

# E-commerce 2014

business. technology. society.

*tenth edition*

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# Chapter 7

## E-commerce Marketing Communications

e Commerce Course :

Parts of Chapters

1.1 & 1.2,

5.1

8.1, 8.2 & 8.3

10.1

Complete Chapters

2, 3, 4, 6, 7 and 9



# Introduction to Social, Mobile, and Local Marketing

## ■ New marketing concepts

- ❖ Conversations with fans and friends
- ❖ Engagement with the business through conversations

## ■ Impact of smartphones and tablets

## ■ Social-mobile-local nexus

- ❖ Strong ties between consumer use of social networks, mobile devices, and local shopping



# Online Marketing Platforms



Figure 7.2, Page 416

SOURCE: Based on data from eMarketer, Inc., 2013a.



# Social Marketing

## ■ Traditional online marketing goals

- ❖ Deliver business message to the most consumers

## ■ Social marketing goals

- ❖ Encourage consumers to become fans and engage and enter conversations
- ❖ Strengthen brand by increasing share of online conversation



# Social Marketing Players

- **The most popular sites account for 90% of all social network visits**
  - ❖ Facebook, LinkedIn, Twitter, Pinterest, Tumblr, Google+, MySpace, Instagram
- **Unique visitors vs. engagement**
  - ❖ Engagement measures the amount and intensity of user involvement
  - ❖ Facebook dominates in both measures



# Social Network Unique Visitors

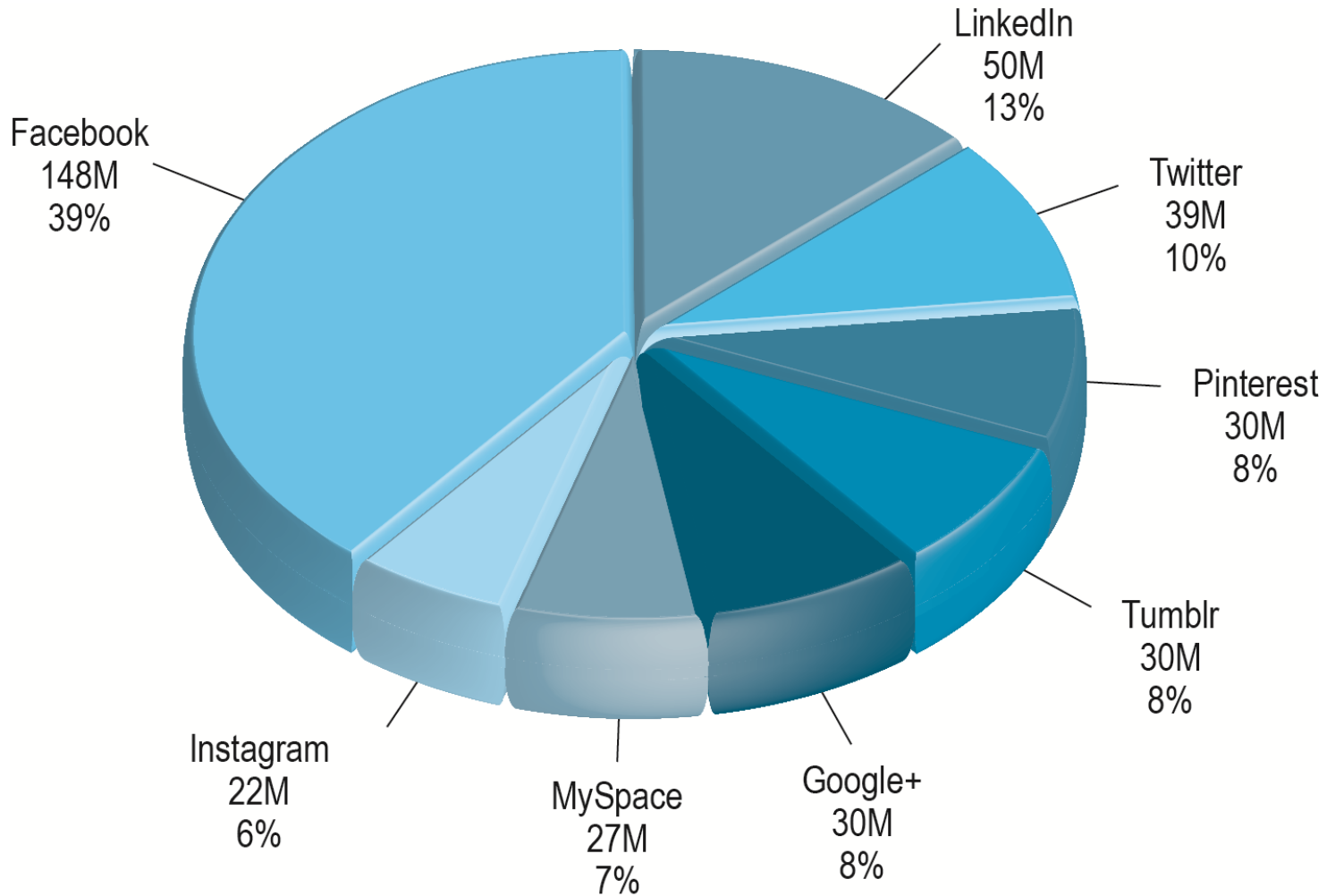


Figure 7.3, Page 417

SOURCE: Based on data from comScore, 2013b.



