

**THE ROLE OF DIGITAL MARKETING IN THE COSMETICS
SURGERY INDUSTRY. CRITICAL ANALYSIS OF LONDON
BRIDGE PLASTIC SURGERY & AESTHETICS CLINIC'S
DIGITAL STRATEGY. RECOMMENDATIONS**

MODULE TITLE: DIGITAL MARKETING LCMB7010

LECTURER: MD SADEQUE SHAIKH

STUDENT NAME: NADEZHDA KITANOVA

STUDENT NUMBER: 1918675

1. INTRODUCTION

Plastic surgery procedures have always been a controversial topic, attracting public interest. With economic growth and the shift in lifestyle, plastic surgery has become more affordable and has become a trend in developed countries. The digitalization of businesses and the society, in general, has created lots of strategic possibilities although, at the same time, improper use of these digital assets could create a threat and be a weakness from which competitors with better digital strategy could easily benefit. This report examines the impact of digital assets on customer satisfaction and profitability in the plastic surgery industry by analyzing key aspects of the digital marketing strategy of a London's plastic surgery clinic. **Chapter 2** discusses these elements of the macroenvironment which impact positively or negatively a company's digital performance. **Chapter 3 and 4** examine the importance of the website features and traffic for customer satisfaction and growth by conducting a comparative analysis while chapter 5 examines the role of social media in shaping consumers' behaviour by analyzing **London Bridge Clinic's** social media strategy and making recommendations on future improvements based on theories and practices. **Chapter 6** focuses on the importance of customer relationship management (CRM) systems for plastic surgery businesses, identifying customer satisfaction as a major factor in all stages of the decision-making process. **Chapter 7** draws conclusions on the current state of LBPS's digital strategy and proposes areas and digital tools the company should focus on for the future.

2. CURRENT SITUATION OF THE COSMETIC SURGERY INDUSTRY IN THE UNITED KINGDOM. MACROENVIRONMENTAL ANALYSIS

Micro and macro environments have a significant impact on the marketing strategy as they create opportunities or threats. Being aware of the constantly changing environment in which a company operates is essential for a successful marketing strategy (Hooley, 2012, p.55). The Macro Environment consists of all the forces that shape opportunities but also pose threats to the company. As this paper focuses on the digital essence of the business, these are briefly assessed below.

- **Political & Legal factors**

An audit of BAAPS (British Association of Aesthetic Plastic Surgeons) and an independent conference, held by health consultancy firm LaingBuisson has expressed concern about the under-regulated and little standardised non-surgical industry. BAAPS President and consultant plastic surgeon Paul Harris have called for further regulation of non-healthcare professionals, conducting cosmetic surgery. Cosmetic surgery market is likely to be hit particularly hard if there is an economic downturn as a result of Brexit. There is evidence to suggest that overseas travel for cosmetic surgery, especially to Europe, is declining slightly owing to a weaker pound and more aggressive marketing on the part of UK providers. On the other side prices in countries from Central and, Eastern Europe remain competitive. **London Bridge Plastic Surgery & Aesthetics Clinic (LBPS) could make these factors favourable if it focuses its marketing activities on building a trustable brand image and advertising the benefits of domestic cosmetic procedures.**

- **Socio-cultural factors.**

The social and cultural impacts of the Internet are important from an e-commerce perspective since they govern demand for digital services and propensity to purchase online and use different types of e-commerce services. (Chaffey, D. et al, 2018). Social factors include several variables: culture, demographics such as age and gender, social lifestyles, domestic structures, affluence/wealth, religion. According to a study conducted among British citizens, the lower ratings of self-esteem and life satisfaction, increased media exposure to cosmetic surgery via TV shows and social media, time spent online and watching television and

religiosity, were significant predictors of the likelihood of undergoing cosmetic surgery. The latter study particularly examined media exposure/consumption and attitudes toward cosmetic surgery. The significant effect of media exposure is inconsistent with the study by Brown et al, 2007, but is consistent with results from other studies (Delinsky SS., 2005). It showed that exposure to media was not related to the first factor (likelihood) but was related to the second factor (benefits) in the regressions. Those who consumed more media believed that cosmetic surgery brought more benefits. This research was conducted in 2012 when the levels of social media penetration were less than in 2020. After a marked increase of roughly 7 million users between 2016 and 2017, social media uptake in the United Kingdom has slowed down. Despite this, the number of users continues to grow each year and is forecast to reach a market penetration rate of approximately 73.5 percent nationwide (Statista, Oct 27, 2020). Religious beliefs and attitudes toward cosmetic surgery could also be influential - more religious individuals may be more likely to perceive cosmetic alteration as a direct contravention to their religious beliefs. Similarly to religion, culture is also an important social element. Culturally influenced beliefs and standards on beauty, social pressure to follow the standards are proven factors to influence one's decision. For example, South Korea and China are among the world leaders (per capita) in blepharoplasty, and many South Korean women undergo the procedure to achieve a more "Western" look. Another major factor in the decision-making process is the consumers' wealth. Price is a determining factor, since the pre-purchase research which, especially for private matters like cosmetic procedures is likely to be more detailed and long-term. Price transparency could be an attribute of a differentiation marketing strategy for LBPS, thus attracting social engagement among different marketing segments. Socio-cultural factors are quite favourable for the UK's cosmetic surgery because of the increased media-consumption, relatively high disposable income in the country, (discussed sub "Economic factors"), and the diverse cultural mixture.

