E-MKTG

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E-commerce and the Internet

• **Key concepts in e-commerce**
  
  – 1. Digital goods
    
    • Goods that can be delivered over a digital network
      
      – E.g. Music tracks, video, software, newspapers, books
    
    • Cost of producing first unit almost entire cost of product: marginal cost of 2nd unit is about zero
    
    • Costs of delivery over the Internet very low
    
    • Marketing costs remain the same; pricing highly variable
    
    • Industries with digital goods are undergoing revolutionary changes (publishers, record labels, etc.)
Key concepts in e-commerce

2. THE BENEFITS OF DISINTERMEDIATION TO THE CONSUMER

The typical distribution channel has several intermediary layers, each of which adds to the final cost of a product, such as a sweater. Removing layers lowers the final cost to the consumer.
E-commerce and the Internet

• Key concepts in e-commerce
  – 3. The benefits of personalization
Strategy of Personalization
Customization
And co-creation
A General Image of Utility/personalization

Product design

Marketing consumer research

Consumer experience

Branded product

CORE PRODUCT

AUGMENTED PRODUCT

Differentiating features

Quality
Price
Support
Reliability

TRUST
Affection
Loyalty
Reputation

Product Co-creation
Kickers : customized standardization
Longchamp bag: tailored customization

- 3 anneaux
- Deux longueurs de brides
- Ajout d’un monogramme, 2 polices d’écriture
- Ajout d’un «identifiant», 10 lettres maximum, 3 polices d’écriture, 15 couleurs
- 15 couleurs sur la bande centrale et les bandes périphériques
Modularity

| Modularité par le partage de composants  
(component-sharing modularity) | Modularité par l'échange de composants  
(component-swapping modularity) | Modularité « cut-to-fit »  
(cut to fit modularity)  
Modification des dimensions d'un module avant de le combiner avec un autre modèle |
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<td>Sélection des modules au sein d'une liste d'options à ajouter à un produit de base</td>
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Modularité par le mix de composants  
(mix modularity)  
Perte de l'identité propre de chaque module quand ils sont combinés

Modularité bus  
(bus modularity)  
Utilisation d'une structure standard à laquelle on peut adjoindre un grand nombre de composants.

Modularité sectionnelle  
(sectional modularity)  
Possibilité de changements dans l'architecture du produit lui-même par l'assemblage de composants.
GINA : Total failure
New Fiat 500: Total success

• Continuous ways of customizing the car
  – The 500,000th (http://www.500wantsyou.fr/)
Benefits of integrating channels: In one Web site
Web site?

Photos and videos

Maps

Contact persons

Informations
E-Marketing: The Website

• Consumers want in a website:
  – 1 stop shopping with integrated solutions.
  – Effective web navigation
  – Quick downloads
  – Clear site organization
  – Attractive/useful site design
  – Secure and private transactions
  – Free information/services - consumers used to online culture of getting something for free.
Integrating all channels in an Ultimate channel as part of integrated e-marketing strategy
Le service de visio conférence permet à tous les clients monabanq, de disposer de leur conseiller personnel n’importe où, à partir du moment où ils sont connectés à internet avec
Strategy of creating a brand e-community
E-communauties
Virtual communities

• Building virtual Communities
  – Internet ideal for gathering people with similar ideas/tasks (communities).
  – Communities form at web sites in chat rooms, bulletin boards, and distributed e-mail lists.
  – If a firm builds/maintains the “watering hole” where community gathers, can build relationship with them.
Exemplar Blog/Brand Communities

• Nike Blog
  – The Art of Speed

• Red Hat Blog [http://blogs.redhat.com/]
  – Road show and executive blogs

• Channel 9 - Microsoft [http://channel9.msdn.com/]
  – Microsoft employees and developers talking, learning, and listening globally.

• General Motors Blogs [http://smallblock.gmblogs.com/]
  – Community for small block enthusiasts

• Google Blog
  – Insight into the news, technology, and culture of Google.
virtuels avatars
Social Media

Billy Kolber: Just deplaned UA 21 in Los Angeles 22 minutes ago.