# Engagement at Top Social Sites

Average Minutes per Visitor to Social Media Sites (monthly)

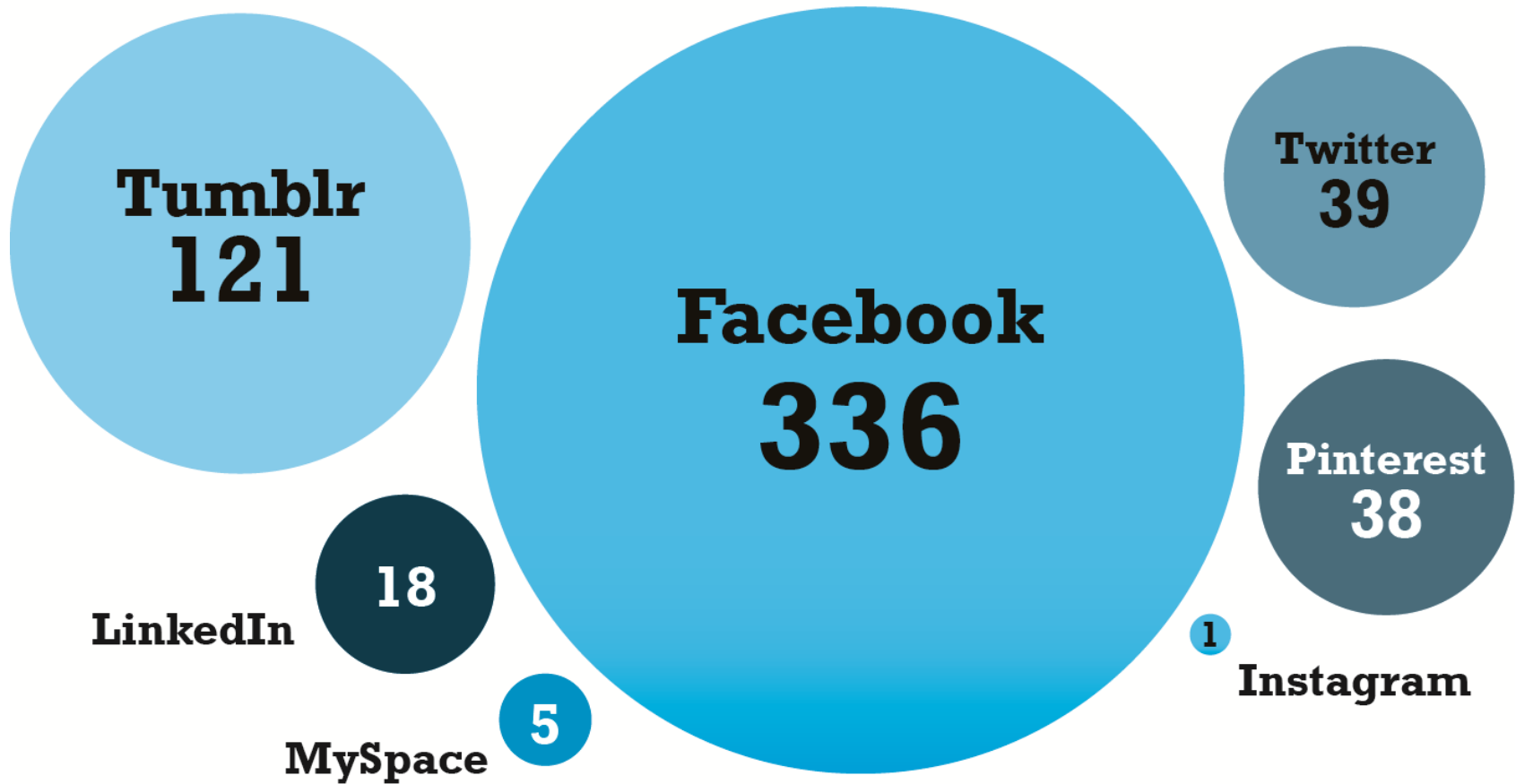


Figure 7.4, Page 418

SOURCE: Based on data from eMarketer, Inc., 2013x.





# The Social Marketing Process

- Five steps in social marketing, also applicable to local and mobile marketing

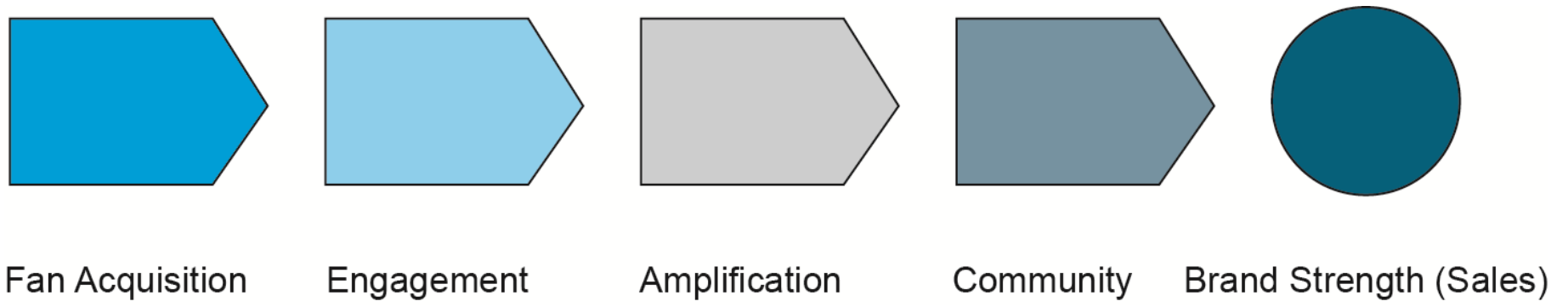


Figure 7.5, Page 419



# The Social Marketing Process

- **Fan acquisition attracting people to the marketing message**
- **Engagement getting people to interact with the content and brand**
- **Amplification sharing their likes and comments about the brand**
- **Community is a stable group of fans communicating over a long period of time about the brand**
- **Brand strength is measured by sales**



# The Downside of Social Marketing

## ■ Loss of control over

- ❖ Where ads appear in terms of other content
- ❖ What people say
  - Posts
  - Comments
  - Inaccurate or embarrassing material

## ■ In contrast, TV ads maintain near complete control



# Mobile Marketing

- **More than 246 million Americans use mobile devices**
  - ❖ 140 million use smartphones
  - ❖ Devices used multiple times per day
- **Mobile marketing formats**
  - ❖ Banner ads, rich media ads, and video ads
  - ❖ Games
  - ❖ E-mail and text messaging
  - ❖ In-store messaging

