

YE FUDA

CLAUSEWITZ'S PRINCIPLES OF WAR IN DIGITAL MARKETING

*Timeless Principles
For A New Media Landscape*



Midas SEM

1. Introduction | Einführung

Carl Von Clausewitz was a Prussian general who lived roughly 200 years ago, from 1780 to 1831. Regarded as the father of western military strategy, his principles of war have influenced the doctrine of many nations including, United States, Britain and Singapore.



Source: commons.wikimedia.org

The reason that we're considering how principles of war can be applied to digital marketing is because there are some similarities between the 2. In both military and digital marketing campaigns, there is a clear campaign objective, timeframe and resources. While there are risks involved in both military and digital marketing campaigns, fortunately, it's unlikely that lives are at stake in digital marketing campaigns. Since the principles of war have been

established, practiced and refined for almost 200 years, there are lessons and wisdom that we can draw from and apply to our new media landscape that has been around for only 20 years.

In this whitepaper, we will examine how 2 of these dialectic principles for war campaigns can be applied to digital marketing campaigns. These 2 principles are considered to be dialectic as the second principle seems to contradict the first principle. However, when applied simultaneously, these 2 principles enable us to optimize our campaigns and achieve the greatest benefit at the lowest cost.

2. Concentration of Force | Konzentration von Gewalt

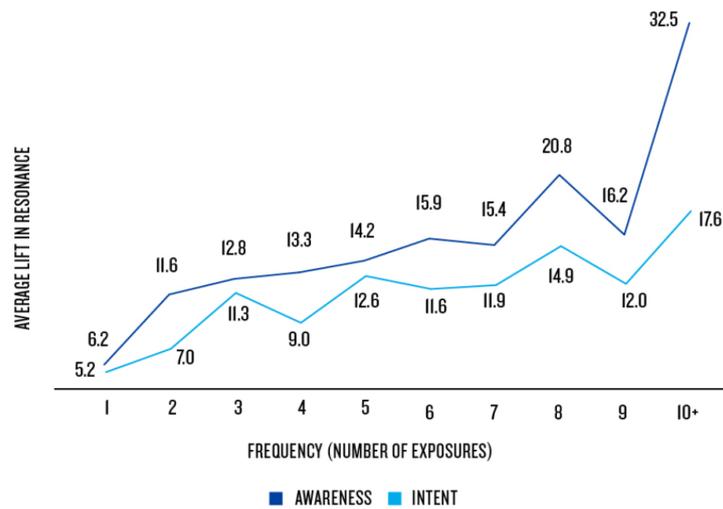
One of Clausewitz's principles is the concentration of force and this involves concentrating military forces in a specific time and place to achieve the intended results. In the same way, resources for your digital marketing campaigns can be concentrated in a specific time and place to achieve the intended results.

Concentration in Time and Place

If your company is planning for a product launch in several countries, we can focus your advertising efforts in each country over a short campaign period. Focusing your campaign over a short period would allow your brand to be exposed to your target audience more frequently than if you stretched out your campaign over long period.

A study by Nielsen in Australia showed that 22% of digital ads failed to drive increase in consumer brand awareness. Data from Nielsen's Digital Brand Effect revealed awareness and intent increased with every additional exposure. For digital marketing campaigns to be effective, it is crucial that your target audience is sufficiently exposed to your advertising message. Narrowing down on your geographic locations and focusing on a shorter campaign period can help to increase the number of exposures to achieve a significant increase in brand awareness and intent with your target audience.

AD AWARENESS AND INTENT INCREASES WITH MORE EXPOSURE



Source: [Nielsen](#)

This approach of concentrating your ad exposure within a short period of time is highly effective if your business experiences seasonality. Just prior to the buying season, you can heighten the ad exposure to increase awareness and encourage more buyers to purchase your products and services.