Ann Rizzuto: Has bicycle anxiety. 30 minutes ago.


Nick O'Neill: I’m furious at Kinkos. 35 minutes ago.

James Sharp: Is concerned he may have eaten the forbidden tomato. 35 minutes ago.
What is Social Media? Does it take the place of “in person” networking or meetings?

Social media consists of online marketing with photos, video, podcasts, audio, chat rooms, discussions, blogs, surveys, etc.

All of these help engage conversation and allows your message to go “viral” on social networks such as Facebook, Twitter, Linkedin, Plaxo, YouTube, Flicker, StumbleUpon, Digg, and so many others.

Traditional marketing does not allow for interaction or participation towards content or creation.

Social media supplements “in person” networking or meetings, but does not replace it.
Web 2.0 & Social Media Networks

The Conversation
The Art of Listening, Learning, and Sharing

Brought to you by
Brian Solis and JESS3
Social Media Tools and Platforms

- Social networks
- Blogs
- Microblogs
- Media sharing sites
What are some of the benefits of Social Media for your business?

- Social Media provides a simple way for current customers and potential customers to comment on your products or services and to ask for further information.
- Social Media provides a way to go “viral” quicker than typical advertising opportunities.
- Social Media allows for much quicker and more efficient customer services with more options.
- Social Media can provide more opportunity for increased sales, especially for smaller businesses.
Brands are Going Where Consumers Play
Example: FedEx Launch a Package
FedEx Launch A Package Application

Results

- 100,000 installs in 72 hours – 200,000 installs in 6 days
- 50% of users returned to the application more than 10 times after initial install
- Less than 10% uninstalled the application after initial visit
- Global audience for application in more than 200 countries
Social Media Tools and Platforms

- Social networks
- Blogs
- Microblogs
- Mobile Technology
Social Networks
Social Networks: The must

Industry Giants

– Facebook
– Twitter
– LinkedIn
– You Tube
– Skype
– WikiPedia
The Social Networks are About Life Experiences

- Brands are using applications to engage their audience
- They are using applications to entertain
- They are not banner ads
- They are not groups
- They are the new Ad Unit
- They are used to connect and drive interest
- Social Media is now a major component of the Digital Buy
InStyle Hollywood Hair Makeover
Target Audience Women 18-40
Connecting with the Right Audience

- 250,000 installs over the course of the campaign
- Average time on app: 5 minutes and 30 seconds
- Average user tries on four different hairstyles per visit
- 54,000 makeovers have been posted on the InStyle Wall of Fame
Your Makeover

Is your face rotated?
If so, just click on the position below that matches your photo.

Select your face shape
Oval, Heart, Square, Round, Long

Adjust photo
Play with size and position until the outline sits properly over your face. This will help us adjust and fit hairstyles.

Move your shoulder line

NEXT →
SOCIAL NETWORKING AND MARKETING

- Social networking is still the number one growth area in online marketing. Top Social Networking Websites grew as means to stay in touch with friends, meet new people online and to share ideas.
- The success of social networks marks a dynamic shift in how people are using the Internet. We’ve evolved from just searching for information to creating and participating in social spaces with other individuals through the Internet.
- Social networks make word-of-mouth marketing much easier than before.
- The best use out of social networks is not to make money ‘directly’ off them, but to harness their marketing potential and to use them to market your own business.
Begin with Blog

• What’s a Blog?
  – Tool to create and publish
  – Tool to encourage feedback

• Why Blog?
  – 2008; 50% US readership
  – 2013; 68% projected*

• Why Don’t You Blog?
  – No time for management
  – No people to write
Blogs

- Support Keywords for SEO
- Relationship building
- Provides fresh content for SEO
- Brand awareness
- Gain insight to customers
- Reduce calls and emails
Microblogs

- **Microblogs** are blogs with strict post limits.
- Useful for disseminating news, promoting longer blog posts, sharing links, announcing events, and promoting sales.
- The ways a business can use Twitter to engage customers are almost LIMITLESS.
Twitter for Business

What are you doing?

