UNIT-1

Principles & Drivers of New Marketing Environment

SWOT analysis is a tool for auditing an organization and its environment. It is the first stage of planning and helps marketers to focus on key issues. *SWOT* stands for strengths, weaknesses, opportunities, and threats. Strengths and weaknesses are internal factors. Opportunities and threats are external factors. Strength is a positive internal factor. A weakness is a negative internal factor. An opportunity is a positive external factor. A threat is a negative external factor.

We should aim to turn our weaknesses into strengths, and our threats into opportunities. Then finally, SWOT will give managers options to match internal strengths with external opportunities. The outcome should be an increase in 'value' for customers – which hopefully will improve our competitive advantage.

The main purpose of the analysis has to be to add value to our products and services so that we can recruit new customers, retain loyal customers, and extend products and services to customer segments over the long-term. If undertaken successfully, we can then increase our Return on Investment (ROI).

Strength could be:

- Your specialist marketing expertise.
- A new, innovative product or service.
- Location of your business.
- Quality processes and procedures.
- Any other aspect of your business that adds value to your product or service.

A weakness could be:

- Lack of marketing expertise.
- Undifferentiated products or services (i.e. in relation to your competitors).
- Location of your business.
- Poor quality goods or services.
- Damaged reputation.

Opportunities and threats are external factors.
An opportunity could be:

- A developing market such as the Internet.
- Mergers, joint ventures or strategic alliances.
- Moving into new market segments that offer improved profits.
- A new international market.
- A market vacated by an ineffective competitor.

A threat could be:

- A new competitor in your home market.
- Price wars with competitors.
- A competitor has a new, innovative product or service.
- Competitors have superior access to channels of distribution.
- Taxation is introduced on your product or service.

1. Environment Analysis-Political environment

The political environment of any country influences the business to a larger extent. This political environment is influenced by the political organization, philosophy, government ideology, nature and extent of bureaucracy, the country's political stability, its foreign policy, defense and military policy, the country's image and that of its leaders both locally and internationally.

2. Economic environment

Economic factors that influence the business are the collective of the nature of the country's economic system, its structures, and economic policies, how the capital market is organized, and nature of factors of production, business cycles, and socio-economic infrastructure. Any successful organization pictures out the external factors that affect the business, anticipates the prospective market situations and work to minimize the costs while maximizing the profits.

3. Social environment

The country's social environment affects the functioning of the business since it determines the value system of the society. Sociological factors establish the culture of work, labor mobility, work groups etc, hence, business operation of an enterprise. These factors include cost structure, customs and conventions, cultural heritage, peoples' view towards wealth and income and scientific methods, seniority respect, mobility of labor.

4. Technological environment

Technological factors affects business concerning technological investment, technological application and the effect of technology on markets. Therefore, any technological advancement affects highly the business in a country. The type and quality of goods and services to be produced and the type and quality of plant and equipment to be used in a company, is determined by the kind of technology employed by that company.

5. Legal environment

The legal environment affects the business and its managers greatly. Legal factors involve how flexible and adaptable the law and legal rules that govern the business are. It also includes the exact rulings and courts decision. Legal provisions may also contribute to more or less income depending on the environment of operation.

Digital Media Industry

Digital Media is a blend of technology and content, and building digital media products requires teams of professionals with diverse skills, including technical skills, artistic skills, analytical and production coordination skills. All of these skills need to be balanced on a team, with all team members focused on creating the best user experience.

The world we live in today is populated by digital media products, and these products enable and deliver experiences in many industries, including industries that aren't typically associated with digital media—such as health, government and education.

Digital Marketing RCRM Digital media are any media that are encoded in machine-readable formats. Digital media can be created, viewed, distributed, modified and preserved on digital electronics devices

Software and **software**; digital images; digital **video**; **video game**; **web** pages and websites, including social media; of data and databases; digital **audio**, such as **MP3**; and **electronic books** are examples of digital media.

Modern media comes in many different formats, including **print** media (**books**, **magazines**, newspapers), **television**, movies, **video** games, **music**, **cell phones**, various kinds of **software**, and **the Internet**. Each type of media involves both content, and also a device or object through which that content is delivered.

Digital media products can be found in:

- eCommerce
- Games – console, online and mobile
- Websites and mobile applications
- Animation
- Social media
- Video
- Augmented reality
- Virtual reality
- Data visualization
- Location-based services
- Interactive Storytelling

Digital media can include these industries:

- Entertainment
- Technology
- eCommerce
- Non-Profit
- Health
- Education
- Marketing and advertising

- Government
- Sports
- Environment
- Television
- Publishing

<u>Reaching Audience Through Digital Channels:</u>

Step 1: Define your target market

The first step you need to take is to define your target market. Having a clear profile of your target customers will help you weed out the ‘maybes’ and ‘nevers’, and ensure that your marketing activities are targeted and cost-effective.

Take some time to note down the following about your target audience:

- **Demographics** – who are they? What is their age, gender, profession and income etc?
- **Psychographics** – How do they think? What are their interests, values, attitudes, likes and dislikes etc?
- **Behavioral** – What do they do? How do they consume media? Is it online or offline? What sites or publications?

Step 2: Reach your target market

You now need to give consideration to how you are going to *reach* your target audience. Having spent time on profiling your target market, you should find this step of the process much easier. To maximize your marketing investment, you need to fish where the fish are!

Some simple examples – if your target audiences are 25-35 year-old busy professionals, think about social media and online platforms, as these are mediums that this demographic actively engage with. Alternatively, if your products or services are aimed at 55-65 year-olds who are largely retired, you may want to opt for print publications that you know this demographic like to read.

Whether you decide on online or offline advertising, remember to ask advertising managers for a breakdown of the demographic profile of their readers. This information will help you to make decisions about allocating your marketing funds effectively.

Step 3: Identify what type of customers they are

With each marketing outreach you undertake, remember to also think about the *type* of customers you are trying to connect with. Are they existing, new, lapsed or repertoire customers (repertoire customers are those who are not loyal to one brand, but who may be influenced by things like promotional offers)? This will impact on the messaging and tone that you adopt for your communications.

Step 4: Tailor your marketing to your customers

When you really understand who you're talking to, you can ensure that all your communications are on-message and sent using the right channels and media. Using the intelligence you have gained in the right way ensures that your marketing budget has the most impact, and is much more likely to lead to high value sales, and loyal, repeat customers.

Differences Between Traditional & Digital Marketing:

The main difference between traditional and digital marketing are the platforms and technologies used. "Traditional" marketing refers to the common marketing techniques used before the rapid growth of digital media. Marketing efforts were focused on print advertising (newspapers, magazines, and billboards), radio, and television. With the rise of the digital age and increase in personal technology, marketing shifted to digital strategies like social media, EMail, and Search Engine Marketing. Most companies use both traditional and digital marketing to create a successful campaign.

Digital Marketing is an umbrella term used to describe any type of marketing done through digital means, but includes topics like Search Engine Optimization and analytics. If you're interested in learning how to build a comprehensive Digital Marketing campaign and gain industry relevant skills.

Benefits of Traditional Marketing:

You can easily reach your target local audience. For example, a radio ad might play in one location: your city or region. Or mailbox flyers will go to households in a select number of suburbs.

The materials can be kept. The audience can have a hard copy of materials of which they can read or browse through over and over again.

It's easy to understand. It can be easily understood by most people because they are already exposed to this kind of strategy.

The Downside to Traditional Marketing:

There is very little interaction between the medium used and the customers. It is more of providing information to the public that the brand exists with the hope of these people patronizing the brand.

Print or radio advertisements can be very costly. Printing materials can be expensive and you need to hire people to distribute these.

Benefits of Digital Marketing:

You can target a local audience, but also an international one. Further, you can tailor a campaign to specific audience demographics, such as gender, location, age and interests. This means your campaign will be more effective.

Your audience can choose how they want to receive your content.

While one person likes to read a blog post, another person likes to watch a YouTube video. Traditional marketing doesn't give the audience a choice. Most people hate receiving sales flyers in their mailbox or phone calls at inconvenient times on stuff that they have little interest in. Online people get the choice to opt in or out of communications and often it is relevant because they were the ones searching for it in the first place. Don't underestimate the power of market segmentation and tailored marketing.

Interaction with your audience is possible

with the use of social media networks. In fact, interaction is encouraged. Traditional marketing methods don't allow for audience interaction. You can encourage your prospects, clients and followers to take action, visit your website, read about your products and services, rate them buy them and provide feedback which is visible to your market.

Digital marketing is cost-efficient.

Though some invest on paid ads online; however, the cost is still cheaper compared to traditional marketing.

Data and results are easily recorded.

With Google Analytics and the insights tools offered by most social media channels, you can check on your campaigns at any time. Unlike traditional marketing methods, you can see in real time what is or is not working for your business online and you can adapt very quickly to improve your results.

Level playing field:

Any business can compete with any competitor regardless of size with a solid digital marketing strategy. Traditionally a smaller retailer would struggle to match the finesse of the fixtures and fittings of its larger competitors. Online, a crisp well thought out site with a smooth customer journey and fantastic service is king – not size.

Real time results:

You don't have to wait weeks for a boost to your business like you would have to waiting for a fax or form to be returned. You can see the numbers of visitors to your site and its subscribers increase, peak trading times, conversion rates and much more at the touch of a button.

Brand Development:

A well maintained website with quality content targeting the needs and adding value to your target audience can provide significant value and lead generation opportunities. The same can be said for utilizing social media channels and personalized email marketing.

Introduction to Online Marketing Environment

Online marketing, which is also called **internet marketing** or **online** advertising, is any tool, strategy or method of getting the company name out to the public. The advertisements can take many different forms and some strategies focus on subtle messages rather than clear-cut advertisements.

The 2 main groups of digital marketing are **online and offline**. While offline marketing involves things like radio, television and phone advertising, online marketing has 7 major categories:

1. Search engine optimization (SEO)
2. Search engine marketing (SEM)
3. Pay-per-click advertising (PPC)
4. Content marketing
5. Social Media Marketing (SMM)
6. Affiliate marketing
7. Email marketing

Search Engine Optimization

According to Search Engine Land, SEO stands for "search engine optimization." It is the "process of getting traffic from the free, organic, editorial or natural search results on search engines."

By understanding how search engines rank websites, one can optimize a website to maximize its chances of ranking well for relevant searches. However, search engine algorithms continue to change, making it essential for online businesses to stay up-to-date with best practices to claim high rankings for relevant keywords.

Search Engine Marketing (SEM) & Pay-Per-Click Advertising (PPC)

SEM (Search Engine Marketing) is the process of gaining website traffic by purchasing ads on search engines. Google AdWords is by many measures the most popular paid search platform used by search marketers, followed by Bing Ads. Beyond that, there are a number of "2nd tier PPC platforms" as well as PPC advertising options on the major social networks.

Typically, SEM and PPC advertising is carried out through search engines, who charge advertisers a predetermined amount every time their ad is clicked. While the search engines profit handsomely from this model, site owners benefit from being able to precisely target their potential customers.

Content Marketing

According to the Content Marketing Institute, content marketing is "a strategic marketing approach focused on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly-defined audience — and, ultimately, to drive profitable customer action."

Social Media Marketing (SMM)

As an end user, many people already know a lot about social media, but their knowledge about social media *marketing* is typically more limited. Social media marketing is a great way for businesses to fulfill their objectives in terms of building brand equity, improving customer service, reaching new customers and collecting customer feedback. If companies can create social media content that provides value to others, they can connect with customers in a profitable way.

Affiliate Marketing

Affiliate marketing is the process of earning a commission by promoting other people's (or company's) products. You find a product you like, promote it to others (usually through your blog), and earn a piece of the profit for each sale that you make.

Email Marketing

Email marketing has long been a pillar for any business attempting to generate sales via the internet. It provides direct contact with clients and allows you to drive prospective customers to your website.

In a few simple steps, you can provide updates, exciting news, reminders, etc. to your customers in a matter of minutes. At the same time, you can use these newsletters as printable, direct mail pieces or even flyers. When using the right tools, sending out customizable emails that look professional and represent your business the way you want it can be so simple.

DOTCOM EVOLUTION

Dotcom may refer to:

- .com (short for "commercial"), a generic top-level Internet domain
- dot-com company, a company which does most of its .

The introduction of the Internet is, similarly, a new business environment and a broad variety of survival strategies are being tried. These range from business-to-business, business-toconsumer, e-commerce, ad supported, and others. The environment was initially friendly and supportive, so it was easy to survive. But the environment is changing.

The Internet environment has also changed, and what we are seeing today is the consequence: the increasing number of dot com corpses floating to the top, with many more still beneath the surface.

The **Internet Boom** or the **Dot Com Bubble Era** was at its peak and it was an exciting time developing internet models for tomorrow. Some of India's leading internet companies were borne around that time, those who aren't leading today and are trying their best to reinvent business models at a time when the competition has got fiercer and much bigger.

It's taken more than a decade to redefine the rules of the game. After the **dotcom bust**, many people believed that the future of dotcom companies was doomed.The traditional retailers dismissed the Internet as just another channel. Mohanbir Sawhney, a renowned Internet guru had opined "***And after the dotcom bust, people now believe that all dotcoms are dead, and now even the word `dotcom' is a four-letter word.***"

The internet marketplace has well survived the four letter word and are in an era where ***consumers rule the Internet.***

Internet Relationships:

An internet relationship is a relationship between people who have met online, and in many cases know each other only via the Internet. Online relationships are similar in many ways to pen pal relationships. This relationship can be romantic, platonic, or even based on business affairs. An internet relationship (or online relationship) is generally sustained for a certain amount of time before being titled a relationship, just as in-person relationships. The major difference here is that an internet relationship is sustained via computer or online service, and the individuals in the relationship may or may not ever meet each other in person. Otherwise, the term is quite broad and can include relationships based upon text, video, audio, or even virtual character. This relationship can be between people in different regions, different countries, different sides of the world, or even people who reside in the same area but do not communicate in person.

Types of relationships:

Internet dating

Internet dating is very relevant in the lives of many individuals worldwide. A major benefit in the rise of Internet dating is the decrease in prostitution. People no longer need to search on the streets to find casual relationships. They can find them online if that is what they desire. Internet dating websites offer matchmaking services for people to find love or whatever else they may be looking for. The creation of the internet and its progressive innovations have opened up doors for people to meet other people who they may very well have never met otherwise.

Dating website innovations

Although the availability of uploading videos to the internet is not a new innovation, it has been made easier since 2008 thanks to YouTube. YouTube began the surge of video streaming sites in 2005 and within three years, smaller web developers started implementing video sharing on their sites. Internet dating sites have benefitted greatly since the surge in easiness and accessibility of picture and video uploading. Videos and pictures are equally important for most personal profiles. These profiles can be found on sites used for interpersonal relationships other than dating as well. "The body, although graphically absent, does not have to be any less present. Older and less advanced sites usually still allow, and often require, each user to upload a picture. Newer and more advanced sites offer the possibility of streaming media live via the user's profile for the site. The inclusion of videos and pictures has become almost a necessity for sexual social networking sites to maintain the loyalty of their members. It is appealing to internet users to be able to view and share videos, especially when forming relationships or friendships.

Cybersex

Some people who are in an online relationship also participate in cybersex, which is a virtual sex encounter in which two or more individuals who are connected remotely via computer network send each other sexually explicit messages describing a sexual experience. This can also include individuals communicating sexually via video or audio. Some websites offer a cybersex service, where a patron pays the website owner in exchange for an online sexual experience with another person.

Social networking relationships

Social networking has enabled people to connect with each other via the internet. Sometimes, members of a social networking service do know all, or many of their "friends" (Facebook) or "connections" (LinkedIn) etc. in person. However, sometimes internet relationships are formed through these services, including but not limited to: Facebook, Myspace, Google Plus, LinkedIn, Twitter, Instagram, Pinterest, DeviantArt and Xanga.

Online forums and chatrooms

An Internet forum is a website that includes conversations in the form of posted messages. Forums can be for general chatting or can be broken down into categories and topics. They can be used to ask questions, post opinions, or debate topics. Forums include their own jargon, for example a conversation is a "thread". Different forums also have different lingo and styles of communicating.

Business in Modern Economy

The 10Cs considers each element of an online marketing framework. This could be internal and used to review an organization's website and related marketing communications and how they are managed, or it could be used as an external tool to audit competitors activities. The customer is placed in the centre and each element is reviewed to see how well this meets customers' needs.

1. Customer

As would be expected in any marketing context, the customer should be located at the centre of the model. The web provides opportunities for more targeted marketing and this element should consider how well the organization knows the customers, for example:

- Has your organization developed personas?
- When did you organization last gather insights from your customers?

If your clients cannot find you online, your position may be strong today but with the pace of change it is not ensure to ensure future survival, Customer behavior is changing dramatically and customers expect speedy and transparent communication at all stages of the sales process.

