MAKERERE UNIVERSITY BUSINESS SCHOOL

FACULTY OF COMPUTING AND INFORMATICS

DEPARTMENT OF INFORMATION SYSTEMS

E-COMMERCE

BENT III

TOPIC THREE: MARKETING ON THE WEB

- Major marketing strategies used in E-Commerce.
  Web-based marketing-Bought/Paid, owned,earned
- Definition of E-Marketing,E-Marketplaces, Forms of E- marketing: Search Engine Marketing (SEM) & Search Engine Optimization (SEO)
- Developing an e-marketing Plan
- Benefits and Limitations of E-marketing

Strategy

In the Balanced Scorecard framework, a corporation's strategy and vision are positioned at the top, with "strategy" representing the organization's primary objective. This strategy, articulated by senior management, functions as a mission statement for the corporation. Consequently, all corporate activities, including marketing, communication, and subsidiary operations, are guided by this strategic direction. Thus, all marketing and communication efforts must align with the overarching strategy. If activities, actions and operational budgets are not part of the strategy; they are detached and considered suboptimal. Inevitably, web-based marketing must follow the predefined strategic guiding principles in planning and execution to achieve harmony. In a company lacking strategic specifications, web-based marketing will fail to produce results and thus becomes a blind pursuit. The first challenge for the person responsible for online marketing is to understand the strategic specifications and translate them into online actions. This is not limited to formal guiding principles such as corporate identity. Special emphasis is placed on the method of external communication and product-strategy.

Process of strategy formulation

The corporation's visions and goals recorded in the main strategy must be formulated in such a way, that an individual taking on the responsibility of web-based marketing can understand them and translate them into strategy-driven actions. If the corporation lacks such formulations, it is the duty of those in charge to discretely create them prior to planning web-based marketing.

Planning

Planning of web-based marketing must consider two components simultaneously: On one hand the instruments available in the field of online marketing must be known. The large variety of available instruments often makes oversight a challenge, especially since the addition of social media. On the other hand, available resources must be taken into consideration ahead of employing respective online-instruments. Social media channels are considered to be especially resource-hungry.

As part of this planning, a **prioritization** of respective instruments is to be performed. Prioritization should particularly lean on compatibility with the strategy, meaning that online instruments which best correspond with the strategy's idea should be preferred.

Implementation & Rating

Successful implementation of plans into action depends on good planning. Another important aspect of implementation of plans is keeping a journal of actions taken. These are to enable a more efficient repetition of action at a later time. It's also the only way to avoid mistakes in the future and can further be used to make note of "lessons learned" and repeat successful actions. Supervision is essential during the implementation. Figures and metrics play a role in supervision. Indicators such as visits and page impressions are often useful in classic online marketing, yet these traditional online-figures are nearly irrelevant when it comes to socialmedia- activities. Other indicators are of importance, which can reveal the success of a socialmedia- campaign and reach far beyond visits and page impressions.

Web Based Marketing

Introduction

Web-based marketing includes all online measures for achievement of an economic corporation's marketing goals. When selecting instruments, the corporation has access to all possibilities of the internet. Categorization takes places as follows:

Bought/Paid: Most corporations can directly purchase their web-publicity with the help of external online-service providers. Instruments in this category include banners (classical online marketing), Search Engine Optimization (e.g.: use of purchased AdWords from Google), social media advertisement (e.g.: Facebook Ads), as well as for example press releases. These procedures, being tied to a predefined budget, are usually limited in duration.

Owned: This category defines a corporation's ability to create their own channel. In this case, the instrument itself is owned by the corporation. The advantage of such a procedure is the fact that the complete supervision and the rights remain with the corporation. Examples are corporate blogs, bulletin boards and Apps.

Earned: One of the greatest challenges corporations face in the era of the social web are provisions which spread themselves – usually due to viral sharing by the online community. This category primarily refers to activities in typically external social-media-sources and - networks, such as for example currently Facebook, Twitter, Bulletin Boards, Blogs, Google+ and YouTube.

