Chapter 8
Marketing and Advertising in E-Commerce

Learning Objectives

Upon completion of this chapter, you will be able to:
1. Describe the factors that influence consumer behavior online.
2. Understand the decision-making process of consumer purchasing online.
3. Discuss the issues of e-loyalty and e-trust in electronic commerce (EC).
4. Describe segmentation and how companies are building one-to-one relationships with customers.
5. Explain how consumer behavior can be analyzed for creating personalized services.
6. Describe consumer market research in EC.
7. Describe the objectives of Web advertising and its characteristics.
8. Describe the major advertising methods used on the Web.
9. Describe mobile marketing concepts and techniques.
10. Describe various online advertising strategies and types of promotions.
11. Describe some implementation topics.

Content

Opening Case: Netflix Increases Sales Using Movie Recommendations and Advertisements
8.1 Learning About Consumer Behavior Online
8.2 The Consumer Purchasing Decision-Making Process
8.3 Loyalty, Satisfaction, and Trust in E-Commerce
8.4 Mass Marketing, Market Segmentation, and Relationship Marketing
8.5 Personalization and Behavioral Marketing
8.6 Market Research for E-Commerce
8.7 Web Advertising
8.8 Online Advertising Methods
8.9 Mobile Marketing and Advertising
8.10 Advertising Strategies and Promotions
Managerial Issues
Closing Case: Johnson & Johnson Uses New Media Marketing
**Answers to Pause/Break Section Review Questions**

**8.1 Section Review Questions**

1. *Describe the major components and structure of the consumer online purchasing behavior model.*

The EC consumer behavior model is based in the following characteristics: personal characteristics, environmental characteristics, stimuli, the systems used by the vendor and the buyer’s decisions. These characteristics are structured in a linear fashion with each interaction occurring in order.

2. *List some major personal characteristics that influence consumer behavior.*

There are a number of personal characteristics that affect buying behavior. Some of these characteristics include age, gender, ethnicity, education, lifestyle, psychology, knowledge, values and personality.

3. *List the major environmental variables of the purchasing environment.*

The major environmental variables of the purchasing environment include social, cultural/community, and other variables.

4. *List and describe five major merchant-related variables.*

- Pricing – the price of a good or service
- Advertising/promotions/branding – the marketing surrounding a good or service
- Physical environment – the store or sales environment of a good or service
- Logistics/technical support – support for a good or service
- Customer service – support for the purchaser of a good or service

5. *Describe the relationships among attitude, intention, and actual behavior in the behavior process model.*

A favorable attitude leads to a stronger buying intention, which in turn results in the actual buying behavior.

**8.2 Section Review Question**

1. *List the five phases of the generic purchasing-decision model.*

The five stages in the generic purchasing-decision model are: need identification; information search; evaluation of alternatives; purchase and delivery; and after-purchase evaluation.

2. *Use an example to explain the five phases in the generic purchasing-decision model.*
Student examples will vary.

3. Describe the supporting functions available in Web-based purchasing.

This model is divided into three parts. The first part examines the three stages of buyer behavior: identify and manage buying criteria; search for products and merchants; and compare alternatives. The second part examines price, shipping, and finance; while the third part examines personalization, preferences and customer help. These functions are listed in Exhibit 8.2.

4. Describe AIDA and AISAS models and analyze their differences in illustrating an online purchasing behavior.

AIDA
A—Attention (Awareness): The first step is to attract the attention of the customer.
I—Interest: A message may raise customer interest by demonstrating features, advantages, and benefits.
D—Desire: Customers may be convinced that they want and desire the product or service and that it will satisfy their needs.
A—Action: Finally, the consumer will take action toward purchasing. Now, some researchers also add another letter to form AIDA(S), where:
S—Satisfaction: Customer satisfaction will generate higher loyalty and lead to repurchase after using a product/service.

The AISAS model proposed by the Dentsu Group that is tailored to online behavior. The model replaces “decision” with “search” and adds “share” to show the increased word-of-mouth effect on the Internet.

5. Describe the major players in a buy decision.

Consumers can play one or several of the following roles in the consumer decision-making process: initiator, influencer, decider, buyer and user.

8.3 Section Review Questions

1. Define loyalty and describe e-loyalty.

Customer loyalty is the degree to which a consumer will stay with a specific vendor or brand. E-loyalty is a measure of a customer’s commitment to an online retailer.