- **Economic factors**

According to a global survey by the International Society of Aesthetic Plastic Surgery (ISAPA), the largest number of plastic surgery procedures are performed in The United States, while China, Brazil and India follow closely behind. In the UK, the industry accounts for £273 million with over 28,000 procedures, which is a small increase of 0.1% from 2017. As mentioned in the previous point, high disposable income is essential for a cosmetic surgery business' success. By ONS statistic data, the provisional estimate of median disposable income in the UK is £30,800 in FYE 2020 – up 2.3% (£700) compared with the FYE 2019 (£30,100). Rising prices of procedures have created a thriving business in "medical tourism." The second edition of LaingBuisson's Cosmetic Surgery UK shows that prices have risen in the past four years. For example, market-leading procedure, breast augmentation, has become 8% more expensive between 2014 and 2018. Medical tourism is when a resident of one country travels across national borders to take advantage of lower costs for a particular medical procedure. According to Laing Buisson, the top UK medical tourist destinations were Turkey, Poland and Belgium. Again according to Laing Buisson, the UK has fewer specialist cosmetic surgeons than comparable developed countries. Along with the "medical tourism" trend, the current global pandemic restrictions and the forecasted

economic consequences would undoubtedly influence negatively the cosmetic surgery in the UK.

- **Technological factors**

Technological factors are very favourable for the cosmetic surgery industry, not only for the advancement of cosmetic procedures but for the entire customer journey. Following the global technological shift from desktop and PC to mobile devices, a lot of companies in the industry have implemented interactive mobile apps, handling appointments, providing information and content on procedures and even implementing loyalty games and programmes as “Friend Referral”. Innovative technology like virtual reality and artificial intelligence could only benefit visual specialities like aesthetic surgery as such technologies could find broad application. What is more, society is becoming more and more tech-savvy, and social media heavily impacts attitudes towards cosmetic procedures.

3. THE IMPORTANCE OF WEBSITE FEATURES FOR USER ENGAGEMENT. COMPARATIVE ANALYSIS.

Proper design and content have become a critical element needed to engage website and mobile application users. Web site characteristics could be seen as a substitute for the traditional physical store and person-to-person contact. Poorly designed websites may frustrate users and result in a high “bounce rate”, or people visiting the entrance page without exploring other pages on the site (Google.com, 2015). On the other hand, a well-designed website with high usability has been found to positively influence visitor retention (revisit rates) and purchasing behaviour (Flavián et al., 2006; Lee & Kozar, 2012). Little research, however, has been conducted to define the specific elements that constitute effective website design and their relation to user engagement. To evaluate how the website features of London Bridge’s Clinic is influencing customer engagement, a comparison between the latter and another clinic was conducted. The clinic-competitor was chosen on the criteria of having higher than London Bridge’s rating on Google. Using an independent website traffic tracker tool, below a comparison of the main KPIs of a website.

Root domain ▼		Subdomain ▼									
●	lbs.co.uk	×	●	cadoganclinic.com	×	●	Competitor	●	Competitor	●	Competitor
Domain/URL		Visits		Unique Visitors		Pages / Visit		Avg. Visit Duration		Bounce Rate	
●	lbs.co.uk	36.3K	+26.57%	32.8K	+32.65%	1.92	+8.28%	04:53	-2.33%	73.84%	+1.85%
●	cadoganclinic.com	56K	+4.1%	42.5K	-0.86%	2.87	+54.77%	00:51	+18.6%	42.99%	+1.49%

Source: <https://www.semrush.com/analytics/traffic/overview/>

Overall, the competitor, cadoganclinic.com reaches a larger audience than LBPS and has a higher number of pages per visit. Measuring website traffic is essential, as the primary aim of digital advertising is to lead the customer to the website. More website traffic indicates the performance of marketing campaigns and the levels of customer engagement. Metrics like pages/visit, average visit duration and bounce rate are more linked to the quality and the consistency of the website content, the website navigation. Average Session Duration is a general indicator of how long visitors spend on the site entirely. It helps to understand how easy the website is to navigate if users find what they're looking for quickly and if the content is valuable and worth reviewing. On the other side, the Bounce Rate metric is the percentage of people who leave (bounce away) from your website after viewing only one page. This metric can help reveal that visitors may be exiting the website because either the site takes too long to load, they did not find what they are looking for, or there is no relevant content to click further.