2. Corporate culture

Corporate culture or brand perception has become more important to savvy online buyers. Think about the leading clothing brands including Gap, Marks & Spencer and H&M, selling coats embellished with Angora rabbit fur, extracted by less than ethical means. This was discovered, shared across television and online video networks, soon resulting in a change of policy. Corporate culture today means greater transparency and authenticity. Customers have expectations of brands they follow. The revelations about Volkswagen (VW) astonished consumers and the shockwaves went much deeper as it had a direct impact on the value of the Euro currency. The shock was that a company as loved and trusted could lack transparency and take actions seen as counter to their values.

3. Convenience

The ability to shop at any time and from anywhere, has shifted the power from retailers to consumers. Technology has created convenience for consumers via mobile and tablet and I can shop on my mobile on the train, on the way to and from work, whilst waiting for a meeting to start. Convenience involves many factors which are part of the overall Online Value Proposition of a website:

4. Competition

Technology has given competitors and new entrants to be disruptive in an environment where it is not always possible to predict the next step and the changes take place overnight.

5. Communications

Probably the greatest single change from digital media and technology is the advent of new forms of inbound marketing such as organic SEO and social media. Here communication has evolved into new forms of 'inbound 'Pull' marketing and, in the case of social media, a twoway and multi-party dialogue, instead of the traditional one-way corporate communication.

6. Consistency

Consistency involves delivering same service regardless of channel. So whether you buy in-store, online or over the telephone, the same standards and levels of service should be applied. The challenge is often that poor service, when mentioned in store, may not be fully addressed and as a result, customers go online to seek redress

7. Creative content

When Richard Gay created this model it was at a time where companies updated the content on their websites infrequently. The evolution of Google algorithms, understanding of the value of Content Marketing combined with newer technology has ensured many organizations update their content on a regular basis and it's easy to do this.

8. Customization

Many websites customize the web experience. Take Amazon as the best-known example, it welcomes me back to the site, makes recommendations of what's new and suggests other items to buy which it calls 'Inspired by your Shopping Trends'. Easier to use technology has facilitated greater personalization or as it was previously called ‘mass customization’. Amazon carefully words this recommendation list and acknowledges that it’s based on some evidence, without sounding scary.

9. Coordination

Coordination or, as it more recently termed, ‘integration’, is ensuring that from click to delivery, the multichannel service customer experience is coordinated. Imagine where a company sends a request for a product review, but the product hasn’t yet been delivered! Sounds crazy? It happens and too frequently. The review request is triggered 48 hours after purchase and assumes delivery has been fulfilled, but this doesn’t always happen. Lack of coordination occurs when different teams aren’t integrated and this is often when senior management teams have a lack of understanding of the end-to-end fulfillment process.

10. Control

This final element of the 10Cs brings together the way online buying and browsing can deliver greater insight and measurability.

Integrating Business to an Existing E-Business Model

What is a Business Model?

The e-Business model, like any business model, describes how a company functions; how it provides a product or service, how it generates revenue, and how it will create and adapt to new markets and technologies. It has four traditional components.The e-Business Model. These are the e-business concept, value proposition, sources of revenue, and the required activities, resources, and capabilities. In a successful business, all of its business model components work together in a cooperative and supportive fashion.

Although an e-Business is often thought of as **e-Commerce**, there are other types of online activities that fall under the definition of **e-Business** that can benefit from this discussion (see **e-Business Basics** for basic concepts and definitions).

E-Business Concept

The e-business concept describes the rationale of the business, its goals and vision, and products or offerings from which it will earn revenue. A successful concept is based on a market analysis that identifies customers likely to purchase the product and how much they are willing to pay for it.

Goals and Objectives

The e-Business concept should be based, in part, on **goals** such as "become a major car seller, bank, or other commercial enterprise", and "to become a competitor to some of the wellknown firms in each of these industries." Objectives are more specific and measurable, such as "capture 10% of the market", or "have $100 million in revenues in five years." Whether these goals and objectives are realistic or not, and whether the company is prepared to achieve these goals is addressed in the **business plan** process for startup firms and in the **implementation plan** for an existing firm that is considering a significant change. In looking at the business model it is sufficient to know what the goals and objectives are, and whether they are being pursued.

Corporate Strategies

Embedded in the e-Business concept are strategies that describe how the business concept will be implemented. These are known as corporate strategies because they establish how the business is intended to function. These strategies can be modified to improve the performance of the business. Environmental strategies, discussed in a following section, describe how the company will address external environmental factors, over which it has no control.

The E-Business Concept and Market Research

The selection and refinement of the business concept should be integrally tied into knowledge of the market it serves. In performing **market research** care must be taken to account for the global reach of the Internet for both customers and competitors. It is also important to remember that markets shift, and can shift rapidly under certain conditions. But most important is to truly understand what the market is, who comprises it, and what do they want.

E-commerce business models can generally be categorized into the following categories.

- Business - to - Business (B2B)
- Business - to - Consumer (B2C)
- Consumer - to - Consumer (C2C)
- Consumer - to - Business (C2B)
- Business - to - Government (B2G)
- Government - to - Business (G2B)
- Government - to - Citizen (G2C)

Business - to - Business

A website following the B2B business model sells its products to an intermediate buyer who then sells the product to the final customer. As an example, a wholesaler places an order from a company's website and after receiving the consignment, sells the end product to the final customer who comes to buy the product at one of its retail outlets.

Business - to - Consumer

A website following the B2C business model sells its products directly to a customer. A customer can view the products shown on the website. The customer can choose a product and order the same. The website will then send a notification to the business organization via email and the organization will dispatch the product/goods to the customer.

Consumer - to - Consumer

A website following the C2C business model helps consumers to sell their assets like residential property, cars, motorcycles, etc., or rent a room by publishing their information on the website. Website may or may not charge the consumer for its services. Another consumer may opt to buy the product of the first customer by viewing the post/advertisement on the website.

Consumer - to - Business

In this model, a consumer approaches a website showing multiple business organizations for a particular service. The consumer places an estimate of amount he/she wants to spend for a particular service. For example, the comparison of interest rates of personal loan/car loan provided by various banks via websites. A business organization who fulfills the consumer's requirement within the specified budget, approaches the customer and provides its services.

Business - to - Government

B2G model is a variant of B2B model. Such websites are used by governments to trade and exchange information with various business organizations. Such websites are accredited by the government and provide a medium to businesses to submit application forms to the government.

Government - to - Business

Governments use B2G model websites to approach business organizations. Such websites support auctions, tenders, and application submission functionalities.

Government - to - Citizen

Governments use G2C model websites to approach citizen in general. Such websites support auctions of vehicles, machinery, or any other material. Such website also provides services like registration for birth, marriage or death certificates. The main objective of G2C websites is to reduce the average time for fulfilling citizen's requests for various government services.

Online Marketing Mix

Traditionally the Marketing Mix is coordinated so efficient

- Product
- Price
- Promotion and
- Place

Strategies are developed for products purchased in shops. The internet has changed the way we sell our products and services. That's a fact. Consumers use the internet to research and purchase products online, so firms need online strategies to attract and retain customers. The eMarketing mix refreshes the marketing mix ready for the online market place.

E-Product Strategies

We walk into a shop and see a product we like, we can assess it, touch it. Online, this immediate tangibility disappears. But, is that a disadvantage? Within the U.K. e-commerce sales are increasing at extremely high rates. Why? What does buying products online offer over one to one sales? Firstly there are clear online facts about the product you are purchasing. The buyer knows immediately about product features, the facts, not sales persons assumptions.

The buying process is also customized for returning visitors, making repeat purchases easier. Organizations can also offer immediately ancillary products along with the main purchase. For example, the chance to buy extra printer cartridges along with your purchase of your printer online. The product can also be customized to consumers needs. www.nike.com offer customized trainers to users online. Users can design and see their trainers online before they order!

E-Price strategies

As mentioned in our Marketing Mix section, pricing is always difficult to do and must take into account many considerations. Traditionally pricing was about finding about your costs, discovering how much consumers are willing to pay, taking account competition pricing then setting your price. The internet has made pricing very competitive. Many costs i.e. store costs, staff cost have disappeared for complete online stores, placing price pressures on traditional retailers.

The internet gives consumers the power to shop around for the best deal at a click of a button. Website such www.kelkoo.com compares products from different websites informing consumers of where the best deal is. Such easy access to information helps to maintain prices within the online world. The growth of online auctions also helps consumers to dictate price. The online auction company www.ebay.com has grown in popularity with thousands of buyers and seller bidding daily. E-pricing can also easily reward loyal customers. Technology allows repeat visitors to be tracked, easily allowing loyalty incentives to be targeted towards them. Payment is also easy, PayPal, or online credit cards use allows for easy payments. However the downside to this is internet fraud, which is growing rapidly around the world.

E-place strategies

One of the biggest changes to the marketing mix is online purchasing. Consumers can purchase direct from manufacturers cutting out retailers totally. The challenge for online retailers is to ensure that the product is delivered to the consumer within a reasonable time. Location is important within our place strategy. Online location can refer to where links are placed on other websites. Placing a link on www.google.com home page would generate high consumer traffic for you. Knowing your customer and knowing where they visit should help you understand where to place your online links and advertisements.

E-promotion strategies

Promoting products and service online is concerned with a number of issues. Having a recognizable domain name is first stage towards e-promotion. Organizations such as egg.com have successfully positioned the brand on the online world as an online bank.

Most organizations today have some form of web page used in most if not all advertisements. Placing banner advertisements on other web pages is a common form of e-promotion. Banner ads must be placed where potential customers browse. Web public relations (WPR) are another approach to promoting online. News worthy stories based on product or service launches can be placed on the companies' web page, or WPR articles sent to review sites for consumers to read. Hopefully this form of online promotion will pull the consumer in. Direct e-mail is a popular and common form of e-promotions, although slowly becoming the most hated my many consumers. Organizations can send e-leaflets to hundreds and thousands of respondents, hoping a small percentage will reply. The problem is that for every 100 e-mails sent the response rate will be 12! Direct e-mailing is also known as SPAM which stands for Sending Persistent Annoying email (SPAM).

Although may firms continue with SPAM it has been superseded by the use of social media as firms can directly communicate with consumers and gather useful data from their social media profiles. As this is a big topic we have covered it in our marketing with social networking article. To summaries e-promotion includes dedicated website for the firm with an effective domain name, web public relations, e-leaflets, SPAM and active social media presence.

Mobile Marketing

Mobile marketing is multi-channel online marketing technique focused at reaching a specific audience on their smart phone, tablets, or any other related devices through websites, E mail, SMS and MMS, social media or mobile applications.

Mobile marketing can provide customers with time and location sensitive, personalized information that promotes goods, services and ideas. In a more theoretical manner, academic Andreas Kaplan defines mobile marketing as "any marketing activity conducted through a ubiquitous network to which consumers are constantly connected using a personal mobile device".

SMS marketing

Marketing through cell phones' SMS (Short Message Service) became increasingly popular in the early 2000s in Europe and some parts of Asia when businesses started to collect mobile phone numbers and send off wanted (or unwanted) content. On average, SMS messages are read within four minutes, making them highly convertible.

MMS

MMS mobile marketing can contain a timed slideshow of images, text, audio and video. This mobile content is delivered via MMS (Multimedia Message Service). Nearly all new phones produced with a color screen are capable of sending and receiving standard MMS message. Brands are able to both send (mobile terminated) and receive (mobile originated) rich content through MMS A2P (application-to-person) mobile networks to mobile subscribers. In some networks, brands are also able to sponsor messages that are sent P2P (person-to-person).

Push notifications

Push notifications were first introduced to smart phones by Apple with the Push Notification Service in 2009. For Android devices, Google developed Android Cloud to Messaging or C2DM in 2010. Google replaced this service with Google Cloud Messaging in 2013. Commonly referred to as GCM, Google Cloud Messaging served as C2DM's successor, making improvements to authentication and delivery, new API endpoints and messaging parameters, and the removal of limitations on API send-rates and message sizes. It is a message that pops up on a mobile device. It is the delivery of information from a software application to a computing device without any request from the client or the user. They look like SMS notifications but they are reached only the users who installed the app. The specifications vary for iOS and android users. SMS and push notifications can be part of a well-developed inbound mobile marketing strategy.

App-based marketing

With the strong growth in the use of smart phones, app usage has also greatly increased. Therefore, mobile marketers have increasingly taken advantage of Smartphone apps as a marketing resource. Marketers aim to optimize the visibility of an app in a store, which will maximize the number of downloads. This practice is called App Store Optimization (ASO).

In-game mobile marketing

There are essentially three major trends in mobile gaming right now: interactive real-time 3D games, massive multi-player games and social networking games. This means a trend towards more complex and more sophisticated, richer game play. On the other side, there are the so-called casual games, i.e. games that are very simple and very easy to play. Most mobile games today are such casual games and this will probably stay so for quite a while to come.

Brands are now delivering promotional messages within mobile games or sponsoring entire games to drive consumer engagement. This is known as mobile advergaming or ad-funded mobile game.

QR codes

QR codes allow a customer to visit a web page address by scanning a 2D image with their phone's camera, instead of manually entering a URL. The resultant URLs typically includes tracking features which would be unwieldy if typed by the customer. Originally approved as an ISS standard in 1997, Denso-Wave first developed the standard for tracking automobile parts in Japan.

Bluetooth

Bluetooth technology is a global wireless standard enabling, convenient, secure connectivity for an expanding range of devices and services. The use of Bluetooth gained traction around 2003 and a few companies in Europe have started establishing successful businesses. Most of these businesses offer "hotspot" systems which consist of some kind of content-management system with a Bluetooth distribution function. This technology has the advantages that it is permission-based, has higher transfer speeds and is a radio-based technology and thus can neither be metered nor billed.

Some of the most popular and effective types of mobile marketing include:

- **SMS marketing.** As mentioned earlier, sending short text messages to potential buyers is the oldest form of mobile marketing. The first modern mobile phones in the 1990s were able to receive only text messages and as a result, SMS marketing was the only option available. The technology progressed tremendously since then and modern mobile phones are capable of much more than they used to. Nevertheless, SMS marketing remains the most popular type of mobile marketing for two reasons. The first reason is that short text messages remain one of the most popular modes of communication and the vast majority of people read every SMS they receive. Immediately! The second reason for popularity of SMS marketing among both small and large businesses is the fact that it is the least expensive of all options.

- **MMS marketing.** Rather than sending simple text messages, many companies decide for MMS marketing instead. It is believed to make a better impression on the receiver as it involves the use of image, sound and video, creating a similar effect to that of TV ads. But in comparison to SMS marketing, MMS marketing is more expensive. Lastly, not all mobile phones can receive MMS. There aren't many but it is still possible to purchase mobile phones that can receive only SMSes.

- **Bluetooth mobile marketing.** It refers to a type of mobile marketing which utilizes the Bluetooth technology for mobile marketing. Bluetooth allows you to deliver SMS or MMS messages to potential buyers within a particular geographical position for free. As a result, this type of mobile marketing is especially popular among locally oriented businesses although it has its drawbacks as well. Firstly, the mobile phone users need to be within a particular distance of a Bluetooth enabled computer and secondly, they need to accept the message.

- **Mobile Internet marketing.** Also known as mobile web marketing, mobile Internet marketing involves the use of both the World Wide Web and mobile phones. It can be classic web marketing such as pop-out ads but it can also involve optimization of a website in order to make it both search engine and mobile phone friendly. Since the number of mobile phone users connecting to the Internet is growing rapidly, mobile

  Internet marketing is one of the fastest growing mobile marketing strategies.

Digital Signage

A multi-dimensional transformation for static signages, Extreme Media digital signage is professional, reliable & easy-to-use software to make every signage dynamic, smarter & engaging. Compatible with various operation platforms such as Windows, Android, SSSP & LGWebOS, this feature packed software gives high return on investment (ROI). Avoid hassle of designing with simple drag & drop, create beautiful campaigns & with one simple ‘publish’ button, push your content to any of your displays located anywhere in the world.

Digital signage is a sub-segment of signage. Digital displays use technologies such as LCD, LED and Projection to display content such as digital images, video, streaming media, web pages, weather data, restaurant menu, or text.

Digital signage is defined as a "remotely managed digital display typically tied in with sales, advertising and marketing" or as "a network of electronic displays that are centrally managed and individually addressable for the display of text, animated or video messages for advertising, information, entertainment and merchandising to targeted audiences."

Role and function

There are many different uses of digital signage that will allow a business to accomplish several goals. There is no definitive list of potential applications. However, some of the most common applications include:

1. **Public information** – News, weather, traffic and local (location specific) information, such as building directory with a map, fire exits and traveler information.

2. **Internal information** - Corporate messages, such as health & safety items, news, and so forth.
3. **Product information** – Pricing, photos, raw materials or ingredients, suggested applications and other product information - especially useful in food marketing where signage may include nutritional facts or suggested uses or recipes.