# Mobile Marketing

- ❖ Quick Response (QR) codes consist of black modules (square dots) arranged in a square grid on a white background, which can be read by an imaging device (such as a camera)



- ❖ Couponing



# The Growth of Mobile Commerce

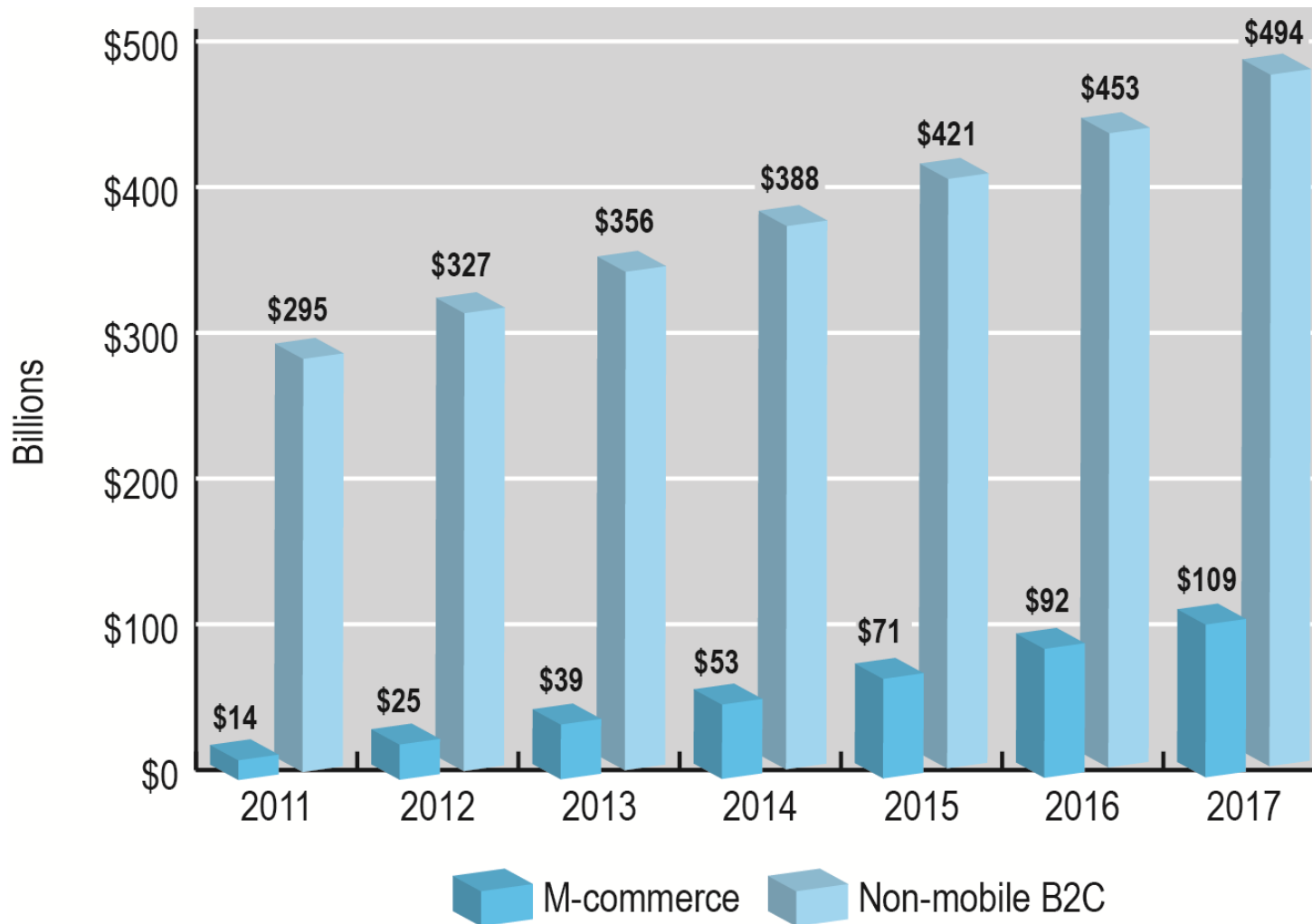


Figure 7.6, Page 446

SOURCE: Based on data from eMarketer, Inc., 2013e.



# How People Use Mobile Devices

- **Largest use: entertainment**
- **Increasing use of search**
  - ❖ Restaurants and deals
  - ❖ People, places, things
  - ❖ 25% of Google search is from mobile devices
- **7% of mobile users shop**
- **Tablets are fastest growing source of mobile revenues**