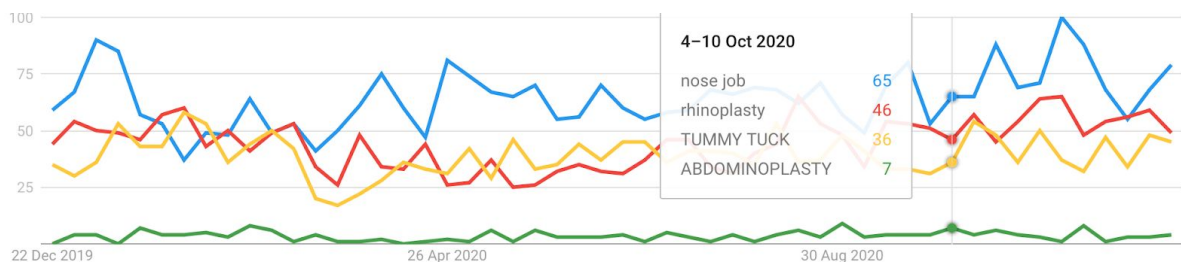
To a great extent, the two competitors website platforms are quite similar in terms of content and design. Both have a drop-down menu with similar tabs, including links to landing pages about their services and other content (gallery, videos, specialists). On the homepage of both websites, there are a Trustpilot banner, Search bar, links to their social media, and contact details. The main differences between the two clinics are minor but important for easy website navigation and brand image. The most significant difference is in the concept of the main drop-down menu. On <https://www.cadoganclinic.com>, the procedures are named with both their Latin and more common name (ex. "Eyelid Reduction (Blepharoplasty)") while on <https://www.lbps.co.uk> most of the procedures are listed with either one of these. What is more, Cadogan Clinic has classified their procedures in more subcategories and depending not only on their location (ex. "Body treatments", "Face treatments", "Skin treatments") but also by their functionality - "For men", "Anti-ageing", "Gynaecology", etc.). Another interesting feature on Cadogan's clinic website is the dynamic Trustpilot pop-up, showing different customer reviews, an important marketing tool for increasing customer engagement with the brand. On the other side, LPBS has a separate "GALLERY" landing page, showcasing before/after pictures of various cosmetic procedures. Based on the website metrics comparison results and personal user insights, it could be concluded that website functionality and simplicity could be influential to website traffic and therefore to user engagement. Basic website features like easy navigation, high-quality graphics and images and fast loading speed seem to be more influential than the quality of content. Next chapter will explore the importance of SEO (search engine optimization) for website traffic and therefore successful marketing campaigns.

4. SEO AS A POWERFUL WEBSITE TRAFFIC SOURCE FOR THE PLASTIC SURGERY BUSINESS

Search term analytic data have been used extensively by many product and market research teams, as well as in healthcare. Studies looking at patient behaviour found that over 70% of

patients search for information on the internet before their first cosmetic surgery consultation. (Montemurro P, Porcnik A, Hedén P, Otte M (2015); Walden JL et al. (2010). SEO can be defined as the practice of optimizing a firm's web presence so its website receives better ranking in the results page and thus gets more traffic. SEO is an ongoing process because search engines companies tend to update their ranking algorithms constantly. SEO could be a very useful and free way to attract organic traffic. For a web page to have a high ranking and show on page 1, it has to adhere to a few requirements, embedded in the algorithm: updated and useful website content, quality and number of inbound links, keywords in the page content, even URL structure. A recent study (Li, Z., Filobos, G., 2020) highlights the importance of careful search term selection and reveals geographical differences in search term use. To a big extent, colloquial terms like “boob job” are more significant of a search term compared to the medical term “breast augmentation”. What is more, terms tend to vary among regions. To analyze LBPS' SEO, short research was conducted using Google Trends (Google's search analytics tool). As a control variable was used the same competitor website from chapter 2, (<https://www.cadoganclinic.com>), as it was already known, it attracts more traffic than LBPS.

Using Google Trends “search term” feature, four terms were entered individually with geographical location set to the UK, and default period 22.12.2019 - 22.11.2020. Google Trends assigns scores between 0 and 100 for each search term over a series of time points, representing the level of search term activity in Google searches. Two colloquial (“nose job” and “tummy tuck”) and two medical (“rhinoplasty” and “abdominoplasty”) terms were introduced.



Source: Google Trends

Google Trends' results confirm the findings of the study mentioned above, that in general colloquial terms are more used in searches. To examine the correlation between SEO and website traffic, the four terms were introduced in Google search, with location set to London and no additional keywords. The purpose of the experiment is to compare how these competitors perform.

Website /Ranking	“Nose job”	“rhinoplasty”	“Tummy tuck”	“abdominoplasty”
https://www.lbps.co.uk	6 (page	2 (page 3)	Page 5	Page 5

	1)			
https://www.cadoganclinic.com	2 (page 1)	7 (page 1)	Page 6	10 (page 1)