4. **Information to enhance the customer service experience** - Interpretive signage in museums, galleries, zoos, parks and gardens, exhibitions, tourist and cultural attractions.
5. **Advertising and Promotion** – Promoting products or services may be related to the location of the sign or using the screen's audience reach for general advertising.
6. **Brand building** – In-store digital sign to promote the brand and build a brand identity.

7. **Influencing customer behavior** – Navigation; directing customers to different areas, increasing the "dwell time" on the store premises, and a wide range of other uses in service of such influence.

8. **Influencing product or brand decision-making** - Signage at the point of sale designed to influence choice e.g. Signage to help shoppers to choose dresses inside a fashion store or devices that on a computerized shopping trolley helping the customer locate products, check prices, access product information and manage shopping lists.
9. **Enhancing customer experience** – Applications include the reduction of perceived wait time in the waiting areas of restaurants and other retail operations, bank queues, and similar circumstances, as well as demonstrations, such as those of recipes in food stores, among other examples.
10. **Navigation** – With interactive screens (in the floor, for example, as with "informational footsteps" found in some tourist attractions, museums, and the like) or with other means of "dynamic way finding".

11. **Reservations** – Small, interactive screens on walls or desks that allow employees to reserve the space for a limited time and integrate with a room and resource scheduling platform.

Industries using digital signage:

Restaurants:

Digital signage was used in the restaurant through an interactive menu screen that rotates according to the different promotional offers. Restaurants are able to use digital signage both indoors and outdoors, with the latter needing a form of weather protection depending on the components of the hardware. Outdoor usage of digital signage is most prevalent in drive-through that allows the customer to browse through the entire menu at a glance while also placing their order with an interactive touch screen. Indoor digital signage is used for the display of menus. Prior to the integration of digital signage, restaurants would have to manually update the cafeteria menu, which is in of itself a full-time job, especially if the menu needs to be updated daily. With digital signage, restaurants do not have to manually update the menu feed, with live menu feed from digital signage solutions. According to a survey conducted by quick-service restaurants and casual restaurant operators, over 20% of restaurant operators experience a 5% sales life after incorporating digital signage in their service sectors.

Shopping malls:

Digital signage is widely used in shopping malls as a form of directory or map display. The multitude of uses digital signage is capable of enables shopping malls with a flexible solution that will fit different needs. Some of the uses of digital signage in shopping malls are way finding kiosk, enabling the customer to find their path through an interactive touch screen. Another usage of digital signage in shopping malls is disseminating relevant information such as the schedule of an ongoing event or campaign. Digital signage may also be used in shopping malls as a form of advertisement. Shopping malls owner will be able to manually control the advertisement or media that will be displayed in the digital signage and will be able to rent the advertising space for an additional source of revenue. With the digital signage in the shopping mall, there are many different opportunities to using the device and attracting shoppers.

Campaigns:

Digital signage is frequently used during exhibitions or marketing events to entice the audience and passersby. Digital signage aims to attract crowds to the particular event and enhancing the experience of its visitors by making the experience memorable, in order to create an effective campaign. It is not just exhibitions from other companies that use digital signage, there is even an exhibition dedicated to digital signage; showcasing all of the latest developments in digital signage and key market leaders. Exhibitions are able to use digital signage to create a high-impact branding experience for advertisement purposes in an enclosed environment.[20] A recent campaign promoting the release of The Emoji Movie had utilised a digital signage kiosk to allow guests to interact with various emoji characters from the film via the windows outside and inside of the party during the premiere of "The Emoji Movie" fashion show.

Hospitality:

The hospitality industry uses digital signage to display crucial information at a convenient and visible location for all its patron. A digital signage is capable of functioning as a Virtual concierge in hotels and as entertainment for conferences during waiting room. Digital signage is also used in hotels as a form of way finding, to guide a large group of people for a conference to the correct room. Digital signage is used to provide a simple method to update information that is continuously changing such as expo information.

UNIT-2

Purchase Behavior of Consumers in Digital Marketing Format

With the boom of Smartphone and Tablets, Digital Marketing has reached a new high. People who were previously unrelated to the field are now learning about it and are excited for the same. The era has changed do much those if a person does not have a Social Media account; he/she is looked down on. So, how does a marketer gets to make use of Digital Marketing?

1. **Consumers now have their own benchmark of what "Looks Good"**

With advent of Digital Marketing, the consumers are a troubled soul; they have different definition of "what Looks Good" to them. They will compare an FMCG product's service with that of TV's service. They expect one brand element to be equivalent to another brand's element. There have been instances where people tweeted on FMCG companies' handle on how let's say Samsung has a better Quality of Service than what they provide. I mean these two products are far apart. But, consumer is King. So, now every company has to be on their toes now because, they are now competing with anyone and everyone on Social Media Space.

2. **Consumer Tolerance is reducing at an alarming level**

Consumer wants response as fast and as clear as possible. It takes merely one viral tweet or post to destroy or build a company's rapport. Platforms like, mouth shut, quora, twitter, face book, etc. are being used by consumers to share their misfortunes that they had faced with a company. Negativity attracts people and this is human psychology. Very few users will put a grateful post on FB or Twitter. To tackle such situations, a brand must follow ORM strategy (Online Reputation Management). ORM is basically a management system where you respond to people who are talking about you. If they are talking good, then thank them and ask to visit your website. If they are talking negatively about you, ask them to chill and ask them to register a complaint on the helpdesk. Make sure that the helpdesk solves the problem because again the customer will go to Social Media, but now he/she would be even angrier! Such interactions create a positive impact on people.

3. **Consumer Dialogue- Word of Mouth**

Word of mouth is still one of the most effective marketing tools. Before Digital Marketing people used to ask elders, or people who have domain knowledge of the specific product they are about to buy. But, now the list has new entries like Rating, Reviews (User and Expert), Testimonials, etc. The decision of a consumer to buy a product, online or offline, they will first Google search it, and then they will go to review sites and read what experts and users have to say about the product.

4. **People are not afraid of experimenting**

Gone are those days when people are afraid of using a new product and would use it only when somebody else puts a trust deal on the product. Now, a new product with good features and quality is lauded with applause by our consumers. Best example can be Renault Duster car. This car became national sensation in a very brief period of time. It was also not backed up by a trusted brand like Maruti or TATA. Experimenting concept prevailed and due to which many companies like OYO, Uber, Ola, etc. came to life.

5. **Consumers are now switchers instead of Loyals**

Loyalty in consumers is now an extinct feature. There was a time when people in India just had a trust in one brand in mobile phone industry, NOKIA. Now, NOKIA is nowhere to be seen. Likes of MNCs like Samsung, Apple is now being threatened by new comers like Oppo, Xiaomi, Gionee, One+, etc. Flash sales and people getting mad over these low cost ultra-features phones. Another close to home example is Patanjali, Baba Ramdev initiative. Patanjali has made MNC sweat. Colgate accepted that they have a new competitor in town. Patanjali as of now is a Rs. 5,000 crore company!

6. **People use more than one Social Media channels now**

It is not upto brands to decide which social media platform they want to be on. It is now decided by the consumers. If consumer is on FB, Twitter, Snap chat, Vine, G+, Tumbler, Instagram etc. brands have to be present there. They have to interact with people to create a buzz among them. Once a positive buzz is created, word of mouth spreads like fire.

Consumer Behavior – The consumer, The KING of the market is the one that dominates the market and the market trends. Lets us know the King first. A consumer is someone who pays a sum to consume the goods and services sold by an organization. The consumer plays a very important role in the demand and supply chain of every economic system of every nation. The producers of the goods and services would lack the motive of producing as there would be no demand for their products.

The consumer is the decision maker here in the economic system. He can take the following decisions

1. The decision of buying or not a product in a store or at a shop
2. The consumer will decide if he would want to be influenced by the marketing strategies and the advertisements of the organization for a product or a service.
3. Many consumers are influenced by marketing and advertisements
4. The consumer decides what they want to buy and when they want to buy it
5. The consumer chooses between competitors and their products.

Important factors that influence consumer behavior

1. Consumer Behavior – Cultural factors

Culture plays a very vital role in the determining consumer behavior it is sub divided in

- **Culture**

Culture is a very complex belief of human behavior it includes the human society, the roles that the society plays, the behavior of the society, its values customs and traditions. Culture needs to be examined as it is a very important factor that influences consumer behavior.

- **Sub-Culture**

Sub-culture is the group of people who share the same values, customs and traditions. You can define them as the nation, the religion, racial groups and also groups of people sharing the same geographic location.

- **Social Class**

Society possesses social class; in fact every society possesses one. It is important to know what social class is being targeted as normally the buying behavior of a social class is quite similar. Remember not just the income but even other factors describe social class of a group of consumers.

2. <u>Consumer Behavior – Social Factors</u>

Social factors are also subdivided into the following

- **Reference groups**

Under social factors reference groups have a great potential of influencing consumer behavior. Of course its impact varies across products and brands. This group often includes an opinion leader.

- **Family**

The behavior of a consumer is not only influenced by their motivations and personalities but also their families and family members who can two or more people living together either because of blood relationship or marriage.

- **Role and status**

People who belong to different organizations, groups or club members, families play roles and have a status to maintain. These roles and status that they have to maintain also influences consumer behavior as they decide to spend accordingly.

3. <u>Consumer Behavior – Personal factors</u>

A number of personal factors also influence the consumer behavior. In fact this is one major factor that influences consumer behavior. The sub factors under personal factor are listed below.

- **Age and life cycle stage**

Age of a consumer and his life cycle are two most important sub factors under personal factors. With the age and the life cycle the consumers purchase options and the motive of purchase changes, with his decisions of buying products change. Hence this stage does affect consumer behavior.

- **Occupation**

Occupation of a consumer is affects the goods and services a consumer buys. The occupations group has above average interest in buying different products and services offered by organizations. In fact organizations produce separate products for different occupational groups.

- **Financial or economic situations**

Everything can be bought and sold with the help of money. If the economic situation of a consumer is not good or stable it will affect his purchase power, in fact if the consumers or the economy of a nation is suffering a loss it defiantly affects the consumers purchase or spending decisions.

- **Life style**

People originating from different cultures, sub cultures, occupations and even social class have different styles of living. Life style can confirm the interest, opinions and activities of people. Different life styles affect the purchase pattern of consumers.

- **Self concept and personality**

Every individual is different and have different and distinct personalities. Their distinct personalities and distinct physiology effects their buying decisions. Hence purchase of products and services defers from person to person.

4. <u>Consumer Behaviour – Psychological factors</u>

4 psychological factors affect consumer behavior very strongly. Let’s look at them in detail.

- **Motivation**

Motivation is activating the internal needs and requirements of the consumer. It can also be described as goals and needs of the consumers. Motivation arouses and directs the consumers towards certain goals. These needs can be psychological needs, needs of security, social needs, esteem needs and also self actualizing needs.

- **Perception**

Perception is sensing the world and the situations around and then taking a decision accordingly. Every individual look as the world and the situations differently. The judging ability and capacity of every individual is different and hence the look at the world differently. This is what separates the decision taking abilities.

- **Learning and experience**

Learning is the research of products and services before the consumer takes the decision of buying a product. Learning and self educating these days is done online and also in groups. Experience is taking a lesson from the past experiences of a product and service. Learning and experience both again play an important role in influencing the consumer’s behavior as it influences their purchase decision.

- **Attitude and beliefs**

Attitude is a consumer’s favorable and unfavorable emotional condition or emotional feeling, also its tendency of reaction to certain actions and behaviors. Beliefs of people that are the belief that people assume the products to be as make the specifications of the products. Hence attitude and beliefs are also important and need to be taken into consideration while studying human behavior.

Online Customer Expectations

Expectation No. 1: More personalization

It’s kind of ironic that in the far-reaching, all-encompassing online world we have come to embrace, in which so many businesses and personal interactions can be anonymous, customers want very personalized experiences. They expect a company will put the information and products they want where they expect to find them. Nearly half of consumers will dump their online cart if they can’t find a quick answer to their questions. That means, a customer service rep better be available to chat at any given second customers navigate your website. Or the tollfree number must be prominently **displayed on all web pages** so customers don’t have to work to find it.

Expectation No. 2: More options

Now that you’re thinking about how you can make service more personalized.
Customers want self-service, voice, digital and social means to interact with a company and its people — and they still expect each to deliver a personalized experience.
The phone is still the most preferred tool, which makes sense when you consider that talking to a **knowledgeable, kind person who is helpful** is about as personal as you can get.

Expectation No. 3: Constant contact

The majority of customers don’t find advertising, promotions and “just touching base” as a nuisance. They expect some follow-up efforts to fill in their customer experience. It’s a request that can benefit business as well. Keeping in touch can deflect incoming contacts, which can

reduce costs and boost customer satisfaction and revenues.

Expectation No. 4: Listen closely, respond quickly

Most customers don’t find your surveys and other requests for feedback annoying

(unless, of course, you bombard them constantly). Customers’ biggest expectation in the feedback loop is that companies do something with what they have to say.

Companies need to **respond to feedback, act on it and let customers know** what’s been done to make their experience better based on the data. If not, customers will cease to give feedback.

Online B2C Buying Process

Business to Consumer (B2C) involves the **online** sales of goods, services and provision of information directly to consumers. Business to Business (B2B) refers to the **online** selling of products, services, or information between businesses.

What is e-commerce?

E-commerce refers to the process of buying or selling products or services over the Internet. Online shopping is becoming increasingly popular because of speed and ease of use for customers.

E-commerce activities such as selling online can be directed at consumers or other businesses. **Business to Consumer (B2C)** involves the online sales of goods, services and provision of information directly to consumers. **Business to Business (B2B)** refers to the online selling of products, services, or information between businesses.

Benefits of B2C e-commerce solutions

- **Better customer service** – Businesses can transact directly with their customers 24/7.
- **Elimination of intermediaries** – Businesses, particularly manufacturers, can offer lower and more affordable goods to consumers by selling products directly, eliminating distributors and retailers that add to the cost of the products.
- **Flexibility in pricing** – Price tags can be adjusted easily and instantly, benefitting the business and the customer. You also have the ability to strategically cross-sell, discount, and provide coupons and other online/offline specials.
- **Professional image** – Even if you have a small business, your e-commerce site can enhance your reputation by projecting a larger picture and allowing you to compete on a level playing field.
- **Extended reach** – Opening up an online storefront can effectively extend your presence to a great number of prospects, particularly those unable to access your local bricks and mortar store.

1. Problem Identification:

This step is also known as recognizing of unmet need. The need is a source or force of buying behavior. Buying problem arises only when there is unmet need or problem is recognized. Need or problem impels an individual to act or to buy the product. Buyer senses a difference between his actual state (physical and mental) and a desired state. The need can be triggered by internal or external stimuli. Internal stimuli include basic or normal needs – hunger, thirst, sex, or comfort; while external stimuli include external forces.

2. Information Search:

Interested consumer will try to seek information. Now, he will read newspapers and magazines, watch television, visit showroom or dealer, contact salesman, discuss with friends and relatives, and try all the possible sources of information.

i. Personal Sources:

They may include family members, friends, package, colleagues, and relatives.

ii. Commercial Sources:

Advertising, salesmen, dealers, package, trade show, display, and exhibition are dominant commercial sources.

iii. Public Sources:

Mass media (radio, TV, newspapers, magazines, cinema, etc.), consumer- rating agencies, etc., are main public sources.

iv. Experimental Sources:

They include handling, examining, testing, or using the product. Selection of sources depends upon personal characteristics, types of products, and capacity and reliability of sources. Each information source performs different functions in influencing buying decision. By gathering information from relevant sources, the consumer can learn about different products and brands available in the market.

3. Evaluation of Alternatives:

In the former stage, the consumer has collected information about certain brands. Now, he undergoes evaluation of brands. He cannot buy all of them. Normally, he selects the best one, the brand that offers maximum satisfaction. Here, he evaluates competitive brands to judge which one is the best, the most attractive. Evaluation calls for evaluating various alternatives with certain choice criteria.

i. Benefits offered by the brands

ii. Qualities, features or attributes, and performance

iii. Price changed by various brands

iv. History of brands

v. Popularity, image or reputation of brands

vi. Product-related services offered by the brands, such as after-sales services, warrantee, and free installation

vii. Availability of brands and dealer rating.

4. Purchase Decision:

This is the stage when the consumer prefers one, the most promising band, out of several brands. The former stage helps consumers evaluate various brands in the choice set. The brand that offers maximum benefits or satisfaction is preferred.

Simply, the most attractive brand, that can offer more benefits in relation to price paid, is selected by comparing one brand with others. Comparison shows superiority/inferiority of the brands.

