

E-Marketing

14MBAMM409

Module 1

Course Objectives

- To understand the important concepts related to electronic marketing
- To learn the use of different electronic media in marketing activities
- To introduce to the students the current tools and techniques used in electronic marketing

Dell Starts Listening

1-3

- ❑ In 2004, Dell held 28.2% of U.S. market share.
- ❑ To reduce costs, Dell Computer began outsourcing customer service to a firm in India.
- ❑ Market share increased to 28.8% and consumer dissatisfaction rose.
- ❑ Dell digital media manager initiated a campaign in several languages to improve communication.



Dell Starts Listening, cont.

1-4

- Dell's blogs became mechanisms for consumer complaints and ideas.
- Blog usage resulted in over 20 changes to the company.
- What are the opportunities and risks of using blogs for improving customer service?



Internet 101

1-5

- The internet is a global network of inter-connected networks.
- E-mail and data files move over phone lines and satellites from sender to receiver.
- There are two special uses of the internet:
 - ▣ Intranet: network that runs internally in a company.
 - ▣ Extranet: two joined networks that share information.



Internet 101, cont.

1-6

- ❑ E-business is the continuous optimization of business activities through digital technology.
- ❑ E-commerce is the subset of e-business that involves transactions.
- ❑ E-marketing is one part of an organization's business activities.



E-Marketing is Bigger than

1-7

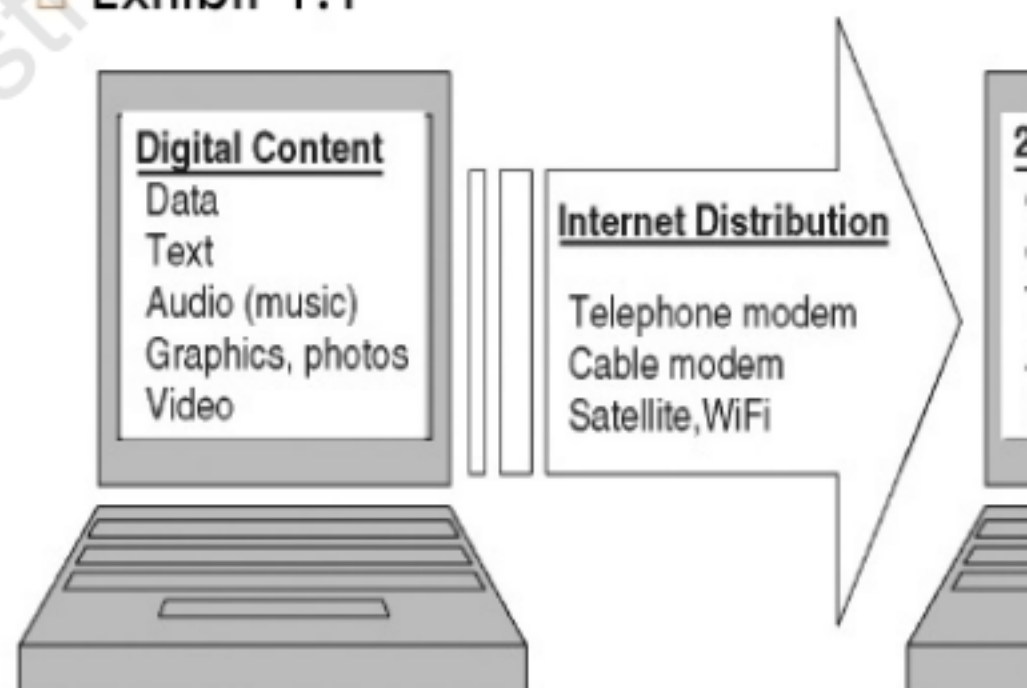
- The Web is the portion of the internet that provides a graphical user interface for hypertext documents accessed with a browser.
- The Web is what most people think of as the Internet.