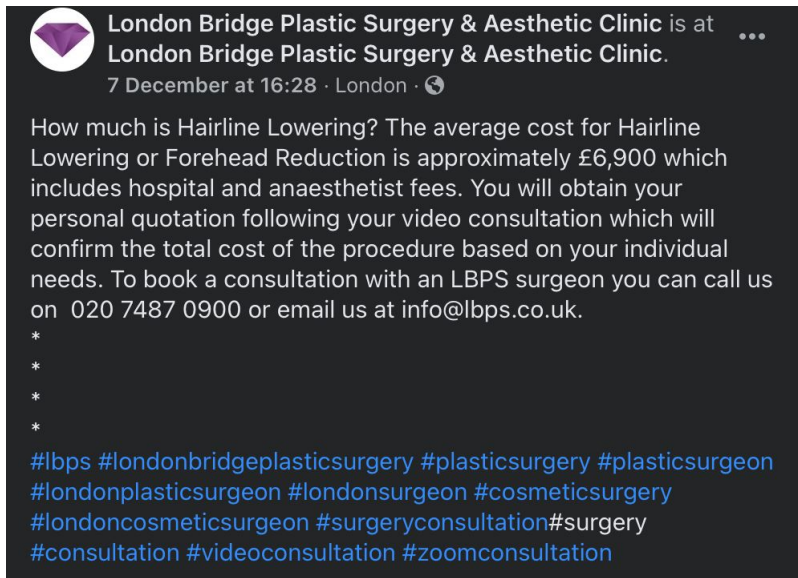
The results prove a positive correlation between website traffic and SEO usage. In 3 of 4 searches, the competitor clinic has better rankings, which could be a reason for their higher traffic rates. It is interesting to mention that although LBPS uses the phrase “nose job” in its body text more times than Cadogan Clinic, the latter still receives a better ranking. It could be because Google algorithms use metadata from meta tags to understand additional information about a webpage. Meta tags are short content descriptors that help tell search engines what a web page is about. It is important to mention that meta tags don't appear on the page itself, but only in the page's source code, so using meta tags could be defined as an easier and more efficient way to improve ranking than long blog posts, including a lot of keywords. It is also interesting that although on both websites, the colloquial term “tummy tuck” is more common, the ranking of both websites is not among the highest. Having in mind that abdominoplasty is among the most popular plastic surgery procedures in the UK, not being displayed on page 1 could result in losing potential customers. Based on the discussions in this chapter, it could be concluded that SEO is an essential tool for plastic surgery businesses to improve website traffic. What is more, search analytic tools like Google Analytics could provide valuable insights, like geographical location and trending queries. These could be used further for strategic marketing decisions.

5. SOCIAL MEDIA MARKETING STRATEGY OF LBPS. CRITICAL ANALYSIS AND RECOMMENDATIONS.

The London Bridge clinic is present on several social media platforms - Facebook (20,935 followers), Twitter (2734 followers), Youtube (452 subscribers), Instagram (7690 followers) and Snapchat.

- **Facebook strategy**

Although LBPS's Facebook page enjoys the highest amount of followers, the post engagements are very low. LPBS's Facebook agenda consists of before/after pictures, valuable content on services with call-to-action, and important news about the company. Below Facebook posts depict LPBS's strategy of price transparency, which is a very impactful aspect of the decision-making process.

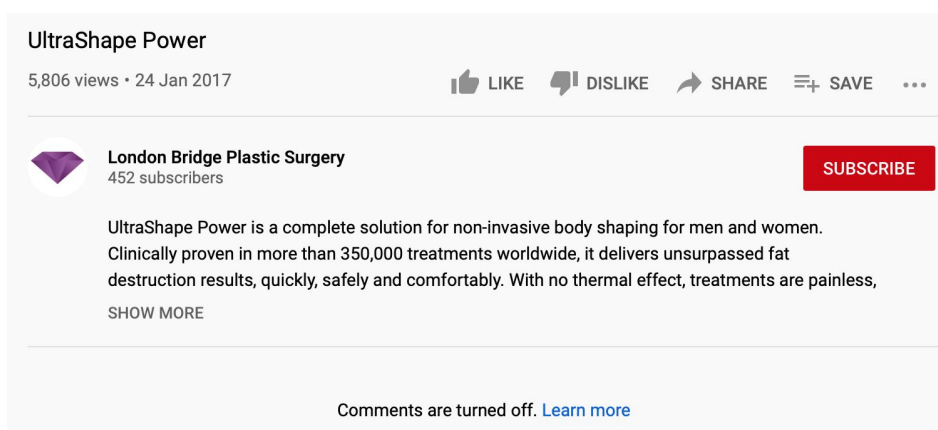


One of Facebook's primary

advantages is that it allows for easy interactions between patients and practices. With the emergence of other social platforms like Instagram and Snapchat, Facebook's primary use nowadays is for message exchange. What is more, unlike maintaining a website, a business page on Facebook is completely free to create. Facebook has developed many micro-targeting features that allow you to select your precise, ideal audience, and make sure your content is on display for them. The cost of Facebook marketing is very affordable, the content and the types of promotion are very customizable. What is more, the platform provides instant campaign insights and customer interactions insights. LBPS could benefit from Facebook, by focusing its customer relationship management on this platform. Further, the company could run budget-friendly marketing campaigns, which would help to get to know their audience.

