprisingly common to come across online marketing channels that are being poorly managed, neglected or not properly followed up, and therefore creating frustration among the customers and resulting in a rather opposite effect than what initially was intended [2]. Therefore, the main challenge for a small start-up company is to identify the right digital marketing communication tools to be used, to choose the right methods to apply the tools efficiently as part of a digital marketing strategy, and to dedicate appropriate time and resources to support the digital marketing strategy. Digital marketing communication tools should be used to their full potential to ensure continuous delivery, follow up and optimization of

<sup>1</sup>Bax, S., Meyer, K. & Wilkins, N., 2013, Cambridge Marketing Handbook: Digital, Cambridge Marketing College. Kogan Page Limited, ISBN 9780749470630

<sup>2</sup>Chaffey, D. & Smith, P.R., 2013, *Marketing excellence: planning and optimizing your digital marketing*, Fourth edition, Routledge, ISBN 9780415533379

the digital content. The overall digital marketing communication methods should above all work efficiently to capture, engage and retain customers, and create added value for them. In this connection, RACE model for CRM in digital marketing is taken for this study.

**Objectives of the Study**

The present study is taken up with the main objective of analyzing the RACE model for digital marketing communication. The following are some specific objectives related to it;

1. To analyse the details of internet and mobile internet users in India from 2015 to 2023,
2. To identify the short-term strategic objectives using the extended RACE model.

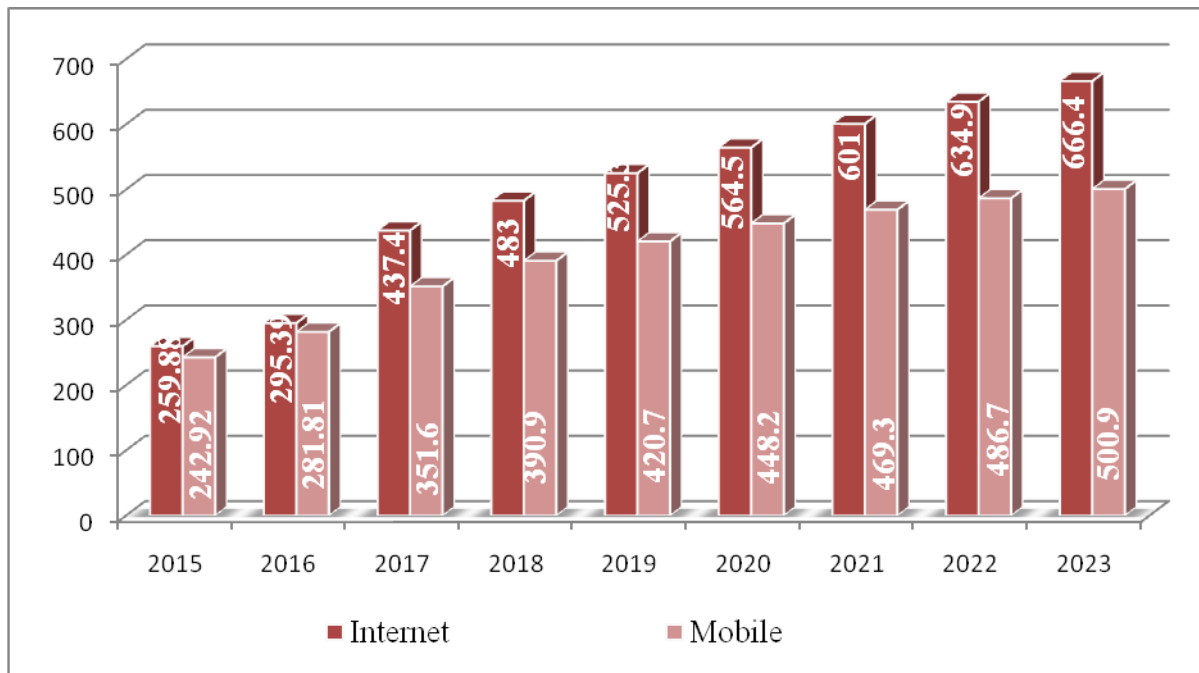
**Research Methodology**

The study is based on secondary data. It has been collected from published articles in various journals, books and published reports or studies. The exploratory research methodology is used to understand the RACE model for effective digital marketing.

**Internet and Mobile phone internet Users in India**

Today’s reality is that we live in a “connected” and “digitalized” world, as we consume incredibly vast volumes of data, and the modern technology provides the means of accessing, storing and sharing information. Here, there is need to study the number of internet and mobile users in India. The relevant data is collected and presented in fig -1.