Concentration in Target Audience

Another way to concentrate your digital marketing efforts is to focus on a narrow target audience. For example, if you want to increase brand awareness for your luxury watches in Florida, USA, you will want to target your YouTube ads at in-market audiences who are looking to buy watches. Limiting the number of times any given user can be shown your ad to 5 times daily, these are the estimates for a possible month-long YouTube campaign:



Campaign estimates

Your estimated performance [?](#)

Based on your campaign budget of SGD10,000.00, bid of SGD0.10, and other campaign settings

<u>Views</u>	<u>Impressions</u>
160K – 520K	550K – 1.5M

Average CPV
SGD0.02 – SGD0.04

Available impressions [?](#)

Based on your campaign settings but not your budget or bid

Impressions
13M

From the estimates, you can see that there are 13 million available impressions in 1 month and your budget only allows you to achieve 1.5 million impressions. This may mean that each person in your audience may be exposed to your ad less frequently. However, if we know from your past sales data that most of your watch buyers are males aged 35 to 54 and are high income earners, we are able to narrow down your targeting. Keeping all other variables constant, this would be the campaign estimates:

Campaign estimates

Your estimated performance [?](#)

Based on your campaign budget of SGD10,000.00, bid of SGD0.10, and other campaign settings

<u>Views</u>	<u>Impressions</u>
29K – 140K	120K – 530K

Average CPV
SGD0.04 – SGD0.08

Available impressions [?](#)

Based on your campaign settings but not your budget or bid

Impressions
580K

Based on the estimates, we would be more likely to achieve most of the available ad impressions. In other words, your targeted audience will be more likely to see your ad more frequently and there would be an effective increase in brand awareness and intent.

3. Economy of Effort | Wirtschaftlichkeit

The second principle that we'll examine is economy of effort which is based on Clausewitz's approach to warfare. It is the principle of using military forces effectively with minimal redundancies. Since concentration of force involves maximising forces, it is the opposite of economy of effort. These 2 principles keep us in balance.

Increase Economies by Using Remarketing

In digital marketing, we need to channel our resources to each media outlet while minimizing redundant advertising expenditure. For example, one of our clients was promoting a product launch in several countries in Asia. As the consumer electronics product was sold through major retailers, the objective of the campaign was to raise awareness for the product so that interested customers could purchase it through the retailers. We concentrated our resources in each geographic location at a time and maximised our exposure to our target audience using YouTube and Google Display Advertisements.

To break it down, we showed our first YouTube ad to people who were interested in the manufacturer's product. For the viewers who chose to watch the ad instead of skipping it, a sequel of the first YouTube ad was shown to them. In addition, we also showed Google Display Advertisements to these viewers of the YouTube ad. This ensured that our second YouTube ad and Google Display Advertisements were shown to people who were more interested in the product. This way, we minimised wastages as we avoided spending money in showing our ads to people who were less

interested in the product. Our ads were displayed to people who have shown some interest in the product and they are more likely to make a purchase.

Increase Economies by Using Geographic Targeting

Another way to reduce redundancies is to ensure that your advertisements are showing in the locations that you are targeting. For instance, we have a business contact who is in the videography industry and he created a Google advertising campaign on his own. Subsequently, he requested for some advice. Upon examining his advertising account, we noticed this:

Location	Bid adj. [?]	Added/Excluded [?]	Cost [?] ↓	Clicks [?]	Impr. [?]
Singapore	--	Added	SGD 1,516.87	650	35,056
India	--	None	SGD 94.56	121	2,085
Malaysia	--	None	SGD 48.71	26	1,102
United States	--	None	SGD 41.03	8	365
Philippines	--	None	SGD 26.73	14	507
Australia	--	None	SGD 25.38	8	230
Indonesia	--	None	SGD 21.70	42	2,805
United Kingdom	--	None	SGD 11.41	2	387
Saudi Arabia	--	None	SGD 9.87	3	18
Thailand	--	None	SGD 8.82	8	202
Canada	--	None	SGD 8.68	2	70
Taiwan	--	None	SGD 7.29	3	47

He had added Singapore as his only location targeted. However, his default settings allowed his advertisements to be shown in other countries and this amounted to 24% of his total advertising spend. In other words, the more he spent advertising, the more he would waste because of his campaign settings. To reduce redundancies, it is crucial to engage an expert who knows how to avoid these redundancies and maximise the profitability of your digital marketing campaigns.