- **Youtube strategy**

LBPS' youtube channel features content on various subjects. Short information videos, interviews with specialists and patients' video diaries are the most common type of content



on their channel. However, there is little engagement and the last uploaded video is from 3

years ago, which suggests that the clinic has focused its resources on other channels. Another major disadvantage of the channel is that comments under videos are turned off. This limits interaction between the company and its potential customers. Having in mind the essence of the services - physical alterations are an intimate and emotional matter, communication with the customer at all stages of the customer journey is essential. The lack of interaction might be one of the reasons for the low engagement in this social media channel. Authenticity, credibility and intimacy are important aspects for a successful social media strategy. A very popular advertising technique has been influencer marketing. The concept of 'influencer' could be defined as:

an individual who through their expertise in a specific topic creates original content and offers their unbiased opinion to an audience gained through word-of-mouth communication that voluntarily has determined them to be a referent and trust their opinion. (Morteo, 2018: 91-92)

In the last ten years, influencers have gained an important role in particular in the beauty industry. Thanks to their genuine content and work they are doing for the industry, these people have attracted the attention of marketers from cosmetic companies. The influencer strategy has spread among various topics, including cosmetic surgery procedures. Videos on topics such as "breast augmentation" could reach an audience view of more than 7M. Among the most popular videos are video diaries of beauty vloggers and Internet celebrities. Influencers have become the new marketing strategy to add value to and improve customers' experience through their personal but authoritative opinion. The most common platforms in which influencers publish their contents are Instagram YouTube and Facebook. The content is shared to obtain immediate feedback and to install a conversation between members in the first place, but also between members and the influencer. The tool in which Influencers seem to invest more time is YouTube, probably because it is easier to give full and detailed information and to discuss topics through visual contents. YouTube videos, because of their longer processing time, require a higher level of engagement. The number of subscribers seems to be the most distinctive variable when measuring Youtube's channel success. The act of subscription remarks the willingness of building a long-lasting relationship with the Youtuber. Considering the type of content shared by Influencers, there are different categories of videos uploaded to social media, each of which attracts different types of viewers. Vlogs - videos that show personal experiences - are more likely to attract the attention of loyal subscribers. Indeed, vlogs are good for building viewers' engagement and improving the credibility of the beauty guru; tutorials, product reviews and how-to videos are important market-centred aspects of YouTube - and Instagram - as a business platform (García-Rapp, 2017). Considering the factors that affect the consumer/viewer's purchase intention, the most important aspects are the perceived credibility and usefulness of a video - and its creator - confirming what has been said previously about authenticity, credibility and intimacy. The perceived usefulness of a video could be defined by a viewer as the possibility of obtaining relevant information and a different perspective about a cosmetic product's use, that could enhance their job performance with the advantage of not losing time (Yüksel, 2016). The influencer marketing model from the cosmetics industry could be easily adapted for the plastic surgery market. Youtube is a great channel to increase brand awareness and

build a stronger relationship between the brand and consumers. This would be possible thanks to a long-term strategy of engagement, that may eventually lead to a stronger purchase intention.

An example of successful Youtube marketing strategy is Lailli Mirza's channel (333K Youtube subscribers), a London - Dubai based lifestyle, fashion and beauty influencer, who also uses its platform to advertise her family-owned business, Biolite Aesthetic Clinic Dubai (34.7K Followers on Instagram). Laili posts interactive videos and shares her personal experiences with plastic surgery. She uses catchy titles ("\$30 000 MAINTENANCE WEEK", "I DID MY NOSE..AGAIN", "THE TRUTH ABOUT MY FACE") and actively interacts with its subscribers by responding even to negative comments, organizing giveaways and polls. Laili is present also on Instagram and Twitter. Her Instagram content is closely related to her Youtube videos, often using her Instagram stories to announce new videos.

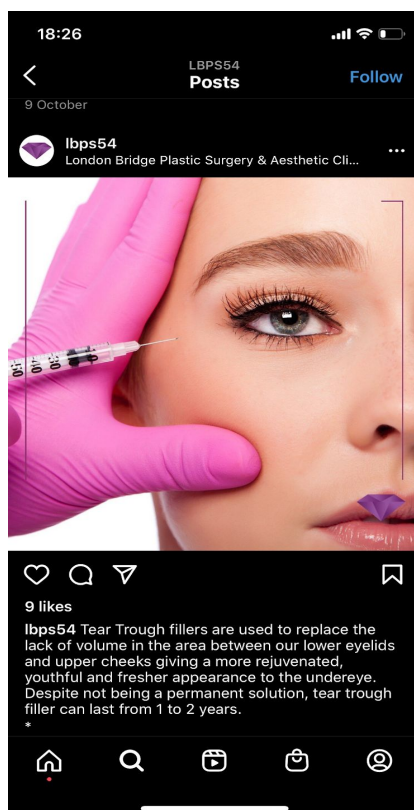
- **Instagram strategy**

Instagram is nearly entirely composed of imagery with little to no text necessary, so it is perfect for displaying before/after results, describing certain procedures to patients, showcasing services and customer's testimonials. Earlier this year, Instagram reached an astounding 700 million active users, 400 million of whom are daily users. Many medical practices have adopted Instagram as one of their crucial revenue-generating tools, because of Instagram's visual nature. Visual content is easier and faster to assimilate, graphics and images are known to evoke emotions, which allows the creation of strong connections with the target audience. Also, because Instagram users are allowed higher levels of anonymity, they feel comfortable liking, commenting and engaging with posts without the fear of being judged publicly. The feeling of anonymity is one of the biggest reasons Instagram enjoys such massive popularity. Hashtags can significantly improve online visibility as well, and integrating relevant hashtags into posts will allow content to be seen by users, previously not aware of the company's existence. LBPS's Instagram channel situation is similar to their Facebook channel. The content and interaction are quite similar to Facebook; there is no interaction between the company and the users (despite existing comments under some of the posts). Although the channel is consistent (3-4 posts per week on average) and the content is useful, there is little customer engagement.