# How People Use Their Mobile Devices

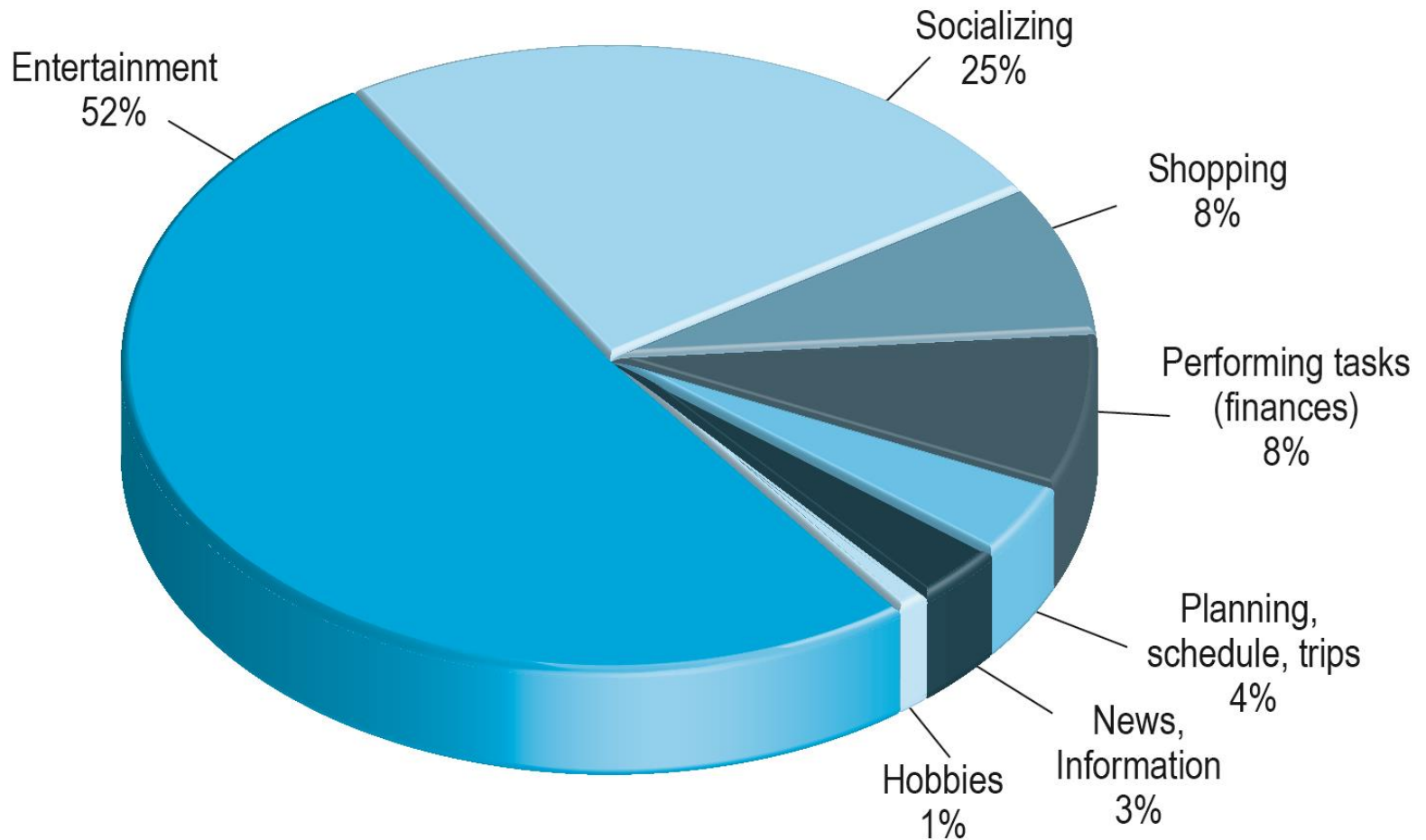


Figure 7.8, Page 448

SOURCE: Based on data from AOL/BBDO, 2012.





# In-App Experiences and Ads

- **Mobile users spend 80% of time on**
  - ❖ apps
    - Game and entertainment—42%
    - Social sites—31%
    - Discovery and search—25%
  - ❖ Browsers—20%
- If users are using apps instead of the web, then marketers need to place ads in apps and in the most popular ones



# The Multi-Screen Environment

## ■ Consumers becoming multi-platform

- ❖ 90% of multi-device users use multiple devices to complete action
  - View ad on TV, search on smartphone, purchase on tablet

## ■ Marketing implications

- ❖ Consistent branding across platforms
- ❖ Cross-platform design or
  - Responsive design means that one size ads don't fit all so they will need to be adjusted across devices



# Mobile Marketing Features

- **20% of all online marketing**
- **Dominant players are Google, Facebook**
- **Mobile device features**
  - ❖ Personal communicator and organizer are telephone plus calendars and clocks to coordinate ones' personal life
  - ❖ Screen size and resolution is high enough for vibrant graphics and video display
  - ❖ GPS location capability
  - ❖ Web browser enabled and capable
  - ❖ Apps extend the capability of mobile devices
  - ❖ Ultraportable and personal
  - ❖ Multimedia capable



