

**NOVA**

**IMS**

Information  
Management  
School



## **E-Commerce & Web Marketing**

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# Agenda



- E-Commerce Business Models & Strategies
- Digital Marketing & Advertising
- Social, Mobile and Local Marketing

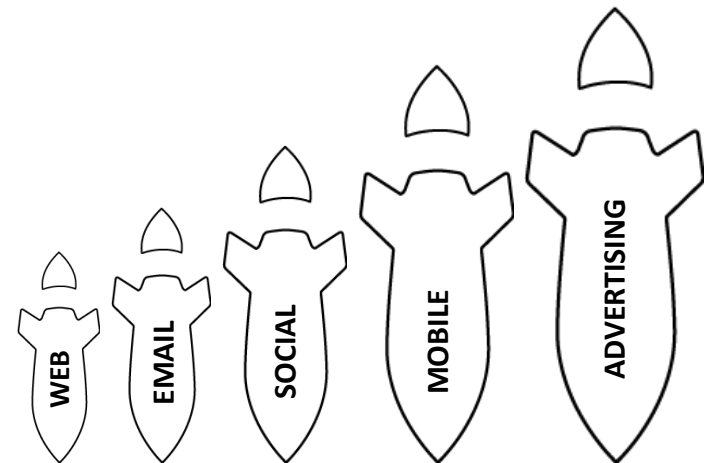
# What Marketers do today .....

## THIS IS WHAT MARKETERS DO TODAY!

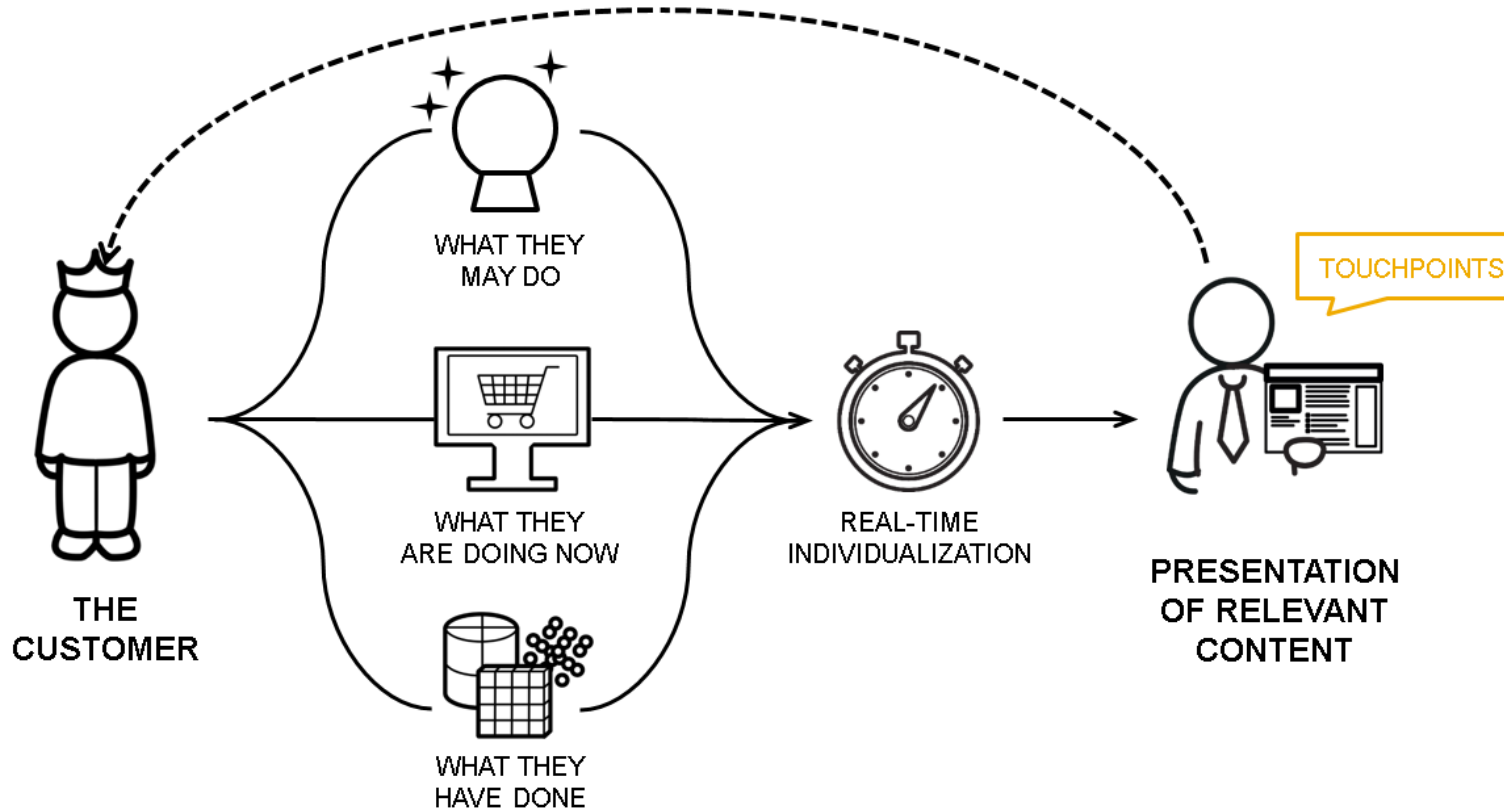
Marketers bombard customers  
with irrelevant messages.  
Not targeted, not relevant.

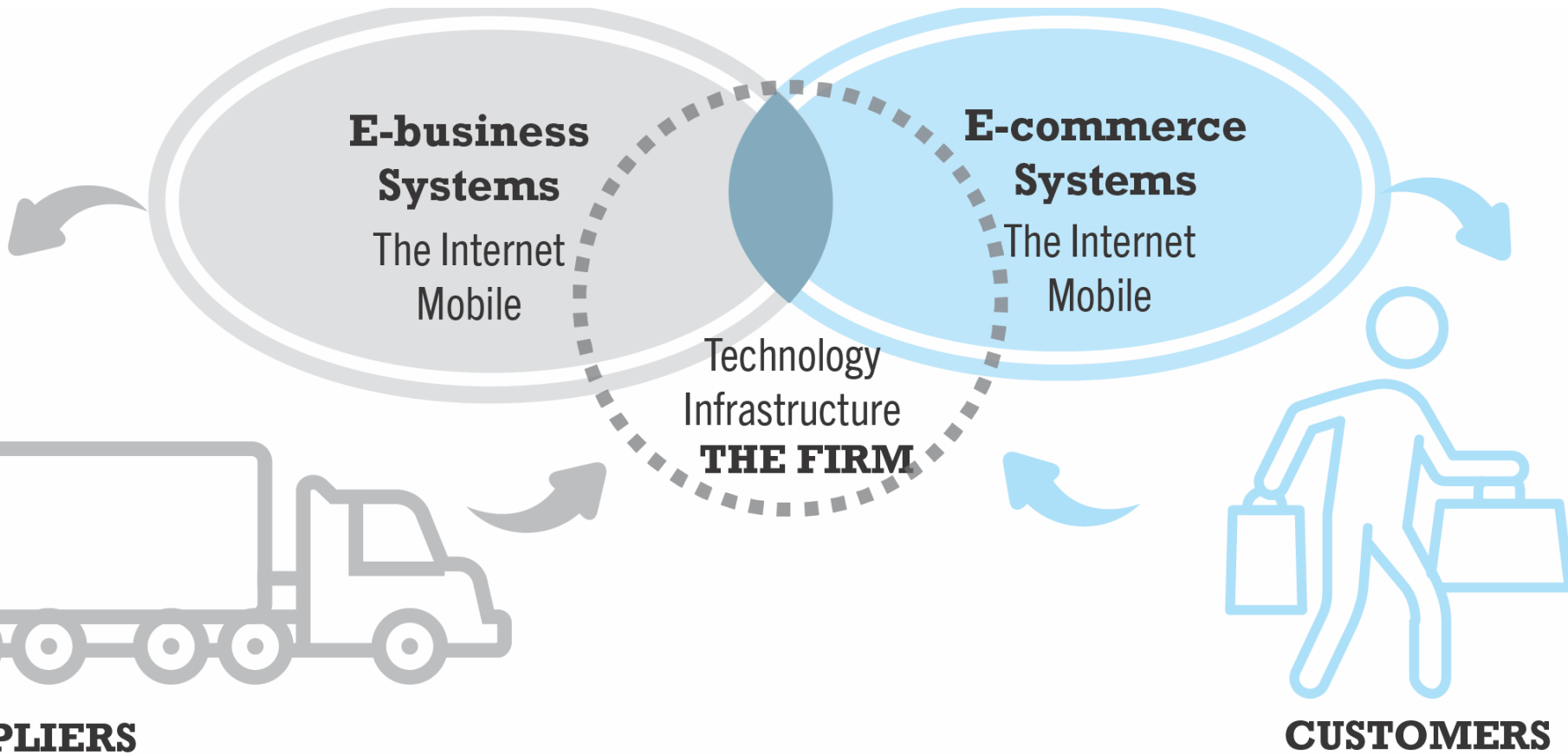
**WEAPONS OF MASS DISTRACTION.**

Enough is enough.



