The Digital Marketing Strategy Of Rakuten Group

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Introduction

Rakuten Group was established in 1997 and is one of the leading e-commerce businesses in Japan. It is an online retail business that is centred in Tokyo and is the biggest platform for numerous online businesses. Rakuten, Inc. operates through the largest online website in the world. The Rakuten Group has expanded its services to a variety of domains over the past 25 years, including Rakuten Advertising, Rakuten TV, Rakuten Intelligence, Rakuten Viber, Rakuten Viki, and Rakuten Kobo. All these services cater to the needs of a global clientele (Rakuten Group, Inc., 2022a). In today's age, the consumer market is highly transformative. Therefore, businesses are required to continuously innovate their strategies to promote products and services to reach global consumers. Since the shopping behaviour of customers has changed with time, there is a need for innovative means of promoting and marketing the goods and services offered by a company. The Rakuten Group realizes these market dynamics and has successfully secured a huge consumer base. The company follows the business-to-business and business-to-consumer models and has shaped its marketing strategies accordingly. With more than 70 businesses and approximately 1.6 billion members spread globally, the company has been successful in customer acquisition while it continues to implement customer retention strategies (Rakuten Group, Inc., 2022b). This marketing strategy report aims to present the digital marketing strategy of Rakuten Group, which is focused on customer acquisition. The report further aims to identify the objectives, tools, and benefits of the selected outcome, along with its implementation and valuation. Lastly, the report presents a mockup of the marketing tool intended for the mentioned outcome.

Digital Strategy Outcome: Customer Acquisition

Digital marketing strategies aim to build improved business capabilities by using digital technologies for different business models. In today's world of digitization, business-to-business models focus on marketing strategies that include the use of social media networks, content marketing, search engine optimization, and referral programs. Additionally, for business-to-consumer models, the use of promotion emails, paid-media content, and cobranding are some of the strategies employed. The major purpose of any marketing strategy is to provide the company with a competitive advantage, attract new customers and retain the existing consumer base (Reyes, 2020).

Online marketing is a hassle-free and convenient means to acquire products and services, and countless brands offer online services to their customers. In such a scenario, the most important aspect of business sustainability is acquiring new customers and ensuring customer retention as well. For an established online business such as Rakuten Group, while customer acquisition may be important, retention is also a priority. Therefore, the company employs strategies such as cashback, loyalty programs, and special promos to retain its consumers (Team Braze, 2021). An important means of customer acquisition employed by Rakuten is a point system based on referral. This referral program not only rewards the existing buyers and ensures their loyalty but also uses the existing resources to acquire more buyers.

Customers today surf the internet to search for the best possible deal that can be offered to them. Digital marketing strategies such as search engine optimization (SEO), content marketing, promotion campaigns, social media marketing and optimization, search engine marketing (SEM), push notifications, social media influencers, and e-commerce marketing are becoming common means of online marketing strategies (Bala and Verma, 2018). Additionally, various customer retention strategies can help with customer acquisition. This can be achieved through the positive relationship that a company has built with its existing buyers. Companies often employ loyalty programs that can be differentiated into four major categories for the retail industry. These include a reward system, loyalty cards, gift cards, and point systems. Studies indicate that such a reward system is most effective when customers' loyalty level secures them additional rewards. Reward systems are positively correlated with customer acquisition, and all of the four above-mentioned strategies have proven to be useful (Duleepa and Fazila, 2021). The digital strategies that are used to effectively implement loyalty programs and cashback include email communication for promotional offers, push notifications, SMS marketing, and referral rewards.

Digital Marketing Objectives

Digital marketing strategies designed for customer acquisition utilize digital mediums to approach prospective buyers. With the tremendous reach of digital media, the global population connected over the internet can be accessed easily. The objectives of digital marketing strategies may vary depending on the type of business. This entails that companies should design their marketing strategies with a clear objective in mind to persuade the consumer to make the intended decision. The digital marketing objectives of Rakuten Group can be described as follows:

Increase in direct sales.

The primary objective of digital marketing is to increase direct sales. Companies expect that the resources utilized in the form of time and money will be returned in the form of direct sales. This is a return on one's investment, i.e., the revenue generated by each dollar spent on digital marketing. It is important to note that not all digital marketing strategies result in direct sales. Rather, other strategies, such as engagement with the customers or assisted conversion, must be utilized to acquire consumers.

New Leads

Another important objective of digital marketing strategies is to ensure the continuous flow of new leads. A prospective customer visiting the business website or the online shopping store can be considered a lead that can be taken up for conversion into an actual buyer. Maintaining continuous leads through marketing strategies can generate an increase in online business. This can also lead to increased customer walk-ins to the physical stores.