Social influence is one of the greatest resources of Instagram. An essential feature for success on Instagram is posting aesthetic visual content with high quality. Following the discussion on the emotional impact of images and having in mind the fact that consumers are unable to physically examine products on digital platforms, visually pleasing product presentation increases the chances of engagement. Studies have shown that members of social network sites are not merely passive receivers of marketing messages, but can also actively create shared meaning of the brand with other members (Deighton and Kornfeld, 2009; Geurin and Burch, 2017; Kozinets et al., 2010). Instagram is a limitless source of eWOM, believed to be

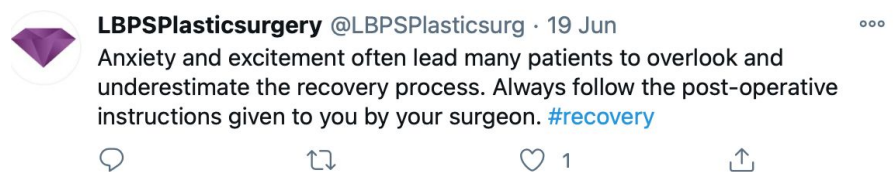
more impactful on people than traditional advertising in the Digital Era. A study that involved 261 individuals (Chen et al., 2014) confirms the positive correlation between the eWOM and the purchase intention. Thus, the more eWOM there is in a platform, the more this would lead to a higher purchase intention; the quality and the quantity of the messages shared would be more influential for consumers' purchase intention. Social network websites like Instagram allow users to raise brand awareness, directly from the source, e.g, the company, as well as by eWOM (reviews, comments, fan pages). A company's presence on Instagram influences the brand image and is an important source of first customer impressions. Instagram could be transformed into a very beneficial platform for LBPS's brand awareness and revenue growth. The social platform has become a powerful source of social influence and customer engagement. LBPS should concentrate its Instagram strategy around 3 key elements: high-quality and useful content, social interactions with followers and consistency in activities.

**LBPS Instagram post*

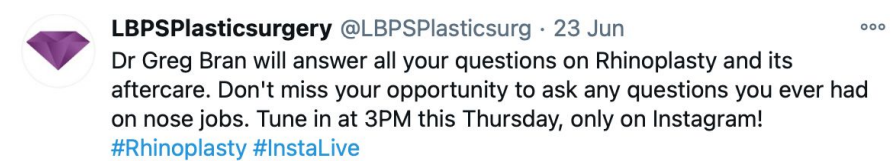


- **Twitter strategy**

On Twitter, the company posts short reminders and tips about procedures & aftercare, customers' testimonials and reviews and retweets about social matters and news from the field of plastic surgery. They also use the platform to drive traffic to other social media channels and inform them about new features and procedures. The company is consistent in its posting but similar to its other social media channels, engagement is little.