## The SAP Marketing Solution





**SUPPLIERS**

**CUSTOMERS**

# Major Trends in E-Commerce



- Business trends include:
  - All forms of e-commerce show very **strong growth**
- Technology trends include:
  - Mobile platform has made **mobile** e-commerce reality
- Societal trends include:
  - Increased online **social interaction** and sharing

# Unique Feature E-Commerce

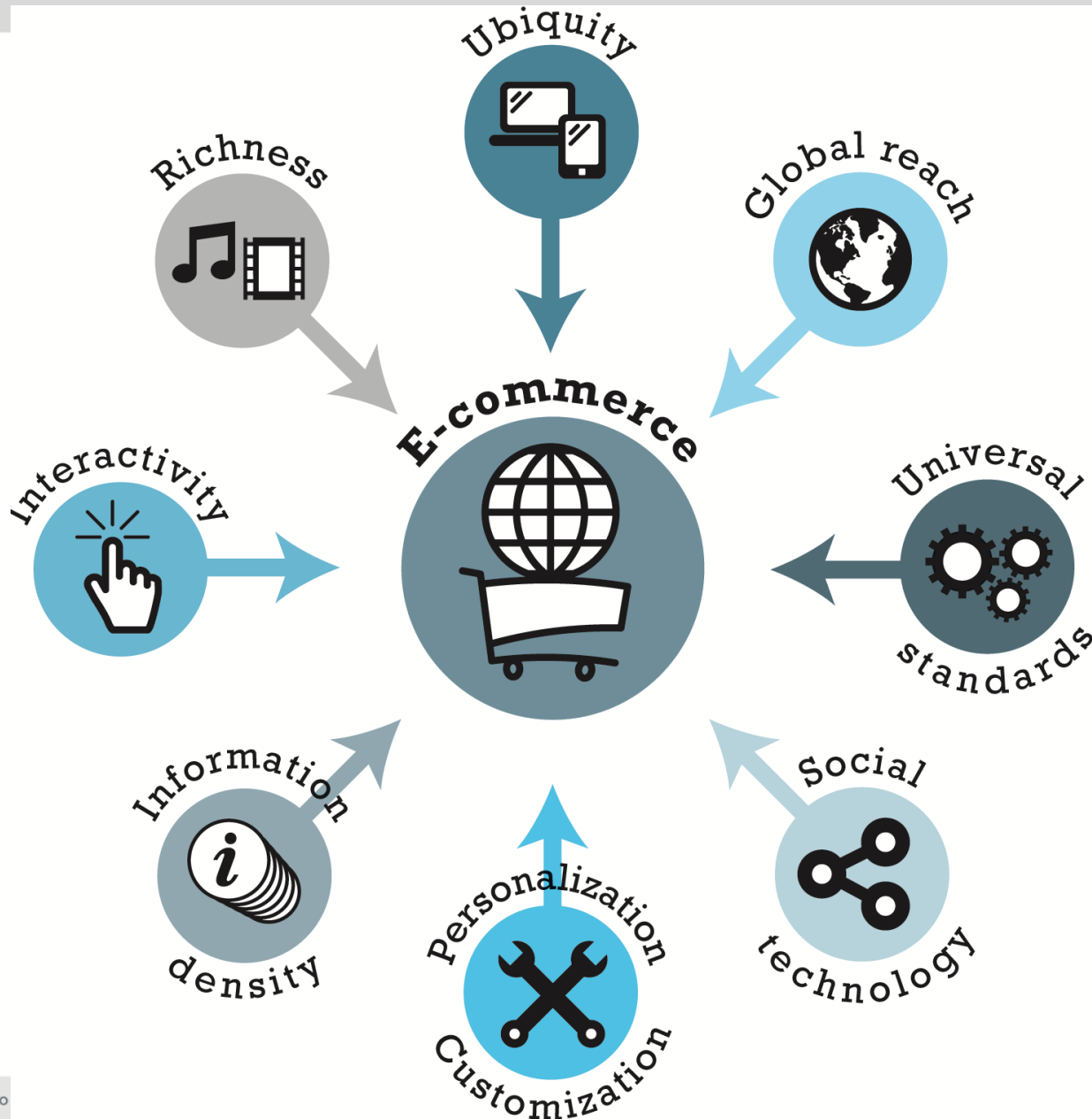


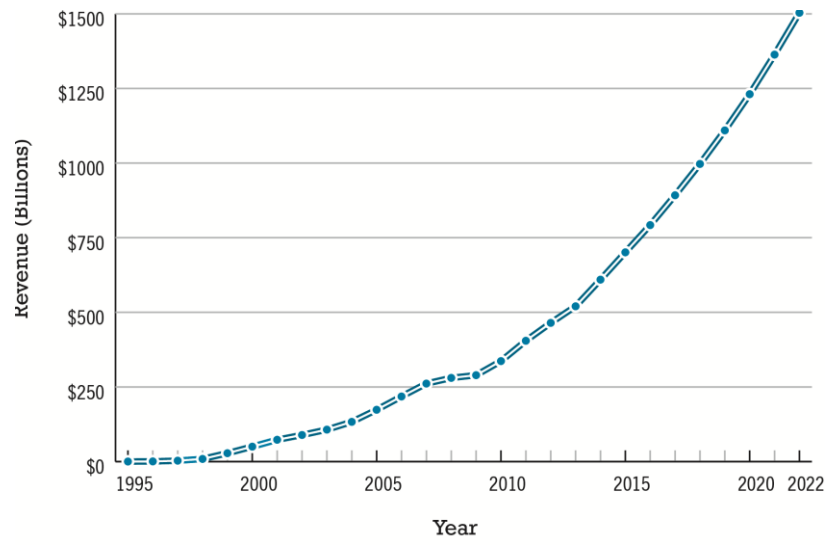
TABLE 1.2

## BUSINESS SIGNIFICANCE OF THE EIGHT UNIQUE FEATURES OF E-COMMERCE TECHNOLOGY

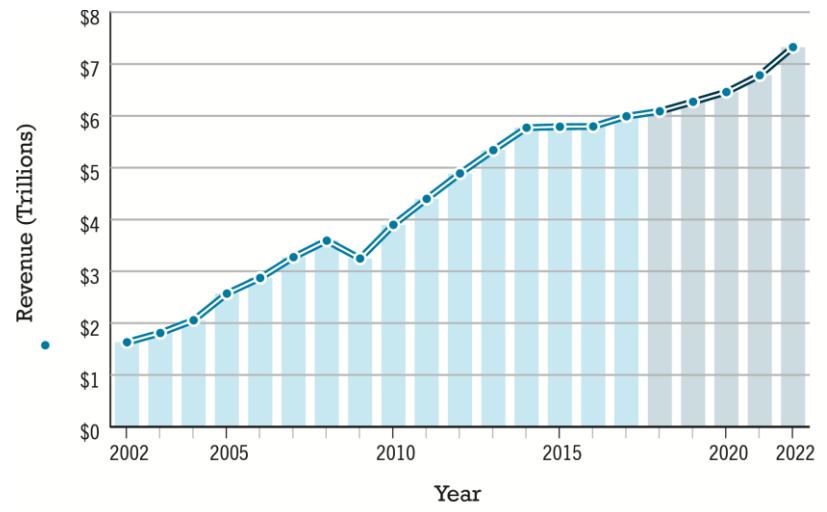
E-COMMERCE TECHNOLOGY DIMENSION	BUSINESS SIGNIFICANCE
<p><b>Ubiquity</b>—E-commerce technology is available everywhere: at work, at home, and elsewhere via mobile devices, anytime.</p>	<p>The marketplace is extended beyond traditional boundaries and is removed from a temporal and geographic location. “Marketspace” is created; shopping can take place anywhere. Customer convenience is enhanced, and shopping costs are reduced.</p>
<p><b>Global reach</b>—The technology reaches across national boundaries, around the earth.</p>	<p>Commerce is enabled across cultural and national boundaries seamlessly and without modification. “Marketspace” includes potentially billions of consumers and millions of businesses worldwide.</p>
<p><b>Universal standards</b>—There is one set of technology standards.</p>	<p>There is a common, inexpensive, global technology foundation for businesses to use.</p>
<p><b>Richness</b>—Video, audio, and text messages are possible.</p>	<p>Video, audio, and text marketing messages are integrated into a single marketing message and consuming experience.</p>
<p><b>Interactivity</b>—The technology works through interaction with the user.</p>	<p>Consumers are engaged in a dialog that dynamically adjusts the experience to the individual and makes the consumer a co-participant in the process of delivering goods to the market.</p>
<p><b>Information density</b>—The technology reduces information costs and raises quality.</p>	<p>Information processing, storage, and communication costs drop dramatically, while currency, accuracy, and timeliness improve greatly. Information becomes plentiful, cheap, and accurate.</p>
<p><b>Personalization/Customization</b>—The technology allows personalized messages to be delivered to individuals as well as groups.</p>	<p>Enables personalization of marketing messages and customization of products and services based on individual characteristics.</p>
<p><b>Social technology</b>—User-generated content and social networks.</p>	<p>Enables user content creation and distribution and supports development of social networks.</p>