The Web Is One Aspect of E

1-8

Exhibit 1.1





E-Marketing is Bigger than

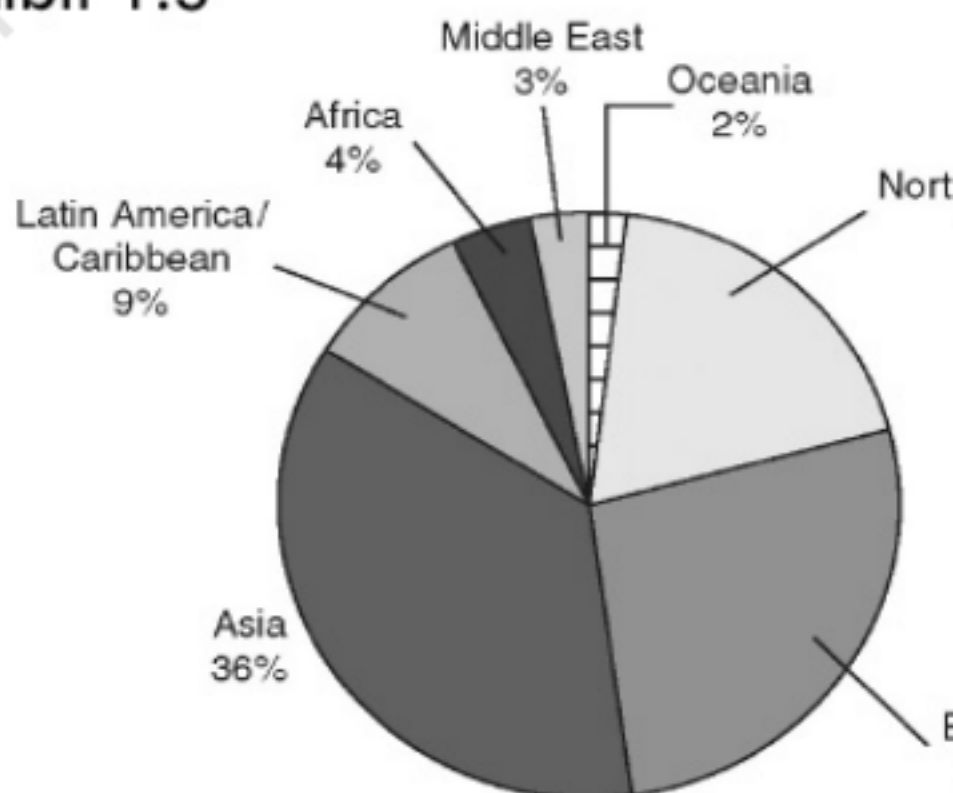
1-9

- The internet provides **individual** users convenient and continuous access to entertainment, and communication.
- **Communities** form around shared interests and online profiles.
- The digital environment enhances productivity activities for **businesses**.
- **Societies** are enhanced through more markets, more jobs, and information.

Global Internet Users

1-10

Exhibit 1.3





What is E-marketing?

- It is the use of IT in the process of creating, delivering value to the customers, & forming relationships in ways that benefits the organization.
- E- marketing effects traditional mktg
 - It increases efficiency and effectiveness in traditional marketing.
 - Increase in new business models.



