

E-Marketing Lecture Notes

Lecture 1- Introduction

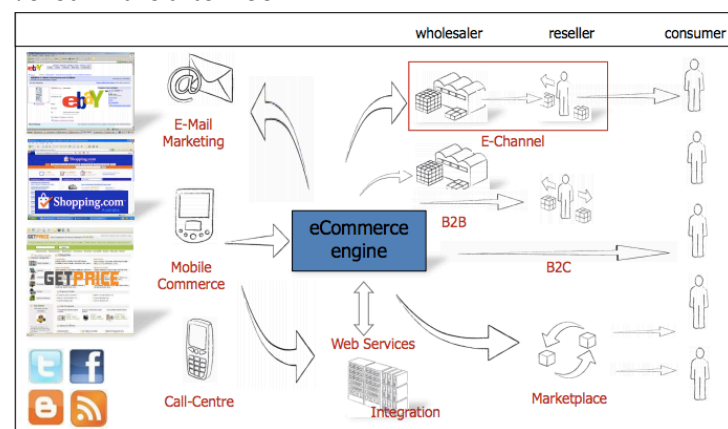
Lecture 2 - E Business Marketing Models/ Develop E-Business Marketing Plan *E-Business Marketing Models*

B2C and Online Retailing

- Amazon eBay etc., shift from physical brick stores to purely online
- Companies sell to consumers
- Retail pricing gross tax model – GST included in the price in Australia
- Payment & shipping standard- credit cards but security issues, mobile wallets, audit online shipping because of receiving issues (outsourced to FedEx)
- Business branding- customers online & getting name out there online
- Search and buy
- Traditional retailers – multi channel – eg: DJ's has online & offline products at extra cost (intermediaries, extra transport etc.)
- Mobile – online & mobile presence almost crucial
- Social Media- Facebook, MySpace declined, other platforms emerging
- Can measure consumer behaviour online through likes, shares etc.
- Australian online retail lower in the \$billions compared to the USA, Europe, Asia
- Internet is not just a sale channel! It strongly influences store sales (=web influence offline sales → presence influences consumers) – links, up to date info, customer service = gives feel of the business
 - Customers have more knowledge – about models, pricing etc. & do research online before making a purchase in store
- Consumers electronics & PC's (24% & 54%) have highest online retail sales, media and apparel (18%) → greater variety & pricing available, apparel is fastest growing
- Online → offline store – growing strategy to manage risk – establish website & sell first through the Internet and then established physical retail store
- Consumer Packaged Goods (CPG) is online sales category with high potential- retailing groceries & food, Coles & Woolies oligopoly in Australia,
 - Price is greatest transparent variable in retail – consumers use to compare products
- Australian online retail sales growing rapidly- \$33.3billion by 2015, average consumers spend \$2 400 a year
- Aus top 20 online retailers: Harvey Norman, Big W, JB Hi Fi, Group-on, Myer, getwinesdirect.com, Brands Exclusive
- Customer service very important for online retailing – consumers demand 24/7 customer service help for their inquiries→ highly local & competitive global market, will loose customers if queries not answered almost instantly
- Online shoppers vs. online buyers
 - Shoppers- browse & entertainment – buyers: set with a purpose & motivated
- 35-44yo & 55-64yo highest % age group who purchased online – not just young people → income life cycle related (young people trying to save & earn money still)
 - Older consumers account for greater share of online buyers because they have more money
- Online buying now mainstream, age, race & income matter less → low-income shoppers account for ¼ of online sales
- Millennials using new shopping channels: laptops, smartphone, tablets,
- E- Retailing Business Models:
 1. Direct marketing by mail-order companies
 - Eg: Land's End
 2. Direct Sales by Manufacturers

- Eg: Nike ID- customise online
- But don't want to create conflict with existing channels- online store vs. physical store thus do things online that can't be replicated offline, differentiate
- Food manufacturers can only really sell through powerful supermarkets
- 3. Virtual (pure-play) e-tailers
 - No physical presence or stores- purely online eg: Netflix, Amazon
 - 'In a cloud' – data stored somewhere else online but can't see
 - Low risk way to start business
- 4. Click- and-mortar retailers
 - Established companies- advantage → reputation built already
 - Online website & offline physical shop
 - Eg: Topshop, Westpac

- Multi-channel business model= a business model where company sell in multiple marketing channels simultaneously (both physical and online stores)
 - Eg: Tesco – order food online & gets delivered in the afternoon
- Multi-channel selling



- 5. Retailing in Online Malls
 - Referring directories – like shopping mall
- 6. Private Shopping Networks
 - Traffic from social media
 - More fashion & style oriented
 - B2C style by social media focused- viral marketing, next gen, get referral credits
- 7. Group Buying
 - Deals based on group purchase, heavily discounted & limited time offers
 - Social network promotions
 - Ripe for scam & shady operators- consumers don't always get value for money
 - Risky

- Travel and Tourism Services Online
 - Eg: Expedia, Trip Advisor, Lonely Planet – surpassing travel agent stores, can
- Employment Placement and Job Market Online
 - Internet job market: job seekers, employers seeking employees, job agencies
 - Internet is global online portal for job seekers- eg: seek
- Real Estate Online
 - More global reach (overseas investors), domain.com, search faster & more broadly, 3D
- Insurance Online- gives quotes, pay for, NRMA, uncomplicated g/s go online to reduce transaction costs
- Stock Trading Online- banks have stock broking
- Banking & Personal Finance Online- more cost effective for banks to have online transactions
- On-Demand Delivery Services – express delivery made fairly quickly after an online order is received eg: DHL, FedEx
- On Demand E Retailers
- Online Delivery of Digital Products, Entertainment & Media- certain goods (software, music) distributed in a physical form or they may be digitised and delivered over the Internet