2. Describe the use of business intelligence and analytical software for e-loyalty.

These systems analyze customer data to determine satisfaction level and the potential for cross-selling products. It also helps to gain insights fast enough to stop unhappy customers before they leave the site.
3. **Describe the issue of trust in EC and how to increase it.**

Trust is very important in EC because of the lack of direct human interaction between the customer and the merchant. Merchants are able to increase the amount of trust their customers have through brand recognition, security mechanisms and business transparency.

4. **What influences customer satisfaction online? Why do companies need to monitor it?**

Many things influence online customer satisfaction including customer service. This is important to monitor as decreased satisfaction could lead to decreased sales.

5. **How can trust be increased in EC?**

Trust can be increased by the endorsement of a third party or by establishing a history of trustworthiness.

6. **Define reputation-based systems and relate them to trust in EC.**

Systems used to establish trust among members of online communities where parties with no prior knowledge of each other use the feedback from their peers to assess the trustworthiness of the peers in the community. Reputation aids in the creation of trust.

### 8.4 Section Review Questions

1. **Define and describe mass marketing.**

Mass marketing directs advertisements to a large, undifferentiated group of potential customers.

2. **Define market segmentation. How is segmentation done?**

Market segmentation is the dividing of potential customers by type. The goal is to create a subgroup that is more likely to be interested in the product than the whole.

3. **Define one-to-one marketing. What are its advantages?**

One-to-one marketing uses special marketing techniques that treat each customer in a unique way. Internet technologies greatly facilitate the ease of one-to-one marketing. This approach allows a firm to meet the unique needs of a customer to build loyalty.

4. **Describe the one-to-one marketing cyclical process.**

This is a repeating cycle of marketing, sales, and customer feedback.

5. **How is the knowledge of a customer profile used by the advertisers?**
It allows them to customize advertisements that will be more appealing to the customer.

### 8.5 Section Review Questions

1. **Define personalization.**

   Personalization of goods and services for unique individuals requires information from the individual and the ability to match that information to appropriate products. There are several different ways to obtain information from individuals. These methods include soliciting the information from the individual directly, using cookies or other methods to observe online behavior, performing market research or extrapolating from previous purchasing patterns. Once a firm has information about an individual’s preferences, they can then use a software system to match those preferences to available products and services.

2. **List some benefits of personalization.**

   Personalization allows individuals to be matched with a product or service that exactly meets their needs.

3. **Describe cookies in EC.**

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

4. **Define behavioral targeting.**

   Targeting that uses information collected about an individual’s Web-browsing behavior, such as the pages they have visited or the searches they have made, to select an advertisement to display to that individual.

5. **Define collaborative filtering.**

   A market research and personalization method that uses customer data to predict, based on formulas derived from behavioral sciences, what other products or services a customer may enjoy; predictions can be extended to other customers with similar profiles.

6. **Explain how one-to-one advertising is done with cookies and behavioral targeting.**

   Based on data obtained, advertisers can make a reasonable assumption about the preferences of a customer, and target them with specific advertisements meant to address that preference.

7. **Describe how social psychology and cognitive style influence shopping decisions.**
These theories suggest that marketers can predict and optimize sales based on the styles of decision making exhibited by consumers.

8. Describe how customer database information can facilitate personalization.

This information can be used to further refine the preferences of a user, making target marketing more effective.

8.6 Section Review Question

1. Describe the objectives of market research.

The objective of market research is to find information that describes the relationships between customers, products, marketing methods and marketers. Market research assists a firm in both their marketing and product mix decisions.

2. Define and describe market segmentation.

Market segmentation is the process of dividing a customer market into logical groups for conducting market research, advertising, and sales. Markets are segmented so that they can be more easily managed and so marketing strategies can be applied to specific subsets of the population.

3. Describe how market research is done online and the methods used by comScore.

Online market research is very similar to the research that would be done off-line. Online marketing research is conducted online, and the Internet can make the process quicker and easier. Researchers go through the same steps online in determining what needs to be researched and validating results. Researchers can gain access to a large variety of secondary research available online. The major methods include Web surveys, focus groups, direct feedback, customer scenarios, customer tracking, and analysis of clickstream data.