E-Marketing's Past: Web

1-11

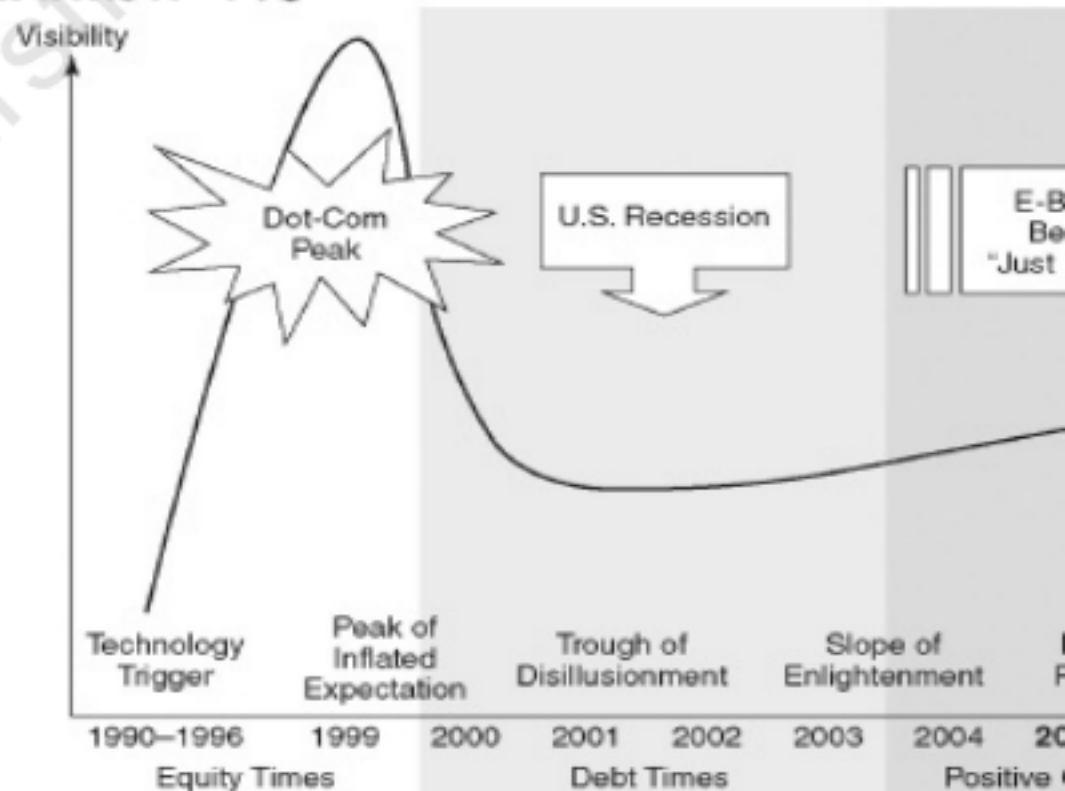
- The Internet started in 1969 as the network for academic and military
- Web pages and browsers appeared
- The first generation of e-business was a rush.
 - ▣ Between 2000 and 2002, more than 10,000 companies shut down in the U.S.
 - ▣ By Q4 2003, almost 60% of public companies were profitable.



E-Business to Just Business

1-12

Exhibit 1.5





E-Marketing Today: Web

1-13

- Web 1.0 connected people to network
- Web 2.0 connected people with each other.
- Web 2.0 is the second generation of technology and includes:
 - ▣ Blogs
 - ▣ Social networking
 - ▣ Photo, video, and bookmark sharing



The Future: Web 3.0

1-14

- The newest technologies allow many user:
 - Engagement
 - Participation
 - Co-creation
- Online gaming represented over \$ revenue and 15 million players in 2



Consumers Have More C

1-15

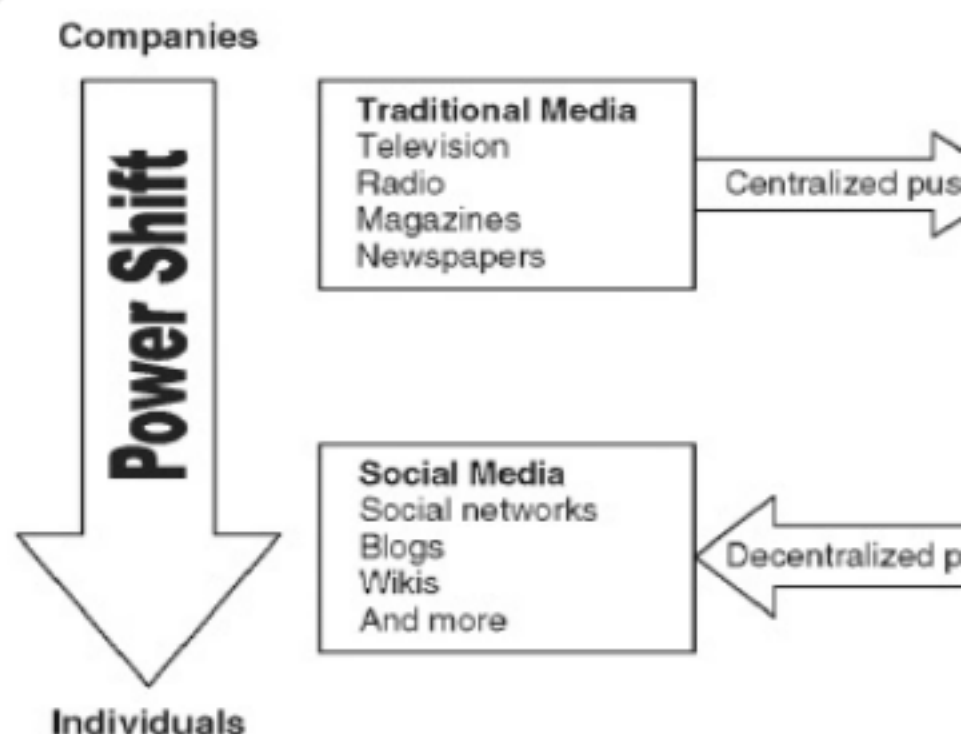
- The internet provides a communication platform for individual comments, both positive and negative.
 - Comments can spread quickly and reach a large audience.
- New technologies such as digital video recorders (DVRs) will increase consumer control over their viewing choices.
- You tube?