Increase Economies by Using Keyword Exclusions

For search advertising campaigns, one important way to reduce wastages is to target relevant keywords and exclude irrelevant ones. We had a client who distributes Point Of Sales (POS) systems. They were already advertising before engaging our services. From the original campaign data, we can see that they were spending money on irrelevant keywords such as “retail”, “saloon equipment Singapore” and “inventory management software”.

<input type="checkbox"/>	point of sales singapore	SGD70.75
<input checked="" type="checkbox"/>	retail	SGD62.57
<input type="checkbox"/>	pos system price	SGD35.86
<input checked="" type="checkbox"/>	salon equipment singapore	SGD14.85
<input checked="" type="checkbox"/>	inventory management software	SGD14.73
<input type="checkbox"/>	pos tki singapore	SGD14.65
<input type="checkbox"/>	software for inventory tracking	SGD14.54
<input checked="" type="checkbox"/>	hairdressing courses in singapore	SGD14.30

Similarly, we had another client who was already running search advertisements when they contacted us. We found that they were wasting money showing their advertisements for keywords like “soundproofing Singapore” and “sound proof room Singapore” when they were suppliers of noise barriers for outdoor construction work rather than for indoor sound proofing. Based on this information, we were able to reduce the wastages and stopped their ads from showing for interior soundproofing keywords.

<input checked="" type="checkbox"/>	soundproofing singapore	SGD14.49
<input type="checkbox"/>	acoustic foam singapore	SGD13.34
<input type="checkbox"/>	noise barrier singapore	SGD8.76
<input checked="" type="checkbox"/>	sound proof room singapore	SGD6.60

Increase Economies by Implementing Ecommerce

Conversion Tracking

For ecommerce campaigns, it is crucial for you to implement ecommerce conversion tracking. This would enable you to reduce wastages and maximize profits. For example, one of our clients is an online retailer and we implemented ecommerce conversion tracking for them. With ecommerce conversion tracking, we were able to have the data about the revenue generated from our digital marketing campaigns. The table below shows the revenue generated from some of our keywords.

Conversions	↓ Conv. value	Conv. value / cost
3,502.58	252,653.62	25.29
3,042.45	220,658.00	30.13
143.36	9,339.20	24.14
100.99	6,663.19	25.65
53.28	4,170.90	19.30
44.41	3,233.08	20.40
41.37	3,225.59	14.92

“Conversions” refers to the number of sales that were generated from the keyword. “Conversion value” is the amount of revenue generated from the keyword and “Conv. value / cost” refers to the amount of revenue generated per dollar spent on the keyword.

From the table, you can tell that we were generating as much as S\$252,653.62 of revenue from our keywords and the revenue was 25.29 times of our advertising expenditure. Using the ecommerce conversion tracking data, we were able to reduce our advertising wastages and maximise the revenue from our digital advertising by removing keywords that had a low “Conv. value / cost”.

Increase Economies by Scaling Up

Furthermore, when the digital marketing campaign is profitable, the campaign can be scaled up. For example, if the campaign is generating 5 times more revenue than the cost of the advertising campaign, then it might be possible to increase the ad budget to increase the amount of revenue that is generated from the campaign. Depending on the physical limitations of your business, it might also be possible for the campaign to be replicated in other geographic locations to increase the revenues generated.