Corporate Website

In the social web age, the website no longer acts as a corporation's mere business card or product booklet. Traditional advertising messages, advertising slogans formulated in typical marketing lingo and digitally beautified product pictures result in consumer distrust. This is primarily due to the huge availability of consumer generated content. Using video- and rating portals such as forums, consumers often discuss, review and rate products more authentically than the manufacturers themselves. The user's purchase-decisions no longer depend solely on the corporation's website. According to a survey conducted by TNS-Infratest, 90 percent of consumers rely on the entirety of the web to do their product research. Even if this research leads consumers to the corporation's website, consumers will often continue to seek further information from other sources. Henkel concerned themselves with this issue in the early part of 2011. An analysis revealed that every year there are 16 million google-searches regarding

“Hair”. One important finding was that the inquirers weren't primarily interested in products, but sought solutions instead. Thus traditional websites must compete with the abundance of information offered by the social web nowadays. For the most part this information includes:

- Background-information
- Answers to specific questions
- Personal and authentic user reviews
- Experienced data
- Solutions

Users demand more and more relevant content instead of advertisements, causing traditional corporate websites to face new challenges. Another technical and sociological challenge corporations are facing is the aspect of crosslinking with other social-media-platforms. By now consumers have gotten used to entering discussions with corporations, rather than simply consuming the information provided by corporations. The comment-function, link to the corporation's own social-media-channel, as well as real-time chats are all aspects which can be found on corporate websites these days.

Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy individual and organizational objectives. Marketing is also considered to be a collective process where individuals or groups can exchange goods or services based on their needs and wants.

Traditional Marketing

Traditional marketing is a rather broad category that incorporates many forms of advertising and marketing. Traditional Marketing encompasses the advertisements that we see and hear every day and it’s the most recognized type of marketing. Traditional marketing strategies fall under one of four categories; print, broadcast, direct mail, telephone. Print marketing is the oldest form of traditional marketing, loosely defined as advertising in paper form, this strategy has been in use since ancient times, when Egyptians created sales messages and wall posters on papyrus. Today, print marketing usually refers to advertising space in newspapers, magazines, newsletters, and other printed materials intended for distribution.

Traditional Marketing Categories

1. Print: Includes advertisements in newspapers, newsletters, television commercials, as well asspecialized forms like on-screen movie theater advertising
2. Direct mail: Includes fliers, postcards, brochures, letters, catalogs, and other material that isprinted and mailed directly to consumers
3. Telemarketing: Includes requested calling and cold calling of consumers over the phone
4. Broadcast marketing includes television and radio advertisements. Radio broadcasts have been around since the 1900s, and the first commercial broadcast.

Definition of E-marketing?

E-marketing is the use of information technology in the processes of creating, communicating, and delivering value to customers, and for managing customer relationships in ways that benefit the organization and its stakeholders. The Internet and the World Wide Web provide marketers with new tools and added convenience that can increase the success of their marketing efforts. E-marketing is the process of marketing a product or service using the Internet. E-marketing not only includes marketing on the Internet, but also includes marketing done via e-mail and wireless media. It uses a range of technologies to help connect businesses to their customers.

E-marketing is the application of marketing principles and techniques via electronic media and more especially with internet. It means using digital technologies such as websites, mobile devices and social networking to reach your customers. E-marketing encompasses all the duties abusiness conducts via the World Wide Web with the aim of attracting new business and developing its brand identity.

Internet marketing, this refers to advertising and marketing efforts that use the Web and email to drive direct sales via electronic commerce in addition to sales leads from Web sites and emails. Internet marketing is defined as the application of the Internet and related digital technologies to achieve marketing objectives and support the modern marketing concept. Specialized Areas of Internet Marketing can be broken down into more specialized areas such as Web marketing, email marketing and social media marketing:

1. Web marketing includes e-commerce Web sites, affiliate marketing Web sites, promotional or informative Web sites, online advertising on search engines, and organic search engine results via search engine optimization (SEO).
2. Email marketing involves both advertising and promotional marketing efforts via e-mail messages to current and prospective customers

E-Marketplaces

In the Pre-Internet age, buyers/sellers came to one location—an exchange—to examine products and arrange deals. Electronic exchanges provide same structure, but without time and location sensitivity. Market or Marketplace is a group of buyers and sellers coming together to exchange information, goods, related services, and payments. Markets create value for all parties. Markets provide an infrastructure to enable efficient operation. Technology increases market efficiency while lowering costs and automating many operational necessities. Technology increases competitive environment. It is a location on the internet where companies can obtain or disseminate information, engage in transactions or work together in some way. Examples of e-market places are E-bay, Amazon, Jumia, jiji. In order for a site to fall in categoryof an e-market place, the site needs to be open to multiple buyers and sellers and needs toprovide one or more commerce related functions. They include forward or reverse auctions, vendor catlogs, fixed price ordering, trading exchange functionality.