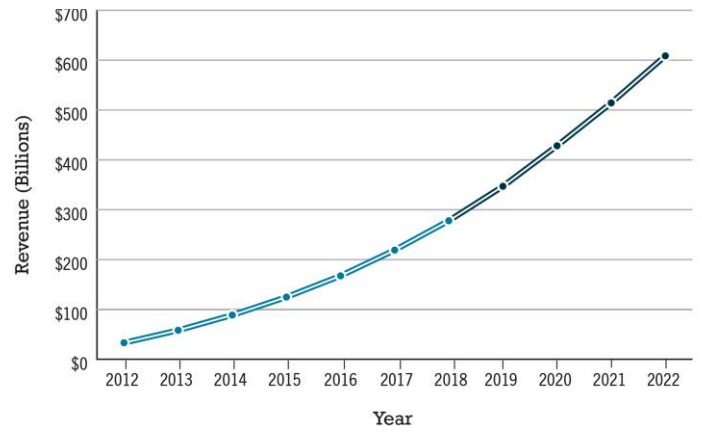
### Growth B2C Revenues



### Growth B2B Revenues



### Growth M-Commerce Revenues





B2B  
**\$6.1**  
trillion



C2C  
**\$100+**  
billion



Social **\$10+** billion



Local **\$115+** billion



Mobile  
**\$280** billion



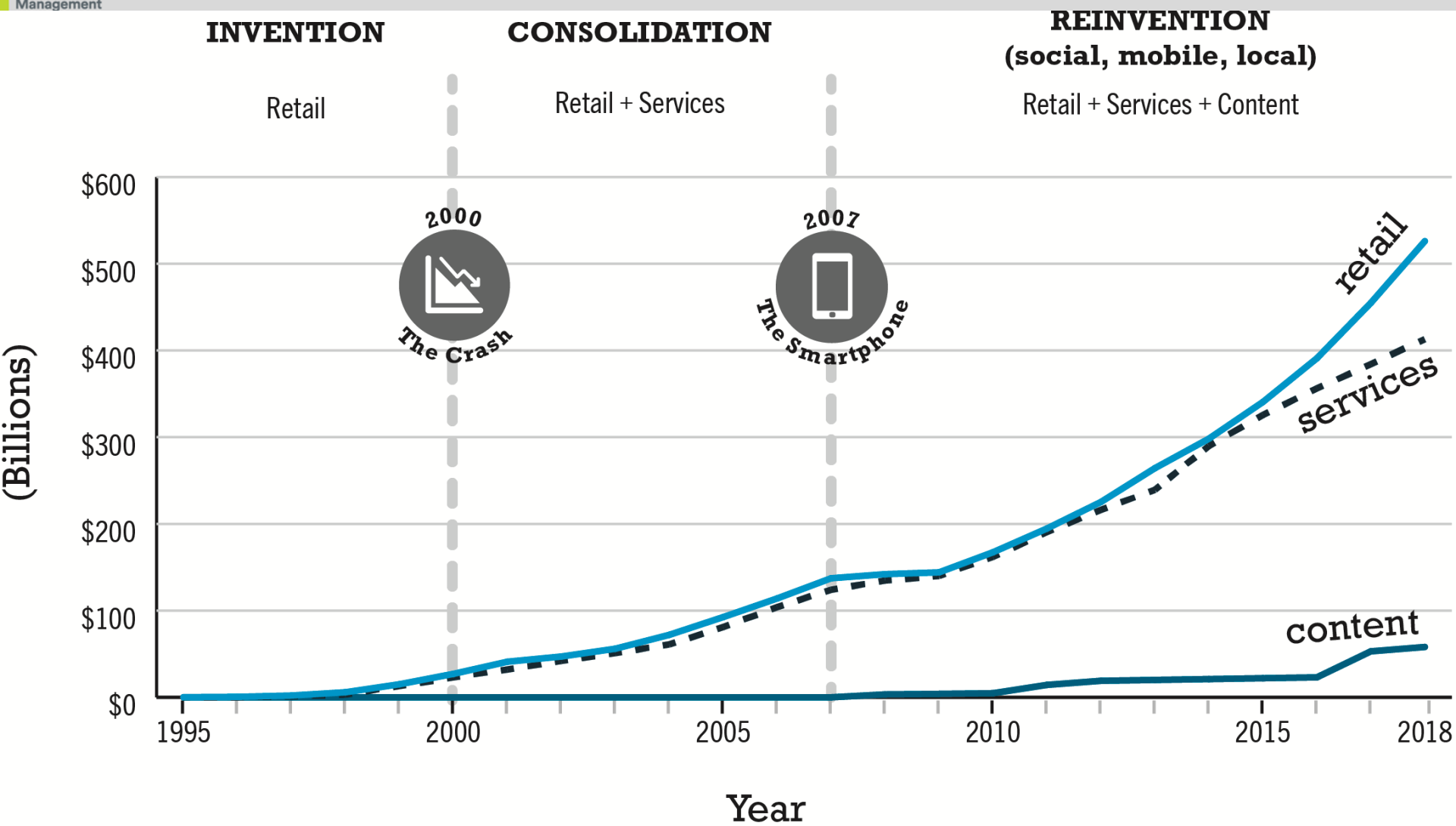
B2C  
**\$1**  
trillion

TABLE 1.3

MAJOR TYPES OF E-COMMERCE

TYPE OF E-COMMERCE	EXAMPLE
B2C—business-to-consumer	Amazon is a general merchandiser that sells consumer products to retail consumers.
B2B—business-to-business	Go2Paper is an independent third-party marketplace that serves the paper industry.
C2C—consumer-to-consumer	Online platforms such as eBay, Etsy, and Craigslist enable consumers to sell goods directly to other consumers. Airbnb and Uber provide similar platforms for services such as room rental and transportation.
M-commerce—mobile e-commerce	Mobile devices such as tablet computers and smartphones can be used to conduct commercial transactions.
Social e-commerce	Facebook is both the leading social network and social e-commerce platform.
Local e-commerce	Groupon offers subscribers daily deals from local businesses in the form of Groupons, discount coupons that take effect once enough subscribers have agreed to purchase.

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# E-Commerce Business Models



- **Business model**
  - Set of planned activities designed to result in a profit in a marketplace
- **Business plan**
  - Describes a firm's business model
- **E-commerce business model**
  - Uses/leverages unique qualities of Internet and Web

# Key Elements of a Business Model

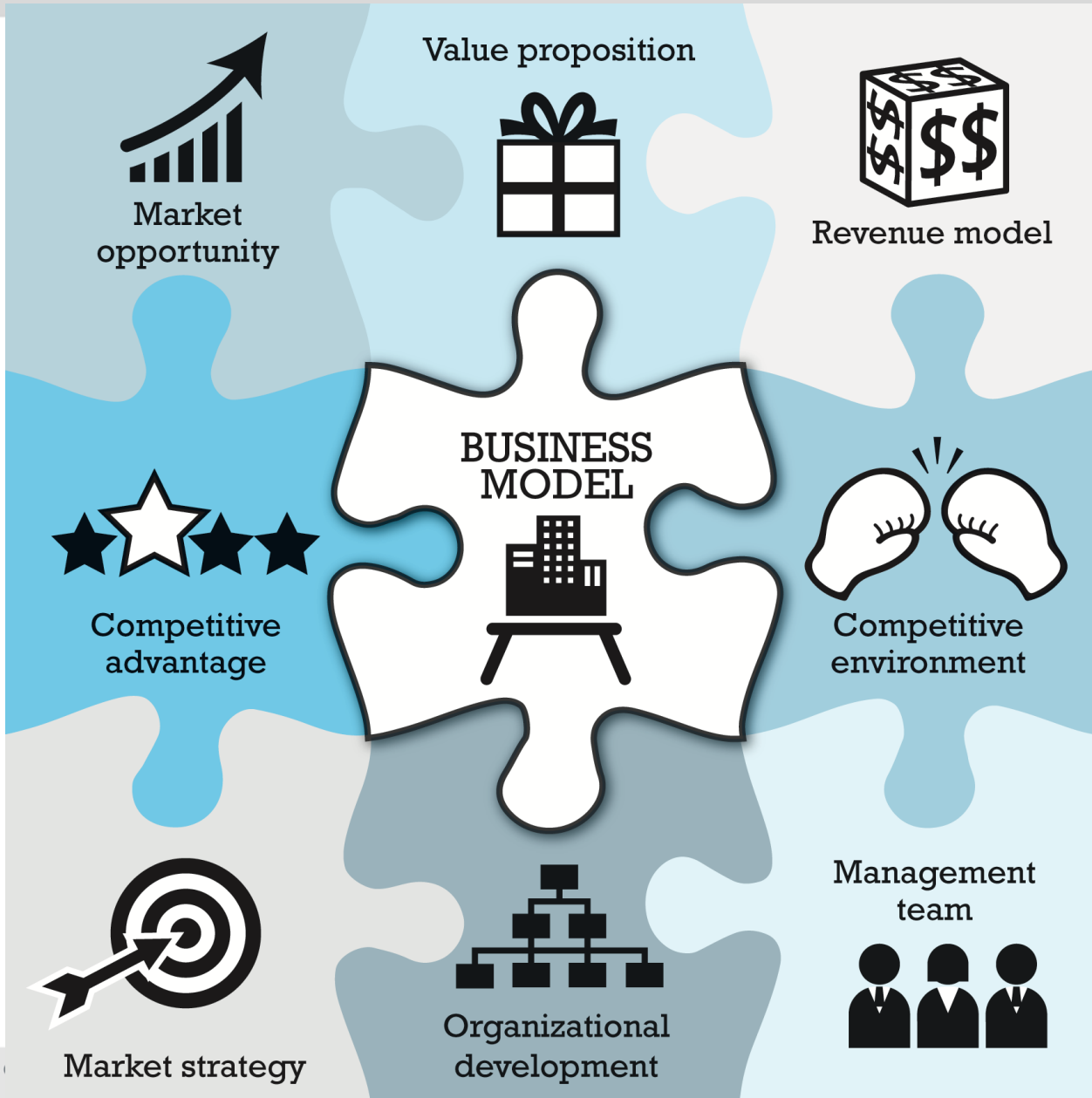


TABLE 2.3

KEY ELEMENTS OF A BUSINESS MODEL

COMPONENTS	KEY QUESTIONS
Value proposition	Why should the customer buy from you?
Revenue model	How will you earn money?
Market opportunity	What marketplace do you intend to serve, and what is its size?
Competitive environment	Who else occupies your intended marketplace?
Competitive advantage	What special advantages does your firm bring to the marketplace?
Market strategy	How do you plan to promote your products or services to attract your target audience?
Organizational development	What types of organizational structures within the firm are necessary to carry out the business plan?
Management team	What kinds of experiences and background are important for the company's leaders to have?