4. Describe the role of Weblogs and clickstream analysis.

These methods can be used to track a user’s movements through the Web. This data can help marketers to understand usage patterns to improve Web sites or target advertising.

5. Define cookies, Web bugs, and spyware and describe how they can be used in market research.

These are all methods that can be used to track customer movements. This information can be helpful in several areas of marketing, but can have ethical considerations.

6. Describe how the issue of privacy relates to online market research.
In the process of research information on individuals and their habits is collected. There is a concern that this collection or analysis of data may violate an individuals’ expectation of privacy.

7. Describe the limitations of online market research.

The major limitation of online market research is the sample and characteristics of Web users. These Web users may not typify the population at large, so marketers must ensure that they are aware of the demographics of those they are researching.

8. Describe how biometrics and cell phones can improve market research and advertising.

These methods allow better tracking and data collection from distinct individuals as opposed to computers which may be used by multiple users.

Section 8.7 Review Questions

1. Define Web advertising and the major terms associated with it.

Web advertising is the use of the World Wide Web to advertise to customers. Some important terms in Internet advertising include: ad views (the number of times users call-up the page that has a banner on it), button (a small banner link to a Web site), page (an HTML document), click (a tally of each time a visitor clicks on an advertising banner), CPM (the cost per thousand impressions), hit (a request for data from a Web page or file), and visit (a series of requests during one navigation of the Web site).

2. Describe the reasons for the growth in Web advertising.

Advertisers are looking to the Web because it is a viable advertising medium. Individuals may be moving away from other advertising mediums and to the Internet. Additionally, the demographics of individuals who use the Internet are generally more affluent then the population as a whole, making an attractive population to advertise to. Web ads also have the benefit of lower cost, increased richness of format and the ability to personalize.

3. Describe emerging Internet advertising approaches.

Most of these methods are reliant on interactive marketing, which is Online marketing, facilitated by the Internet, by which marketers and advertisers can interact directly with customers, and consumers can interact with advertisers/vendors.

4. List the major benefits of Web advertising.

These advantages are detailed on pages 419 and 420.

5. Draw and explain the advertising cycle.
This cycle is depicted in Exhibit 8.6

6. What is the impact of online advertising on newspapers, TV, and billboard viability?

Web advertising has reduced the overall value of other advertising methods, but a combination of web and traditional methods can be very effective.

Section 8.8 Review Questions

1. Define banner ads and describe their benefits and limitations.

Banner ads are graphic advertisements displayed on Web pages that link to the advertiser’s Web site. Banner ads are limited by their cost, space for information and customer indifference.

2. Describe banner swapping and banner exchanges.

Banner swapping is an agreement between two companies to display the other’s banner ad on its Web site. Banner exchanges are markets in which companies can trade or exchange placement of banner ads on each other’s Web sites.

3. Describe the issues surrounding pop ups and similar ads.

These ads can be highly effective for advertisers, but many users consider them annoying and intrusive.

4. Explain how e-mail is used for advertising.

It is possible for advertisers to send out large volumes of advertisements contained inside e-mail messages. This is an effective method of advertising to large groups. If the advertiser sends a large number of unrequested e-mail solicitations, it is considered spamming, which is considered by some to be illegal and rude.

5. Describe advertising via classified ads.

These ads use a consistent and familiar format that can be used in several locations.

6. Describe the search engine optimization technique.

This system places ads in search engine results, with content being changed to maximize the result. The ads attempt to relate to the user’s search.

7. Describe Google’s AdWord and AdSense.

Google’s AdWords system places ads with similar topics in user’s search results. AdSense is an affiliate program that dynamically places ads on a Web site based on the site’s content.
8. Describe video ads and their growing popularity.

Video ads utilize streaming video similar to television commercials as an advertising method. This method is engaging, and as bandwidth increases, it is more practical.

9. Define advergaming and describe how it works.

Advergaming is the placing of advertisements in games. The games are provided for free, but the user must watch the placed ads.

10. Describe augmented reality advertisement.

A live direct or indirect view of a physical, real-world environment whose elements are augmented by computer generated sensory input, such as sound or graphics.

Section 8.9 Review Questions

1. Define mobile marketing (at least three definitions). Why are there several definitions?

- Conducting marketing on or with a mobile device.
- A set of practices that enables organizations to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network.
- Mobile marketing is broadly defined as the use of the mobile medium as a means of marketing communication or distribution of any kind of promotional or advertising messages to customers through wireless networks.