Buyer-oriented e-marketplace

A buyer-oriented e-marketplace is normally run by a consortium of buyers in order to establish an efficient purchasing environment. If you are looking to purchase, participating in this sort of e-marketplace can help you lower your administrative costs and achieve the best price from suppliers. As a supplier you can use a buyer-oriented e-marketplace to advertise your catalogue to a pool of relevant customers who are looking to buy.

Supplier-oriented e-marketplace

Also known as a supplier directory, this marketplace is set up and operated by a number of suppliers who are seeking to establish an efficient sales channel via the internet to a large number of buyers. They are usually searchable by the product or service being offered.

Supplier directories benefit buyers by providing information about suppliers for markets and regions they may not be familiar with. Sellers can use these types of marketplace to increase their visibility to potential buyers and to get leads.

Vertical and horizontal e-marketplaces

Vertical e-marketplaces provide online access to businesses vertically up and down every segment of a particular industry sector such as automotive, chemical, construction or textiles. Buying or selling using a vertical e-marketplace for your industry sector can increase your operating efficiency and help to decrease supply chain costs, inventories and procurement- cycle time.

A horizontal e-marketplace connects buyers and sellers across different industries or regions. You can use a horizontal e-marketplace to purchase indirect products such as office equipment or stationery.

Forms of E- marketing

Content marketing

This is any marketing format that involves the creation and sharing of media and publishing content in order to acquire customers. It includes the use of a business blog with regular text posts, videos, photos, powerpoint presentations, info graphics, white papers and others.Content marketing focuses more primarily on communicating with customers, readers, viewers, rather than selling to them and this can lead to an increase in loyalty from current customers and direct sales if done well.

Social media marketing

This refers to the process of gaining website traffic or attention through social media sites. Businesses establish a presence on social media networks like facebook, twitter, LinedIn, Google+ in order to engage their online audience, build a flow and drive back traffic to their website or blog.Liking company page on face book, re-tweeting a company tweet or downloading an online coupon from another social network are all examples of social media marketing.

Video marketing

Video marketing fuses together so many different elements such as Youtube marketing, viral video marketing and all things related to marketing a company's online video content.nVideo can be incredibly a powerful tool to deliver the right market and attract the right kind of customer from the very beginning, that is, understands your target market and well defined brand character go a very long way in making this actually work.

Search engine marketing(discussed further under social media marketing)

This is the process of improving rankings of a website or web pages in the unpaid 'organic' search results. The two main forms of search engine marketing include:

Pay per click; which is one of the fastest types of online marketing to drive targeted traffic to your web properties.

Search Engine Optimization; which is the making of web pages rank higher in the search engine results pages to increase visibility.

Email marketing

This is directly marketing a commercial message to a group of people using email. It usually involves using emails to send, advertise, request business or solicit sales or donations and is meant to build loyalty, trust or brand awareness.

Media Buys

Media buy is the negotiation and placement of advertising in various media channels. The best way to reduce stretches advertising budget and ensuring maximized results from the media plan would be use of an agency that specializes in media buying unlike traditional full service agencies where media buy is often an afterthought to creative advertising.

When implemented appropriately, the return on investment (ROI) from e-marketing can far exceed that of traditional marketing strategies.

SEM/SEO

Search Engine Marketing (SEM) includes all measures which contribute to a website based on HTTP being efficiently listed as a result to popular search inquiries. Search Engine Optimization (SEO) are measures involving the target-website, which help provide SEM the necessary technical framework.

Introduction

General search-engines such as Google have made it their goal to index all information available on the internet. Given the large amount of automatically indexed information, search-engines are forced to present the user with a quality list of results. Search-engines attempt to better service users by making calculations based on the inquiry which are then used to rate some websites higher than others. This means that the goal of a search-engine goes beyond simply listing quantitative information. User satisfaction achieved by listing relevant information is key. This is also a main reason for Google's success.