**LBPS Tweets on aftercare*



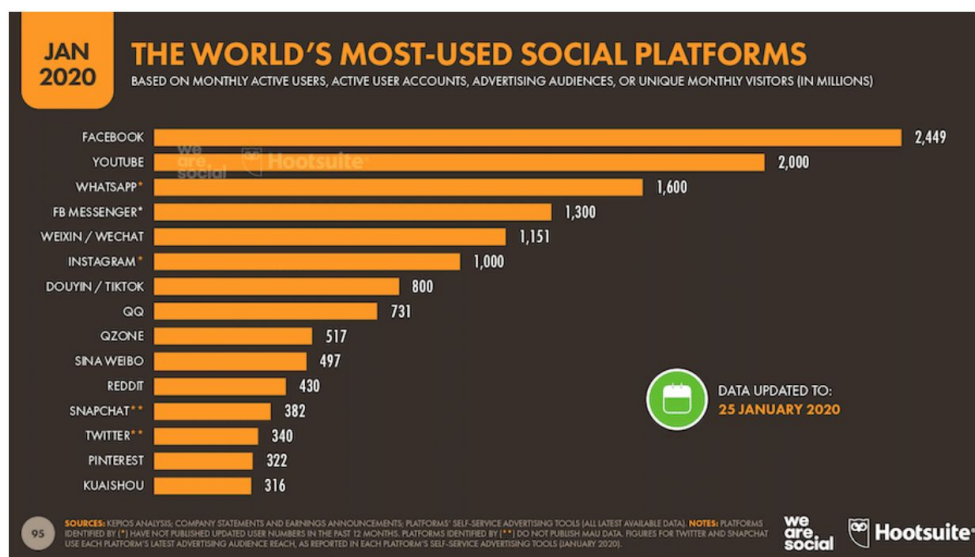
**LBPS tweet leading traffic to*

other platforms

Twitter offers a variety of benefits for marketers. Twitter can be used specifically to build personal connections with potential patients. This platform is the perfect place to have real-time interactions, answer questions, and provide information when asked for. Similar to Instagram, using hashtags and following trends on Twitter can significantly increase content's impressions. Posting customers' reviews and driving traffic to the other social media channels is a good practice. Another advantage of Twitter is that the amount of content you could share (tweets per day) is generally bigger than for other platforms. Marketing experts suggest that depending on the purpose of the firm's strategy, 1-5 tweets per day if the purpose is to increase engagement or even up to 50 if the purpose is to generate more responses. It is recommended for LBPS to increase the frequency of posting and the use of hashtags, create tweets, which could provoke discussion and take advantage of all Twitter features for businesses - Twitter Ads, Twitter Analytics.

- **Snapchat strategy**

Snapchat is a relatively new platform, but as of 2020, it is among the 15 top social media platforms (graph below). Using Snapchat for business could still be an effective way for a brand to reach a new audience. Interestingly, more than one-third of Snapchat users can't be found on Instagram and the majority platform's users are Millennials or from Generation Z. It is beneficial for LBPS having a presence on Snapchat as topics like cosmetic alterations are popular exactly among Millennials and Generation Z. What is more, as mentioned earlier, increased media exposure influences perceptions towards cosmetic procedures. Similar to other platforms, on Snapchat, consistency is a vital factor for creating engagement.



Source: Digital 2020

6. CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

By definition, CRM is the process of collecting, storing and analyzing customer-level information, and incorporating the results into the decision-making process of a firm (Kumar V. 2012). The most commonly used concept is that CRM implementation helps to classify different types of customers and therefore building a relationship rather with the profitable, than the loyal customers. The main functions of a CRM system are operational, analytical and collaborative. The primary objectives of the customer relationship are the acquisition and retention of consumers (Sheng Y. P., 2002), but other scholars, (Kumar V. 2012), extend the area of CRM process into two more objectives: customer churn and customer win-back. CRM is highly dependent on the nature of the business, the consumer behaviour and the proper implementation. Customer loyalty is considered to be one of the major and most significant results from CRM. Although a lot of studies have proven the positive correlation between CRM and customer loyalty, customer loyalty cannot be considered fully and solely

dependent on the CRM approach. As eCRM is customer-centric and its primary users are customers, customer satisfaction should be considered as the overall goal of a firm's relationship programmes (Winer 2001). Customer satisfaction is also an immediate objective of eCRM and is a prerequisite for longer-term goals (e.g. customer retention and loyalty) and the ultimate - profitability. For industries like cosmetic surgery one, customer service and customer satisfaction should be at the core of the strategy as genuine relationships are vital during the entire customer journey. What differentiates plastic surgery from other, non-surgical cosmetic procedures (for example, lip fillers) are that the level of mutual trust needed is much greater because results from these kinds of procedures are long-term, riskier and more expensive. In this field, customers are referred to as "patients", which, by itself, implies a more intimate relationship customer - company. Apart from its advantages for customer experience, CRM systems and databases could be a valuable source for the company to spot internal weaknesses and trends among consumers.

7. CONCLUSION

After analyzing the external factors, it could be concluded that the macroenvironment creates more opportunities than threats for London plastic surgery clinic, LBPS. In the highlights of the current global pandemic though, non-essential procedures like the aesthetic ones would inevitably suffer a decline, so companies need to win every potential customer. In the case of plastic surgery, the pre-purchase stage of the decision-making process is likely to be longer, the research more detailed and emotional factors like trust more important. Chapter 3 and 4 had proved the importance of the website for a company, being its "digital face". The traffic a website attracts is a key indicator for the success of a digital marketing strategy success. Website functionality and content are closely connected to increasing website traffic. What is more, providing valuable content is essential to create customer engagement and therefore customer loyalty. Chapter 5 and 6 from this report had outlined the importance of social media for attracting, engaging and retaining customers. Due to social media, maintaining relationships with customers nowadays have never been easier and more efficient. On the other side, with this growing popularity of such channels, consistency, authenticity and credibility have become the three core principles for successful social media marketing strategy. Technology has transformed the way business is done and has put the customer in the centre of corporate decisions. Companies and institutions from various fields have concentrated their efforts on finding out what their potential customers want. With the growing time, people spend online, and the advanced algorithms used by tech companies, finding out their needs and wants, wishes and insecurities, is easier than ever. The biggest asset companies possess nowadays is consumer information and positive eWOM; that is why CRM systems and social media are essential tools for a successful digital marketing strategy and revenue growth.

PART 2: HOW ARTIFICIAL INTELLIGENCE IS TRANSFORMING THE FUTURE OF DIGITAL MARKETING?