# The Top Mobile Marketing Firms by Revenue

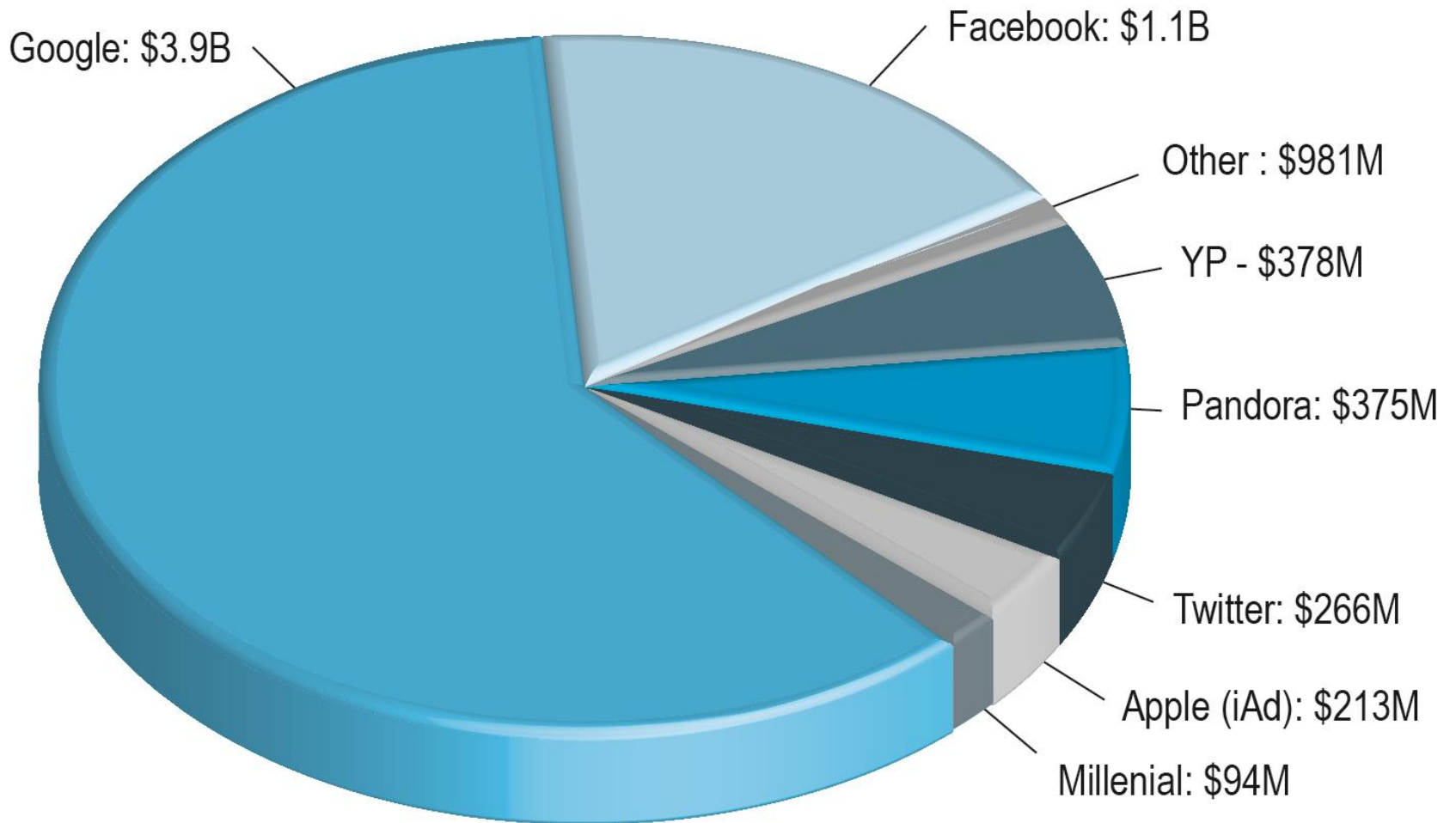


Figure 7.11, Page 452

SOURCE: Based on data from eMarketer, Inc., 2013j.



# Mobile Marketing Tools: Ad Formats

## ■ Mobile marketing formats

- ❖ Search engine ads
- ❖ Display ads
- ❖ Video ads
- ❖ Messaging: SMS text messaging with coupons or flash marketing messages
- ❖ Others: e-mail and sponsorships



# Mobile Ad Spending by Format

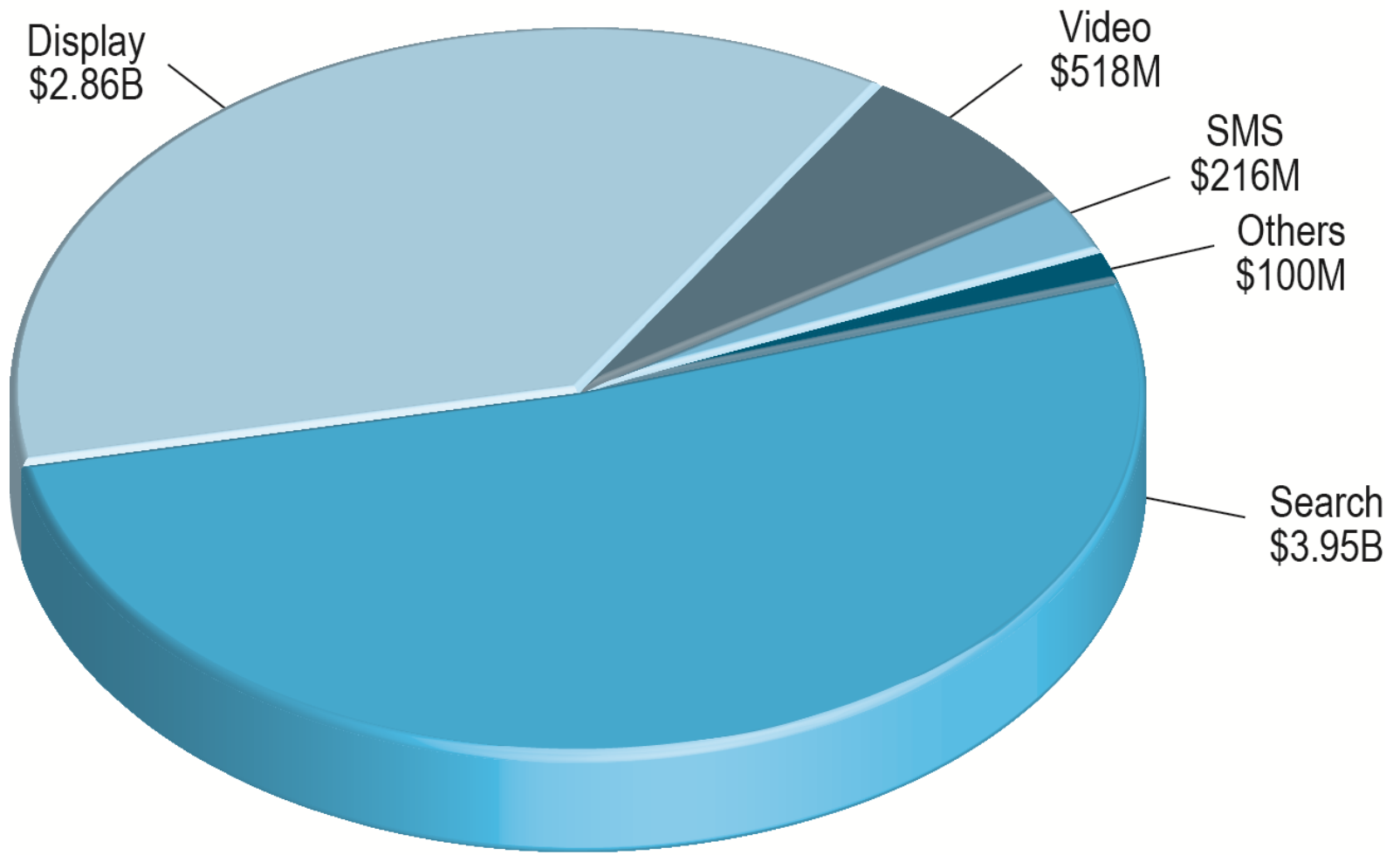


Figure 7.12, Page 454

SOURCE: Based on data from eMarketer, Inc., 2013k.