Delivering relevant information means that the search-engine is forced to rate websites based on relevance and quality. Thus search-engines, including the market-leader Google, use specially designed algorithms to perform automatic rating of websites.

Natural Listings

Websites which are already well-known and more importantly ones that are frequently linked to by other websites (for example large corporate portals such as businessweek.com, cnn.com) will automatically receive a high rating and even land at the top of the result-list for certain inquiries. A website highly rated by search-engines has the advantage that it doesn't cost anything and can be found by keywords. Creation of websites which will receive a top spot in the result-listing of natural searches on Google must however meet certain requirements. **Sponsored Links**

Corporations which seek to obtain a top spot in search-results have the option to purchase a position relating to the search. However, sponsored links are separated and marked as such. Google for example does this by highlighting the result and adding “Sponsored Links”.

Social Media Marketing

Social Media Audit

These days Social Media has gained significance across all departments of a corporation. Many departments make use of the instruments of the social web. However, this may lead to interference and double actions. Thus a social media audit becomes necessary. Social media audit is a method of rating and reviewing social-media-channels already implemented by the corporation. A social media audit will further determine whether a corporation has already set strategic goals. If the corporation is lacking such goals, a formulation of goals must be performed.

Formulation of goals

The social media manager or person responsible for online-marketing must go on a quest to find out whether the corporation already has existing plans and goals regarding social media involvement. Should such goals not be defined, it is his or her duty to define holistic plans and goals for social media involvement as part of the social media audit. This includes designing the message, reputation, and image such engagement in social media shall reflect.

Social-media-measures can be issue-oriented, meaning that the corporation determines the need to intervene with the social web due to a negative or positive impact of their target audience. Such acute cases, especially regarding negative impact, can often stem from pressure originating from the top levels of management.

Only after such preparations can a success-driven action take place in the social web and additionally controlled and measured.

Identification

As part of a social-media-measure, a clear analysis of the social web must take place. Such analyses should take place individually according to the corporation's inquiries and should define the target audience. This enables a goal-oriented approach. Before initiating the social media involvement, the target-audience appropriate corporate social media channels are selected (e.g. Twitter, Facebook, Corporate Blog, Forum).

Planning

Prior to active measures being executed in social media, such as through social media marketing or social-media-communication, a proper process of planning must take place. At this point in the course, students will learn which processes must be incorporated in this act of planning.
Action
Social media involvement can essentially be defined as direct involvement of the corporation into the activities taking place in the social web. This involvement may consist of one or several social-media-activities. In essence, it is the desired activity which defines the planning.
Social Media Measurement
During the action it is important to monitor operating figures in order to stay in control. This ensures that the responsible person will recognize early on whether the set goals will be reached, or whether adjustments during the involvement are necessary. If discrepancies are detected, corrective actions during the action become necessary.
A measurement also serves the purpose of recognizing factors which can ensure the project's success afterwards, for example through use of Key Performance Indicators.
Social media marketing involves both advertising and marketing (including viral marketing) efforts via social networking sites like Facebook, Twitter, YouTube and Digg. The Web offers several technologies and applications that could enhance customer service, marketing and advertising efforts with a reasonable cost.

- The Web could improve customer service by
- sending e-mail for order confirmation,
- product announcements,
- and order tracking.

Creating an E- marketing Plan

The following are the steps taken in creating an e-marketing plan.

Step 1:Define your customer.

The more you understand about your customer/potential customer the more you can use the language they appreciate, market where they spend their time offline and online and design a product that they will want. Digital marketing allows you to use the same message in different online channels and with slightly different messaging so it fits the context. There are many ways to research about a customer/potential customers for example survey existing customers through online surveys, recording them.

Step 2:Defining your objectives

What are your objectives for your digital campaign? Some examples include:
With facebook, -to get more fans on your facebook page, To increase conversation rateWith twitter, -to get more followers, to send more traffic to your website
With bog, -to get more blog comments, to get more links and shares to blog posts
With websites, -to sell more products, to get customers to spend more time on your websiteWith Linkedin, -To get new contacts and new introductions

Step 3:Content Creation

If you create good content then maybe the community you are in online will spread it much further and it has more power as it comes from the person they know. When creating content youneed to bare the following in your mind:
-What do you want to get out of this?
-Who are those you want to energize?
-What is your theme?
Step 4:Messaging calendar

This where an organization creates a schedule of knowing what events are coming up. This can be quiet important as it is coordinating within the organization, when to send your different communication, when does your marketing start for a product and when does it end.