• 250 million global visitors
  – Surpasses Digg, LinkedIn, NYTimes
  – Browsers, SMS, IM, RSS, Reader, FriendFeed, Facebook, Blogs, Widgets, Desktop, iPhone, Blackberry...
Twitter

- Twitter is becoming more mature and serious for business.
- There are more updates and followers now.
- Twitter’s success is measured in your page content, blogging, links to blogs, links to landing pages, personalization, photos, and stylish backgrounds.
- You engage personally with your customers.
- Keep it real.
Success Stories : SN and Marketing

– **American Airlines** uses Twitter to announce specials that only can be found by Twitting; this has proven very successful in filling empty seats and has become a viral branding vehicle.
Common Mobile Marketing Tools

- SMS
- MMS
- Mobile Web sites
- Mobile ads
- Bluetooth
- Smartphone apps
What gets shared the least and most on the networks?

- **Rarely shared:** Product information, free trials, and software documentation
- **Frequently shared:** New data, funny videos, and top-notch podcasts and blog posts
Security and privacy
Trust/security

"On the Internet, nobody knows you're a dog."
Cookies and Web Bugs

• Cookies:
  – Small text file Web sites place on visitor’s PC every time they visit, as specific pages are accessed
  – Provide Web marketers with very quick means of identifying customer and understanding prior behavior

• Web bugs:
  – Tiny (one pixel) graphic files embedded in e-mail messages and on Web sites
  – Used to automatically transmit information about user and page being viewed to monitoring server
Communication
More Interactivity then traditional media

2 way medium

- Active not passive
- Respond to demand
- Opt in, not opt out
- Interactive Dialogue
E-commerce marketing

- Power to the customer
- Demand what they want and when
- Closer to the customer
- Raises importance of customer service
- Service response
- Speed of delivery
- Saying & doing – delivering on time
http://www.youtube.com/watch?v=G3PAE8xAU-8
http://www.youtube.com/watch?v=mQx97f9gIvM
Summary of degree of individualization for (a) traditional media (same message), (b) new media (unique messages and more information exchange between customers)
• E-commerce revenue models

1. Advertising
2. Sales
3. Subscription
4. Free/Freemium
5. Transaction Fee
6. Affiliate
E-commerce marketing

- Internet provides marketers with new ways of identifying and communicating with customers
- **Long tail marketing**: Ability to reach a large audience inexpensively
- **Behavioral targeting**: Tracking online behavior of individuals on thousands of Web sites
- Advertising formats include search engine marketing, display ads, rich media, and e-mail
E-commerce: Business and Technology

WEB SITE VISITOR TRACKING

The shopper clicks on the home page. The store can tell that the shopper arrived from the Yahoo! portal at 2:30 PM (which might help determine staffing for customer service centers) and how long she lingered on the home page (which might indicate trouble navigating the site).

The shopper clicks on blouses, clicks to select a woman’s white blouse, then clicks to view the same item in pink. The shopper clicks to select this item in a size 10 in pink and clicks to place it in her shopping cart. This information can help the store determine which sizes and colors are most popular.

From the shopping cart page, the shopper clicks to close the browser to leave the Web site without purchasing the blouse. This action could indicate the shopper changed her mind or that she had a problem with the Web site’s checkout and payment process. Such behavior might signal that the Web site was not well designed.

E-commerce Web sites have tools to track a shopper’s every step through an online store. Close examination of customer behavior at a Web site selling women’s clothing shows what the store might learn at each step and what actions it could take to increase sales.
WEB SITE PERSONALIZATION

Firms can create unique personalized Web pages that display content or ads for products or services of special interest to individual users, improving the customer experience and creating additional value.

FIGURE 10-4
HOW AN ADVERTISING NETWORK SUCH AS DOUBLECLICK WORKS

Advertising networks have become controversial among privacy advocates because of their ability to track individual consumers across the Internet.