5. Post-purchase Decisions:

Consumer buys the product with certain expectations. Though he decides very systematically, there is no guarantee of a complete satisfaction. There is always possibility of variation between the expected level of satisfaction and the actual satisfaction. His subsequent behavior is influenced by degree of satisfaction/dissatisfaction.

Online B2B Buying Behavior

In the business-to-business (B2B) context (as opposed to B2C), buying decisions are made in groups. The group responsible for making the buying decision in companies is referred to as the decision making unit (DMU).

Within organizations, major purchases typically require input from various parts of the organization, including finance, accounting, purchasing, information technology management, and senior management. Highly technical purchases, such as information technology systems or production equipment, require the expertise of technical specialists. In some cases, the buying center acts as an informal ad hoc group. In other cases, the buying center is a formally sanctioned group with specific mandates, criteria, and procedures.

Business-to-business (**B2B** or, in some countries, BtoB) refers to a situation where one business makes a commercial transaction with another. This typically occurs when: A business is sourcing materials for their production **process.**

The B2B Sales Process

The process for selling to businesses is a bit different than the traditional consumer sales. To understand the process, we'll listen in on a selling situation by Hank, who sells business phone systems. Here are the steps in a business-to-business (B2B) selling process:

- Understand Need and Ability to Pay

The first step is to understand the problem your prospective customer is trying to solve, and their ability to pay for your product or service. Hank starts off the conversation by asking the prospect questions about their reasons for purchasing a phone system (New facility? Replace old system? Add stations to the current system?) And what they currently have in place. He discusses the features of the current system that are used, and any not available that they wish they had. He also asks about their budget for the implementation, so he proposes a solution that the company can afford.

- Develop a Solution

Once you understand the prospects needs and financial means, you need to evaluate the various products you have to offer and develop a customized solution for them that meets both their needs and budget. Hank now takes the information provided in the initial meeting and compares it to the various systems he has available, and selects one that he thinks would best meet their needs. He then puts together an information package and quote for this system, along with a customized checklist comparing the customer's 'wish list' to the proposed hardware.

- Evaluate Solution with the Customer

The customized solution is now shared with the prospective customer, generally in a sitdown meeting where the solution is presented and all customer questions can be addressed. The solution may be modified with customer input prior to finalizing. Hank meets with the customer again, and walks them through the proposal he's developed. After a lengthy discussion, Hank heads back to his office to revise the proposal to reflect a few modifications that came out of the meeting.

- Finalize Sale

Once the terms are agreed on, a purchase agreement, or contract, is signed to finalize the agreement. Hank sends the final proposal over to the client, along with a contract they can sign and return to begin the process. Once the signed document is received, the sale is complete and the implementation process will begin.

Benefits of B2B e-commerce solutions

- **Purchasing supplies** – By creating an online account for your business with supply stores you can purchase office supplies and equipment online and save time and money by automating the purchasing process.
- **Purchasing direct materials** – These are materials that go into the production or manufacturing of your products. Establishing a relationship with a vendor and purchasing online may help reduce costs.

- **Selling products or ser vices to new vendors** – Having an online e-co mmerce presence opens up more opportun ities to extend your reach and gather new vend ors beyond your bricks and mortar offerings.

- **Leveraging your existin g web presence** – If you already have B2C operations, you can extend them to business clientele – perhaps by providing private areas fo r special pricing, delivery options, etc. However, this additional functionality is not trivial and could require rebuilding your online store at a significant cost.

Stage	B2C	B2B
1	Need recognition	Need recognition
2	Information search	Product specification
3	Evaluation of alternatives	Request for proposal (RFP) process
4	Purchase decision	Proposal analysis, vendor negotiation, and selection
5	Purchase	Order specification
6	Postpurchase evaluation	Vendor analysis

Website Designing

Web design encompasse s many different skills and disciplines in the production and maintenance of websites. **Web design** encompasses many different skills and disciplines in the production and maintenance of websites. The different areas of web design inc lude web graphic design; interface design; authoriing, including standardized code and proprietary software; user experience design; and search engine optimization. Often many individuals wi ll work in teams covering different aspects of the design process, although some designers will cover them all.[1] The term web design is normally used to describe the design process relating to the front-end (client side) design of a website including writing mark up. Web design partially overlaps web engineering in the broader scope of web development. Web designers are exp ected to have an awareness of usability and if the ir role involves creating mark up then they are also expected to be up to date with web accessibi lity guidelines.

Skills and techniques:

Marketing and communication design on a website may identify what works for its target market. This can be an age group or particular strand of culture; thus the designer may understand the trends of its audience. Designers may also understand the type of website they are designing, meaning,

1.User experience design and interactive design

User understanding of the content of a website often depends on user understanding of how the website works. This is part of the user experience design. User experience is related to layout, clear instructions and labeling on a website. How well a user understands how they can interact on a site may also depend on the interactive design of the site. If a user perceives the usefulness of the website,

2.Page layout

Part of the user interface design is affected by the quality of the page layout. For example, a designer may consider whether the site's page layout should remain consistent on different pages when designing the layout. Page pixel width may also be considered vital for aligning objects in the layout design. The most popular fixed-width websites generally have the same set width to match the current most popular browser window, at the current most popular screen resolution, on the current most popular monitor size. Most pages are also center-aligned for concerns of aesthetics on larger screens.

3.Typography

Web designers may choose to limit the variety of website typefaces to only a few which are of a similar style, instead of using a wide range of typefaces or type styles. Most browsers recognize a specific number of safe fonts, which designers mainly use in order to avoid complications.

4.Motion graphics

The page layout and user interface may also be affected by the use of motion graphics. The choice of whether or not to use motion graphics may depend on the target market for the website. Motion graphics may be expected or at least better received with an entertainmentoriented website. However, a website target audience with a more serious or formal interest (such as business, community, or government) might find animations unnecessary and distracting if only for entertainment or decoration purposes. This doesn't mean that more serious content couldn't be enhanced with animated or video presentations that are relevant to the content. Motion graphics that are not initiated by the site visitor can produce accessibility issues.

5.Quality of code

Website designers may consider it to be good practice to conform to standards. This is usually done via a description specifying what the element is doing. Failure to conform to standards may not make a website unusable or error prone, but standards can relate to the correct layout of pages for readability as well making sure coded elements are closed appropriately. This includes errors in code, more organized layout for code, and making sure IDs and classes are identified properly.

6.Generated content

There are two ways websites are generated: statically or dynamically.

A.Static websites

A static website stores a unique file for every page of a static website. Each time that page is requested, the same content is returned. This content is created once, during the design of the website. It is usually manually authored, although some sites use an automated creation process,

B.Dynamic websites

Dynamic websites are generated on the fly and use server-side technology to generate WebPages. They typically extract their content from one or more back-end databases.

Website Content

Web content is the textual, visual, or aural content that is encountered as part of the user experience on websites. It may include—among other things—text, images, sounds, videos, and animations.

Three key elements must be accomplished:

- **Design.** Your site should be professionally designed, attractive and engaging, and be easy to navigate in order to quickly gain the visitors' attention and interest. Good use of images is important as well as the use of action shots of you with your clients.
- **Content**. Your site must focus on your visitors' interests and address the question of what's in it for them and how to improve their businesses and lives. To accomplish this, strong content must be developed in the form of products, services and intellectual property, while constantly evolving.
- **Strategy and tactics.** Determine what the business should look like, how it should position itself online and what Internet components are critical to making the business a success. Decide how you should reach and communicate with customers: will they purchase products, read articles, subscribe to newsletters, and communicate through blogs and online communities?

1) Customer Logos

Customer content is some of the most sought after information from prospects to gauge the quality of your product and services, as well as the fit with their own organization.

One of the easiest ways to build credibility is by displaying your **customer logos** on your website. This offers easy visual brand recognition but also lets a prospect know right away what other type businesses or organizations are using the software

2) Customer Testimonials

Customer testimonials are a great tool to publicly show real people that are raving about your product.

3) User Generated Video

Beyond displaying a traditional testimonial, the below example on Helpdesk's website uses **customer generated video** to include even more useful praise for their solution! These testimonials cover good ground on the software as each is organized around main benefit areas for prospects. What is more believable than seeing and hearing from the actual mouths of customers!?

4) Social Media Engagement

Do you have customers that are saying good things about your company on Twitter? Use those great tweets on your website to stream across the screen like HubSpot does below. It's valuable for prospects to see your customers speaking positively of you in very public forums like social media channels. Such public displays of approval can also have the extra benefit of influencing current customers to remain committed and consistent with their comments over time.

5) Customer Reviews Badge

Similarly, if you have quality reviews on third party channels and review sites, don't just leave them there; leverage them on your own website as well. If the channel offers a badge, you can integrate it into the design of your website like the example below. This can increase the percent of prospects that are exposed to quality feedback on your product.

6) User Survey Rankings

If you have strong user rankings in certain areas on a third party survey page, you can take advantage of this by displaying that content prominently on the website.

7) Customer Success Stories – 2 Examples

A **customer success story or case study** can give great insight into what pain points other companies were seeing and how your software tackled those and offered measurable results.

8) Third Party Rankings

Have you been ranked by a credible third party source? Display that on your website.

9) Third Party Awards

Similarly awards, separate from rankings, can indicate the quality of your offering to prospects.

10) Media Mentions

Got mentioned in trustworthy media outlets? Spring Metrics displays well-known industry media channels such as TechCrunch in a section on their website. Using mentions in popular media outlets is a great way to harness the power of affiliation.

11) Major Integrations

On Unbounce's website, they know that their customers use many other tools for their business so they have included integrations to make it easier to work across tools and systems. If your prospect uses one of these popular tools already and they notice your system integrates with it, they are much more likely to feel secure that your software will fit into their day-to-day workflows. Take note how they also have a testimonial around that says how useful the integration was.

Forms & Working of Search Engines

The purpose of a search engine is to extract requested information from the huge database of resources available on the internet. Search engines become an important day to day tool for finding the required information without knowing where exactly it is stored. Internet usage has been tremendously increased in recent days with the easy to use search engines like Google, Bing and Yahoo!

Different Types of Search Engines

Search engines are classified into the following three categories based on how it works.

- Crawler based search engines
- Human powered directories
- Hybrid search engines

1.Crawler Based Search Engines:

All crawler based search engines use a crawler or bot or spider for crawling and indexing the new content to the search database. There are four basic steps which every crawler based search engines follow before displaying any sites in the search results.

- Crawling
- Indexing
- Calculating Relevancy
- Retrieving the Result

Search engines **crawl** the whole web to fetch the web pages available. Crawling is performed by software, called a *crawler* or a *spider*. The crawling frequency depends on the search engine and it may take a few days between crawls. This is the reason sometimes you can see your old or deleted page content is showing in the search results. New content will get updated in the search results once the search engines crawl your site again.

Indexing is next step after crawling which is a process of identifying the words and expressions that best describe the page. The identified words are referred as keywords and the page is assigned to the identified keywords. Sometimes when the crawler does not understand the meaning of your page, your site may rank lower on the search results. Here you need to optimize your pages for search engine crawlers to make sure the content is easily understandable.
Once the crawlers' pickup correct keywords your page will be assigned to those keywords and rank high on search results.

Search engine compares the search string in the search request with the indexed pages from the database. Since it is likely that more than one page contains the search string, search engine starts **calculating the relevancy** of each of the pages in its index with the search string.

There are various algorithms to calculate relevancy. Each of these algorithms has different relative weights for common factors like keyword density, links, or Meta tags. That is why different search engines give different search results pages for the same search string. It is a known fact that all major search engines periodically change their algorithms. If you want to keep your site at the top, you also need to adapt your pages to the latest changes. This is one reason to devote permanent efforts to SEO, if you like to be at the top.

The last step in search engines' activity is **retrieving** the results. Basically, it is simply displaying them in the browser – the endless pages of search results that are sorted from the most relevant to the least relevant sites.

Most of the popular search engines are crawler based search engines and use the above technology to display search results. Example of crawler based search engines:

- Google
- Bing
- Yahoo!
- Baidu
- Yandex

<u>2.Human Powered Directories:</u>

Human powered directories also referred as open directory system depends on human based activities for listings. The process of indexing is explained as below:

- Site owner submits a short description of the site to the directory along with category it is to be listed.

- Submitted site is then manually reviewed and added in the appropriate category or rejected for listing.

- Keywords entered in a search box will be matched with the description of the sites. This means the changes made to the content of web pages are not taken into consideration as it is only the description that matters.

- A good site with good content is more likely to be reviewed for free compared to a site with poor content.

3.Hybrid Search Engines:

Hybrid Search Engines use both crawlers based and manual indexing for listings the sites in search results. Most of the crawler based search engines like Google basically uses crawlers as a primary mechanism and manual screening as a secondary mechanism. When a site is being identified for spammy activities, manual review is required before including it again in the search results.

Other Types of Search Engines:

Besides the above three major types, search engines can be classified into many other categories depending upon the usage. Below are some of the examples:

- Search engines have different types of bots for exclusively displaying images, videos, news, products and local listings. For example, Google News page can be used to search only news from different newspapers.

- Some of the search engines like Dog pile collect Meta information of the pages from other search engines and directories to display in the search results. These types of search engines are called met search engines.

- Semantic search engines like Swoogle provide accurate search results on specific area by understanding the contextual meaning of the search queries.

Revenue Models in Search Engine Positioning

1. Revenue from subscription access to content

A range of documents can be accessed for a period of a month or typically a year.

For example, I subscribed to FT.com for access to the digital technology section for around , 80 GBP per year a few years ago. Smart Insights Expert members have an annual subscription in this form.

2. Revenue from Pay per View access to document

Here payment occurs for single access to a document, video or music clip which can be downloaded. It may or may not be protected with a password or Digital Rights Management.

For example, I've paid to access detailed best practice guides on Internet marketing from Marketing Sherpa.

Digital rights management (DRM) The use of different technologies to protect the distribution of digital services or content such as software, music, movies, or other digital data.

3. Revenue from CPM display advertising on site

(e.g. banners ads and skyscrapers).

CPM stands for "cost per thousand" where M denotes "Mille". The site owner such as FT.com charges advertisers a rate card price (for example 50 GBP CPM) according to the number of its ads shown to site visitors. Ads may be served by the site owners own ad server or more commonly through a third-party ad network service such as Google Ad Sense as is the case with my site.

4. Revenue from CPC advertising on site (pay per click text ads)

CPC stands for "**Cost Per Click**". Advertisers are charged not simply for the number of times their ads are displayed, but according to the number of times they are clicked. These are typically text ads similar to sponsored links within a search engine but delivered over a network of third-party sites by on a search engine such as the Google Ad sense Network.

Typical costs per click can be surprisingly high, i.e. they are in the range GBP 0.10 to ", GBP 4, but sometimes up to GBP 40 for some categories such as "life insurance" that have a high value to the advertiser. The revenue for search engines or publishers from these sources can also be a fair proportion of this. Google Network Revenues through Ads generate around one third of Google's revenue. For me, the Google's content networks are one of the biggest secrets in online marketing with search engines such as Google generating over a third of their revenue from the network, but some advertisers not realizing their ads are being displayed beyond search engines and so not served for this purpose.

Google is the innovator and offers options for different formats of ad units including text ads, display ads, streamed videos and now even cost per action as part of its pay per action scheme.

5. Revenue from Sponsorship of site sections or content types (typically fixed fee for a period)

A company can pay to advertise a site channel or section. For example, bank HSBC could sponsors the Money section on a media site. This type of deal is often struck for a fixed amount per year. It may also be part of a reciprocal arrangement, sometimes known as a "contradeal" where neither party pays.

6. Affiliate revenue (CPA, but could be CPC)

Affiliate revenue is commission based, for example I display Amazon books on my personal blog site DaveChaffey.com and receive around 5% of the cover price as a fee from Amazon. Such an arrangement is sometimes known as Cost Per Acquisition (CPA).

Increasingly this approach is replacing CPM or CPC approaches where the advertiser has more negotiating power. For example, in 2005 manufacturing company Unilever negotiated CPA deals with online publishers where it paid for every e-mail address captured by a campaign rather than a traditional CPM deal.

However, it depends on the power of the publisher who will often receive more revenue overall for CPM deals. After all, the publisher cannot influence the quality of the ad creative or the incentivisation to click which will affect the Click through rate on the ad and so the CPM.

7. Subscriber data access for e-mail marketing

The data a site owner has about its customers is also potentially valuable since it can said different forms of e-mail to its customers if they have given their permission that they are happy to receive e-mail either from the publisher or third parties. The site owner can charge for adverts placed in its newsletter or can deliver a separate message on behalf of the advertiser (sometimes known as list rental). A related approach is to conduct market research with the site customers.

8. Access to customers for online research

An example of a company that uses this approach to attract revenue from surveys is the teen site Dubit.

Considering all of these approaches to revenue generation together, the site owner will seek to use the best combination of these techniques to maximize the revenue. To assess how effective different pages or sites in their portfolio are at generating revenue, they will use two approaches. The first is eCPM, or effective Cost Per Thousand.

