SENGAMALA THAYAAR EDUCATIONAL TRUST WOMEN'S COLLEGE, MANNARGUDI

PG & RESEARCH DEPARTMENT OF COMMERCE

SUBJECT: E-COMMERCE

SUBJECT CODE:16MCE4A

UNIT IV & V

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MARKETING AND ADVERTISING INE-COMMERCE OBJECTIVES

- ❖ Understand Describe the factors that influence consumer behavior online.

- ❖ the decision-making process of consumer purchasing online.

- ❖ Discuss the issues of e-loyalty and e-trust in electronic commerce (EC).

- ❖ Describe segmentation and how companies are building one-to-one relationships with customers.

- ❖ Explain how consumer behavior can be analyzed for creating personalized services.

- ❖ Describe consumer market research in EC.
- ❖ Describe the objectives of Web advertising and its characteristics.
- ❖ Describe the major advertising methods used on the Web.
- ❖ Describe mobile marketing concepts and techniques.
- ❖ Describe various online advertising strategies and types of promotions.
- ❖ Describe some implementation topics.

CONSUMER BEHAVIOR ONLINE

- A Consumer Behavior Online
- **MODEL OF CONSUMER BEHAVIOR ONLINE**
  - **The Major Influential Factors**
    - **Personal Characteristics**
    - **Product/Service Factors**
    - **Merchant and Intermediary Factors**
    - **EC Systems**
      - Motivational Factors
      - Hygiene Factors
    - **Environmental Factors**
      - Social Variables
        - Cultural/Community Variables
        - Other Environmental Variables

THE CONSUMER PURCHASING DECISION-MAKING PROCESS

- A GENERIC PURCHASING-DECISION MODEL
  - Need identification
  - Information search
    - product brokering
    - Deciding what product to buy
    - merchant brokering
    - Deciding from whom (from what merchant) to buy a product
  - Evaluation of alternatives
  - Purchase and delivery
  - Post purchase activities

THE CONSUMER PURCHASING DECISION-MAKING PROCESS

❖**PLAYERS IN THE CONSUMER DECISION PROCESS**

   ❖Initiator

   ❖Influencer

   ❖Decider

   ❖Buyer

   ❖User

LOYALTY, SATISFACTION,AND TRUST IN E-COMMERCE

❖ **CUSTOMER LOYALTY**

A deep commitment to repurchase or repatronize a preferred product/service continually in the future, thereby causing repetitive same-brand or same brand-   set purchasing, despite situational influences and   marketing efforts that have the potential to cause switching behavior

❖ **E-LOYALTY**

❖ Customer loyalty to an e-tailer or loyalty programs delivered online or supported electronically

❖ **TRUST IN EC**

  ❖ **TRUST**

 ❖ The psychological status of willingness to depend on another person or organization

 ❖ **EC Trust Models**

  ❖ **online trust**

 ❖ The belief that an online website or other digital entities can deliver what they promise so that the recipient trusts them

PERSONALIZATION AND BEHAVIORAL MARKETING

❖ **PERSONALIZATION**

The matching of services, products, and advertising content with individual consumers and their preferences

❖ **USER PROFILE**

The requirements, preferences, behaviors, and demographic traits of a particular customer

❖ **COOKIES IN E-COMMERCE**

❖ **COOKIE**

A data file that is placed on a user's hard drive by a remote Web server, frequently without disclosure or the user's consent, which collects information about the user's activities at a site

❖ **USING PERSONALIZED TECHNIQUES TO INCREASE SALES**

❖ **Other Methods**
  - ❖ Rule-Based Filtering
  - ❖ Content-Based Filtering
  - ❖ Activity-Based Filtering

❖ **Legal and Ethical Issues in Collaborative Filtering**

❖ **Social Psychology and Morphing in Behavioral Marketing**

❖ **Use of Customer Database Marketing**

MARKET RESEARCH FOR E-COMMERCE

➤ **OBJECTIVES AND CONCEPTS OF MARKET RESEARCH ONLINE**

  ➤ What Are Marketers Looking For in EC Market Research?

➤ **REPRESENTATIVE MARKET RESEARCH APPROACHES**

  ➤ Market Segmentation Research

  ➤ Data Collection and Analysis

  ➤ Online Surveys

  ➤ Hearing Directly from Customers

- **Data Collection in the Web 2.0 Environment**
- **Observing Customers' Movements Online**
  - **Transaction log**
  - A record of user activities at a company's website
  - **Click stream behavior**
  - Customer movements on the Internet
- **Web bugs**

  - Tiny graphics files embedded in e-mail messages and in websites that transmit information about users and their movements to a Web server

- **spyware**

  - Software that gathers user information over an Internet connection without the user's knowledge

- **Web Analytics and Mining**

WEB ADVERTISING

❖**INTERACTIVE MARKETING**

❖ Online marketing, facilitated by the Internet, by which marketers and advertisers can interact directly with customers, and consumers can interact with advertisers/vendors