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REVENUE MODEL	EXAMPLES	REVENUE SOURCE
Advertising	Yahoo Facebook	Fees from advertisers in exchange for advertisements
Subscription	eHarmony Consumer Reports Online Netflix	Fees from subscribers in exchange for access to content or services
Transaction Fee	eBay E*Trade	Fees (commissions) for enabling or executing a transaction
Sales	Amazon L.L.Bean Birchbox iTunes	Sales of goods, information, or services
Affiliate	MyPoints	Fees for business referrals

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## **Consumer Decision Process**



**Awareness—  
Need Recognition**



**Search**



**Evaluation of  
Alternatives**



**Purchase**



**Post-purchase  
Behavior—Loyalty**

## **Online Marketing Communications**

Targeted display ads  
• Targeted e-mail ads  
• Social media

Search engines •  
Online catalogs • Site  
visits • Targeted e-mail  
• Social networks

Search engines •  
Online catalogs • Site  
visits • Product reviews  
• User evaluations •  
Social networks

Online promotions •  
Discounts • Targeted  
e-mail • Flash sales

Communities of  
consumption •  
Newsletters •  
Customer e-mail •  
Online updates •  
Social networks

## **Offline Marketing Communications**

Mass media • TV •  
Radio • Print media •  
Social networks

Catalogs • Print ads •  
Mass media • Sales  
people • Product raters  
• Store visits • Social  
networks

Reference groups •  
Opinion leaders • Mass  
media • Product raters  
• Store visits • Store  
visits • Social networks

Promotions • Direct  
mail • Mass media •  
Print media

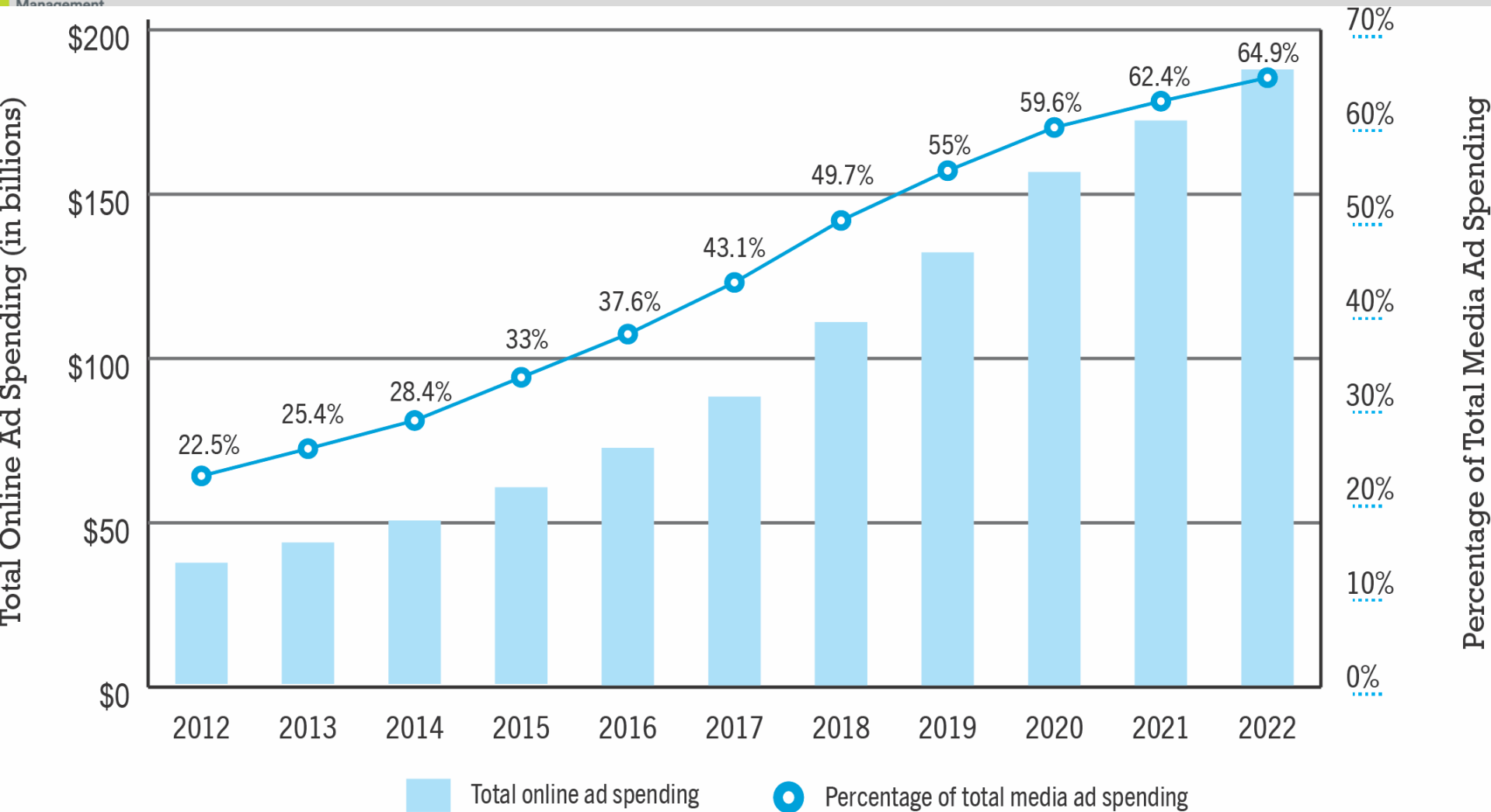
Warranties • Service calls  
• Parts and repair •  
Consumer groups • Social  
networks

# The Digital Marketing Roadmap

TABLE 6.3 THE DIGITAL MARKETING ROADMAP			
TYPE OF MARKETING	PLATFORMS	EXAMPLES	FUNCTION
Website Traditional Online Marketing	Traditional website	Ford.com	Anchor site
	Search engine marketing	Google; Bing; Yahoo	Query-based intention marketing
	Display advertising	Yahoo; Google; MSN	Interest- and context-based marketing; targeted marketing
Social Marketing	E-mail	Major retailers	Permission marketing
	Affiliates	Amazon	Brand extension
	Social networks	Facebook	Conversations; sharing
	Micro blogging sites	Twitter	News, quick updates
	Blogs/forums	Tumblr	Communities of interest; sharing
	Visual marketing	Pinterest/Instagram	Branding; sharing
	Video marketing	YouTube	Engage; inform
Mobile Marketing	Game marketing	Chipotle Scarecrow Game	Identification
	Mobile site	m.ford.com	Quick access; news; updates
	Apps	Ford Mustang Customizer app	Visual engagement
Offline Marketing		My Ford	Visual engagement
	Television	Apple/The Human Family; Shot on iPhone	Brand anchoring; inform
	Newspapers	American Airlines/The World's Greatest Flyers Fly American	Brand anchoring; inform
	Magazines	Apple Watch/Vogue Magazine	Brand anchoring; inform

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# Online Advertising Spending



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TABLE 6.3

ONLINE ADVERTISING SPENDING FOR SELECTED FORMATS  
(IN BILLIONS)

FORMAT	2018	2022	AVERAGE GROWTH RATE
Search	\$48.5	\$84.1	17.4%
Banner ads	\$21.8	\$36.7	16.5%
Video	\$27.8	\$50.6	18.2%
Rich media	\$5.2	\$6	6.5%
Sponsorships	\$2.6	\$3.6	10.6%
Lead generation	\$2.4	\$3.2	9.3%
Classifieds	\$2.1	\$2.5	5.5%
E-mail	\$0.43	\$0.65	13.2%

SOURCE: Based on data from eMarketer, Inc., 2018m, 2018n, 2018o.