# Mobile Marketing Campaigns

- **Develop Mobile Web site**
- **Develop Facebook and Twitter brand pages**
- **Develop mobile versions of display advertising campaigns**
- **Consider using an Ad network to track your ads**
- **Develop interactive content aimed at mobile user**
- **Use measuring Tools to gauge responses**





# Measuring the Effectiveness of a Mobile Marketing Campaign

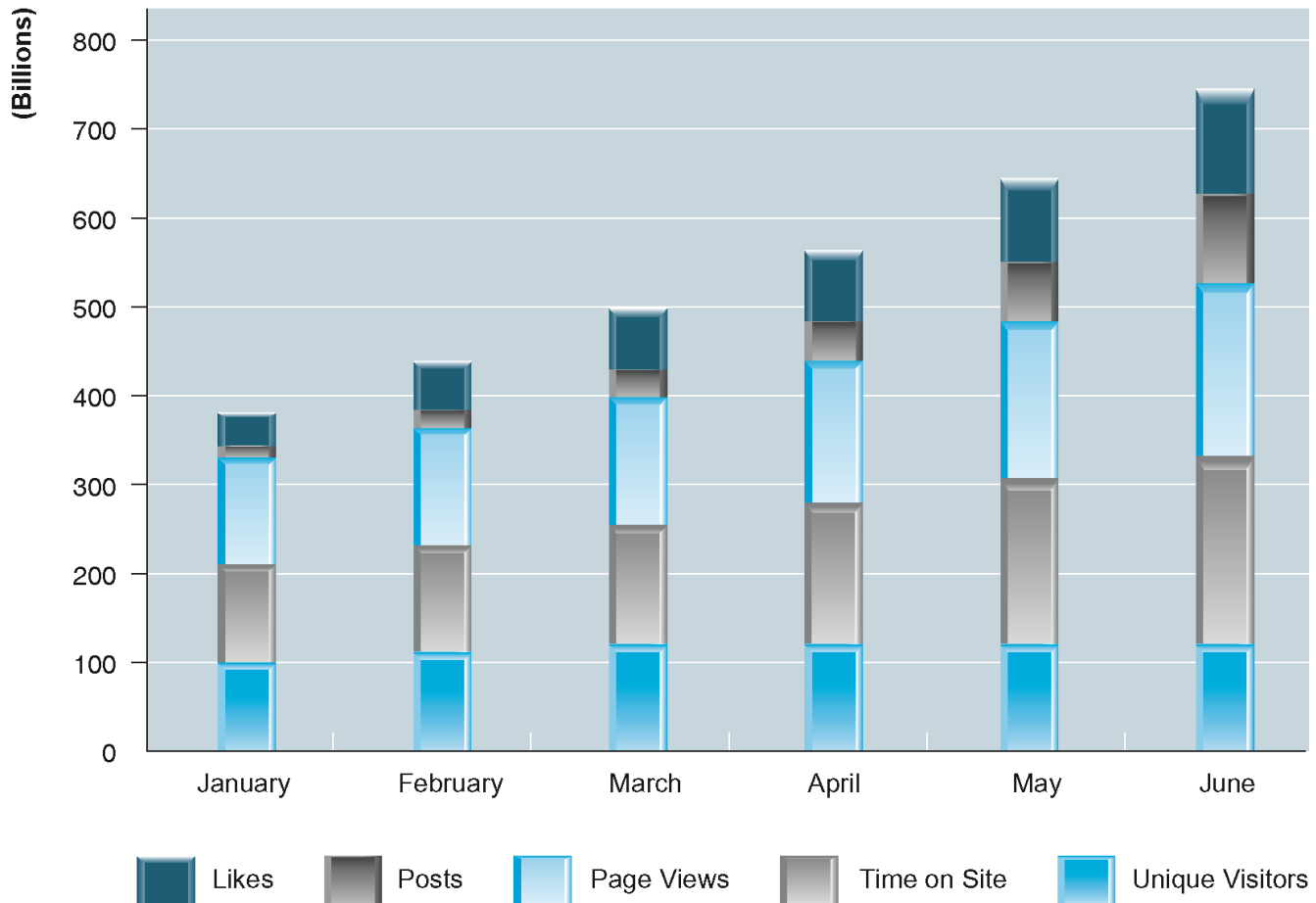


Figure 7.13, Page 459





# The Growth of Local and Location-Based Mobile Marketing

- **Prior to 2005, nearly all local advertising was non-digital**
  - ❖ Google Maps (2005)
    - Enabled targeting ads to users based on IP address and general geographic location
  - ❖ Smartphones, Google's mobile maps app (2007)
    - Enabled targeting ads based on GPS
- **Location-based mobile marketing**
  - ❖ Expected to quadruple by 2017