This looks at the total they can charge (or cost to advertisers) for each page or site. Through increasing the number of ad units on each page this value will increase. This is why you will see some sites which are cluttered with ads. The other alternative to assess page or site revenue generating effectiveness is Revenue per click (RPC), which is also known as Earnings Per Click (EPC).

Search Engine Optimisation

Search Engine Optimization (also known as SEO)? A broad definition is that search engine optimization is the art and science of making web pages attractive to the search engines.

Search engine optimization (**SEO**) is the process of affecting the online visibility of a website or a web page in a web search engine's unpaid results—often referred to as "natural", "organic", or "earned" results. In general, the earlier (or higher ranked on the search results page), and more frequently a website appears in the search results list, the more visitors it will receive from the search engine's users; these visitors can then be converted into customers. SEO may target different kinds of search, including image search, video search, academic search, news search, and industry-specific vertical search engines. SEO differs from local search engine optimization in that the latter is focused on optimizing a business' online presence so that its web pages will be displayed by search engines when a user enters a local search for its products or services. The former instead is more focused on national or international searches.

As an Internet marketing strategy, SEO considers how search engines work, the computer programmed algorithms which dictate search engine behavior, what people search for, the actual search terms or keywords typed into search engines, and which search engines are preferred by their targeted audience. Optimizing a website may involve editing its content, adding content, doing HTML, and associated coding to both increase its relevance to specific keywords and to remove barriers to the indexing activities of search engines. Promoting a site to increase the number of back links, or inbound links, is another SEO tactic. By May 2015, mobile search had surpassed desktop search. In 2015, it was reported that Google is developing and promoting mobile search as a key feature within future products. In response, many brands are beginning to take a different approach to their Internet marketing strategies.

Display Advertising

Display advertising is advertising on websites. It includes many different formats and contains items such as text, images, flash, video, and audio. The main purpose of display advertising is to deliver general advertisements and brand messages to site visitors.

Display advertising is an online form of advertising that the company's promotional messages appear on third party sites or search engine results pages such as publishers or social networks. The main purpose of display advertising is to support brand awareness (Robinson et al., 2007). And it also helps to increase a purchase intention of consumers.

Who works behind display ads?

Accounts department

The accounts department meets with the client to define campaign goals and translate those goals into a creative brief to be forwarded to the creative department.

Creative department

The role of the creative's is to give a shape to an add they have to find the idea and the most efficient way to push the customer to buy a product or a service. Imagination and innovation are required to develop and to present an advertisement.

Media planner

People have to test in which way the user experiences all the information of a data visualization. For this reason, they have to study the users' response to sounds, image, and motion. They have to be aware of everything that is digitally consumed, to know all the newest technologies and media solutions, and to help all the other departments to find the best way to reach the object's campaign.

How to measure the success of Display Marketing?

Reach

Reach for online advertisements are defined by the number of people who can potentially view your advertisement online. Typically this will be represented by the number of visitors that visit the advertisement network you are planning to use.

Clickthrough Rate (CTR)

Typically, when we talk about online marketing, a click through rate refers to the likelihood of a user clicking on your online initiative. This is generally used as a benchmark by advertising agencies to gauge how well an advertisement or a campaign is received by the audience.

Bounce Rate (BCR)

Bounce rate is the percentage of visits that go only to one page before exiting the site. When a user bounces on a page that was advertised by a display advertisement, it indicates that the user was intrigued enough to click on the advertisement, but when they visited your site, they found that what they saw on the advertised page is not relevant to them.

Conversion Rate (CVR)

The conversion rate basically tells you what percentage of the people clicking through an AD ended up completing an action or a goal that the advertiser desired. This could be anything from a purchase made online, a registration for a newsletter or even a request for more information.

Return on Investment (ROI)

When brands embark on display marketing, there is always a cost involved together with a goal to be achieved. Return on investment in laymen tries to quantify how much value is obtained for every ringgit spent.

Trends in Digital Marketing

A **market trend** is a perceived tendency of financial markets to move in a particular direction over time. These **trends** are classified as secular for long time frames, primary for medium time frames, and secondary for short time frames.

Digital marketing techniques:

- Big Data (including market and customer insight and predictive analytics)
- Content marketing Communities (Branded niche or vertical communities)
- Conversion rate optimization (CRO) / improving website experiences
- Display (Banners on publishers, ad networks social media including retargeting and programmatic)

- Internet of Things (IoT) marketing applications
- Marketing Automation (CRM, behavioral Email marketing and web personalization)
- Mobile marketing (Mobile advertising, site development and apps)
- Paid search marketing, e.g. Google Ad Words Pay Per Click
- Online PR (including influencer outreach)
- Partnerships including affiliate and co-marketing
- Search Engine Optimization (SEO or organic search)
- Social media marketing including Social CRM and Social Customer Care
- Wearable's (e.g. Apple Watch, activity trackers, augmented reality)

UNIT-3

Product Attributes:

Definition of **Product Attributes**. A **product attribute** is a characteristic that defines a particular **product** and will affect a consumer's purchase decision. **Product attributes** can be tangible (or physical in nature) or intangible (or not physical in nature).

Characteristics of a raw material or finished good which make it distinct from other products.

Attributes include size, color, functionality, components and features that affect the product's appeal or acceptance in the market.

1. Tangible Attributes

Tangible attributes can include such product characteristics as size, color, weight, volume, smell, taste, touch, quantity, or material composition.

For example, when you want to buy a new car, you might consider tangible attributes such as its size, color, and material composition. If you are looking for a 2-door, red sports car with a leather interior, you are searching for a product based on its tangible attributes.

2. Intangible Attributes

Intangible attributes may include such characteristics as price, quality, reliability, beauty or aesthetics, and je ne sais quoi (an indefinable, elusive pleasing quality).

Again, if you are looking to buy a new car, you might also consider intangible attributes such as price, quality, and safety test scores. If you want a new car that is relatively inexpensive but has garnered high marks on performance tests, you are searching for a product based on its intangible attributes.

3. Attributes and Consumer Preference

Attributes are the usual criteria by which a consumer will make a buying decision. Consumers have needs and wants. A need is something that a consumer must have, while a want is something that is desired, but not essential. A consumer will compare her needs and desires

Against the attributes of products available and select the product that best matches the needs and wants of the consumer.

<u>Augmented Product Concept:</u>

The **AUGMENTED product** is the non-physical part of the **product**. It usually consists of lots of added value, for which you may or may not pay a premium. So when you buy a car, part of the **augmented product** would be the warranty, the customer service support offered by the car's manufacturer and any after-sales service

Consumers often think that a product is simply the physical item that he or she buys. In order to actively explore the nature of a product further, let's consider it as three different products – the **CORE** product, the **ACTUAL** product, and finally the **AUGMENTED** product. This concept is known as the Three Levels of a Product.

The **CORE** product is NOT the tangible physical product. You can't touch it. That's because the core product is the BENEFIT of the product that makes it valuable to you. So with the car example, the benefit is convenience i.e. the ease at which you can go where you like, when you want to. Another core benefit is speed since you can travel around relatively quickly.

The **ACTUAL** product is the tangible, physical product. You can get some use out of it. Again with the car, it is the vehicle that you test drive, buy and then collect. You can touch it. The actual product is what the average person would think of under the generic banner of product.

The **AUGMENTED** product is the non-physical part of the product. It usually consists of lots of added value, for which you may or may not pay a premium. So when you buy a car, part of the augmented product would be the warranty, the customer service support offered by the car's manufacturer and any after-sales service. The augmented product is an important way to tailor the core or actual product to the needs of an individual customer. The features of augmented products can be converted in to benefits for individuals.

Customizing The Offering:

They are discovering that they can elevate customer loyalty and engagement—and use their customer base as an engine of advocacy to potential buyers. *Product customization* helps brands boost sales on their own websites or gain share on a retailer's site.

There is a **difference between** these two concepts. **Customization** means company can produce goods **different** individually either order through looking in the face physical, telephone and online. ... In other words, in **customerization**, the company leaves it to the individual customers to design the offering.

Customization- The manufacturer/producer produces a customized product that meets the requirements posted by different customers. eg: Laptop customization.

Customerization- The producer and consumer are both involved in the production of the final product. eg: you choose flowers along with the flower vendor to make a bouqet of your choice.

Dimensions of Branding Online:

"Personality" of a **brand** in five core **dimensions**, each divided into a set of facets. It is a model to describe the profile of a **brand** by using an analogy with a human being.

1. Brand Competence

The first dimension of brand personality is brand competence. The attributes represented by this brand personality are intelligence, success, reliability and expertise.

2. Brand Sincerity

The second dimension of brand personality is brand sincerity. Genuine, honest, wholesome and cheerful come to mind when thinking of the traits associated with this dimension.

3. Brand Excitement

The third dimension of brand personality is brand excitement which contains such traits as playful, daring, imaginative, and spirited.

4. Brand Sophistication

The fourth dimension of brand personality is brand sophistication. Common characteristics associated with this dimension include charming, refined, elegant, and poise.

5. Brand Toughness

The final dimension of brand personality is brand toughness. Powerful, forceful, potent and outdoorsy come to mind when thinking of the traits associated with this dimension.

Factors that Influence the Price Your Customers:

These phases are as follows:

1. **Functionality** – Where a product or service meets a certain need or does a certain thing that cannot be accomplished in any other manner.
2. **Reliability** – When two or more competitors offer similar products that have the same functionality, consumers turn to the competitor whose product offers the better reliability.
3. **Convenience** – When competitors have products or services that offer the same functionality and the same relative reliability, consumers turn to convenience – those products that are the most convenient to use and the companies that are the most convenient to work with.
4. **Lastly, price** – When competitors all have similar products or services that offer all the attributes above in very similar manners, then, the product or service essentially becomes a commodity and at that point must compete on price (following the schools of thought outlined above).

Price & customer value:

Value-based **pricing**. **Value**-based **price** (also **value** optimized **pricing**) is a **pricing** strategy which sets **prices** primarily, but not exclusively, according to the perceived or estimated **value** of a product or service to the **customer** rather than according to the **cost** of the product or historical **prices**.

1. **Good-value Pricing – Customer Value-based Pricing:**

Good-value pricing is the first customer value-based pricing strategy. It refers to offering the right combination of quality and good service at a fair price – fair in terms of the relation between price and delivered customer value. Good-value pricing is mainly used for less-expensive products, for instance for less-expensive versions of established, brand-name products. To give an example, take a look at McDonald's 1€ menu items. Likewise, every car company offers small, inexpensive models better suited to the strapped consumer's budget. Even companies such as Ryanair can be considered to rely on good-value pricing. Granted, they offer much less value – but at even lower prices. Passengers flying the low-cost airlines won't get much value, but pay a price matching that value.

2. **Value-added Pricing – Customer Value-based Pricing:**

Value-added pricing, an alternative customer value-based pricing strategy, means attaching value-added features and services to differentiate the product and charging higher prices. In other words, you add features and thereby customer value – and in return you charge more for the value-added product. Therefore, value-added pricing does not aim at cutting prices to match competitors, but attaching value-added features to differentiate the products from competitors' offers. The added value justifies a higher price in customers' eyes.

To return to our airlines example, take a look at higher-priced premium airlines such as Singapore Airlines, Emirates, Etihad Airways or Lufthansa. Flying with these airlines will cost you much more – but customers are willing to spend that additional price because they will get more value. Value is added in terms of comfort, luxury, premium service and so further. These additional value-added features increase the service's value in customers' eyes – and justify a higher price.

ONLINE PRICING STRATEGIES & TACTICS:

The **pricing strategy** entails **pricing** a product or service to appeal to customers over alternative products or competing **prices**. ... The **pricing** should reflect the value that customers feel the whole product and service package is worth, and hence takes into consideration all products in the marketing mix.

Competitive Pricing:

Competitive pricing means setting prices relative to competitors. For example, a new neighborhood restaurant might use the prices of entrees at other restaurants in the area to inform pricing decisions. Companies may choose to set prices slightly below those offered by competitors to attract more customers. Competitive pricing can potentially result in a price war, in which competitors repeatedly slash prices in an attempt to undercut one another.

1. **Cost-Based Pricing**

Cost-based pricing is a strategy that uses the cost of production as a baseline to inform pricing decisions. For instance, a company that sells office supplies might set prices that are 10 percent higher than production costs to ensure that it covers its expenses. Similarly, a company that sells T-shirts could simply charge a $5 markup over the production costs of all of its products. Cost-based pricing is a relatively straightforward strategy since it doesn't take consumer demand or competition into account.

2. **Value Pricing**

Setting prices based on the benefit or value consumers derive from products is called value pricing. In other words, value-based pricing seeks to set prices based on what consumers are willing to pay. A business pursuing value-based pricing might charge prices that are significantly higher than competitors if it believes its products are more valuable to consumers than those offered by competitors or if wishes to establish itself as a luxury brand. Value-based pricing requires managers to have a deep understanding of customer needs and preferences.

3. Anti-Competitive Pricing Practices

Anti-competitive pricing tends to harm competition, which can force businesses out of the market or result higher prices for consumers. For example, a large company might set its prices artificially low to force smaller competitors out of business, a practice known as "predatory pricing." When companies collude to set high prices across an industry to increase profits it is called price-fixing, another anti-competitive practice.

Price Tactic:

A short term attempt to manipulate the price of a good or service in order to achieve a particular business objective. For example, a price tactic might involve temporary price cutting or another financially motivated sales strategy to help increase product sales in the short term and convert new customers.

TIME BASED ONLINE PRICING:

Time-based pricing, or **dynamic pricing** is all about setting up the *"best price"* in order to generate the best profit margins based on the availability, demand and the lifetime of the product. This pricing strategy originates from the tourism sector (airlines and hotels), but with internet and advent of dedicated digital tools took it to a whole new level, especially for the online retailers.

1. Availability of the product:

Availability of product and inventory management... you need to keep track of your inventory. You are running out of stock for a particular product having a high demand? Then it may be a criterion for an increase in price for latecomers. By cons if your products are close to their expiry date, then selling them at a discount will certainly help to clear your stock.

2. Knowing the market:

Marketing mix (4P) or SWOT analysis can help you to have a better understanding of the overall market and the current price ranges of your competitors. You can also compare your prices with other websites. This can be done manually or using a price comparison website.

3. **Make your forecast based on your past experiences:**

Analyze the performance of your pricing strategies for the previous seasons, how they impacted on your revenues and what was the profit margin. This will be the basis for your forecasts.

4. **Evaluate the performances of your pricing strategy:**

Have sales increased or not? What were the consequences of this new price? Make sure to analyze this data and make the necessary adjustments to your price range.

PERSONALISED PRICING:

Personalised pricing is the use of data relating to a specific user (purchase history, browsing history, demographic, hardware, operating system, etc) to deliver a bespoke price offering.

This data could come from a retailer's own database, be enhanced by third party data or be data offered up by the user's computer/tablet/phone (including via cookies).

Bundle

A collection of things or quantity of material tied or wrapped up together.

Bundled Pricing

Act of placing several products or services together in a single package and selling for a lower price than would be charged if the items were sold separately. The package usually includes one big ticket product and at least one complementary good. Bundled pricing is a marketing method used by retailers to sell products in high supply.

Price Bundling

Combining several products or services into a single comprehensive package for an allinclusive reduced price. Despite the fact that the items are sold for discounted prices, it can increase profits because it promotes the purchase of more than one item.

Bundle Pricing Strategy:

In a **bundle pricing**, companies sell a package or set of goods or services for a lower **price** than they would charge if the customer bought all of them separately. Common **examples** include option packages on new cars, value meals at restaurants and cable TV channel plans.

Advantages and Disadvantages of Price Bundling:

Price bundling is a pricing strategy used in marketing in which the company or seller combines several products or services and then sell it at a single price rather than charging different prices for different products or services. So for example if one goes to eat at restaurant and one restaurant is charging $50 for dinner which includes main course, starters, desserts and same restaurant is charging $30 for the main course, $10 for starters and $15 for desserts than first case is example of price bundling where the restaurant can claim that customer is getting $5 discount if he or she selects the first option. In order to understand this concept better let's look at some of the advantages and disadvantages of price bundling –

Advantages of Price Bundling

1. The biggest advantage of price bundling is that company can sell its weaker or inferior products with its main or stronger products which in turn leads to two things one is that

company will be able to charge higher price for the bundled product or service and another thing is it will help the company in clearing the idle stock available with the company. So in the above example during winter season people generally eat less ice cream but due to bundled pricing company will able to sell ice cream in the form of deserts to the customers.

2. Another benefit of price bundling is that customer gets a discount for the bundled product so a customer who is thinking of buying a television and DVD player and the cost of television is $5000 and cost of DVD player is $1000. Now if some electronic company is selling a bundled product of television and DVD priced at $5500 then the customer can save $500 due to price bundling is done by the company.