The data in the fig presents the details of internet and mobile phone internet users in India from 2015 to 2023 (2019 to 2023 are expected figures). In 2018, India had 483 million internet users. This figure is projected to grow to 666.4 million internet users in 2023. Despite the untapped potential, India already is the second-largest online market worldwide. The majority of India's internet users are mobile phone internet users, who take advantage of cheap alternatives to expensive landline connections that require desktop PCs and infrastructure. In 2018, 390.9 million people accessed the internet through their mobile phone. In 2023, this figure is projected to amount to 500.9 million mobile phone internet users.



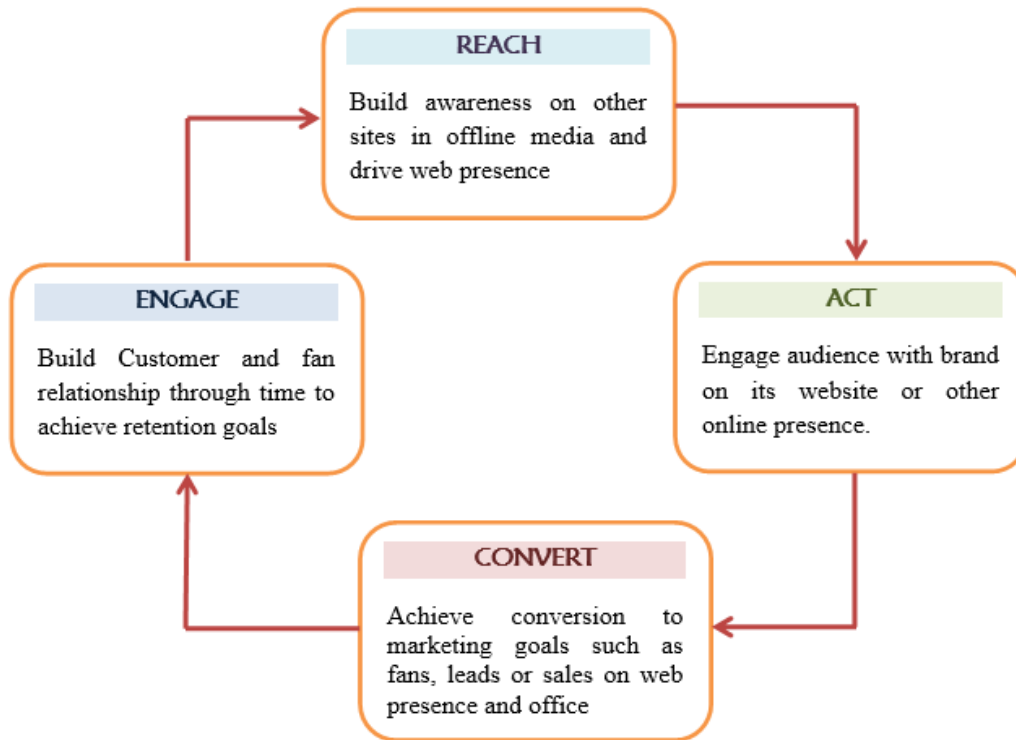
Figures in Millions Source: Reports of statista – 2019. (www.statista.com)

**Fig 1:** Number of Internet and Mobile Users in India

**R. A. C. E: An Effective CRM Model for Digital Marketing**

The R.A.C.E. (Reach, Act, Convert and Engage) model is a four step process for communications planning proposed by John Marston in 1963. The structured marketing plan is more important to achieve desired results in digital marketing. RACE is the ultimate mechanism carefully streamlined to help business evolve and implement digital marketing techniques. The RACE encompasses all the stages of customer lifecycle and its Planning System helps to develop a digital marketing strategy with a focus on

customer-centric content marketing, with the purpose of reaching and engaging customers to meet business objectives. RACE builds a business, generate more leads, leads converts into sales, reach audiences most likely to convert as customer and conversation rate optimized. RACE consists of four steps designed to help brands engage their customers. These steps reflect the stages in the customer journey or lifecycle, starting with awareness through to Conversion and then post purchase Engagement (an area where Digital Marketing can really drive personalised success).



Source: RACE Digital Marketing Planning Framework (2012) by Smart Insights.

Fig 2: RACE Digital Marketing Model

An effective digital marketing process consists of Reach, Act, Convert and Engage needs to be done for any business and famously known as RACE planning. In depth understanding of these four steps will help to understand.