Cost-Effectiveness

When acquiring new customers, companies often spend huge amounts with the hope that the consumers will turn into loyal followers of the brand and repeat purchases to increase their profits. However, there is a multitude of product options in the market today, and despite having the best product in the market, customer loyalty is often hard to maintain. In such a volatile market scenario, digital marketing strategies are often a cost-effective method of acquiring new customers. As compared to traditional marketing, it enables marketers to reach a larger consumer base at a lower cost.

Customer Engagement

An important objective of digital marketing strategies is to increase customer engagement. Businesses today cannot survive merely by acquiring customers and expecting them to repeat purchases without any effort. Rather, being connected to the customer is highly important, and digital marketing is an effective tool to ensure it. The use of social media platforms, such as Instagram and Facebook, to run specified retargeting campaigns is an example of customer engagement. Such a media marketing strategy is used to target website visitors and present them with new offers and products. An engaged customer is more likely to make subsequent purchases (Bhasin, 2019).

Digital Marketing Tools

Over the past few decades, there has been an acceleration in the e-commerce business markets. Online marketing experienced a further boost in the recent pandemic, and the customers who preferred to visit stores also turned to online shops during the lockdowns. With the whole world shifting online, companies such as the Rakuten Group had to innovate their existing marketing strategies to acquire these new customers. Rakuten’s use of digital marketing tools is intended for two important purposes. The first and most important objective is to reach customers who are inexperienced in online shopping and to provide them with a memorable first experience that would not only make them comfortable with online shopping but also promote brand loyalty. Targeted advertising and ensuring a personalized experience is a useful strategy for such customers. Secondly, for the existing consumer base, Rakuten's focus was to maintain brand loyalty. The different digital marketing tools utilized by the company include social media marketing, push notifications, mobile marketing, websites, and email marketing, among others.

Social media marketing

The use of social media platforms for marketing purposes is an important digital marketing tool. For a huge company like Rakuten, social media is an important marketing tool as a large percentage of its existing and potential customers can access information about their products and services through these media pages. Social media platforms can also be used to increase customer engagement with the customer support department. The company uses its social media platform to present users with valuable content aimed at increasing brand visibility and boosting website traffic. Brand visibility is extremely important for acquiring new customers. Regular content sharing is also beneficial for search engine optimization, leading to increased relevancy of search outcomes on various media platforms. The several social media pages of Rakuten Group are designed to provide a customized experience to buyers across the globe (Rakuten Advertising, 2020). Additionally, social media platforms increase transparency by providing customers with information about the company's products, services, promotional offers, and achievements.

Push notifications

Push notifications are pop-up messages that appear on the customers' smartphones or desktop devices. These pop-ups appear regardless of whether the app is in use or inactive. Push notifications can be used by businesses to acquire new customers through helpful and timely content provision. This is a means of adding value and improving customers' engagement with the product. Rakuten uses these push notifications to enhance conversions with the help of precise, action-focused, and engaging content. Push notifications can be designed with the geolocation of the customer in view, and they are effective in quick communication of product information, promotional strategies, and surveys (Vivek, 2019).

Mobile Marketing

Another important digital marketing strategy employed by this company is the use of mobile marketing. This strategy enables e-commerce businesses to approach their target market through different channels that can be accessed over smartphones and other media devices (Kenton, 2021). Rakuten has a competitive advantage in mobile marketing as the company owns a message application, i.e., Rakuten Viber and Rakuten Mobile (Rakuten Group, Inc., 2022b). This increases the brand reach for the customers using these products. Mobile marketing enables sellers to leverage the benefits of both digital media and social media. To acquire new customers, mobile messaging can be used to target a specific audience of interest while keeping their preferences in view. In-app advertising is also a feature of mobile marketing that can help companies acquire customers. By using the data produced through mobile apps, companies can design personalised communication, offering value to new consumers through a cost-effective medium.

Use of website analytics

Website analytics enables companies to collect, report, and analyse data received through customer interaction over websites. Rakuten Group has gained a competitive advantage in website analytics through its numerous online services that help in generating large amounts of customer data. The company can utilize the data gathered through one channel to acquire new customers for the other. Rakuten Group can innovate its marketing strategies by making data-driven decisions through its recently launched program, the Insights and Analytics Portal. This tool increases brand visibility, provides a platform for open communication, and presents a holistic view of the effectiveness of Rakuten’s marketing campaign (Rakuten Advertising, 2021).

Email marketing

Email marketing is a digital marketing tool that businesses utilize to approach potential customers and convert them into profitable buyers. This customer acquisition tool reaches potential customers through automated targeted marketing and aims to influence their purchase decisions (Woschnick, 2021). Email marketing can be used for promotional content and reminders. It also offers a platform for customer support. Emails are often used for product queries or for requesting additional information. The use of email marketing can be highly effective and can build customer loyalty if the communication is timely and personalized.

