

CPET 581 E-Commerce & Business Technologies

E-Commerce Marketing Communications;

References:

- Chapter 7. E-Commerce Marketing Communications, 8th edition, 2012, by K. C. Laudon and C. G. Traver, publisher Pearson Education Inc.,

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<http://www.etcs.ipfw.edu/~lin>

A Specialty Course for
M.S. in Technology IT/Advanced Computer Applications Program
Purdue University Fort Wayne Campus

Topics

- E-Commerce Marketing Communications
 - Purposes: Promotional Sales, Branding
 - Online Marketing Communications
 - Forms of Online Ads
 - Online Marketing Metrics
 - Cost/Pricing Models
 - Assessment/Evaluation

Marketing Communications

- Two Purposes:
 - Promotional Sales
 - Branding
- Online Marketing Communications
 - Online Ads
 - E-Mail
 - Public relations
 - Web sites

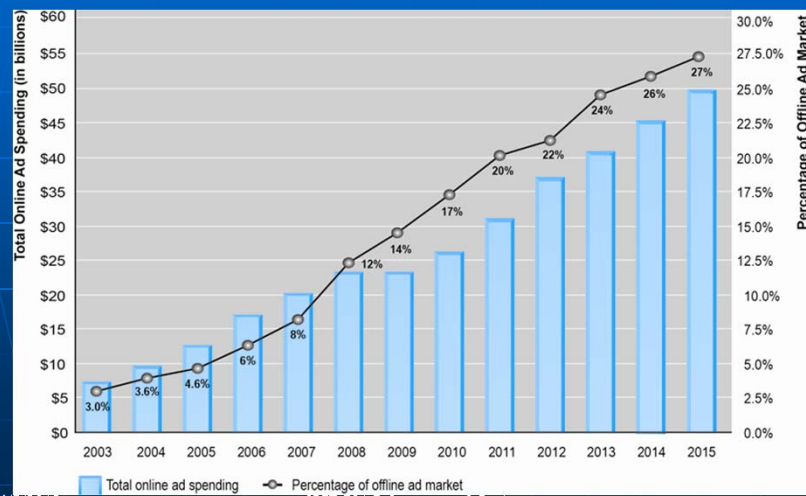
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Online Advertising: 2003- 2015

- Figure 7.1, Page 434



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Forms of Online Ads

- **Display ads:** Banner ads, Pop-up ads
- **Rich media:** Flash, DHTML, Java, JavaScript
- **Video ads**
- **Search engine advertising**
- **Mobile and local advertising:** Messaging, Display ads, Search, Video
- **Sponsorships and Referrals**
- **E-Mail marketing:** Direct e-mail marketing, Spam – unsolicited commercial email
- **Online catalogs**
- **Social network, blog, app, and game ads**

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Online Marketing Metrics

- **Measuring audience size or market share**
 - Impressions
 - Click-through rate (CTR)
 - View-through rate (VTR)
 - Hits
 - Page views
 - Stickiness (duration)
 - Unique visitors
 - Loyalty
 - Reach
 - Recency

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Online Marketing Metrics (cont.)

- **Conversion of visitor to customer**
 - Acquisition rate
 - Conversion rate
 - Browse-to-buy-ratio
 - View-to-cart ratio
 - Cart conversion rate
 - Checkout conversion rate
 - Abandonment rate
 - Retention rate
 - Attrition rate
- **Social networking**
 - User insights
 - Interaction insights
- **E-mail metrics**
 - Open rate
 - Delivery rate
 - Click-through rate (e-mail)
 - Bounce-back rate

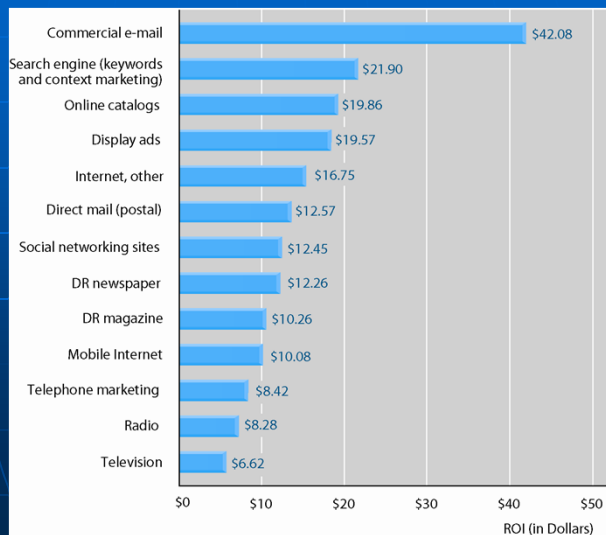
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Comparative Returns on Investment

- Figure 7.8, Page 474



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The Costs of Online Marketing

- Pricing models
 - Barter – exchange of ad space for something of equal value
 - Cost per thousand (CPM)
 - Cost per click (CPC)
 - Cost per action (CPA) : registering, purchasing, etc
- Online revenues only
 - Sales can be directly correlated
- Both online/offline revenues
 - Offline purchases cannot always be directly related to online campaign
- In general, online marketing more expensive on CPM basis, but more effective

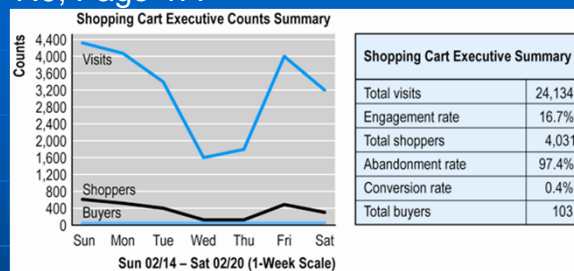
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Web Site Activity Analysis

- Figure 7.9, Page 477



Shopping Cart Executive Summary – Help Card

Abandonment rate — The percentage of **shoppers** who did not become **buyers**. This includes both **cart abandoners** and **checkout abandoners**.