Power Shift from Companies to Individuals

1-16

Exhibit 1.7





Wireless Networking Inc

1-17

- Cell phones, PDAs, and laptops connect to the internet via wireless modem worldwide
 - ▣ Starbucks
 - ▣ Hotels and airports
 - ▣ Queen Mary II luxury liner
 - ▣ train stations
- Customers will have information, entertainment, and communication when, where, and how they want

WiFi at Train Station in P

1-18



Appliance Convergence

1-19

- The receiving appliance is separate type.
 - ▣ Computers can receive digital radio
 - ▣ TV sets can receive the Web.
- New types of “smart” receiving appliances emerge.
 - ▣ Internet refrigerator is many digital
 - ▣ Global positioning systems (GPS) all communication and entertainment.

Semantic Web

1-20

The Semantic Web will utilize a standard protocol that will allow users to find information based on its type, such as:

- ▣ The next available appointment for a doctor.
- ▣ Details about an upcoming concert.
- ▣ Menu at the local restaurant.
- ▣ Represents the next huge advance in providing worldwide access to data on demand with little effort.



Semantic Web

1-21

- ◆ Marketers want to give customers information where they want it.
- ◆ They use several different receiving applications for their messages.
- ◆ The Semantic Web is an extension of the Web, making it easier to obtain information by:
 - a. Providing information based on type
 - b. Person, contact information, next appointment, restaurant menu's.
- ◆ The Semantic Web was invented by Sir Tim Berners-Lee.

Internet-Time Analogy Ex

1-22



3500 BC
Sundial



1600s
Mechanical

19



1583 AD
Pendulum

Web is here in
2008

Group Presentations

Part 1 Overview: Internet Properties & Marketing

- Website analysis
- Web and other online content (such as mobile content)
- Website properties (table 1.6 in the core textbook)
- Website design and usability features
- Multimedia and interactive features

Part 2 Benefit, Cost & Value Creation – The Marketing Mix

- Creating a positive customer experience
- Benefit, cost & value creation
- Internet marketing mix
- Customer relationship management features



Amazon.com

2-30

- Founded in 1995 as an online retailer.
 - Did not become profitable until Q4
 - In 2007, generated \$14.8 billion in million in net income.
- Leveraged its competencies into different models.
 - Established e-commerce partnership with Macy's, and others.
 - Provided developer services.
 - Created the first affiliate program.

Amazon.com, cont.

2-31

- ☐ Amazon's success is based on selection of products, product availability, innovative technology, and better product information.
- ☐ CEO Jeff Bezos is not interested in the physical world.
- ☐ Which of Amazon's core competencies will drive its strategy in the future?
- ☐ www.amazon.co.uk

Strategic Planning

2-32

- A managerial process to develop a viable fit between the organization and market opportunities.
- Process identifies firm's goals for
 - Growth
 - Competitive position
 - Geographic scope
 - Other objectives, such as industry,



ESP: Environment, Strategy, and Performance

2-33

- The e-marketing plan flows from the overall goals and strategies.
- The ESP framework illustrates the relationship among environment, strategy, and performance.
- A SWOT analysis of the business environment leads to the development of strategy and measurement of performance (P).