Artificial Intelligence (AI) is becoming part of everyday life. AI is growing fast and it's transforming both businesses and customer experiences. It has become an integral part of every digital experience – internet queries, online shopping, recommendations. AI-based technology is a helpful resource for digital marketers too, as it helps them get to know their customers better, create the right message and get it through using the right channel. AI allows gathering and analyzing customer behavior on a deeper level, optimizing entire processes and solving e-commerce issues like the lack of physical touch with the product and distribution. Using AI in businesses improves planning, decision-making and minimizes risk. Automatization and innovative AI tools are transforming sectors like customer service, retail and banking by providing faster and cheaper solutions for various operations. Below are explored the applications of AI in advertising, marketing analytics, customer service, omnichannel marketing.

- AI & Digital advertising

E-commerce has experienced a sufficient growth in recent years and a lot of businesses are allocating a bigger portion of their advertising budget online. Due to the huge amount of advertising though, it is hard for businesses to reach the right customer and on the other side, it is hard for the customer to find the right option among the thousands of options online. AI has changed the world of digital advertising, by providing accurate and **personalized data** on every customer and allowing the companies to better use the information gathered and to improve ROI. A tracking link is a special kind of link that tracks who clicked, when and from where. **Tracking links** are essential for measuring the performance of marketing activity. Big online retailers like Amazon store individual-specific information (product browsing history, time spent on a page, wish lists, past purchases, etc). They use this information to deliver personalized product recommendations based on individual interests, needs and wants. Using AI algorithms, businesses can instantly optimize their ad content by using valuable AI generated insights on conversions and interactions. Online platforms like **Google Ads** automate the creation and management of ads, allowing them to create targeted and personalized ads and then measure their performance.

Search engine optimization (SEO) is the art and science of getting pages to rank higher in search engines such as Google. Search is the first step of a customer's purchase journey, so ranking higher in search engines can lead to an increase in traffic to a website. Google uses a machine learning algorithm to improve search results and also has implemented "predictive advertising" by offering purchase recommendations (for example, when searching "lipstick", on the top of the results page there would be a box with personalized recommendations to buy).

Shoppable online content is another fast-growing trend. This is tech-enabled content (videos, reviews, photos, articles) from which customers can buy the items featured instantly, without being redirected to another website. This enables advertisers to keep the customer on their own platforms, shortening the distance between the information-seeking stage and the purchase. Visual content on social media has become so influential to e-commerce, that platforms like Youtube, Instagram, Facebook & Snapchat are transforming from social to shopping platforms - Facebook's marketplace, Youtube's shoppable ads, Instagram's new interface featuring a "Shop" tab.

- AI transforms the omni-channel marketing

Although online shopping is slowly prevailing over brick & mortar shopping, traditional shopping still has its unique advantages. Physical touch and emotion are still very influential in the buying process, especially important for industries like fashion & beauty. Technologies like AI and 3D printing synchronize the digital with the physical and help create interactive retail experience of a new kind. An example is the MAC Cosmetics experience center in Shanghai which brings together product discovery, social engagement and purchase. Customers can virtually try and personalize their products, pay virtually for them and then get them 3D printed instantly. In 2018, high fashion brand Valentino launched a 3D online virtual store on Alibaba's luxury shopping experience, Tmall Luxury Pavilion.

- AI tools for customer service

Online text messaging has become the fastest and cheapest way of communication and a very big percentage of businesses have implemented a form of digital communication with their customers. Ecommerce runs 24/7 and usually it is associated with speed and accuracy, so traditional customer service via human agents has become costly and hard to maintain. **Chatbots** have become a "game changer" for businesses. They usually deal with the more basic and frequently asked questions, leaving the human agents with more time to dedicate on more complex customer issues. **Virtual assistants** like Siri & Alexa are more advanced chatbots, using machine learning and natural language processing. Various car manufacturers are also integrating digital voice assistants. Voice in a way makes the communication more humanized and therefore more trustworthy. Virtual assistants are slowly becoming part of people's daily lives by making tasks easier and faster. In countries like Japan, **virtual companions** are already commercialized. You can have realistic conversations with Azuma Hikari, who lives inside a 50 cm glass tube and acts as a home assistant. Computer generated Saya is easily mistaken for a real human girl thanks to her incredibly detailed construction. Artificial intelligence with facial recognition functions equips Saya for possible roles in tourist information centers and nursing homes.

What is more, a current trend in the banking sector is to implement **RPA** (Robotics Process Automation) for various processes from customer service and cyber security to credit card & loan application processes. Majority of cosmetic companies are also using AI to improve

customer experience. Beauty giant Estée Lauder was the first to introduce an app called **iMatch Virtual Shade Expert** that uses artificial intelligence to match users to their foundation shade. The company has also developed virtual try-on and skin diagnostic tools.

- Predictive analytics

Predictive marketing analytics utilizes all that big data collected to predict future scenarios or results. It integrates various techniques from data mining, statistics, modeling, machine learning and artificial intelligence. **Predictive analytics tools** transform all the data into valuable customer insights. Predictive analytics finds various applications in marketing and has levelled up digital marketing in general. It is especially useful for marketing campaign planning and optimization, upselling and cross-selling based on historical behavior, better targeted content distribution, customer lifetime value prediction.

By applying predictive analytics in organizations, risk can be significantly reduced as decisions will be made based on data. It allows marketers to plan better, execute and analyze more efficiently.

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