- Step – I: Reach: This is the awareness stage of branding where companies focus on activities that will drive reach to company target audience online and therefore traffic to companies various website portals (websites, microsites or social media pages). Media can be reviewed from a paid for, owned or earned perspective. Traffic driving objectives can be set from this. This step is also known as inbound marketing and includes Smart search engine optimization (SEO), Social media marketing (SMM), Public relations (PR) and media outreach, Press releases, Paid ad campaigns (Google Adwords, Facebook, LinkedIn)
- Step – II: ACT: Smart Insights suggests ‘Act is short for Interact’. This stage of the RACE framework is where companies need to encourage visitor to interact with company – or take an action – when they land on your website page or social media page. It’s the first stage of engagement before moving them to final conversion. This can be leaving details requesting a quote or further information (business-to-business), but it may also be as simple as finding out more about a company or its products, searching to find a product, signing up for a newsletter subscription or reading a blog post. The actions in the form of Smart forms, CRM optimization, Sales process refinement, Sales funnel optimization, Drip marketing, Email marketing, live sales calls, Newsletters.
- Step – III: Convert: This means getting company visitors to take that final next step which turns them into paying customers whether the payment is taken through online Ecommerce transactions or offline

channels (such as a strong business lead). This is the final goal in conversion funnel that ultimately drives companies’ online business model revenue structure. Conversion percentage based objectives will drive these activities. The R.A.C.E. marketing strategy can have a dramatic effect on conversion rate and includes A/B testing, Conversion rate optimization (CRO) practices for all digital media, Lead gathering and Website audits

- Step –IV: ENGAGE: This is where companies should focus on developing a long-term relationship with first-time buyers to build customer loyalty. This should ultimately drive repeat purchases and potentially advocacy. A range of communications can be used offline and online, across company site, within social media pages, email and other direct interactions to boost customer lifetime value. In this stage, objectives and KPIs focus on engagement (e.g. engagement or shares on social media) or repeat sales percentage. Other measures that link to engagement are customer satisfaction score <sup>[3]</sup> and building more powerful interactions through the use of Blog marketing, Video marketing, White papers, Newsletters and Story-telling web copy.

**Extended RACE Model (Race + G (Govern))**

The short-term strategic objectives are determined using the extended RACE (Reach-Act - Convert-Engage) based model, which is RACE + G (Govern). With the help of the RACE+G system, it is possible to structure the main strategic objectives for digital marketing communication. The clear goals for each stage of planning process enable accurate digital marketing communication strategy

<sup>3</sup>Oxford College of Marketing 2018.Using the RACE framework for practical planning. blog

planning. Through defined digital marketing communications goals; the RACE+G system approach enables to specify the Key Performance Indicators (KPIs). Based on the RACE model by Smart Insights, KPIs can be determined for each stage of the RACE+G cycle. KPIs allow reviewing the efficiency of digital marketing

communication efforts at each stage checkpoints, and comparing the actual performance results to the objectives in the final Control phase. It is necessary to set SMART targets for the RACE+G model, which are specific, measurable, actionable, relevant and time-related metrics for assessing performance step-by-step.

REACH	ACT	CONVERT	ENGAGE	GOVERN
Website visitors Visits/organic traffic Time on site Unique visitors Bounce rate Facebook viewers Google+ viewers Tweeter viewers LinkedIn viewers YouTube views Instagram views Voluntary advocates Blog visitors	Page views per visit Most popular pages Product page views Entry pages Exit pages Page duration Site retention >30s Interactions Conversation Influencer contacts Linking Blog posts views Brand mentions	Repeat visits Form completion Newsletter subscriptions Content downloads Conversion rate Likes Fans/followers Inquiries Site retention 1+min Site retention 2+ pages Blog retention 1+ min	Customer logins Churn rate (fans/subscriptions) On-site feedback On-site discussions Content shares Blog syndication Loyal followers/fans Shares Social discussion Social comments Mashups Site retention 3+ min Site retention 3+ pages Blog retention 3+ min	Online reviews User testimonials Online referrals Recommendations Positive sentiment Online articles Site retention 5+ min Site retention 4+ pages Blog retention 5+ min Customer logins Onsite user content Established community Formed partnerships

Source: Smart KPIs for Salusfin using RACE+G framework

Fig 3: Race + G framework

The Digital channels always work best when they are integrated with other channels. Digital channels should be combined with the traditional offline media and channels wherever possible. The most important aspects of integration are first using traditional media to raise awareness of the value of the online presences and drive visitors to the website(s) at the Reach and engage stages. Second, at the Convert and Engage steps, customers may prefer to interact with customer representatives as part of the buying or customer service process.

**Conclusion**

RACE is the acronym formed of the four stages that define this model (Reach, Act, Convert and Engage). In the Reach stage, the priority aim is to promote the brand; in the Act stage, the aim is to generate quality interactions with the target; this is followed by the Convert stage, where these leads need to be converted into buyers in order to conclude the sale, and finally the last stage, Engage, where customer loyalty is generated and a long-term relationship is built. This model establishes a set of general objectives from which new smaller targets will emerge which are simpler to attain, measure, and control. The RACE framework provides a simple approach that can be used across different levels within a digital marketing plan. It can help define objectives, strategy and tactics as well enabling an organisation to set suitable KPIs at each stage too.

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