# Local, Mobile Local, and Location-Based Mobile Marketing

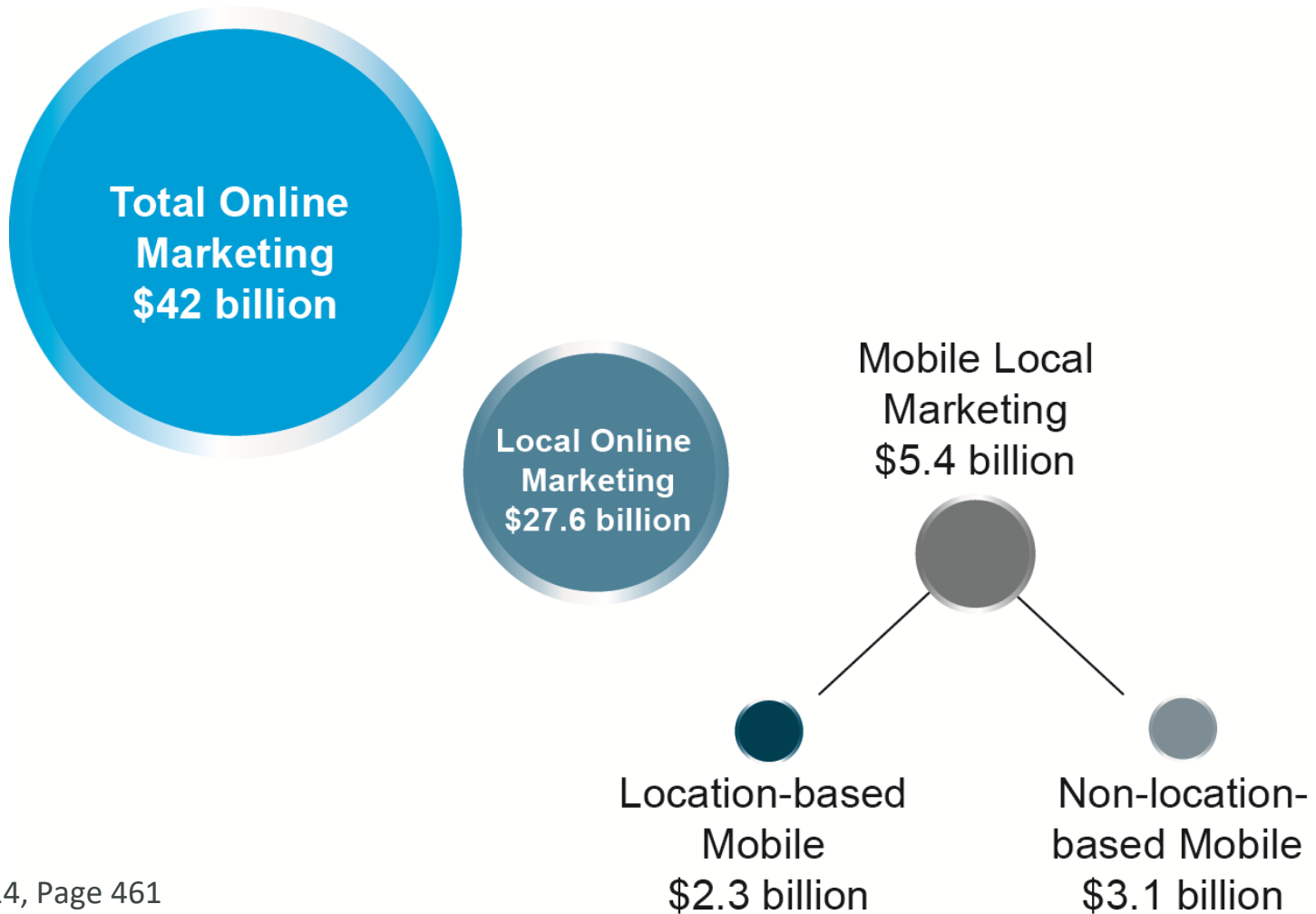


Figure 7.14, Page 461



# Location-Based Marketing Platforms

## ■ Google

- ❖ Android OS, Google Maps, Google Places, AdMob, AdWords

## ■ Facebook

## ■ Apple

- ❖ iOS, iAd

## ■ Twitter

## ■ Others: YP, Pandora, Millennial



# Location-Based Mobile Marketing Technologies

## ■ Two types of location-based marketing techniques

- ❖ Geo-aware techniques
  - Identify location of user's device and target ads, recommending actions within reach
- ❖ Geo-fencing techniques
  - Identify a perimeter around a location and target ads and recommendations within that perimeter

## ■ Identifying locations

- ❖ GPS signals
- ❖ Cell-tower locations
- ❖ Wi-Fi locations



# Why Is Local Mobile Attractive to Marketers?

- **Three-quarters of mobile users are more likely to take action after seeing a relevant local ad**
- **Almost 50% of mobile searches are for location-aware information**
- **95% of smartphone users use phones for proximity searches**
  - ❖ Weather, products, services



# Location-Based Digital Marketing Features

- **Geo-social-based services marketing**
- **Location-based services marketing**
- **Mobile-local social network marketing**
- **Geo-fencing/geo-targeting**
- **In-store messaging**
- **Location-based app messaging**





# Location-Based Marketing Tools

## ■ Location-based services

- ❖ Personal navigation, point-of-interest, reviews, friend-finder, family-tracker

## ■ Local marketing ad formats

- ❖ Same formats as desktop marketing
- ❖ Display, SMS, video, search



# Location-Based Marketing Campaigns

## ■ Location-based considerations

- ❖ Consider action-based, time-restrained offers and opportunities
- ❖ Consider target demographic and location-aware mobile user demographics

## ■ Measuring marketing results

- ❖ Same measures as mobile and Web marketing
- ❖ Metrics for measuring unique characteristics include
  - Making inquiry about product or service
  - Making Reservations
  - Click-to-call about product or service
  - Contact to Friends
  - Make Purchase



# Agenda

- 1. Introduction**
- 2. Social Marketing**
- 3. Mobile Marketing**



# Introduction to Social, Mobile, and Local Marketing



# Social Marketing



# Mobile Marketing





# Facebook Marketing

## ■ Basic Facebook features

- ❖ News Feed are updated stories from friends and pages you have liked
- ❖ Timeline history of your actions on Facebook
- ❖ Graph Search introduced by Facebook to give answers to user's natural language queries rather than a list of links

## ■ Social density of audience is magnified

- ❖ Facebook is largest repository of deeply personal information
- ❖ Facebook geared to maximizing connections between users