# Types of Display Ads

Leaderboard  
728 x 90 pixels

Half Page Ad  
300 x 600 pixels

Wide  
Skyscraper  
160 x 600 pixels

Medium Rectangle  
300 x 250 pixels

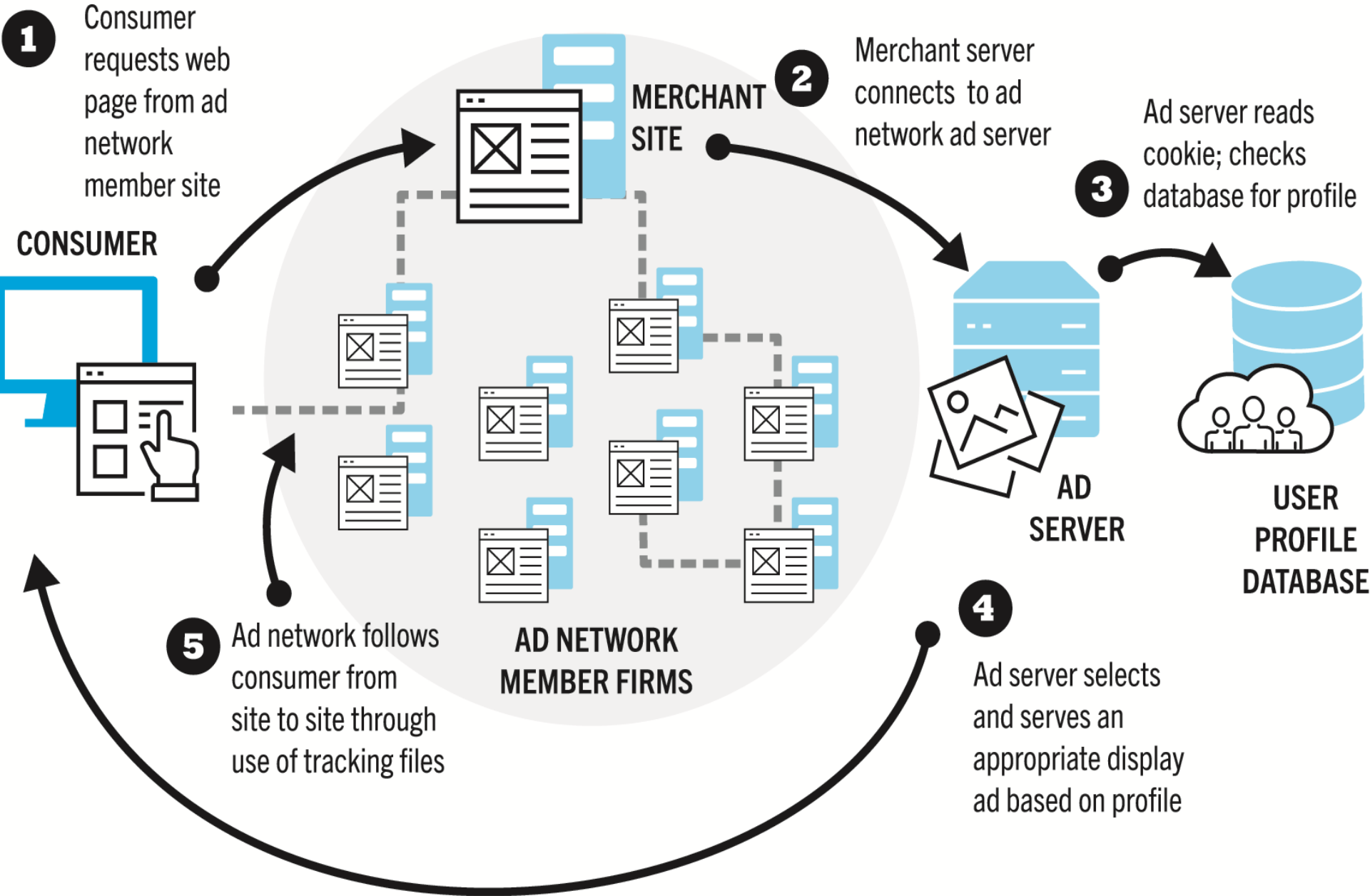
Rectangle  
180 x 150 pixels

Button 2  
120 x 60 pixels

Micro Bar  
88 x 31 pixels

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# ADVERTISING NETWORK



# Average Time Spent per Day

**INTERNET 52%**

**TRADITIONAL MEDIA 48%**

Desktop/  
Laptop  
16.5%

Mobile  
29.8%

Other  
digital  
5.7%

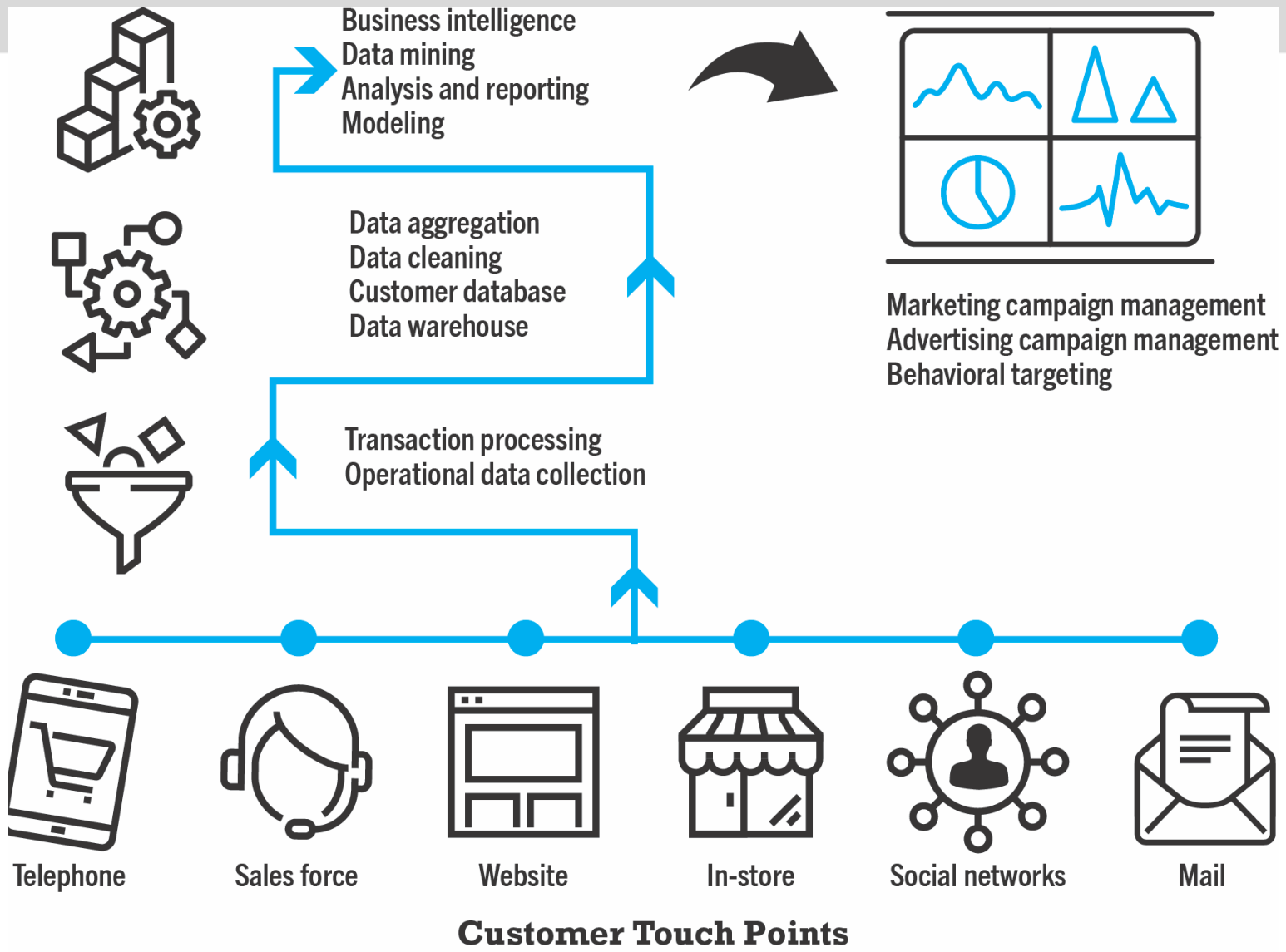
TV  
31%

Print  
(Newspapers/  
Magazines)  
2.9%

Other  
2.7%

Radio  
11.4%

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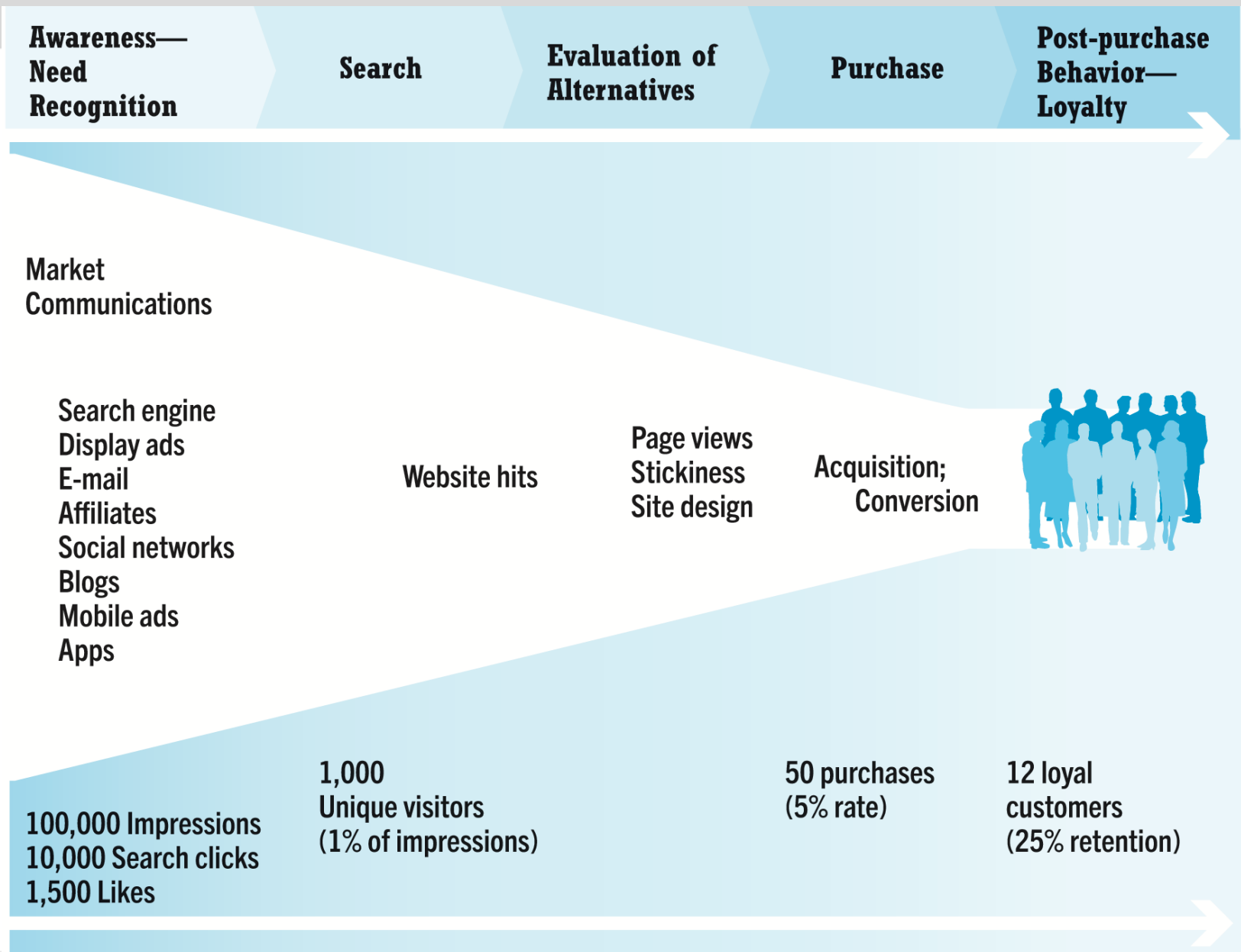


TABLE 6.7

ONLINE MARKETING COMMUNICATIONS: TYPICAL  
CLICK-THROUGH RATES

MARKETING METHODS	TYPICAL CLICK-THROUGH RATES
Banner ads	.05%–.25%
Google enhanced search ads (Product Listing Ads)	2.8%–3.6%
Google Ads search listing	2.09%–6.05% (3.7% average)
Video	.34%–.85%
Rich media	.13%–.35%
Sponsorships	1.5%–3.0%
Native ads	.80–1.8%