There are a variety of definitions because it is a broad field that is currently evolving.

2. What drives mobile advertisement?

The growth of the use of mobile devices.

3. What is the role of SMS in mobile ads?

These are short messages that can be sent as texts. In many cases, ads are delivered as SMS messages.

4. Define mobile interactive advertisement.

Mobile interactive advertising refers to advertising or marketing messages delivered to portable devices, either via synchronized download or wirelessly.

5. Describe the process of mobile advertising.
Mobile advertising is a form of advertising done via mobile devices. Currently, most mobile advertising is targeted at mobile phones.

6. **Define viral marketing.**

One recipient of an advertisement on a mobile device will forward that message to a friend(s).

7. **What are the similarities and differences between traditional media and mobile marketing/ads campaigns?**

Both target customers to make purchases. Mobile campaigns focus on using mobile devices as the delivery method, and are constrained by the methods available to those devices.

8. **Summarize the basic principles of the Global Code of Conduct from the Mobile Marketing Association.**

These principles are summarized on page 436.

- Notice
- Choice and consent
- Customization and constraint
- Security
- Enforcement and accountability

**Section 8.10 Review Questions**

1. **Describe permission advertising.**

Permission advertising is a strategy in which customers agree to accept advertising materials.

2. **Describe video ads and their explosion.**

Video ads utilize streaming video similar to television commercials as an advertising method. This method is engaging, and as bandwidth increases, it is more practical.

3. **Discuss the process and value of affiliate marketing.**

Affiliate marketing uses another entity to advertise and sell products or services for a commission. The system is most effective in generating a user base for a new site.

4. **How does the ads-as-a-commodity strategy work?**

With this advertising approach, customers are paid to read ads by the advertisers.

5. **Describe other kinds of online advertising methods.**

These strategies include affiliate marketing, ads as a commodity and personalized ads.
6. Describe ad exchanges.

An advertising exchange is an open and transparent marketplace that facilitates the buying and selling of online media advertising inventory from multiple ad networks.

7. What is localization? What are the major issues in localizing Web pages?

Localization is the process of converting media products developed in one country to a form culturally and linguistically acceptable in countries outside of the original target market. The major issue with localization is the ability to perform it correctly.

8. Describe choose-your-own-ad format.

This is a 2010 model that lets viewers pick out their own ad.

9. Describe the five-step process life cycle for an advertising plan.

This process is detailed in Exhibit 8.11.

EC Application Cases

EC Application Case 8.1: Internet Market Research Expedites Time-To-Market at Proctor & Gamble

Questions

1. How did P&G reduce time-to-market?

The company used its Web site to sell new products to select groups and gathered their feedback.

2. What was data mining used for?

Data mining was used to determine the profiles of visitors to the Web site.

3. What research methods were used?

P&G used data mining, online questionnaires and opinion polls.

4. Why do P&G and similar companies market on social networks such as Facebook and LinkedIn?

These methods allow them to expand their markets.

Discussion Questions
1. How can you describe the process of the purchase decision when the customer is online and looking for an iPhone? What can an online store do to attract this customer to purchase from the store?

This process will mirror a typical purchasing decision process as seen in Exhibit 4.10. An online store can mimic this process by providing all of the information and services needed to smoothly move through these steps online.

2. Why is personalization becoming an important element in EC? What techniques can be used to learn about consumer behavior? How can it be used to facilitate customer service? Please find an example.

Data mining is becoming an important part of EC because it allows merchants and others to access information about individual users and then personalize advertising and marketing towards them. Data mining allows a firm to examine customer information and to aggregate that information into a profile of that consumer’s behavior. Since data mining can be used to create personalization for users, it is often used in customer service to customize the user’s experience.

3. View the videos “Wherever You Want to Go” (from BMW), “One Million Heineken Hugs,” and Burger King’s “Sign and Race,” and also read about them. Write a report on what made them so successful.

Student reports will vary based on their perceptions of the advertising.

4. Discuss why banners are popular in Internet advertising. What kinds of products may be suitable for banners and what may not?