❖**SOME BASIC INTERNET ADVERTISING TERMINOLOGY**

  ❖**ad views**

  ❖The number of times users call up a page that has a banner on it during a specific period; known as impressions or page views

ONLINE ADVERTISING METHODS

❖ **Advertising Online and Its Advantages**
- ❖ Cost
- ❖ Richness of format
- ❖ Personalization
- ❖ Timeliness
- ❖ Location-based
- ❖ Linking
- ❖ Digital branding

❖ **Traditional Versus Online Advertisement**

❖ **MAJOR CATEGORIES OF ADS**
- ❖ Classified Ads
- ❖ Display Ads
- ❖ Interactive Ads

MOBILE MARKETING AND ADVERTISING

MOBILE MARKETING

❖ Conducting marketing on or with a mobile device

❖ mobile advertising (m-advertising)

❖ Ads sent to and presented on mobile devices

  ❖ Mobile Interactive Advertising

  ❖ Types of Mobile Ads

  ❖ Viral Mobile Marketing

  ❖ Mobile Marketing and Advertising Campaigns

  ❖ Representative Examples of Mobile Advertising

ADVERTISING STRATEGIES AND PROMOTIONS

❖**spamming**

❖Using e-mail to send unwanted ads (sometimes floods of ads)

❖**permission advertising**

❖Advertising (marketing) strategy in which customers agree to accept advertising and marketing materials (known as *opt-in)*

E-COMMERCE & DIGITAL MARKETING

E-COMMERCE CATEGORIES

TWO MAJOR CATEGORIES

❖**Business-to-consumer (B2C)** :

Online transactions are made between businesses and individual consumers. E.g. Amazon.com, eBay.com.

❖**Business-to-business (B2B):**

Businesses make online transactions with other businesses.

OTHER CATEGORIES

❖Consumer-to-consumer (C2C)

❖Mobile commerce (m-commerce)

❖E-learning

❖E-govern

BENEFITS TO CONSUMERS

❖More products and services

❖Cheaper products and services

❖Instant delivery

❖Information availability

❖Participation in auctions

BUSINESS APPLICATIONS

❖Email

❖Instant messaging

❖Online shopping and order tracking

❖Online banking

❖Shopping cart software

❖Teleconferencing

❖Electronic tickets

ONLINE SHOPPING

❖ **Advantages:**
 ❖ 24-hour access
 ❖ Ability to comparison shop
 ❖ The in-home privacy
 ❖ Variety

ADVANTAGES OF E-COMMERCE

❖ Faster buying/selling procedure, as well as easy to find products.

❖ Buying/selling 24/7.

❖ More reach to customers, there is no theoretical geographic limitations.

❖ Low operational costs and better quality of services.

❖ No need of physical company set-ups.

❖ Easy to start and manage a business.

❖ Customers can easily select products from different providers without moving around physically.

DISADVANTAGES OF E- COMMERCE

❖ Unable to examine products personally

❖ Not everyone is connected to the Internet

❖ There is the possibility of credit card number theft

❖ Mechanical failures can cause unpredictable effects on the total processes.

DIGITAL MARKETING

WHAT IS DIGITAL MARKETING?

❖ Promoting products and services using digital distribution and social media channels to reach consumers in a timely ,relevant, personal and cost-effective manner.

❖ leverages traditional marketing areas such as direct marketing by providing the same method of communicating with an audience but in a digital fashion.

❖ delivered via internet, mobile text messaging ,

❖ display / banner ads and digital outdoor signage.

WHY USE DIGITAL MARKETING?

- ❖ Increase website traffic

- ❖ Increase brand recognition

- ❖ Improve search engine rankling

- ❖ Generate leads

- ❖ Increase online sales conversions

- ❖ Improve internal communications

WHO'S USING DIGITAL MARKETING?

❖ Small to medium businesses increasingly rely upon online digital marketing techniques and distribution channels.

❖ Digital communications and multimedia technologies are significantly changing the way SMBs :-

    ❖ Communicate with their customers
    ❖ Promote products and
    ❖ Market services

MOBILE MARKETING

Mobile marketing - marketing on or with a mobile device such as a cell phone, enabling the distribution of any promotional/ advertising messages to customers.

ONLINE VIDEO MARKETING

Online Video Marketing- Making videos and posting them online is fairly inexpensive.

- Videos were 50 times more likely to receive an organic first page ranking than traditional text pages.
- Online videos stay online forever.
- Money is spend to record a video once but it could still be getting views a year later.
- Social media sites and videos go hand in hand and most sites encourage video posting and sharing.

CONCLUSION

❖The Internet has lead to the birth and evolution E-commerce. E-commerce has now become a key component of many organizations in the daily running of their business.

❖As the Internet and in turn E-commerce has developed, and continues to evolve and grow, it is vital that any organization, in any particular industry, must base its strategic planning around such a rapidly growing medium.

THANK YOU