Content marketing	.19%–.29%
Affiliate relationships	.20%–.40%
E-mail marketing in-house list	3.0–5.0%
E-mail marketing purchased list	.01%–1.5%
Social network display ads	.15%–.25%
Mobile display ads	.09%–1.25%

SOURCES: Based on data from Chaffey, 2018; Wordstream, 2018; Polar, 2018; eMarketer, Inc., 2018x; industry sources; authors' estimates.

TABLE 6.8

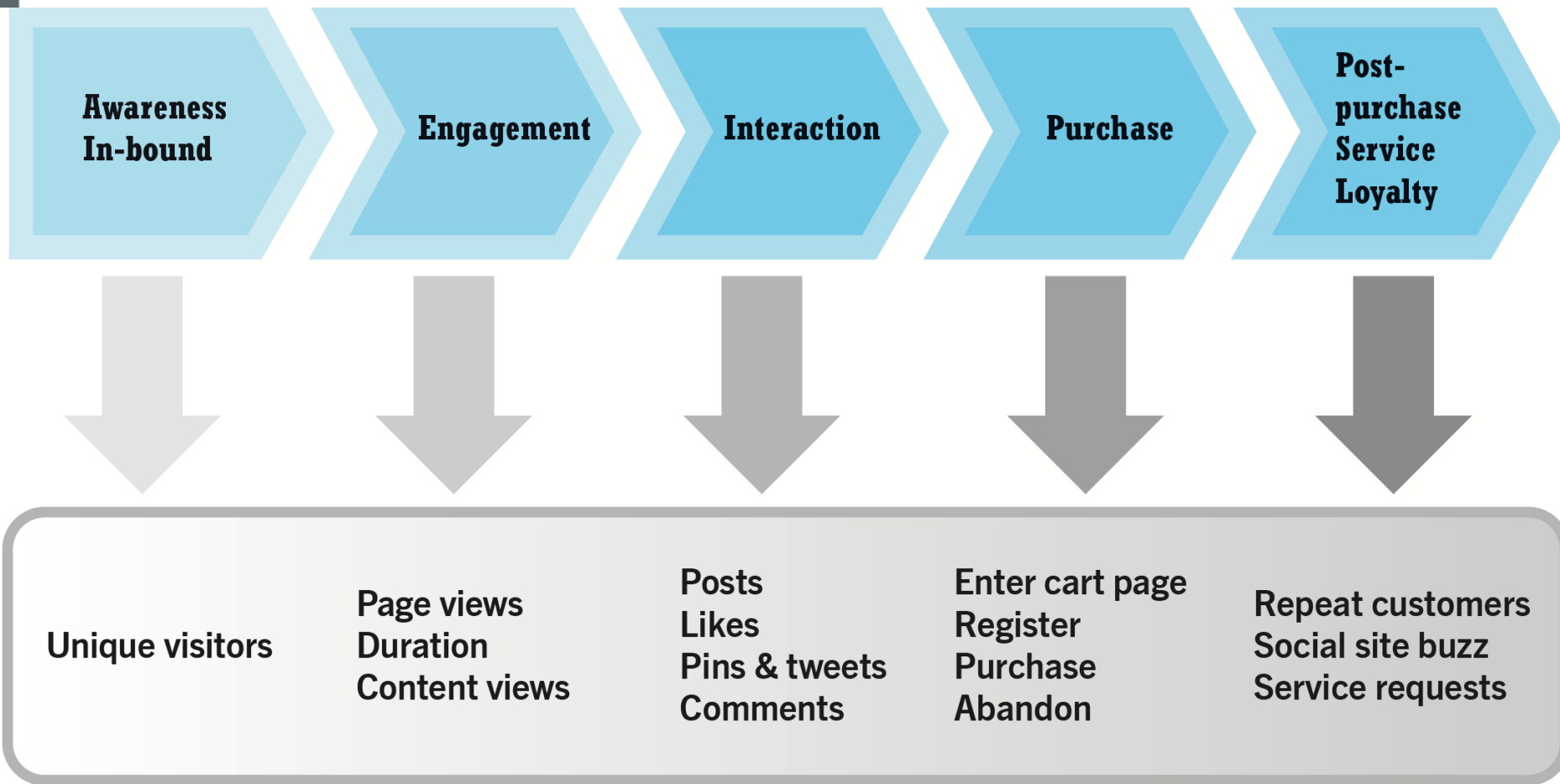
DIFFERENT PRICING MODELS FOR ONLINE  
ADVERTISEMENTS

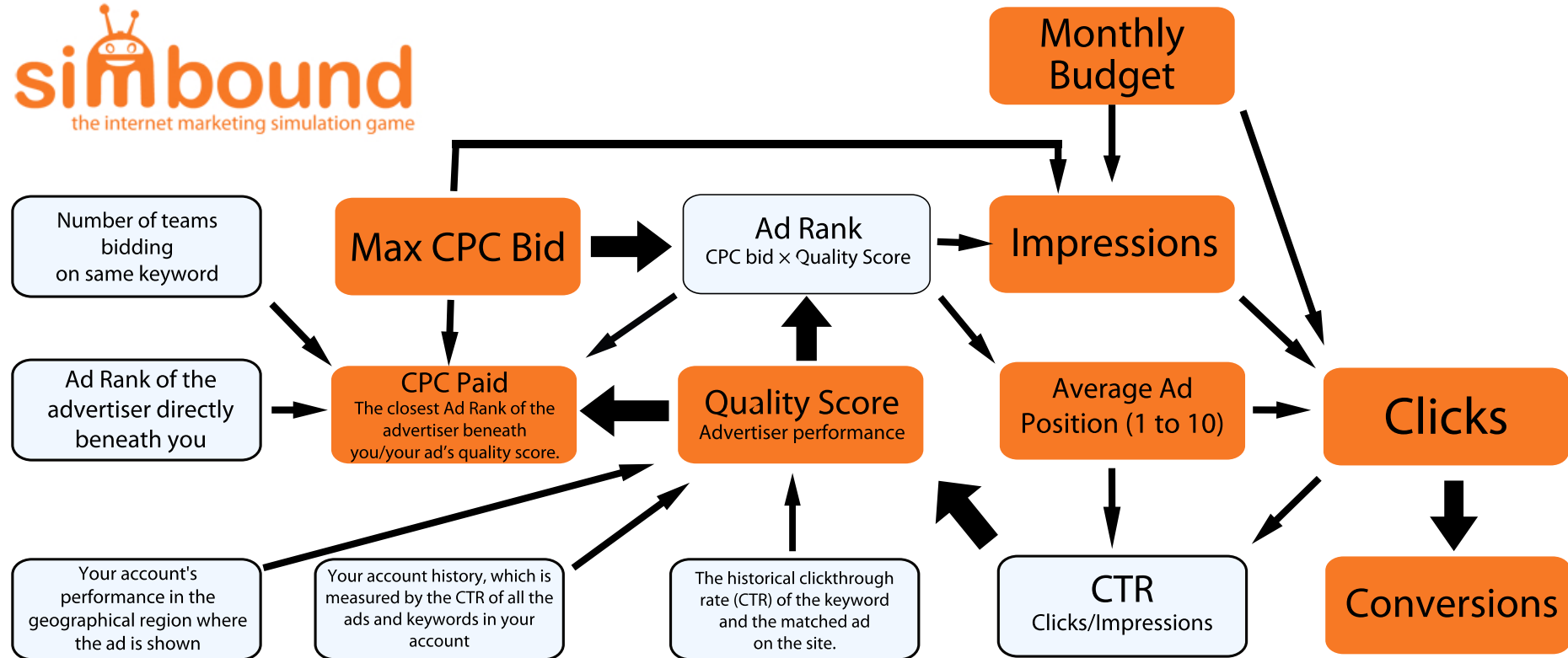
PRICING MODEL	DESCRIPTION
Barter	Exchange of ad space for something of equal value
Cost per thousand (CPM)	Advertiser pays for impressions in 1,000-unit lots
Cost per click (CPC)	Advertiser pays prenegotiated fee for each click ad received
Cost per lead (CPL)	Advertiser pays only for qualified leads or contacts
Cost per action (CPA)	Advertiser pays only for those users who perform a specific action, such as registering, purchasing, etc.
Hybrid	Two or more of the above models used together
Sponsorship	Term-based; advertiser pays fixed fee for a slot on a website