Banners are popular in Internet advertising because they provide several advantages to advertisers. Banner ads are clearly displayed on Web sites and are seen often by Internet users. Additionally, banner ads provide a richness of media that is not available off-line. Banner ads are best used for mass-market products with wide appeal.

5. Discuss the advantages and limitations of listing a company’s URL with various search engines.

Listing a URL with various search engines is an important part of Web advertising because it allows the firm’s site to be found through a Web-based search. However, the large number of current Web sites makes searching more difficult.

6. How might a chat room be used for advertising?

It is possible that marketers may send advertisements to a chat room or participate in the chat room with the intention of marketing the products to the members of a group.

7. Is it ethical for a vendor to enter a chat room operated by a competitor and pose queries?
Student answers on this qualitative question will vary. Some students will argue that it is unethical because an assumed name is being used. Some students will argue that it is ethical because the information requested is publicly available.

8. Explain why online ad management is critical. What are the major concerns for a company managing its own online ad program?

Because placement of the ad and the ad itself are often very flexible, it is important to monitor an ad’s success and adjust the ad to optimize its use.

9. Explain the advantages of using chatterbots. Are there any disadvantages? (See Online File W8.10.) Find information on their influence on online consumer shopping behavior.

Chatterbots can help provide personalization and guide users. They can potentially be annoying to users as well.

10. Discuss the benefits of using software agents in marketing and advertising. To determine whether a bargaining agent online (an agent that can interact with potential customers to settle a discount price) can help the online shop’s sales, see Online File W8.10.

Student answers will vary. The issue will be the relative benefit of the technology and if it really helps customers.

11. Discuss SRI Consulting’s VALS tool. Enter sric-bi.com/VALS. View their activities and discuss how they can facilitate online market segmentation.

Student answers will vary. The VALS system uses personality traits to segment markets.

12. When you buy a banner ad, you actually lease space for a specific time period. In milliondollarhomepage.com you buy the space forever. Compare and discuss.

Student answers will vary. The risk is on the continued relevance and value of the eternal ad versus the cost of more specific placements.

13. Discuss the advantages and limitations of three methods of data collection about individual consumers.

Student opinions will vary. Perceptions about privacy will also factor in.

14. Discuss the benefits of video ads in the social networking environment.

Student opinions will vary based on personal opinions about the effectiveness of these ads.
Topics for Class Discussion and Debates

1. Discuss the similarities and differences between data mining, text mining, and Web mining for online market research. (Hint: To answer this question, you will need to read Online Tutorial T8.)

Student opinions will vary. All methods focus on the evaluation of large volumes of data — the difference is the data source.

2. Some say that people come to social networks to socialize and they will not accept ads. Others say that people do not mind the ads, but they ignore them. Discuss.

Student opinions will vary based on personal expectations.

3. What strategic implications do you see for companies that use videos, mobile devices, and social networks as platforms for advertising? Discuss.

Student opinions will vary. The debate will focus on the relative merits of each.

4. Debate: Will traditional advertisement (TV, newspapers, billboards) practically disappear in the future?

Student opinions will vary. The debate will focus on the long-term viability of traditional media.

5. Debate: Netflix.com, amazon.com, and others view historical purchases as input in their recommendation systems. Some believe that this is an invasion of privacy.

Student opinions will vary. The debate will be over expectations of privacy.

Internet Exercises
(Note: URLs may change over time; please check the Internet Exercises on the Turban Web site for possible updates: www.pearsonhighered.com/turban.)

1. Enter netflix.com/Affiliates?hnjr=3. Describe the value of the program as a marketing channel.

Student opinions on the program will vary based on when the research is conducted.

2. Surf the Home Depot Web site (homedepot.com) and check whether (and how) the company provides service to customers with different skill levels. Particularly, check the “kitchen and bath design center” and other self-configuration assistance. Relate this to market research.

Home Depot provides a variety of services for different types of customers. For home users, they provide an array of services including information on products and projects that a homeowner may want to complete. For contractors they provide a different set of services including commercial credit and links to contractor specific information.
3. Examine a market research Web site (such as acnielsen.com or claritas.com). Discuss what might motivate a consumer to provide answers to market research questions.

While there is no direct confirmation on the Nielsen Web site, for the vast majority of consumers the benefits to providing customer information to third-party marketing and advertising agencies is the promise of compensation. This compensation can take many forms, but is usually some sort of payment in goods or services.