Strategy

2-34

- Strategy is the means to achieve a
- E-business strategy
 - ▣ Strategy that deploys enterprise resources to achieve performance objectives, competitive
- E-marketing strategy
 - ▣ Strategy that capitalizes on information technology to reach marketing objectives.



Business Models

2-35

- ❑ A business model is a method for long-term revenue and a value proposition for partners.
- ❑ E-business models include the use of technology to achieve long-term goals.
- ❑ Firm selects one or more models as strategies to accomplish enterprise goals.

Selecting a Business Model

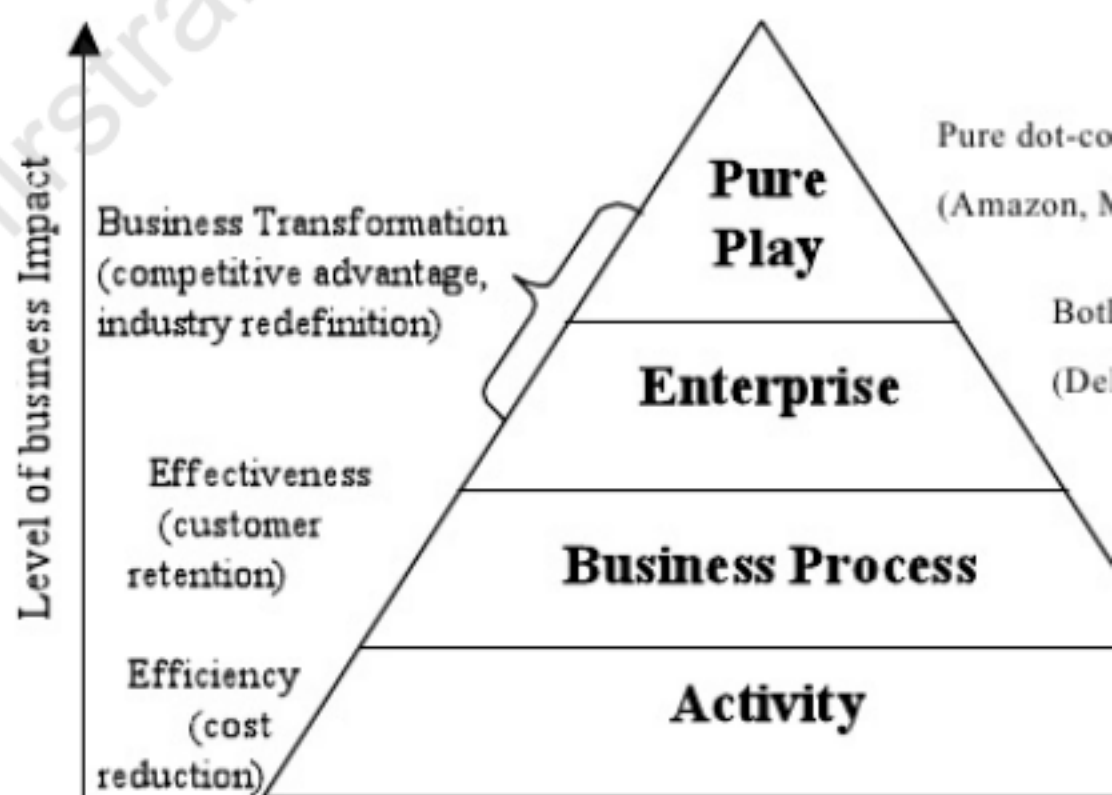
2-36

- ❑ A firm will select one or more business strategies to accomplish enterprise
- ❑ Components of business model selection

Customer value	Scope
Price	Revenue sources
Connected activities	Implementation
Capabilities	Sustainability

Level of Commitment to E.