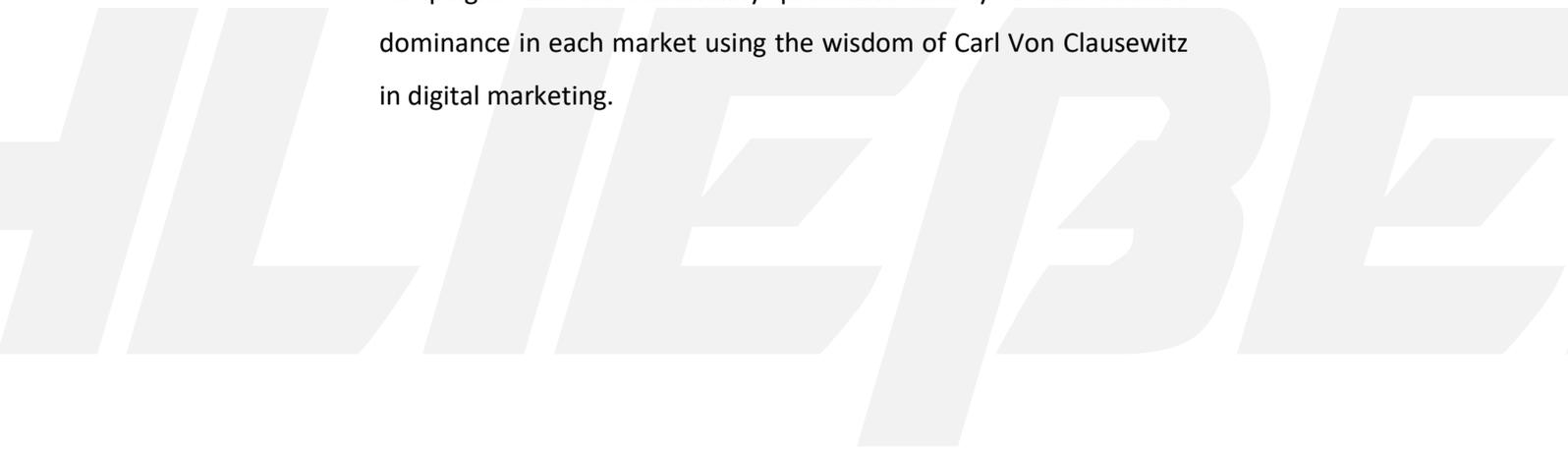
4. Final Thoughts | Abschließende Gedanken

Achieving dominance in the battlefield of digital marketing requires the wisdom of Carl Von Clausewitz to balance the concentration of force and the economy of effort. These principles of war have been established and applied for almost 200 years and they contain wisdom to guide you in our digital marketing landscape that has emerged over the last 20 years.

We recommend concentrating your resources on specific targets to achieve critical mass within the specific target while at the same time, reduce redundancies to maximize your returns from your digital marketing campaigns.

Your efforts can be concentrated in a specific time and space or you can also narrow down on your target audience. To increase economies, you can use remarketing to display your advertisements to audiences who have shown some interest in your product or service. You can also use geographic targeting correctly, use keyword exclusions and use ecommerce conversion tracking where possible.

When your digital marketing campaign is profitable, you can scale up the campaign by re-investing some of the returns into the campaign to increase your revenues even further. You can also replicate the campaign strategy in other similar geographic locations that is possible for your business. In this way, your digital marketing campaigns will be sustainably profitable and you can achieve dominance in each market using the wisdom of Carl Von Clausewitz in digital marketing.



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Ye Fuda (叶富达) has a keen interest in strategy. Over 2 decades ago, he started playing his first strategy game, Command & Conquer: Red Alert. In the game, the fog of war was inspired by Carl Von Clausewitz. Since then, Fuda

has been enjoying thinking deeply and strategically. Currently, Fuda is a highly sought-after lead generation strategist, author and speaker. Fuda is the Managing Director at [Midas SEM](#) which is known for helping businesses attract a flood of leads and customers using the Internet. Some of the brands that he has promoted includes:

- Giant Online: generation of account sign ups
- Miller Heiman Group: generation of leads across Asia
- Blackberry: increasing brand awareness in Asia

He is the author of [Simple Steps to Find More Customers with Google AdWords](#) and [The #1 Mistake Google Advertisers Make](#). Fuda regularly speaks at local events such as the Small Business Success Seminar. He has also guest lectured at Curtin University and Nanyang Technological University, Singapore.