**TABLE 6.9 TRADITIONAL AND ONLINE ADVERTISING COSTS COMPARED**

<i>TRADITIONAL ADVERTISING</i>	
Local television	\$1,500–\$15,000 for a 30-second commercial; \$45,000 for a highly rated show
Network television	\$80,000–\$600,000 for a 30-second spot during prime time; the average is \$134,000
Cable television	\$5,000–\$8,000 for a 30-second ad during prime time
Radio	\$100–\$1,000 for a 60-second spot, depending on the time of day and program ratings
Newspaper	\$120 per 1,000 circulation for a full-page ad
Magazine	\$50 per 1,000 circulation for an ad in a regional edition of a national magazine, versus \$120 per 1,000 for a local magazine
Direct mail	\$15–\$20 per 1,000 delivered for coupon mailings; \$25–\$40 per 1,000 for simple newspaper inserts
Billboard	\$1,500–\$30,000 for a large billboard for a 4-week period, with a minimum of 5–20 billboards
<i>ONLINE ADVERTISING</i>	
Desktop banner ads	\$1–\$5 per 1,000 impressions, depending on size and how targeted the ad is (the more targeted, the higher the price)
Video and rich media	\$20–\$25 per 1,000 ads, depending on the website's demographics
E-mail	\$5–\$15 per 1,000 targeted e-mail addresses
Sponsorships	\$30–\$75 per 1,000 viewers, depending on the exclusivity of the sponsorship (the more exclusive, the higher the price)
Social network ads	\$0.50–\$3.00 per 1,000 impressions, with news feed ads at the high end of the range
Mobile display ads	\$1.50–\$3.25 per 1,000 impressions, including media costs, charges for first- or third-party data, and service fees

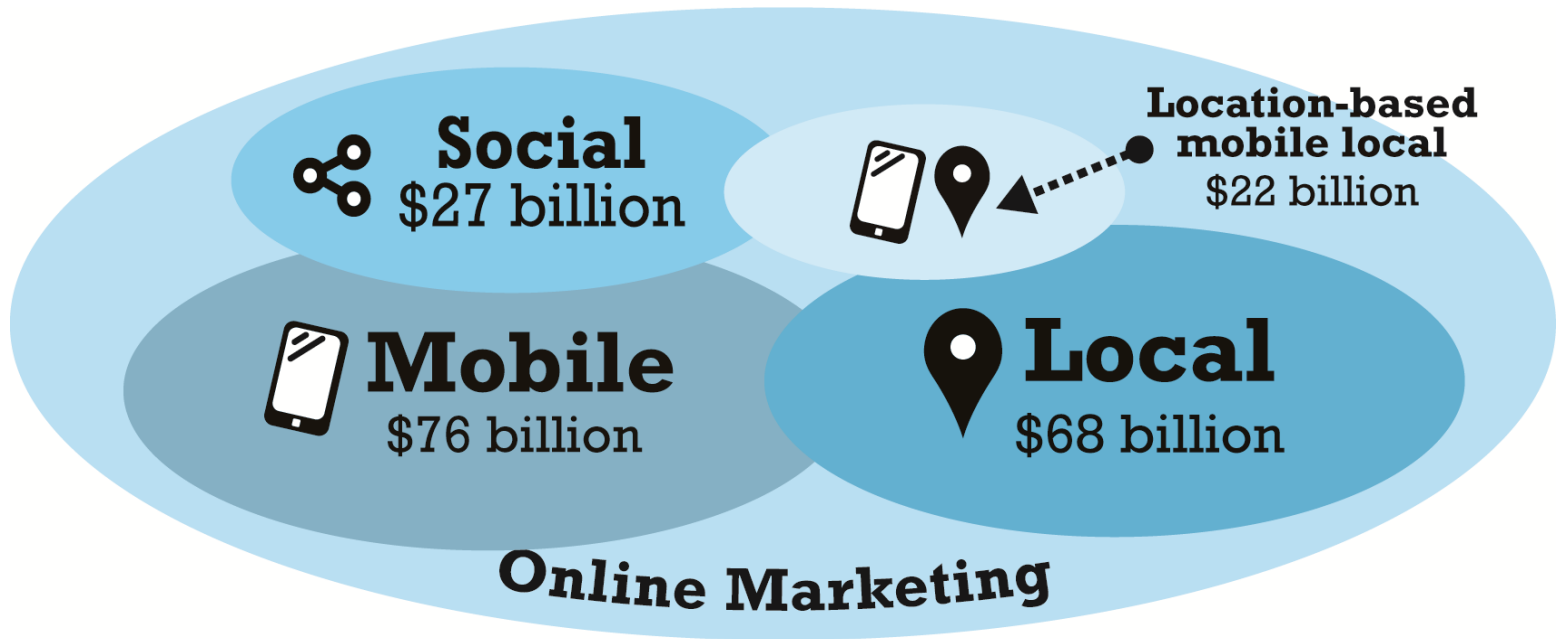
## Marketing Analytics and the Online Purchasing Process





The above diagram shows the interrelationship between the different model elements in order to help learners understand how results are being calculated by the Search Engine in the Game.

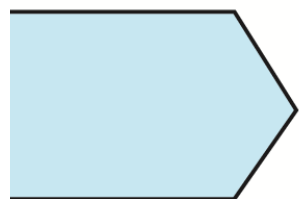
**ad** *metrics* ad **clicks** Facebook  
*auctions* inventory exchange  
**exchanges** (FBX)  
**ROI** *programmatic*  
**RTB** *buying*  
*advertisers* **CPM** *demand-side*  
**brand** *agencies* *platforms* **ads**  
**real-time** **bidding**