Action Plan

The application of any digital marketing strategy must be backed by data-driven decisions. It should follow planned steps for implementation as well as monitoring and evaluation. The marketing strategy of offering cashback and reward systems can make use of various media tools, such as push notifications and email marketing. Different steps are followed to ensure timely communication that reaches out to a wide global consumer base. The following action plan can help in streamlining the communication process and provide result-oriented outcomes:

Automated customer lists

Since websites produce a large amount of customer data, the first step is to sort it out under a variety of filters such as last login, account creation date, region, phone numbers, and other similar information. With the clear purpose of the intended communication, a customer list must be collated.

Preparing the content

The next step is the preparation of the content being communicated. It is imperative to note that content must be carefully designed. It should have a suitable title and body text. Customer engagement can be increased through precise and focused content rather than long paragraphs. The title and body content must be designed to prompt the potential customer towards an intended action.

Scheduling communication

Efficient communication is personal, actionable, and, most importantly, well-timed. The third step, therefore, is to schedule the communication, which may be a push notification, a message, or an email.

Hit send

Once the content is finalized and a schedule is set, the last thing to do is hit send.

Monitoring and Evaluation

It is important to effectively monitor and evaluate the marketing strategies to eliminate approaches that do not yield the intended results. Regular evaluation of marketing strategies enables companies to save money and resources by eradicating or altering campaigns that are ineffective in reaching the targeted market or generating profitable outcomes. The evaluation also saves effort and realigns focus on the area where it is required. Companies must design built-in mechanisms of evaluation to make it cheaper, easier, and ongoing. Different methods of monitoring and evaluation can be adopted to gauge the effectiveness of digital marketing tools aimed at customer acquisition:

Return on investment

The most important interest a company holds is the return that it gets on its investment. This monitoring system helps companies gauge if the revenue spent on marketing is generating profits or not. This is done by comparing the amount spent on marketing campaigns with the sales generated against each campaign. While an overview of revenue can be helpful, a breakdown of profit against each strategy can identify the strategy that works and does not work with precision.

Sales numbers review

Numbers often provide an accurate measurement of the effectiveness of the current digital marketing strategy. Reviewing numbers is often the fastest and most basic method to evaluate the success of your marketing strategy. These numbers also provide trends of sales over months and years. The study of these trends can facilitate the evaluation of the company's marketing strategy.

Frequency of customer engagement

Customer response through various mediums is an important tool for the evaluation of marketing strategies. Different methods of customer engagement, such as in-person and online surveys and general customer service feedback forms, can provide data on the effectiveness of marketing strategies. Questions such as, "How did you find out about our promotional sale?" can show which digital marketing strategies are reaching customers and which segment of the market is making purchases.

Comparison with competitors' strategies

The reaction of your competitors to your company's marketing strategies can be considered a tool for evaluating the personal marketing plan. The success of your marketing initiative can be ascertained if similar strategies are adopted by other competitors. On the other hand, if a marketing strategy does not stir in the competitors' marketing plans, the strategy adopted may be questionable (Morello, 2019; Shoenberger, 2018).

By implementing these monitoring tools, companies can evaluate the effectiveness of their digital marketing strategies and identify whether these are aimed at increasing sales and generating revenues or are leading to a waste of time, money, and effort.

Practical Element Justification

The following segment provides a mock-up of an email for customer acquisition. The email marketing strategy can be used to provide potential customers with additional information about products and services or may offer incentives upon completion of a first-time purchase. Additionally, promo codes can be communicated via email for an individualized experience. Acquiring new customers in the dynamic online market may seem to be a challenge; however, with timely, concise, focused, and individualized communication, companies can convert casual website visitors into regular buyers.

Practical Element

Still Thinking it Over?
We are holding your items in your cart for you, but don't wait too long! Order today!
Hello Jane,
Looks like you left some items behind. Complete your purchase today and get a chance to avail free delivery by using the promo code DELIVER4FREE at checkout.
For queries and concerns, you can reply to this email or reach out to us at abc@rakuten.come or finish your purchase by clicking here.
Regards,
Customer Support Center
Rakuten Group

Conclusion

Digital media marketing is the most important tool that companies have at their disposal to achieve success in their businesses. However, the objective of the marketing tool must be clearly defined to evaluate its effectiveness accurately. Customer acquisition is a continuous process in the ever-expanding online market, and even established companies like the Rakuten Group must innovate their marketing strategies continuously to acquire new buyers and retain the existing ones. Only by foreseeing the change and preparing for it can companies gain and maintain a competitive advantage in the e-commerce business.

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