FIGURE 10-5
Business-to-business e-commerce

- Electronic data interchange (EDI)
  - Computer-to-computer exchange of standard transactions such as invoices, purchase orders
  - Major industries have EDI standards that define structure and information fields of electronic documents for that industry
  - More companies increasingly moving away from private networks to Internet for linking to other firms
    - E.g. Procurement: Businesses can now use Internet to locate most low-cost supplier, search online catalogs of supplier products, negotiate with suppliers, place orders, etc.
E-commerce: Business and Technology

ELECTRONIC DATA INTERCHANGE (EDI)

Companies use EDI to automate transactions for B2B e-commerce and continuous inventory replenishment. Suppliers can automatically send data about shipments to purchasing firms. The purchasing firms can use EDI to provide production and inventory requirements and payment data to suppliers.
• Business-to-business e-commerce (cont.)
  – Private industrial networks (private exchanges)
    • Large firm using extranet to link to its suppliers, distributors and other key business partners
    • Owned by buyer
    • Permits sharing of:
      – Product design and development
      – Marketing
      – Production scheduling and inventory management
      – Unstructured communication (graphics and e-mail)
A PRIVATE INDUSTRIAL NETWORK

A private industrial network, also known as a private exchange, links a firm to its suppliers, distributors, and other key business partners for efficient supply chain management and other collaborative commerce activities.

FIGURE 10-7
Business-to-business e-commerce (cont.)

- Net marketplaces (e-hubs)
  - Single market for many buyers and sellers
  - Industry-owned or owned by independent intermediary
  - Generate revenue from transaction fees, other services
  - Use prices established through negotiation, auction, RFQs, or fixed prices
  - May focus on direct or indirect goods
  - May be vertical or horizontal marketplaces
A NET MARKETPLACE

Net marketplaces are online marketplaces where multiple buyers can purchase from multiple sellers.

FIGURE 10-8

- Catalogs
- Sourcing
- Automated purchasing
- Processing and fulfillment
• **Business-to-business e-commerce (cont.)**
  
  – **Exchanges**
  
  • Independently owned third-party Net marketplaces
  
  • Connect thousands of suppliers and buyers for spot purchasing
  
  • Typically provide vertical markets for direct goods for single industry (food, electronics)
  
  • Proliferated during early years of e-commerce; many have failed
    
    – Competitive bidding drove prices down and did not offer long-term relationships with buyers or services to make lowering prices worthwhile
• **M-commerce**
  
  – Although m-commerce represents small fraction of total e-commerce transactions, revenue has been steadily growing
  
  • Location-based services
  • Banking and financial services
  • Wireless advertising and retailing
  • Games and entertainment
Mobile e-commerce is the fastest growing type of B2C e-commerce although it represents only a small part of all e-commerce in 2010.
Assembling a team with the skills required to make decisions about:

- Technology
- Site design
- Social and information policies
- Hardware, software, and telecommunications infrastructure

Customer’s demands should drive the site’s technology and design
The Mobile Digital Platform and Mobile E-commerce

COMPONENTS OF A WEB SITE BUDGET

FIGURE 10-11
E-commerce: Business and Technology

- **Most popular Web 2.0 service: social networking**
  - Social networking sites sell banner ads, user preference information, and music, videos and e-books

- **Social shopping sites**
  - Swap shopping ideas with friends (Kaboodle, ThisNext)

- **Wisdom of crowds/crowdsourcing**
  - Large numbers of people can make better decisions about topics and products than a single person

- **Prediction markets:**
  - Peer-to-peer betting markets on specific outcomes (elections, sales figures, designs for new products)
CONCLUSION
ENJEUX Du Web POUR Les ENTREPRISES

LA CHAINE DE LA VALEUR

Collaborateurs

Achat

Fournisseurs

Gestion de La chaîne logistique

Gestion intégrée des ressources de l’entreprise

Gestion de la relation client

Vente

Clients

Supply Chain

Demand Chain

GESTION DE LA CONNAISSANCE
References