4. Enter mysimon.com and share your experiences about how the information you provide might be used by the company for marketing in a specific industry (e.g., the clothing market).

The information provided on this site would help any particular industry because it provides specific information about a customer’s likes and dislikes. In that way it would help a company with market research by indicating which items are sought out by customers. Additionally, the information could be used to help create a specific dossier on individual customers.

5. Enter marketingterms.com and conduct a search by key words as well as by category. Check the definitions of 10 key terms in this chapter.

Student answers will vary based on the terms selected.

6. Enter 2020research.com, infosurv.com and marketingsherpa.com, and identify areas for market research about customers.

Student answers will vary. All sites provide a wide array of information that has been/can be captured about customers. The particular information chosen would be a function of the product/service type.

7. Enter selfpromotion.com and find some interesting promotion ideas for the Web.

Student responses will vary based on the content selected.

8. Enter selfpromotion.com and nielsen-online.com. What Internet traffic management, Web results, and auditing services are provided? What are the benefits of each service? Find at least one competitor in each category (e.g., netratings.com; observe the "demo"). Compare the services provided and the prices.

Both companies provide a comprehensive suite of Web site traffic reports and high capabilities. Additionally, their applications allow for Web mining to create user subsets for advertisers. Both firms have a complete set of products that appear somewhat similar. Neither firm lists product pricing. Student reports will vary.

9. Enter adweek.com, wdfm.com, adtech.com, adage.com, and other online advertising Web sites to find new developments in Internet advertising. Write a report based on your findings.
Student reports will vary based on the subject selected.

10. Enter clairol.com to determine your best hair color. You can upload your own photo to the studio and see how different shades look on you. You can try different hairstyles. It is also for men. How can these activities increase branding? How can they increase sales?

Student reports will vary based on personal preference.

11. Enter n-us.nielsen.com/tab/industries/media and view the demos on e-market research. Then go to clickz.com and find its offerings. Summarize your findings.

Student reports will vary based on the specific services evaluated.

12. Enter hotwire.com and espn.com. Identify all the advertising methods used on each site. Can you find those that are targeted advertisements? What revenue sources can you find on the ESPN site? (Try to find at least seven.)

Student reports will vary based on the time of the research.

13. Enter omniture.com. How does it help with site optimization? What other services does it provide?

Student reports will vary based on the date of the report. The service tracks site statistics to optimize traffic.

14. What resources do you find to be most useful at targetonline.com, clickz.com, admedia.org, im.com, and wdfm.com? Describe useful information for online marketing that you have found from these Web sites.

Student reports will vary based on personal preference.

15. Enter thisnext.com/shopcast. Write a report relating this product to marketing and advertising.

Student reports will vary based on personal preference.

16. Enter zoomwerang.com and learn how it facilitates online surveys. Examine the various products, including those that supplement the surveys. Write a report.

Student reports will vary based on the products selected.


Student reports will vary. A large variety of research areas are represented.

The sites provide software to help recommend products to customers.

19. Enter whattorent.com and compare the recommendation system to Netflix. Write a brief comparison.

Student reports will vary based on personal preference.

**Team Assignments and Role Playing**

1. **Assignment for the Opening Case**
   Read the opening case about Netflix and answer the following questions:
   a. In your opinion is the recommendation of videos via Cinematch the major success factor of Netflix? Why or why not?

   Student opinions will vary, but this is an example of targeting customer preferences.

   b. Netflix is moving to downloading instead of physical shipping. But there, the company faces more competition. What are some CSFs for Netflix in this area?

   Some examples might include video quality, selection, ease-of-use and price.

   c. Netflix uses traditional banner ads for the mass audience. Is this wise? Any suggestions for improvement?

   Opinions will vary – this is a standard practice, but there are benefits to more targeted approaches.

   d. Track the performance of the company stock. Is there a justification to the high price to earnings (P/E) ratio?

   Opinions will vary.

   e. What problems can the streaming of movies to TVs and PCs solve?

   It eliminates the logistics involved with physical media.

2. **Apple is encroaching onto Google’s turf by buying Quattro Wireless, a mobile advertising company and by initiating the iAd project. Research the reason for Apple’s venture into the field and the Apple-Google battle.**

   Student reports will vary. The exact reason is in doubt.
3. Enter harrisinteractive.com, infosurv.com and similar sites. Have each team member examine the free marketing tools and related tutorials and demos. Each team will try to find a similar site and compare the two. Write a report discussing the team’s findings.