3. Due to price bundling, a company can market its less known product to customers and can create demand for that product which in turn will create the extra source of revenue in the long run for the company. So for example in the above example if restaurants starters are not well known then due to bundled pricing all customers will eat starters and if it is good then customers will come to the restaurant to eat starter only which will be beneficial for the restaurant.

Disadvantages of Price Bundling

The biggest disadvantage of price bundling is that customers have to purchase the products or services even when they do not want it. So for example in the above case if 4 people go to a restaurant and 2 people have diabetes then for them deserts is an unwanted product which they have to take if they opt for $50 dinner.

Another limitation of price bundling is that company has to give some discounts for the bundled product or service leading to loss of revenue for the company. Hence in the above example if an electronic company can sell DVD and television separately comfortably then price bundling can be revenue losing proposition for the company as the company is losing $500 per sale of bundled product of television and DVD.

Another demerit of price bundling is that sometimes customer view bundled products as inferior product as they consider it to be the effort by the company to sell their outdated products along with main product which in turn can turn away some customers towards competitors leading to fall in the sales of the company as well as bad reputation for the company.

Definition: Product Bundle Pricing

It involves combining several products, usually complementary, and then selling it as a single product. It is a common feature in imperfectly competitive industries such as telecommunications, fast food and financial services. Examples include the Microsoft Office suite (which is a bundle of applications for word processing, spreadsheets, presentation, and so on), the McDonalds Happy Meal (which is a bundle of items such as a burger, fries and a cold drink) and bundling of TV channels by cable operators. Product bundling can be used as a means of differentiation and/or market expansion.

UNIT-4

Internet Enabled Retailing:

Electronic retailing is the sale of goods and services through the internet. Electronic retailing, or e-tailing, can include business-to-business (B2B) and business-to-consumer (B2C) sales of products and services, through subscriptions to website content, or through advertising.

Online retailing is growing at an astonishing rate, with online sales now accounting for around one quarter of the total retail market. Retailers who ignore e-commerce may see their trade lessening as customers continue to shift to ordering products online. However you need to think carefully and weigh all the advantages and disadvantages - backed by good market research - before deciding on whether or not to trade online**.**

Advantages of online retail

The benefits of retailing online include:

- **Easy access to market** - in many ways the access to market for entrepreneurs has never been easier. Online marketplaces such as eBay and Amazon allow anyone to set up a simple online shop and sell products within minutes.
- **Reduced overheads** - selling online can remove the need for expensive retail premises and customer-facing staff, allowing you to invest in better marketing and customer experience on your e-commerce site.

- **Potential for rapid growth** - selling on the internet means traditional constraints to retail growth - eg finding and paying for larger - are not major factors. With a good digital marketing strategy and a plan a scale up order fulfillment systems, you can respond and boost growing sales.
- **Widen your market / export** - one major advantage over premises-based retailers is the ability expands your market beyond local customers very quickly. You may discover a strong demand for your products in other countries which you can respond to by targeted marketing, offering your website in a different language, or perhaps partnering with an overseas company.
- **Customer intelligence** - ability to use online marketing tools to target new customers and website analysis tools to gain insight into your customers' needs. For advice on improving your customer's on-site experience.

For more detailed advice guides on how to move into internet retailing see our section on online selling.

Disadvantages of online retail

Some negatives of online retail include:

- **Website costs** - planning, designing, creating, hosting, securing and maintaining a professional ecommerce website isn't cheap, especially if you expect large and growing sales volumes.
- **Infrastructure costs** - even if you aren't paying the cost of customer-facing premises, you'll need to think about the costs of physical space for order fulfillment, warehousing goods, dealing with returns and staffing for these tasks.
- **Security and fraud** - the growth of online retail market has attracted the attention of sophisticated criminal elements. The reputation of your business could be fatally damaged if you don't invest in the latest security systems to protect your website and transaction processes.
- **Legal issues** - getting to grips with e-commerce and the law can be a challenge and you'll need to be aware of, and plan to cope with, the additional customer rights which are attached to online sales.
- **Advertising costs** - while online marketing can be a very efficient way of getting the right customers to your products, it demands a generous budget. This is especially true if you are competing in a crowded sector or for popular keywords.
- **Customer trust** - it can be difficult to establish a trusted brand name, especially without a physical business with a track record and face-to-face interaction between customers and sales staff. You need to consider the costs or setting up a good customer service system as part of your online offering.

Turning Experience Goods into Search Goods:

In economics, an *experience good* is a product or service where product characteristics, such as quality or price, are difficult to observe in advance, but these characteristics can be ascertained upon consumption. The concept is originally due to Philip Nelson, who contrasted an *experience good* with a *search good*.

You may have heard about goods being classified as either a search or an experience good. The concept is not new, and was actually developed by American economist Philip Nelson. These classifications provide a working distinction between different types of products and services.

Paper (notebook, copier, etc.) is a search good. Paper products can be easily be compared and evaluated prior to purchase.

Commodities are search goods.

A restaurant is, usually, an experience good.

A theme park is an experience good.

An experience good requires a user to actually experience the product/service to be able to evaluate it. This can include eating at a restaurant, sitting on a chair, or walking through a haunted house.

The Internet and search and experience goods.

The Internet presents a great opportunity for businesses with experience goods (restaurants, bars, dance clubs, theme parks, etc.) to take, and showcase, their experience online.

Not only will it reduce uncertainty amongst first-time users, but it can tap into people's emotions, thereby creating a stronger bond.

Here is a restaurant Web site that, in my opinion, leverages the power of the Internet to create an experience while having a rather basic Web site.

An experience good in economics refers to a product for which the consumer does not initially know the quality and value of the item, aside from the price tag. The good is usually a product such as a book or movie, and the value is discovered after consumption. A variant of experience good is a post-experience good, where the value is not entirely known even after consumption. A search good, in contrast, is a product such as a tool or plane ticket, for which the consumer knows the quality and value before consuming.

Of the many product types, an experience good is one for which the consumer does not know the value of the product before it is bought and used. These items are usually purchased for entertainment or as an impulse buy, and the buyer can only guess at the real value of the item before it is used. After using or experiencing the good, the consumer will know the true value of the item. For example, a book is an experience good. There can be a shelf of books, all the same price, but the consumer does not know which ones are good and which are bad. After reading the book, the consumer should know if the book was worth the money.

Personalized through Mass Communication:

Personalization, broadly known as **customization**, consists of tailoring a service or a product to accommodate specific individuals, sometimes tied to groups or segments of individuals. A wide variety of organizations use personalization to improve customer satisfaction, digital sales conversion, marketing results, branding, and improved website metrics as well as for advertising. Personalization is a key element in social media and recommender systems.

1. Web pages

Web pages can be personalized based on the characteristics (interests, social category, context, etc.), actions (click on button, open a link, etc.), intent (make a purchase, check status of an entity), or any other parameter that can be identified and associated with an individual, therefore providing them with a tailored user experience. Note that the experience is rarely simply accommodation of the user but a relationship between the user and the desires of the site designers in driving specific actions to achieve objectives (e.g. Increase sales conversion on a page). The term *customization* is often used when the site only uses explicit data such as product ratings or user preferences.

2. Digital media

Another aspect of personalization is the increasing prevalence of open data on the Web. Many companies make their data available on the Web via APIs, web services, and open data standards. One such example is Ordnance Survey Open Data.Data made available in this way is structured to allow it to be interconnected and re-used by third parties.

3. Mobile phones

Over time mobile phones have seen an increased emphasis placed on user personalization. Far from the black and white screens and monophonic ringtones of the past, phones now offer interactive wallpapers and MP3 TruTones. In the UK and Asia, WeeMees have become popular. WeeMees are threedimensional characters that are used as wallpaper and respond to the tendencies of the user. Video Graphics Array (VGA) picture quality allows people to change their background with ease without sacrificing quality. All of these services are downloaded through the provider with the goal to make the user feel connected to the phone.

4. Print media

In print media, ranging from magazines to promotional publications, personalization uses databases of individual recipients' information. Not only does the written document address itself by name to the reader, but the advertising is targeted to the recipient's demographics or interests using fields within the database, such as "first name", "last name", "company", etc.

5. Promotional merchandise

Promotional items (mugs, T-shirts, key chains, balls etc.) are regularly personalized. Personalized children's storybooks—wherein the child becomes the protagonist, with the name and image of the child personalized—are also popular. Personalized CDs for children also exist. With the advent of digital printing, personalized calendars that start in any month, birthday cards, cards, e-cards, posters and photo books can also be obtained.

6. 3D printing

3D printing is a production method that allows creating unique and personalized items on a global scale. Personalized apparel and accessories, such as jewellery, are increasing in popularity. This kind of customization is also relevant in other areas like Consumer Electronics and Retail. By combining 3D printing with complex software a product can easily be customized by an end-user.

7. Map personalization

Digital web maps are also being personalized. Google Maps change the content of the map based on previous searches and other profile information. Technology writer Evgeny Morozov has criticized map personalization as a threat to public space

Choice Assistance in Digital Marketing:

1. Incredible Stability

I could break down "incredible stability" into three separate points, all of which are appealing.

The three points are:

- Marketing will never be out of demand
- There's a broad client base
- The high demand means it's highly lucrative

2. You Can't Go Wrong With Internet Savvy

Digital marketing involves an increase in understanding of the flow of the internet from how search engines select their results to how websites gain and maintain a reputation to coding, website design, creating mobile friendliness, and otherwise prettying up. These skills are marketable for *any* job, or at least nearly any job. That's not even mentioning the specialties you could develop. And then, there are the skills of business sense and critical/creative thinking. Now those *are* skills for any market. And skills in "internet savvy" aren't just useful for future career options – the broad client base means these skills are likely to come up in personal use as well. Although, when it comes to friends and family asking for you to use your professional skills, it might help you understand why your photographer friend becomes irate when associates ask her for a free photoshoot. Regardless, digital marketing teaches good business and life skills.

3. Something Different Every Day

No two businesses are the same, and their marketing campaigns definitely won't be. Even if you work with two law firms, their starting points and needs may well be significantly different, as well as the angle they want to take. While the basic points of work might be the same – researching

SEO, managing their online reputation, content creation, etc. – the execution of these actions will need to be tailored to each new marketing campaign.

4. **There's a Variety of Options**

Digital marketing is a broad area of industry; someone seeking a job in it has a lot of options,

like a digital marketing agency, and their big, small, or medium, or brand leveraging, or to work

directly for a company like Google, Facebook, or LinkedIn, which in a big way are like digital marketing platforms. Within these structures, there's a variety of positions just like any other business. Variety and room for growth!

Digital marketing is a precious commodity for anyone who desires to have a presence on the internet and with all the different types of clients, there's a lot to learn and a lot to do. Even those who have a pretty good understanding of coding and internet navigation are probably still going to need help with marketing, because that's a specialization, one that will always be needed.

5. **You Can Start Out On Your Own**

There's so much room for growth and so much demand that if you have the skills you need, you can even start up your own business. Just remember that running your own digital marketing consultation is no walk in the park – being your own boss has its perks but it's quite difficult, and while there's plenty of demand, you *do* actually have to have skills and specializations.

Personalized Messaging:

Personalized marketing is a 1-to-1 relationship marketing strategy that aims to become more accurate and relevant than ever with customer engagement and loyalty.

Many businesses are realizing that **open-time personalization** is enhancing their digital marketing strategy. Companies now have greater flexibility and insight into customers' behaviors and buying wants and needs. Because customers are more connected than ever, businesses need to stay relevant among the apps and tools customers use. Marketers can gain access to the data—locations, behaviors, and preferences—to earn the right to a customer's time.

Personalization Challenges:

It is important for a company to use precise customer behavioral data to comprehend their preferences accurately. That knowledge can enable marketers to create the right personalized digital marketing strategies that will cultivate genuine communication with customers.

- **Messaging** – Creating effective personalized content that strikes a chord with customers
- **Retention** – Using personalization attempts in a specific way to cultivate customer loyalty
- **Efficiency** – Improving customer response time and efficacy of digital marketing strategy

- **Technology** – Optimizing Big Data and managing it to positively impact customer behavior
- **Results** – Maximizing the ROI by effective interaction with customers that increases sales

Selling Through Online Intermediaries:

Individual or firm (such as an agent, distributor, wholesaler, retailer) that links producers to other **intermediaries** or the ultimate buyer. **Distribution intermediaries** help a firm to promote, **sell**, and make-available a good or service **through** contractual arrangements or purchase and resale of the item.

Marketing intermediaries, also known as middlemen or distribution intermediaries, are an important part of the product distribution channel. Intermediaries are individuals or businesses that make it possible for the product to make it from the manufacturer to the end user, essentially facilitating the sales process. According to Business Dictionary, the four basic types of marketing intermediaries are agents, wholesalers, distributors and retailers.

1. Agents

The agent as a marketing intermediary is an independent individual or company whose main function is to act as the primary selling arm of the producer and represent the producer to users. Agents take possession of products but do not actually own them. Agents usually make profits from commissions or fees paid for the services they provide to the producer and users.

2. Wholesalers

Wholesalers are independently owned firms that take title to the merchandise they handle. In other words, the wholesalers own the products they sell. Wholesalers purchase product in bulk and store it until they can resell it. Wholesalers generally sell the products they have purchased to other intermediaries, usually retailers, for a profit.

3. Distributors

Distributors are similar to wholesalers, but with one key difference. Wholesalers will carry a variety of competing products, for instance Pepsi and Coke products, whereas distributors only carry complementary product lines, either Pepsi or Coke products. Distributors usually maintain close relationships with their suppliers and customers. Distributors will take title to products and store them until they are sold.

4. Retailers

A retailer takes title to, or purchases, products from other market intermediaries. Retailers can be independently owned and operated, like small "mom and pop" stores, or they can be part of a large chain, like Walmart. The retailer will sell the products it has purchased directly to the end user for a profit.

Direct to Customer Interaction:

Customer Interaction Management (CIM) refers to a type of Enterprise Software Application which is responsible for **managing** the **interaction** between an organization and its **customers**.

However, companies can identify the **types** of experiences that impart the right **kind** of information to **customers** at the right times. It is useful to group these experiences into three categories of company/**customer interaction**: Stabilizing, Critical, and Planned.

1. Stabilizing

Stabilizing interactions promote customer retention, particularly in the early stages of the relationship.

New customers are at the highest risk of defection. As customers become more familiar with a brand they adjust their expectations accordingly, however new customers are more likely to experience disappointment, and thus more likely to defect. Turnover by new customers is particularly hard on profits because many defections occur prior to break-even, resulting in a net loss for the company. Thus, experiences that stabilize the customer relationship early on ensure that a higher proportion of customers will reach positive profitability.

2. Critical

Critical interactions are service encounters that lead to memorable customer experiences. While most service is routine, from time to time a situation arises that is out of the ordinary: a complaint, a question, a special request, a chance for an employee to go the extra mile. The outcomes of these critical incidents can be either positive or negative, depending upon the way the company responds to them; however, they are seldom neutral. The longer a customer remains with a company, the greater the likelihood that one or more critical interactions will have occurred.

3. Planned

Planned interactions are intended to increase customer profitability through up-selling and cross-selling. These interactions are frequently triggered by changes in the customers' purchasing patterns, account usage, financial situation, family profile, etc. CRM analytics combined with Big Data are becoming quite effective at recognizing such opportunities and prompting action from service and sales personnel. Customer experience managers should have a process to record and analyzing the quality of execution of planned interactions with the objective off evaluating the performance of the brand at the customer brand interface – regardless of the channel.

Online Channel Design for B2C & B2B Marketing:

Business-to-business (B2B) and business-to-consumer (B2C) marketing is different. Some people think marketing is marketing and whether you are marketing to consumers or marketing to businesses, you are still just marketing to people, right?

What is B2B and B2C Marketing?

These terms were coined to differentiate Internet commerce businesses that sold to primarily to consumers verses those whose market are other businesses. These terms have expanded their definitions to refer to any business who sells primarily to the end customer (B2C) or to other businesses (B2B), both online and offline. Although the marketing programs are the same for each type of business (events, direct marketing, internet marketing, advertising, public relations, word of mouth and alliances), how they are executed, what they say, and the outcome of the marketing activities differ.

The first step in developing your marketing strategy for B2B is similar to the first step in a B2C strategy: identify who the customer is and why they need to hear your message. From there, the marketing activities diverge.

The highlighted boxes summarize the differences between B2B marketing and B2C marketing. Your marketing plan needs to take into account the differences and ensure you are developing the right types of activities for your particular market.