# Facebook Marketing Tools

- Marketplace Ads similar to display ads elsewhere (fan acquisition)
- News Feed ads are messages that can be inserted into news feed (fan acquisition)
- Brand Pages are web pages that encourage user interaction (engagement and community building)
- Promoted Posts that are given additional distribution among fans (amplification)
- Sponsored Stories come from friends about their experiences with a brand or page etc (amplification)



# Facebook Marketing Tools

- Like Button allow users to express support for web content (amplification)
- Mobile Ads are Ads delivered to mobile devices
- Facebook Exchange is an Ad Exchange that sells ads and retarget ads through online bidding



# Typical Facebook Marketing Campaign

- Establish Facebook brand page
- Use comment and feedback tools to develop fan comments
- Develop a community of users
- Encourage brand involvement through video, rich media, contests
- Use display ads for other Facebook pages and social search
- Display Like button liberally



# Measuring Facebook Marketing Results

## ■ Basic metrics (see table 7.4):

- ❖ Fan acquisition metrics
- ❖ Engagement metrics
- ❖ Amplification metrics
- ❖ Community metrics
- ❖ Brand strength/sales

## ■ Facebook analytics tools

- ❖ Facebook Page Insights <https://www.facebook.com/help/336893449723054/>
- ❖ Social media management systems (HootSuite)  
[http://signup.hootsuite.com/na-eng-social-media-management/?mkwid=sA8z5LgUK\\_dc&pclid=42292488574&pkw=%2Bsocial%20%2Bmedia%20%2Bmanagement&pmt=b&gclid=CKDC8N-IzMUCFRAwaQodiqEAGg](http://signup.hootsuite.com/na-eng-social-media-management/?mkwid=sA8z5LgUK_dc&pclid=42292488574&pkw=%2Bsocial%20%2Bmedia%20%2Bmanagement&pmt=b&gclid=CKDC8N-IzMUCFRAwaQodiqEAGg)
- ❖ Analytics providers (Google Analytics, Webtrends)



*Insight on Technology: Class Discussion*

## Fairmont Hotels

- **How do social technologies help identify and attract loyal customers?**
- **What are the challenges in measuring the effectiveness of social campaigns?**
- **What were the advantages Fairmont Hotels found in using Google Analytics?**



# Twitter Marketing

- **Real-time interaction with consumers**
- **160 million users worldwide**
  - ❖ 60% access Twitter from mobile device
- **Will Twitter become the next Google?**
- **Basic features**
  - ❖ Tweets and retweets
  - ❖ Followers
  - ❖ Hashtags



# Twitter Marketing Tools

- Promoted Tweets advertisers pay to have their tweets appear in users search results
- Promoted Trends advertisers pay to move their hashtags to the top of the Twitter's Trends List
- Promoted Accounts advertisers pay to have their branded account suggested to users that are likely to be interested
- Enhanced Profile Page companies get their own banner and ability to pin tweets to the top of company's timeline



# Twitter Marketing Tools

- Amplify is Twitter's Amplify program provides marketers with real time dashboards to see tweet activity of the brand or event
- Television Ad Retargeting, users tweet with friends while watching a TV program and Twitter can follow the conversation to identify who is watching
- Lead Generation Cards, marketers embed a card into a business tweet standard Twitter message





# Typical Twitter Marketing Campaign

- Follow others relevant to your content and conversation
- Experiment with simple Promoted Tweets
- For larger budgets, use Promoted Trends and TV ad retargeting
- For retail business local sales, build Lead Generation Card



# Measuring Twitter Marketing Results

## ■ Similar to Facebook results

- ❖ Fan acquisition, engagement, amplification, community, brand strength/sales

## ■ Analytics tools

- ❖ Twitter's real-time dashboard
- ❖ Twitter's Timeline activity dashboard
- ❖ Third-party tools
  - TweetDeck
  - Twitalyzer
  - BackTweets



# Pinterest Marketing

- Among fastest-growing and largest image-sharing sites
- Enables users to talk about brands using pictures rather than words
- Features include:
  - ❖ Pins and re-pins to boards used to post pics
  - ❖ Share enables the sharing of pics
  - ❖ Follow allow users to follow other pinners
  - ❖ Contributors enables others to contribute to your boards if they are a follower
  - ❖ Links to URLs enable one to click on a company or person link that pinned a pic
  - ❖ Price displays enable hovering over products and the price and info pops up



# Pinterest Marketing Tools

- Pin It and Follow buttons make it easy to pin pics and be notified about new posts
- Pin as display ad, the pinned pic acts as a display ad by redirecting users back to a firm's website
- Theme-based boards is a recommendation from Pinterest that business boards should not be strictly sales-oriented but lifestyle-oriented
- Brand pages used to share the latest about your business with people on the web
- URL link to stores allows users to purchase what they see on brand pages and product pins



## Pinterest Marketing Tools

- Retail brand Pins a new kind of pin for food, retail, and movies and by clicking on the pin you will see price and where to buy it
- Integration with other social sites allow users to request Facebook and Twitter followers to pin pics of products and tag you
- Network with users, followers, and others enable Twitter, and Facebook users to mention or communicate with others using Pinterest



# Typical Pinterest Marketing Campaign

- **Create Pinterest brand page and multiple lifestyle-themed boards**
  - ❖ Improve quality of photos
  - ❖ Use URL links and keywords
- **Utilize Pinterest product pins, Pin It buttons**
- **Integrate with Facebook and Twitter**
- **Measuring Pinterest Marketing Results**
  - ❖ Same dimensions as Facebook, Twitter



*Insight on Society: Class Discussion*

# Marketing to Children of the Web in the Age of Social Networks

- Why is online marketing to children a controversial practice?
- What is the Children's Online Privacy Protection Act (COPPA) and how does it protect the privacy of children?
- How do companies verify the age of online users?
- Should companies be allowed to target marketing efforts to children under the **age of 13?**