2-37





Activity-Level Models

2-38

1. Order processing
2. Online purchasing
3. E-mail
4. Content publisher
5. Business intelligence (BI)
6. Online advertising and public
7. Online sales promotions
8. Dynamic pricing strategies on



Business Process-Level Mo

2-39

1. Customer relationship management
2. Knowledge management (KM)
3. Supply chain management (SCM)
4. Community building online
5. Database marketing
6. Enterprise resource planning (ERP)
7. Mass customization



Enterprise-Level Models

2-40

1. E-commerce, direct selling, content s
2. Portal
3. Social networking
4. Broker models
 - ▣ Online exchange, hub
 - ▣ Online auction
5. Agent models
 - ▣ Manufacturer's/selling agents
 - ▣ Shopping agent
 - ▣ Reverse auction

Enterprise-Level Models

2-40

1. E-commerce, direct selling, content s

Online transactions

Manufacturer to seller

Sell advertisement on their web

Enterprise-Level Models

2-40

1. E-commerce, direct selling, content s
2. Portal

Point of entry to the internet

Include destination for news, games, maps

Yahoo



Enterprise-Level Models

2-40

1. E-commerce, direct selling, content s
2. Portal
3. Social networking
4. Broker models

**Intermediaries –negotiations
E*TRADE**

Converge B2B (exchange of electronic components

Online Auction (eBay)



Enterprise-Level Models

2-40

1. E-commerce, direct selling, content sp
2. Portal
3. Social networking
4. Broker models
 - Online exchange, hub
 - Online auction
5. Agent models

ONLINE AGENTS EARN COMMISSION FOR THEIR

Make My Trip

Manufacturers Agents : more than one seller. (o

METAMEDIARY : represents of clusters of manuf

content providers

Reverse Auction : individual buyer to enter the p

Purchasing Agents : represents Buyers. (mysimon

A virtual Mall : Host an Website mall and collect



Pure Play Models

2-41

- Pure plays are businesses that began or
 - ▣ They represent the top level of the E-Business.
- Pure plays face significant challenges.
 - ▣ They must compete as new brands.
 - ▣ They may need to take customers away from existing businesses.
- Some pure plays have redefined industries.

www.eTrade.com

www.eBay.com

www.Yahoo.com

www.MySpace.com

Performance Metrics

2-42

- Performance metrics are specific measures used to evaluate the effectiveness and efficiency of operations.
- Performance metrics:
 - ▣ Provide measurable outcomes.
 - ▣ Must be easy to understand and use.
 - ▣ Must be actionable.
 - ▣ Can be utilized for employee evaluation.



Social Engagement Metrics

2-44

- Online measurement also includes measuring and evaluating Web 2.0 technologies.
- Social engagement metrics allow marketers to measure how visitors participate, not just whether they are on a page.
 - ▣ Time spent viewing a video, playing a game, or listening to music.
 - ▣ Writing a comment on a blog.
 - ▣ Downloading a MP3 file, ring tone



The Balanced Scorecard

2-45

- ❑ The Balanced Scorecard provides a understanding e-marketing metrics.
- ❑ The Balanced Scorecard provides 4
 - ▣ Customer perspective
 - ▣ Internal perspective
 - ▣ Learning and growth perspective
 - ▣ Financial perspective

The Balanced

Customer perspective		Internal business perspective	
Goals	Measures	Goals	Measures

The Balanced Scorecard: Customer Perspective

2-46

- The customer perspective scorecard includes measure goals such as customer loyalty, appropriateness of target markets, etc.
 - Loyalty and satisfaction measures measure percentage of visitors who return to between visits.
 - Transaction measures may include measure unique visitors, online sales abandonment

The Balanced Scorecard: Internal Perspectives

2-47

- The Internal perspective scorecard in measure goals related to the quality services.
 - ▣ Quality of online technical help such time to answer e-mail
 - ▣ Web page loading time
 - ▣ Inventory levels, inventory turns



The Balanced Scorecard: Learning and Growth Perspectives

2-48

- The learning and growth perspective includes ways to measure goals related to service innovation and continuous improvement
 - Average time from concept to start
 - Speed to match a rival's site
 - Time between site relaunches



The Balanced Scorecard: Financial Perspectives

2-23

- The financial perspective scorecard measures financial goals.
 - Sales growth and market share
 - Return on invested capital
 - Average order value
 - Individual customer profit



FirstRanker.com

FirstRanker's choice

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https://www.youtube.com/watch?v=I_Ei7CxX