Conversion rate — Percentage of visitors who became **buyers**.

Engagement rate — Percentage of visitors who become **shoppers**.

Total buyers — Number of buyers who visited your site. Buyers are visitors who reached a page that you configured as an **order complete page**.

Total shoppers — Number of shoppers who visited your site. A shopper is a visitor who reached a page that you configured as a **shopping page**.

Total visits — Number of times a visitor came to your site.

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Web Site: A Marketing Tool?

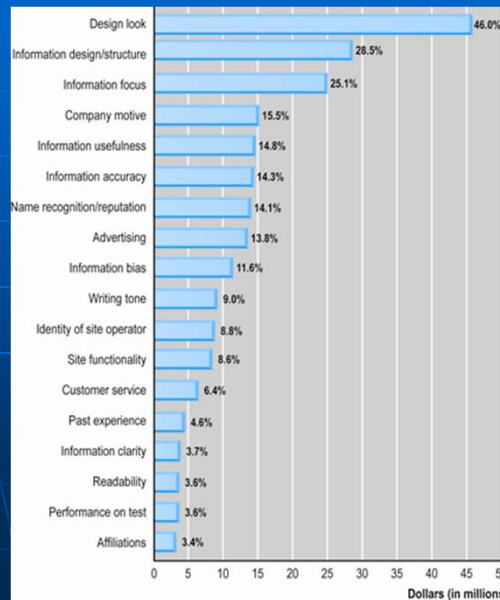
- Web site as extended online advertisement
- Domain name: An important role
- Search engine optimization:
 - Search engines registration
 - Keywords in Web site description
 - Metatag and page title keywords
 - Links to other sites

Web Site Functionality

- Main factors in effectiveness of interface
 - Utility
 - Ease of use
- Top factors in credibility of Web sites
 - Design look
 - Information design/structure
 - Information focus
- Organization is important for first-time users, but declines in importance
 - Information content becomes major factor attracting further visits

Factors in the Credibility of Web Sites

- Figure 7.10, Page 483



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Web Site Design Features that Impact Online Purchasing

- Table 7.9, Page 484

TABLE 7.9 WEB SITE DESIGN FEATURES THAT IMPACT ONLINE PURCHASING

DESIGN FEATURE	DESCRIPTION
Compelling experience	Provide interactivity, entertainment, human interest; site is fun to use.
Editorial content	Provide helpful content, opinions, and features on subjects of interest to visitors in order to increase stickiness.
Fast download times	Quicker is better; if longer, provide amusement.
Easy product list navigation	Consumers can easily find the products they want.
Few clicks to purchase	The shorter the click list, the greater the chance of a sale.
Customer choice agents	Recommendation agents/configurators help the consumer make quick, correct choices.
Responsiveness	Personal e-mail response; 1-800 phone capability shown on Web site.

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It's 10 P.M. Do You Know Who is On Your Web Site?

- Adobe's SiteCatalyst, <http://www.omniture.com/en/products/analytics/sitecatalyst>
- Yahoo! Web Analytics, <http://info.yahoo.com/privacy/us/yahoo/webanalytics/>
- IBM Coremetrics, <http://www-01.ibm.com/software/marketing-solutions/coremetrics/>
- Microsoft Advertising, <http://advertising.microsoft.com/small-business/sitemap>
- Google Analytics, <http://www.google.com/analytics/>

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It's 10 P.M. Do You Know Who is On Your Web Site?

- 1. What are some of the services offered by Adobe's SiteCatalyst?
- 2. Why would you as a webmaster be interested in these services?
- 3. Why is site analysis and customer tracking so important to online marketing?
- 4. How did *National Geographic* use SiteCatalyst to its benefit?

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Instant Ads: Real-Time Marketing on Exchanges, pp. 486-489

- 1. Pay a visit to your favorite portal and count the total ads on the opening page. Count how many of these ads are
 - (a) immediately of interest and relevant to you,
 - (b) sort of interesting or relevant but not now, and
 - (c) not interesting or relevant.Do this 10 times and calculate the percentage of the three kinds of situations. Describe what you find and explain the results using this case.

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Instant Ads: Real-Time Marketing on Exchanges, pp. 486-489

- 2. Advertisers use different kinds of “profiles” in the decision to display ads to customers.
- Identify the different kinds of profiles described in this case, and
- Explain why they are relevant to online display advertising.

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Instant Ads: Real-Time Marketing on Exchanges, pp. 486-489

- 3. How can display ads achieve search engine-like results?
- 4. Do you think instant display ads based on your immediately prior clickstream will be as effective as search engine marketing techniques? Why or why not?

Summary