Businesses that Sell to Consumers

B2C

- Product driven
- Maximize the value of the transaction
- Large target market
- Single step buying process, shorter sales cycle
- Brand identity created through repetition and imagery
- Merchandising and point of purchase activities
- Emotional buying decision based on status, desire, or price

The ultimate goal of B2C marketing is to convert shoppers into buyers as aggressively and consistently as possible. B2C companies employ more merchandising activities like coupons, displays, store fronts (both real and Internet) and offers to entice the target market to buy. B2C marketing campaigns are concerned with the transaction, are shorter in duration and need to capture the customer's interest immediately. These campaigns often offer special deals, discounts, or vouchers that can be used both online and in the store. For example, the goal of an email campaign for a B2C company is to get consumers to buy the product immediately. The email will take the consumer to a landing page on the web site that is designed to sell the product and make purchasing very easy by integrating the shopping cart and checkout page into the flow of the transaction. Any more than a couple of clicks and the customer is likely to abandon the shopping cart.

One interesting aspect of B2C marketing, however, is that many companies have realized the importance of loyalty. Amazon, Best Buy, and Staples combine merchandising and education to keep customers coming back. Add great customer service, and you get a winning combination.

Businesses that Sell to Businesses

B2B

- Relationship driven
- Maximize the value of the relationship
- Small, focused target market
- Multi-step buying process, longer sales cycle
- Brand identity created on personal relationship
- Educational and awareness building activities
- Rational buying decision based on business value

Although the goal of B2B marketing is to convert prospects into customers, the process is longer and more involved. A B2B company needs to focus on relationship building and communication using marketing activities that generate leads that can be nurtured during the sales cycle. B2B companies use marketing to educate various players in the target audience because the decision to purchase is usually a multi-step process involving more than one person. For example, the goal of an email campaign for B2B is to drive prospects to the web to learn about your products and services. The e-mail to a business must contain contact information for offline communications and the landing page should contain information on features, benefits, and possibly pricing. This marketing activity is usually the first step in a longer, integrated touch campaign that may include direct mail, telemarketing, Web casts, newsletters and follow up by sales representatives who will discuss the businesses requirements in more detail and move the prospect through the sales cycle. Content is king for B2B marketing and white papers, newsletters, and coverage of your products and services by the media helps companies educate their prospects.

The B2B Buyer vs. the B2C Buyer

The business buyer is sophisticated, understands your product or service better than you do, and wants or needs to buy products or services to help their company stay profitable, competitive, and successful. Marketing copy must talk to a sophisticated audience. Your typical reader has a high interest in – and understanding of – your product (or at least of the problem it solves).

Therefore, writing marketing copy is more complex and requires research to ensure you deliver the necessary information to the buyer.

The B2C buyer is usually looking for the best price and will research the competition prior to shopping. Another factor that does come into play, however, is whether the buyer trusts the retail outlet, either the store front or on the Internet. Although you can find the products on the Internet at many different price points, many consumers will still buy from a trusted source. In that respect, B2C marketing needs to convince the person to buy and build trust and loyalty with their customers.

Both buyers are interested in quality customer service. B2B customer service comes into play prior to ever making that first sale and begins with a customer's very first contact with your company, whether you call them or they call you. B2C customer service helps build customer loyalty where customers will be willing to pay a slightly higher price to know that they can return the product easily and can trust the source they are dealing with. In other words, customer service is critical and although may not be considered "marketing", bad customer service can render all of your marketing efforts useless.

UNIT-5

Integrating Online Communication into Integrating Marketing Communication Process:

What is integrated communication mix?

It ensures that all forms of **communications** and messages are carefully linked together. At its most basic level, **Integrated** Marketing **Communications**, or IMC, as we'll call it, means **integrating** all the promotional tools, so that they work together in harmony. A promotion has its own **mix** of **communications** tools.

What is integrated communication?

As defined by the American Association of Advertising Agencies, **integrated** marketing **communications** "Recognizes the value of a comprehensive plan that evaluates the strategic roles of a variety of **communication** disciplines advertising, public relations, personal selling, and sales promotion and combines them to.

The American Marketing Association (AMA) defines **integrated marketing communications** (**IMC**) as the "planning **process** designed to assure that all brand contacts received by a customer or prospect for a product, service, or organization are relevant to that person and consistent over time."

Integrated marketing communications *(IMC) is the use of marketing strategies to optimise the* ... Integrated marketing communications *is a holistic planning* process *that focuses on* ..... *Marketing* communications *can be divided* into *two periods* : *Traditional marketing*

communications *(before the* Internet*) and* Internet *marketing* .

6 Steps in the IMC Planning Process:

There are typically six steps in the IMC planning process. Each are important in their own right and can be applied to practically any business or organization, no matter the size or industry. While your plan might utilize each marketing communications function differently, the overall idea remains the same.

Below are the major steps to keep in mind when developing your IMC strategy.

Step 1: Know your target audience

As a general rule, there is no “general audience”. You always want to communicate with a specific audience to make the most effective use of your resources.

Segmenting specific audiences into groups based on characteristics will help you identify who are most likely to purchase or utilize your products and services.

Step 2: Develop a situation analysis

Commonly referred to as a SWOT Analysis, this is basically a structured method of evaluating the internal strengths and weaknesses, and external opportunities and threats that can impact your brand.

A situation analysis can provide much insight into both internal and external conditions that can lead to a more effective marketing communications strategy.

Step 3: Determining marketing communication objectives

In this step, you basically want to document what you want to accomplish with your IMC strategy. Objectives should be measurable if you truly want to map your campaign’s effectiveness at the end of your plan’s term.

Step 4: Determining your budget

Having a realistic idea on what you have to work with is important as it will shape the tactics you develop in the next step. Once you determine your overall budget, you will want to come back to this after completing step five to further refine your budget allocations.

Step 5: Strategies and tactics

Looking back at the objectives you created in step three, you will want to develop strategies which are ideas on how you will accomplish those objectives. Tactics are specific actions on how you plan to execute a strategy.

Step 6: Evaluation and measurement

Almost as important as the plan as a whole, you want to outline a method of how you will

evaluate the effectiveness of your IMC strategy. Sometimes elements of your plan will not work.

It's important to know what did or didn't, try to understand why, and make note for future planning.

Dig ital Marketing

The more focused on how you will utilize your resources for promoting your business, the more you will understand where you money is going and how it's performing. An IMC strategy is important for any business or organization.

ONLINE ADVERTISING:

Online advertising, also called online marketing or Internet advertising or web advertising is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers.

Online advertising is any type of marketing message that shows up with the help of the internet. That means it could appear in a web browser, search engine, on social media, on mobile devices and even in email.

Savvy advertisers are increasingly making use of this forum for reaching consumers, for a number of reasons:

- It's relatively inexpensive
- It reaches a wide audience
- It can be tracked to measure success (or failure)
- It can be personalized for a target audience

Indeed, online advertising is only growing in scope, as new avenues for marketers pop up (think ads delivered through text message or marketing messages delivered to users in a certain area, known as geo-targeting). But, while some of the ads are less common or just gaining traction, there are plenty that we're exposed to multiple times every day. Read on to learn more about the most popular types of online advertising.

Types of Online Advertising:

Whether you're surfing the web or just checking your email, you can't really get away from advertisements delivered in a digital setting. Here are some of the most popular types. See how many you've encountered.

Display ads

These are probably the oldest form of online ads, appearing as everything from banners of all shapes and sizes to text ads relevant to the content of a page. You might find an AutoZone display ad on a popular car blog or a banner ad promoting the newest products at Sephora on a popular beauty or cosmetics blog.

Email ads

Email ads are such a popular form of online marketing that many consumers don't even think about them being advertisements. Open your inbox and you're likely to see advertisements promoting new services from your cable provider, special offers on children's clothes from Macy's or the latest cell phone gadget from Samsung or Apple. Email ads sometimes come in the form of coupons or newsletters.

Native ads

Native ads are disguised in the form of a sponsored post (like you'll find Virgin Mobile doing a post titled, "6 Texts to Copy and Paste to Break Up With Your S.O." on Buzzfeed), or in the form of an **advertorial**, an online (and sometimes print) ad designed to look like editorial content, but promoting a product or service.

Social media ads

Whether it's Facebook, Twitter or YouTube, marketing messages are everywhere on social media platforms. From Facebook ads to sponsored tweets and ads that pop up between YouTube videos, social media is an effective place for marketers to reach their audience because we spend so much time scrolling through our newsfeed, commenting, liking and sharing.

Pop-up ads

A pop-up ad is most common when you first visit a site. Marketers use these pop-ups to draw visitors' attention to some feature or product, since they typically block all other web content and force you to take notice. For example, when you visit the shopping site for Old Navy, pop-up ads remind you about coupons as well as the latest deals and specials.

Email Marketing:

Email marketing is a powerful tool for acquiring, engaging, and retaining customers to help your business thrive. Learn about the different types of email.

What is email marketing? Basically the use of email to promote products and/or services. But a better email marketing definition is the use of email to develop relationships with potential customers and/or clients. Email marketing is one segment of internet marketing, which encompasses online marketing via websites, social media, blogs, etc. It is essentially the same as direct mail except that instead of sending mail through the postal service, messages are sent electronically via email.

Much of the spam email we all get proclaiming 'deals' on this and that is a good example of email marketing at its worst; the mindless email barrage.

At its best, email marketing allows businesses to keep their customers informed and tailor their marketing messages to their customers.

Email Marketing Can Be Personalized:

Particular groups of customers can be targeted or even individuals. Offering individual customer's special deals on merchandise and/or services on the customer's birthday, for instance, is one example of email marketing personalization. (A restaurant might send an email to customers on their birthday offering 50% off an entree,) Email marketing helps a business develop and maintain a relationship with a customer over time that hopefully results in increased sales and increased customer loyalty.

Email marketing best practices include developing your own email list rather than buying an email list(s), and making participation in your email list opt-in rather than opt-out (using permission-based email marketing). Email should also be optimized for mobile usage as according to statistics over half of emails are opened on mobile devices.

The Advantages of Email Marketing:

The two big advantages of email marketing are **price** and **ease**. Emailing is an inexpensive way to advertise your company and its products and/or services compared to many other types of marketing. It's also extremely easy to set up and track an email marketing campaign, making it a very accessible type of marketing for small businesses.

Newsletters can be sent to the email list you've built from the people who provided the necessary information on your website, for instance, providing these potential customers with news updates about your company, upcoming events and/or special offers – and, of course, reminding them that your business exists and that maybe it's time for another visit.

Email Marketing Is Still Relevant:

In an age of increasing usage of social media for advertising, email marketing still rules.

- 94% of Internet users use email, while only 61% use social media
- 75% of adult online users say that email marketing is their preferred marketing method
- the "opt-in" feature of email allows marketing by consent
- Email marketing allows targeting by demographics (age, income, etc.)
- email messages have a much wider range of formatting possibilities than social media messages

- email offers more reporting and analytics capability, such as click-through rates, open rates, bounce rates, and conversions

The huge advantage of email over social media is that prospects and customers are more likely to see an email than social media. Just posting something doesn't mean that everyone you want to see your message will see it. Your post might not even show up in your targets' social media streams. However, an email will sit in the inbox until it's read (or deleted).

Ideally, email marketing should go hand-in-hand with social media. Adding social media "Like" or "Share" buttons to your marketing emails gives an additional way for customers to connect with your brand. Snippets of positive reviews from social media fans can be included in

emails, and conversely social media postings can be used to encourage fans to subscribe to your email newsletters.

Email marketing can substantially increase your income if you do it correctly. (See the tips below.) It's a great way to get people to visit and/or revisit your website or blog and more traffic usually equates to more income.

Email Marketing Tips:

1) Build your own list. This has already been mentioned but buying email lists is a waste of time. All you're going to do by sending unsolicited email is turn off most of the people you're hoping to turn into customers and run the risk of being labeled a spammer.

2) Adhere to the rules of the CAM-SPAM Act. These rules include having a non-deceptive subject line, a method of unsubscribing, and your name and address at the end of the emails.

3) Don't just send out ads to buy all the time. Use your emails to build rapport with customers by sharing your expertise and/or that of others, giving them tips and insights they can value. Share information that lets them know more about you and/or your company if it's interesting.

4) Treat your list well. Remember that the people you're using email to communicate with have trusted you with their email and name; they deserve your respect. Just as you deserve as chance to convert them from customers to fans and even evangelists for your brand, people who want to talk about and share your message and get involved in any way they can.

5) Stick to a schedule if you're doing a newsletter. Sending email on a regular day or days can help your subscribers know what to expect from you and when.

Viral Marketing

Viral marketing (or **viral advertising**) is a marketing technique that uses pre-existing social networking services and other technologies to produce increases in brand awareness or to achieve other marketing objectives (such as product sales or marketing buzz) through selfreplicating viral processes, analogous to the spread of viruses or computer viruses. It can be delivered by word of mouth or enhanced by the network effects of the Internet and mobile networks.

Viral advertising is personal and, while coming from an identified sponsor, it does not mean businesses pay for its distribution. Most of the well-known viral ads circulating online are ads paid by a sponsor company, launched either on their own platform (company webpage or social media profile) or on social media websites such as YouTube. Consumers receive the page link from a social media network or copy the entire ad from a website and pass it along through e-mail or posting it on a blog, webpage or social media profile. Viral marketing may take the form of video clips, interactive Flash games, averages, eBooks, brand able software, images, text messages, email messages, or web pages. The most commonly utilized transmission vehicles for viral messages include: pass-along based, incentive based, trendy based, and undercover based. However, the creative nature of viral marketing enables an "endless amount of potential forms and vehicles the messages can utilize for transmission", including mobile devices

The ultimate goal of marketers interested in creating successful viral marketing programs is to create viral messages that appeal to individuals with high social networking potential (SNP) and that have a high probability of being presented and spread by these individuals and their competitors in their communications with others in a short period of time

Elements of a Viral Marketing Strategy:

Accept this fact. Some viral marketing strategies work better than others. Few work as well as the simple Hotmail.com strategy. But below are the six basic elements you hope to include in your strategy. A viral marketing strategy need not contain ALL these elements, but the more elements it embraces, the more powerful the results are likely to be. An effective viral marketing strategy:

1. Gives away products or services;
2. Provides for effortless transfer to others;
3. Scales easily from small to very large;
4. Exploits common motivations and behaviors;
5. Utilizes existing communication networks;
6. Takes advantage of others' resources.

Let's examine at each of these elements briefly.

1. Gives Away Valuable Products or Services:

"Free" is the most powerful word in a marketer's vocabulary. Most viral marketing programs give away valuable products or services to attract attention. Free email services, free information, free "cool" buttons, free software programs that perform powerful functions but not as much as you get in the "pro" version. Wilson's Second Law of Web Marketing is "The Law of Giving and Selling". "Cheap" or "inexpensive" may generate a wave of interest, but "free" will usually do it much faster. Viral marketers practice delayed gratification. They may not profit today, or tomorrow, but if they can generate a groundswell of interest from something free, they know they will profit "soon and for the rest of their lives" (with apologies to "Casablanca"). Patience, my friends. Free attracts eyeballs. Eyeballs then see other desirable things that you are selling, and, presto! You earn money. Eyeballs bring valuable email addresses, advertising revenue, and ecommerce sales opportunities. Give away something, sell something.

2. Provides for Effortless Transfer to Others:

Public health nurses offer sage advice at flu season: Stay away from people who cough, wash your hands often, and don't touch your eyes, nose, or mouth. Viruses only spread when they're easy to transmit. The medium that carries your marketing message must be easy to transfer and replicate: email, website, graphic, software download. Viral marketing works famously on the Internet because instant communication is easy and inexpensive. The digital format makes copying simple. From a marketing standpoint, you must simplify your marketing message so it can be transmitted easily and without degradation. Short is better. The classic is: "Get your private, free email at http://www.hotmail.com." The message is compelling, compressed, and copied at the bottom of every free email message.

Scales Easily from Small to Very Large:

To spread like wildfire, the transmission method must be rapidly scalable from small to very large. The weakness of the Hotmail model is that a free email service requires its own mail servers to transmit the message. If the strategy is wildly successful, mail servers must be added very quickly or the rapid growth will bog down and die. If the virus multiplies only to kill the host before spreading, nothing is accomplished. So long as you have planned ahead of time how you can add mail servers rapidly you're okay. You must build in scalability to your viral model.

3. Exploits Common Motivations and Behaviors:

Clever viral marketing plans take advantage of common human motivations. What proliferated "Netscape Now" buttons in the early days of the web? The desire to be cool. Greed drives people. So does the hunger to be popular, loved, and understood. The resulting urge to communicate produces millions of websites and billions of email messages. Design a marketing strategy that builds on common motivations and behaviors for its transmission, and you have a winner.

4. Utilizes Existing Communication Networks:

Most people are social. Nerdy, basement-dwelling computer science graduate students are the exception. Social scientists tell us that each person has a network of 8 to 12 people in his or her network of friends, family, and associates. A person's broader network may consist of scores, hundreds, or thousands of people, depending upon his or her position in society. A waitress, for example, may communicate regularly with hundreds of customers in a given week. Network marketers have long understood the power of these human networks, both the strong, close networks as well as the weaker networked relationships. People on the Internet develop networks of relationships, too. They collect email addresses and favorite website URLs. Affiliate programs exploit such networks, as do permission email lists. Learn to place your message into existing communications between people, and you rapidly multiply its dispersion.