Step 5:Measurements

As objectives have been decided and already in progress the measurements should be put in place to evaluate the trend up pursuing objectives. For example with websites, google analytics and google webmaster tools will tell you about the traffic to your websites, keywords used, search engines what web pages are doing well or badly.

Step 6:Executions

Using messaging calendar and content plan, you and those in your organization should execute your overall plan as detected.

Benefits and Limitations of E-marketing

Benefits of E-Marketing

- Reduction in marketing costs. In any business organization, advertisement cost constitutes a major expense in the operation of the business organization. However, Internet market has promised to significantly reduce the costs of advertisement. For example accumulating email addresses and sending newsletters through the internet is relatively cheaper compared to traditional marketing strategies. For example Kaymu that sends emails.
- Eases management of an organization. The ability of the organization to track the rate of return on investment. For example click through feed back as well as responses to emails from customers enable the organization to rate the effectiveness of their marketing strategies.
- Improves customer delivery. The instant delivery of the message enables organizations to make their marketing campaigns faster and facilitates immediate responses or communication between the customer care department and the customers.

- Helps in personalization of messages. An organization can effectively select the targeted client. For example different electronic marketing strategies can be employed for the youth, professionals and other categories of customers.
- It can easily and effectively be integrated with the traditional marketing strategies. For example a brief advertisement on the print media can guide a potential customer to the company's website for more detailed information.
- Wider prospect reach. The internet has become part of everyone's life so whatever product you offer there is already an existing market and with e-marketing it allows youto find new markets and potentially compete worldwide for with only a small investment.
- There is an all time marketing with a website on which customers can find out about yourproducts even if your physical premises are closed.
- It is fast in comparison to other traditional marketing. Advertising banners and text links can be created quickly and posted on the website within hours.
- Increased interactivity .it allows you to create interactive campaigns using music graphicsand videos through the two way communications interactive games or quizzes. You can engage your audience and give them greater involvement and control over the web experience.

Limitations Of E-Marketing.

- It is limited to only computer literates. Electronic marketing is limited by the inability of the consumer to access and use Internet services. Although there is an increased popularity in the modern world a large number of consumers are unable to use or have Internet services.
- It's important to note that spam filters that have become very essential to majority of the users are a major limitation to the effectiveness of E-marketing. There are concerns over the high number of commercial messages being filtered because the spam filters consider them illegitimate.
- It has intensified competition, which is a major barrier to new entrants in the global market. This is because it gives a competitive advantage to organization's that opt for it over those that do not.
- Online marketing is expensive. This includes the cost of hardware, software, website design, online distribution costs, maintenance of the site and time. All should be factored into the cost of providing the products and services.
- So many scams on the Internet. Sometimes customers are subjected to fake products.
- There is a problem of outdated information on the sites sometimes. This is likely to unable an organization to meet the competition if there are no timely updates of information.
- Online marketing is not a complete replacement for good old fashioned customer services. The majority of online marketers lack inquiry response programs and customer services which renders them incompetent. Also, the majority of sites have poor navigation that makes it tough for the visitor to find what they are looking for.
- It denies virtual organizations from enjoying the benefits that result from the physical

interaction with the customers. For example customer reactions online may not really give a vivid description of the customer expectations. This makes delivery of quality products and services difficult.

- Sometimes the Internet is unavailable. It is not as free and accessible as it is perceived to be, that is 24/7 as it is perceived to be. This is explained by factors like network problems.

Conclusion

E-marketing is sometimes considered to have a broader scope than Internet marketing since it refers to digital media such as web, e-mail and wireless media, but also includes management of digital customer data and electronic customer relationship management systems (E-CRM systems). Digital marketers should care about the consumer's online experiences for the simple reason that all of them -- good, bad, or indifferent -- influence consumer perceptions of a product or a brand. The web offers companies' ownership and control of all interactions with customers and thus creates both the ability and the need to improve their overall experience.