Student reports will vary based on the tools chosen.

4. Each team will choose one advertising method and conduct an in-depth investigation of the major players in that part of the ad industry. For example, direct e-mail is relatively inexpensive. Visit the-dma.org to learn about direct mail. Then visit bulletmail.com, ezinemanager.com, permissiondirect.com, and venturedirect.com. Each team will prepare and present an argument as to why its method is superior.

Student reports will vary based on the methods evaluated.

5. In this exercise, each team member will enter uproar.com, to play games and win prizes. What could be better? This site is the destination of choice for game and sweepstakes junkies and for those who wish to reach a mass audience of fun-loving people. Relate the games to advertising and marketing.

Student reports will vary based on personal results.

6. Let the team try the services of constantcontact.com. Constant Contact offers a turnkey e-mail marketing package solution. In less than 5 minutes, you can set up an e-mail sign-up box on your Web site. As visitors fill in their names and e-mail addresses, they can be asked to check off topics of interest (as defined by you) to create targeted groups. Contact other groups to provide input.

Constant Contact then provides a system to create template e-mail newsletter layouts, by subject, that can be managed as separate campaigns and sent to your target users on a predetermined schedule. The site manages your mailings and provides reports that help you assess the success of your efforts. Pricing is based on the number of subscribers; less than 50 and the service is free. Write a report summarizing your experiences.

Student reports will vary based on their experience.

7. Watch the video of Google’s CEO Eric Schmidt (8:19 minutes) at iab.net/video/videos/view/431 and answer the following questions:

a. What is the vision for the mobile area?

It is an important part of overall advertising.

b. What is the brand advertisement? How may it change?

It needs to be coordinated across all methods.

c. What are the changes that mobile advertising brings to display ad advertising?
It helps drive display ad views to mobile views.

*d. What are the value-added benefits to customers?*

It gives them access to information quickly and based on their interests.

*e. What is the vision for advertising?*

It creates a need for cross-media campaigns.

*f. What are the impacting changes?*

It can generate better campaign success, especially if the campaign is dynamic.

*g. How does the mobile revolution contribute to closing the digital divide?*

Mobile devices are more accessible to all.

Student perceptions will vary. This is an interesting video with details that students will respond to differently. This video is fairly complex, and answers require reading into his comments.

8. Enter autonlab.org and download tools for conducting data mining analysis (these downloads are free). Get data on customer shopping and analyze it. Write a report.

Student reports will vary based on the tools selected.

9. Watch the video “Beginning Analytics: Interpreting and Acting on Your Data,” at youtube.com/watch?v=Hdsb_uH2yPU and answer the following questions:

*a. To what metrics does the video refer?*

Metrics on site visits, bounces, pageviews, average pageveiws, time on site and new visits.

*b. How can Google analytics be used?*

It can be used to understand how users interact with a site, and improve the site to increase traffic.

*c. What can analytics contribute to competitive intelligence?*

It allows you to better understand customers and there behavior. This can allow you to optimize the site.

*d. Why is the average time on site so important?*

It is a good measure of interest.

*e. What decisions can be supported by analytics?*
How marketing is working, what site content is popular.

f. What have you learned from this video?

User thoughts will vary.

Student reports will vary. This is an interesting video with details that students will respond to differently.

**Answers to End-of-Chapter Real-World Case Questions: JOHNSON & JOHNSON USES NEW MEDIA MARKETING**

1. Identify the online advertising actions adopted by Johnson & Johnson and relate them to the methods described in the chapter.

The company used a variety of both Web 2.0 and mobile strategies to expand its markets and educate its customers.

2. Search the Internet to find more details about Johnson & Johnson’s marketing activities on YouTube.

Searches will vary based on the time of search.

3. Search the Internet to find more details about Johnson & Johnson’s marketing activities on Facebook and Twitter.

Searches will vary based on the time of search.

4. Search the Internet to find more details about Johnson & Johnson’s marketing activities on mobile devices.

Searches will vary based on the time of search.

5. Outline the major benefits from Johnson & Johnson’s online marketing activities.

These campaigns allowed the company to expand its markets and connect directly with its customer base.