5. Takes Advantage of Others' Resources:

The most creative viral marketing plans use others' resources to get the word out. Affiliate programs, for example, place text or graphic links on others' websites. Authors, who give away free articles, seek to position their articles on others' WebPages. A news release can be picked up by hundreds of periodicals and form the basis of articles seen by hundreds of thousands of readers. Now someone else's newsprint or webpage is relaying your marketing message. Someone else's resources are depleted rather than your own.

Affiliate Marketing

Affiliate marketing is a type of performance-based marketing in which a business rewards one or more affiliates for each visitor or customer brought by the affiliate's own marketing efforts.

Affiliate marketing is a type of performance-based marketing in which a business rewards one or more affiliates for each visitor or customer brought by the affiliate's own marketing efforts. The industry has four core players: the merchant (also known as 'retailer' or 'brand'), the network (that contains offers for the affiliate to choose from and also takes care of the payments), the publisher (also known as 'the affiliate'), and the customer. The market has grown in complexity, resulting in the emergence of a secondary tier of players, including affiliate management agencies, super-affiliates and specialized third party vendors.

Affiliate marketing overlaps with other Internet marketing methods to some degree, because affiliates often use regular advertising methods. Those methods include organic search engine optimization (SEO), paid search engine marketing (PPC – Pay Per Click), e-mail marketing, content marketing and in some sense display advertising. On the other hand, affiliates sometimes use less orthodox techniques, such as publishing reviews of products or services offered by a partner.

Affiliate marketing is commonly confused with referral marketing, as both forms of marketing use third parties to drive sales to the retailer. However, both are distinct forms of marketing and the main difference between them is that affiliate marketing relies purely on financial motivations to drive sales while referral marketing relies on trust and personal relationships to drive sales.

Affiliate marketing is frequently overlooked by advertisers.[1] While search engines, email, and website syndication capture much of the attention of online retailers, affiliate marketing carries a much lower profile. Still, affiliates continue to play a significant role in eretailers' marketing strategies.

Participatory Communication Networks

Participatory development communication is the use of mass media and traditional, inter-personal means of communication that empowers communities to visualize aspirations and discover solutions to their development problems and issues.

Participatory Communication "Participatory communication is the theory and practices of communication used to involve people in the decision-making of the development process. It intends to return to the roots of its meaning, which, similarly to the term community, originate from the Latin word 'communis', i.e. common (Mody, 1991). Therefore, the purpose of communication should be to make something common, or to share...meanings, perceptions, worldviews or knowledge. In this context, sharing implies an equitable division of what is being shared, which is why communication should almost be naturally associated with a balanced, twoway flow of information.

- Strengthen a regional training capacity to improve the development support communication (DSC) skills of intermediate-level professionals so that they could improve the effectiveness of the rural development programmers in which they work.
- Initiate an example of a sustainable national DSC service to support rural development programmers and projects.
- Advance towards the creation of a group of DSC professionals in the region, by means of preparing a regional Post-graduate DSC Professional Diploma Course (through collaboration with the University of Zimbabwe in Harare).
- Advise governments and other development-related organizations about the requirements for effective DSC in Southern Africa, for future action.

Based on a "Results" section which synthesizes and recaps the main issues by reviewing how the conception and levels of participation identified in his research have shifted in each phase of the project, Mefalopulos concludes by arguing that participatory communication is an approach capable of facilitating people's involvement in decision-making about issues impacting their lives

- a process capable of addressing specific needs and priorities relevant to people and at the same time assisting in their empowerment. In fact, he says, participatory communication is "a necessary component, consistent with a democratic vision of international development, needed to increase projects sustainability and ensure genuine ownership by the so-called 'beneficiaries'."

Types of participation:

Participation can be used as a goal or as a tool for specific projects.[1] The four categories below refer to different levels of participation and communication:

1. Passive Participation

The stakeholders of a project essentially act as "empty vessels" and receive information.

Feedback is minimal if at all and participation is assessed through methods such as head counts.

2. Participation by Consultation

Researchers or "experts" pose questions to the stakeholders. Input can be provided at different points in time but the final analysis and decision-making power lies in the hands of the external professionals whom may or may not take the stakeholders decisions into consideration.

3. Participation by Collaboration

Groups of primary stakeholders are formed in order to participate in discussion and analysis. Objectives are predetermined. This method incorporates components of horizontal communication and capacity building among all stakeholders.

4. Empowerment Participation

Primary stakeholders are capable and willing to become involved in the process and take part in decision-making. Outsiders are equal partners, but the stakeholders make the final decisions as ownership and control of the process rests in their hands. Knowledge exchange leads to solutions.

Social Media Communities

Find people who represent your ideal **community** member: someone who is interested in or knowledgeable about your topic of interest, someone who is an engaged and regular **social media** users and someone who has an existing following.

Communities of Interest:

As the name suggests, "Communities of Interest" tend to involve subjects that people find interesting. Take an automobile forum discussing all things "Ford Focus" or a blog like World Changing, which seeks solutions to the world's problems. Since these topics are typically created, maintained and populated by everyday people, they tend to be the most commonly visited with the time most spent. This "stickiness" is a goal for corporations who are trying to create and house a conversation around their product or message.

Communities of Task

The structures found in "Communities of Task" focus on peer-to-peer reviews, classified ads or other quick-fix points of action or research. People who seek to fulfill a specific goal often visit these communities to connect with credible advocates or find tidbits of information. The information sought is as diverse as the people seeking it: from wedding planners to microwave ovens to pick-up trucks to bed and breakfasts. People in research mode tend to visit once or contribute to short burst of activity, however the more credible/useful the content, the more likely the user will visit again.

Communities of task should be of interest to the company wanting to sway purchase intention during the research phase of the consumer funnel. Housing these kinds of conversations can prove very influential but to remain credible, the delicate dose of brand messaging must not overtake unbiased consumer insight.

Communities of Vocation

"Communities of Vocation" focus on professional connections with specific vocational needs. Perhaps the most famous community of this type is LinkedIn.com, an online social network of more than 13 million professionals representing 150 industries. These professional communities tend to be very "template" in nature, offering clear boundaries of communication and focused discussion.

Consumer Engagement

Customer engagement is a business communication connection between an external stakeholder (**consumer**) and an organization (company or brand) through various channels of correspondence.

Customer engagement is a business communication connection between an external stakeholder (consumer) and an organization (company or brand) through various channels of correspondence. This connection can be a reaction, interaction, effect or overall customer experience, which takes place online and offline. The term can also be used to define customerto-customer correspondence regarding a communication, product, service or brand. However, the latter dissemination originates from a business-to-consumer interaction resonated at a subconscious level.

Online customer engagement is qualitatively different from offline engagement as the nature of the customer's interactions with a brand, company and other customers differ on the internet. Discussion forums or blogs, for example, are spaces where people can communicate and socialize in ways that cannot be replicated by any offline interactive medium. Online customer engagement is a social phenomenon that became mainstream with the wide adoption of the internet in the late 1990s, which has expanded the technical developments in broadband speed, connectivity and social media. These factors enable customer behavior to regularly engage in online communities revolving, directly or indirectly, around product categories and other consumption topics. This process leads to a customer's positive engagement with the company or offering, as well as the behaviors associated with different degrees of customer engagement.[3]

Marketing practices aim to create, stimulate or influence customer behavior, which places conversions into a more strategic context and is premised on the understanding that a focus on maximizing conversions can, in some circumstances, decrease the likelihood of repeat conversions.[4] Although customer advocacy has always been a goal for marketers, the rise of online user generated content has directly influenced levels of advocacy. Customer engagement targets long-term interactions, encouraging customer loyalty and advocacy through word-ofmouth. Although customer engagement marketing is consistent both online and offline, the internet is the basis for marketing efforts.

Engagement is a holistic characterization of a consumer's behavior, encompassing a host of sub-aspects of behavior such as loyalty, satisfaction, involvement, Word of Mouth advertising, complaining and more.

- **Satisfaction**: Satisfaction is simply the foundation, and the minimum requirement, for a continuing relationship with customers. Engagement extends beyond mere satisfaction.
- **Loyalty** - Retention: Highly engaged consumers are more loyal. Increasing the engagement of target customers increases the rate of customer retention.
- **Word of Mouth advertising** - advocacy: Highly engaged customers are more likely to engage in free (for the company), credible (for their audience) Word of Mouth advertising. This can drive new customer acquisition and can have viral effects.
- **Awareness** - Effectiveness of communications: When customers are exposed to communication from a company that they are highly engaged with, they tend to actively elaborate on its central idea. This brings about high degrees of central processing and recall.
- **Filtering**: Consumers filter, categorize and rate the market from head to tail, creating multiple, overlapping folksonomies through tagging, reviewing, rating and recommending.
- **Complaint-behavior**: Highly engaged customers are less likely to complain to other current or potential customers, but will address the company directly instead.
- **Marketing intelligence**: Highly engaged customers can give valuable recommendations for improving quality of offering.

Co-Created Content Management

Co-creation

"The market is becoming a forum for conversation and interactions between consumers, consumer communities and firms. It is this dialogue, access, transparency and understanding of risk benefit that is central to the next practice in value creation.

Co-creation is one of the most powerful ways to engage customers and deliver unique value. Using illustrative case studies, the concept explains how companies and customers can coconstruct products, services and experiences.

Company-driven concepts of marketing, is about the joint creation of value by a company and other stakeholders, and in particular consumers who work with the company to co-construct the service experience to suit his or her preferences.

Co-creation is a management initiative, or form of economic strategy, that brings different parties together (for instance, a company and a group of customers), in order to jointly produce a mutually valued outcome. Co-creation brings the unique blend of ideas from direct customers or viewers (who are not the direct users of the product) which in turn gives a plethora of new ideas to the organization.

Co-created value arises in the form of personalized, unique experiences for the customer (value-in-use) and ongoing revenue, learning and enhanced market performance drivers for the firm (loyalty, relationships, customer word of mouth). Value is co-created with customers if and when a customer is able to personalize his or her experience using a firm's product-service proposition – in the lifetime of its use – to a level that is best suited to get his or her job(s) or tasks done and which allows the firm to derive greater value from its product-service investment in the form of new knowledge, higher revenues/profitability and/or superior brand value/loyalty.

The process of Co-creation

The process of co-creation essentially involves 2 core steps:

1. **Contribution**: Submission of contributions by the public to the firm.

2. **Selection**: Selection of the most promising and appealing contributions/submissions.

Types of Co-creation

Depending on the degree of control exercised by the firm/public over the contribution and selection activities, co-creation may be broadly classified into 4 categories:

1. **Tinkering**: Public exercises control over the contribution activity while the firm exercises control over the selection activity

2. **Submitting**: Firm exercises complete control over both the activities

3. **Co-designing**: Firm exercises control over the contribution activity while the public exercises control over the selection activity
4. **Collaborating**: Public exercises complete control over both the activities

1. Tinkering

Tinkering is a customer co-creation model that involves procurement of contributions from the public by the firm, a comprehensive and scrupulous examination of the contributions, selection of the most promising and enterprising contributions by the firm and finally implementation of the contributions. For example, Little Big Planet, a puzzle platform video game by Sony Interactive Entertainment allows the gamers to create their own levels in the game. The created levels can then be shared with other gamers or submitted to Sony. Owing to this "Create and Share" feature, this game has the tagline 'Play, Create, Share'. The most promising contributions are incorporated into the final game and the contributors are rewarded.

2. Submitting

In the case of submitting, the firm exercises control over the contribution activity by placing constraints on the basic design, contribution size etc. and also the selection activity by selecting the winning contributions.

3. Co-designing

Co-designing involves placement of constraints by the firm on the contribution activity and selection of the winning contributions by the contributors themselves. For example, Local Motors employs the co-designing model of customer co-creation to develop its vehicles. In 2010, Local Motors developed a car named Rally Fighter in a record 18 months, which is about 5 times faster than what a conventional car manufacturing process takes. By empowering a community of over 2000 designers to submit their designs while still placing some constraints on the basic design, color schemes etc., Local Motors effectively utilized the co-designing model of customer co-creation. The winning designing (By Sangho Kim) was chosen as the winning design by the designer community through voting.

4. Collaborating

Also known as open sourcing; collaborating involves releasing the source code of the product and making it accessible to the general public. The released source code is then open to modification as per the requirement of the users. Examples like, Mozilla Firefox, Apache and Linux are all based on collaborating.

Interactive Digital Networks

Interactive media normally refers to products and services on digital computer-based systems which respond to the user's actions by presenting content such as text, moving image, animation, video, audio, and video games.

Interactive media is a method of communication in which the output from the media comes from the input of the users. Interactive media works with the user's participation. The media still has the same purpose but the user's input adds interaction and brings interesting features to the system for better enjoyment.

Effects on learning:

Interactive media is helpful in the following four development dimensions in which young children learn: social and emotional, language development, cognitive and general knowledge, and approaches toward learning. Using computers and educational computer software in a learning environment helps children increase communication skills and their attitudes about learning. Children who use educational computer software are often found using more complex speech patterns and higher levels of verbal communication. A study found that basic interactive books that simply read a story aloud and highlighted words and phrases as they were spoken were beneficial for children with lower reading abilities. Children have different styles of learning, and interactive media helps children with visual, verbal, auditory, and tactile learning styles

Intuitive understanding:

Interactive media makes technology more intuitive to use. Interactive products such as smart phones, iPod's/iPod's, interactive whiteboards and websites are all easy to use. The easy usage of these products encourages consumers to experiment with their products rather than reading instruction manuals.

Relationships:

Interactive media promotes dialogic communication. This form of communication allows senders and receivers to build long term trust and cooperation. This plays a critical role in building relationships. Organizations also use interactive media to go further than basic marketing and develop more positive behavioral relationships.

Customer

Digital Customer:

Customer experience has been defined as the quality of all of a consumer's encounters with a company's products, services, and brand. ... Researching a product online, using a mobile app to find a store's nearest location, searching for tech support information on a Smartphone these are all **digital customer** experiences.

Digital Customer Service:

Modern contact centers **support** a variety of **digital** channels—email, chat, co-browsing, social, video—over multiple **digital** touch points (web or mobile devices). What they lack is the ability to link interactions in a step-by-step journey to provide a personal, contextual experience for each **customer**.

LED Marketing Campaigns:

A **marketing** strategy in which a company seeks to determine what products a **consumer** might want, and then moves the company to develop those products. It relies heavily on **market** research. ... This strategy can be used concurrently with an asset-**led marketing** strategy.

Legal & Ethical Aspects Related to Digital Marketing

1. KYA – Know Your Audience:

- Know about your audience, their preferences, interests and choices
- Have a complete demographic and psychographic overview

This will help you refine your target audience and also facilitate in developing anti-spam mechanism. In addition, it will allow you to segment the audience and send over relevant messages that will drive engagement; the ultimate goal.

2. Stay Away from Biases:

Businesses and marketers need to stay away from (negative) political, religious, ethnic, or any cultural bias that could be termed as controversial. A slight mistake can lead to a big PR disaster and loss of your job (as marketer). We have seen that many top social media managers got fired for just one wrong tweet.

3. Never Compromise On Privacy:

Privacy is a very sensitive domain as it is top concern of the internet generation. If you are doing some marketing via social media, make sure you do not violate privacy rules. Some companies extract Face book and LinkedIn data to build their email campaigns. This is a cuttingedge sword and requires attention to core concerns. Just a promise of not spamming might not be enough, you need to give unsubscribe option with every message you deliver. To read more about ethical email marketing, refer to my old piece at Business2Community.

4. Be Transparent:

If you are endorsing some product, idea or personality; you need to disclose why you are endorsing it. Mentioning your relationship with that particular product, non-profit entity, brand or political entity in your campaign, handle, or bio is essential.

5. Speak Truth:

If you have some interest or affiliation in something being discussed, you need to politely communicate your affiliation. It does not require that you explain your interests but tell as to why are you supporting a particular thing. Another important element here is to be true to yourself as well as the audience.

6. Think Before You Tweet:

Internet if flooded with unauthentic information pieces, which has made the marketer's job more complicated. Therefore, always verify what you share before sending it out for prospects. Any factual error may lead to embarrassment and negative perception of the brand.

7. Imagine the Impact:

If you are sharing some information through your social channel which has been acquired from a third party source, give clear disclaimers to avoid suspicions of conflict of interest. Moreover; be very careful about your tweets and re-tweets. Public perception matters a lot. For instance, you might re-tweet something a politician has said in order to spread the news but some may view it as your support for that person. This can be very tricky for your brand.