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# Social Marketing Process



**Fan  
Acquisition**



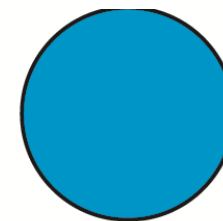
**Engagement**



**Amplification**

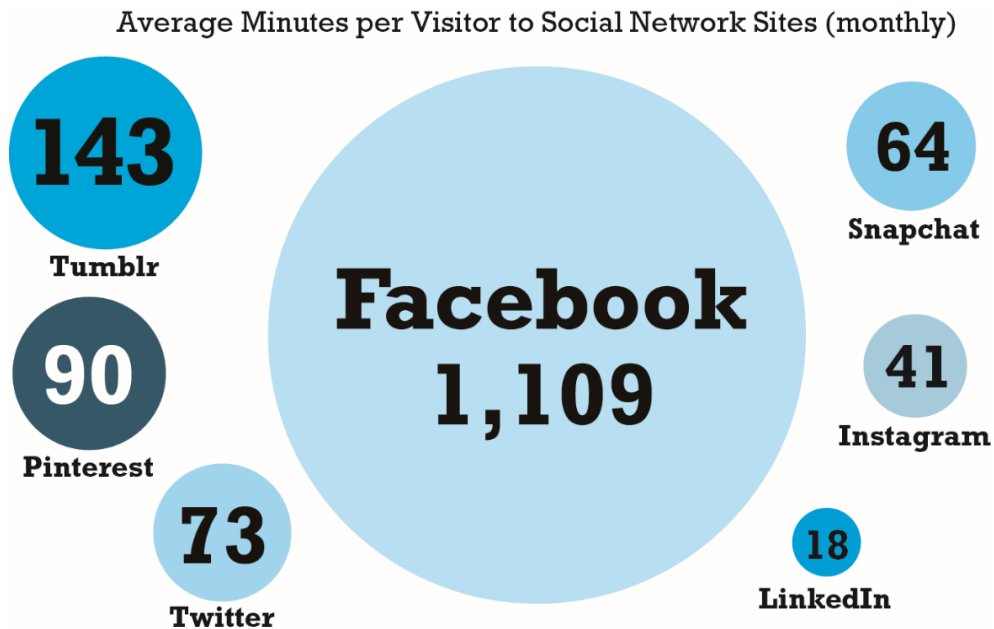


**Community**

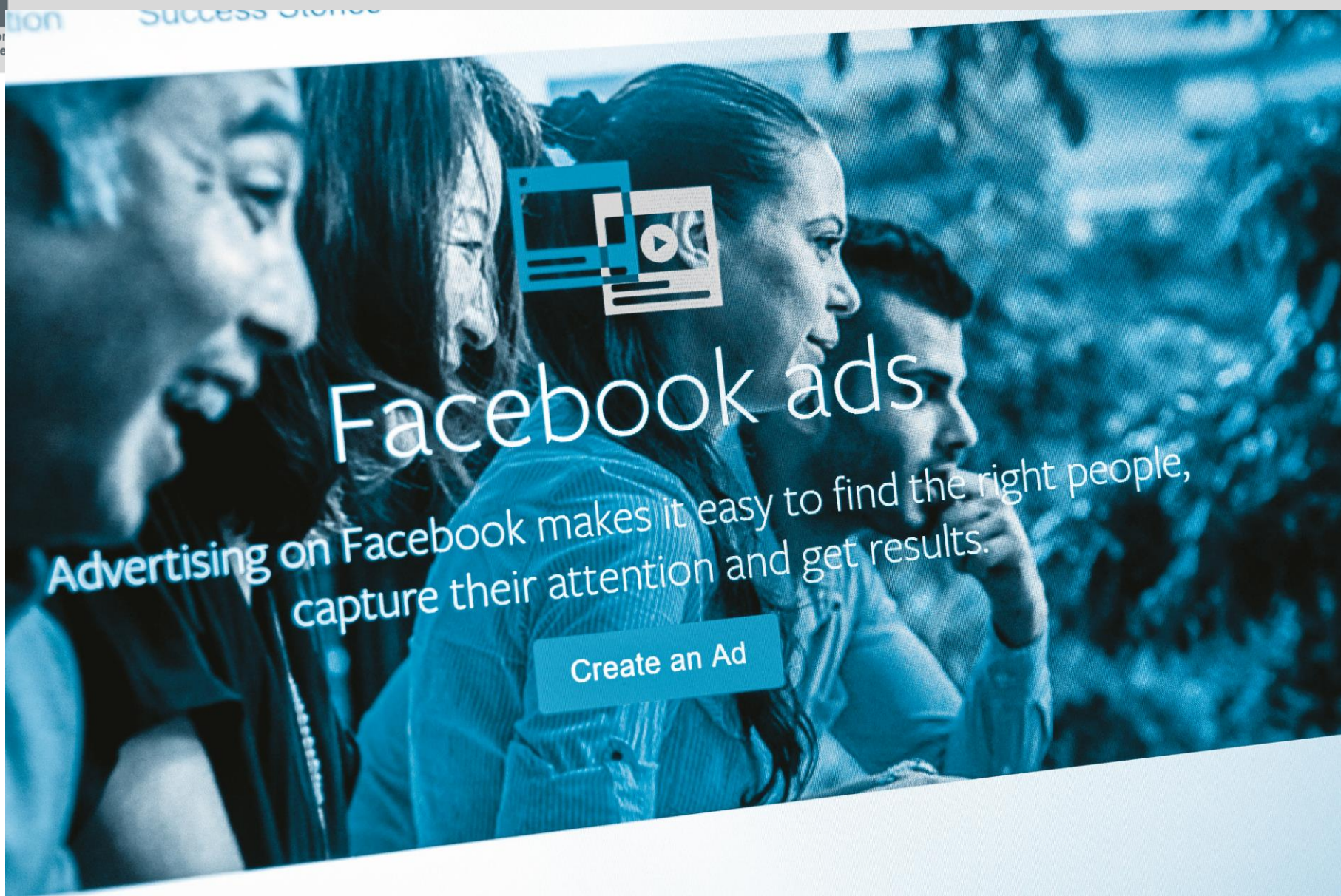


**Brand Strength  
(Sales)**

# Figure: Engagement at Top Social Networks



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# Facebook ads

Advertising on Facebook makes it easy to find the right people, capture their attention and get results.

Create an Ad

© dennizen/Alamy Stock Photo



TABLE 7.3

SELECTED FACEBOOK MARKETING CAMPAIGNS

COMPANY	MARKETING CAMPAIGN
Lays	Asked its Facebook followers to submit suggestions for new potato chip flavors, offering a \$1 million prize to the winner. Now an annual event.
Kia	Created a racing video game, GT RIDE, to promote the release of the Kia GT. The game allowed players to build their own racetracks and send challenges to Facebook friends, all within a Facebook app. Users were automatically entered into a sweepstakes to win a Kia GT.
Budweiser	Buds for Buds campaign encouraged users in certain cities to buy a beer for a Facebook friend's birthday using a redeemable receipt.
Procter & Gamble	Launched a video along with the Facebook hashtag #LikeAGirl displaying positive representations of "acting like a girl" to promote its Always brand. The video was the most watched in company history.

[Kia GT Ride](#)

[#LikeAGirl](#)

TABLE 7.7

SELECTED TWITTER MARKETING CAMPAIGNS

COMPANY	MARKETING CAMPAIGN
Domino's Pizza	Allows users to order from Domino's by tweeting an emoji of a pizza or the #easyorder. Domino's Twitter chatbot then routes the order to the appropriate location and asks additional questions if necessary.
Lowe's	Fix in Six campaign used animated six-second videos displaying quick home improvement tips.
Samsung	Samsung Galaxy users could recharge their phones by tweeting #PowerOn at SXSW festival, which would prompt a Samsung bike messenger to deliver a new battery to that location.
NFL	Promoted live streaming of NFL games on Verizon devices using the #FOMOF campaign (Fear of Missing Out on Football).
UNTUCKit	Season-specific as well as "evergreen" photo ad campaigns for retail company that sell shirts designed to be worn untucked. Ads included a website tag that allows UNTUCKit to track site visits and conversion and also to retarget site visitors. Built brand awareness and increased online retail sales.

## Domino's Pizza

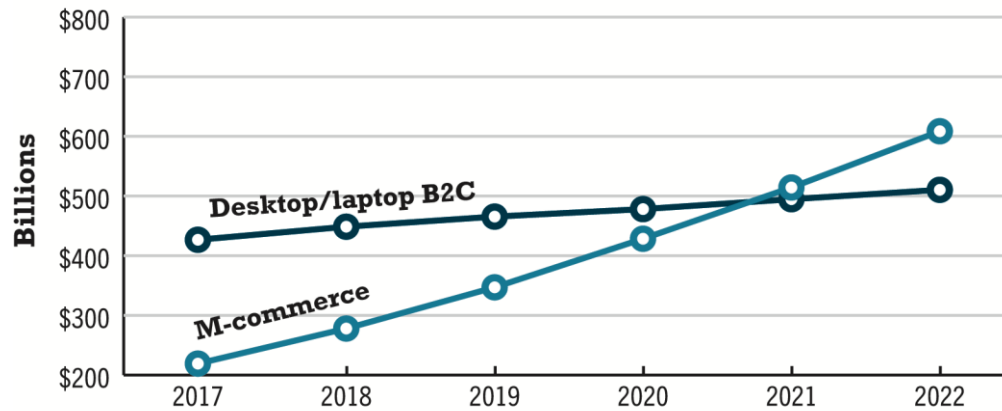
TABLE 7.11

SELECTED PINTEREST MARKETING CAMPAIGNS

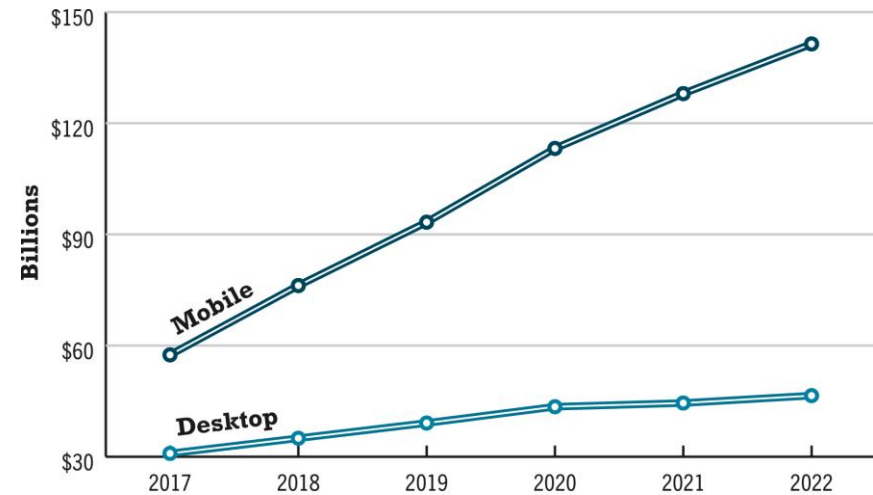
COMPANY	CAMPAIGN
Honda	Provided five influential pinners \$500 apiece to take a "#Pintermission" from Pinterest and do activities that they had pinned about. The campaign promoted the Honda CR-V and its "seize the day" image.
Mastercard	Launched #AcceptanceMatters hashtag to promote tolerance and acceptance of people, while also drawing attention to its widely accepted credit card.
Nordstrom	Used in-store signage depicting products with the most engagement on Pinterest. Has more followers on Pinterest than on Facebook or Twitter.
Blue Apron	Subscription-based food delivery service pins its most popular recipes to different boards. High-quality, compelling photography helps drive engagement.
UNIQLO	Clothing retailer used dozens of accounts to pin graphics in a five-column arrangement on its Pinterest page, allowing users to scroll down and animate the images.

## [Honda #Pintermission](#)

## Growth of Mobile Commerce

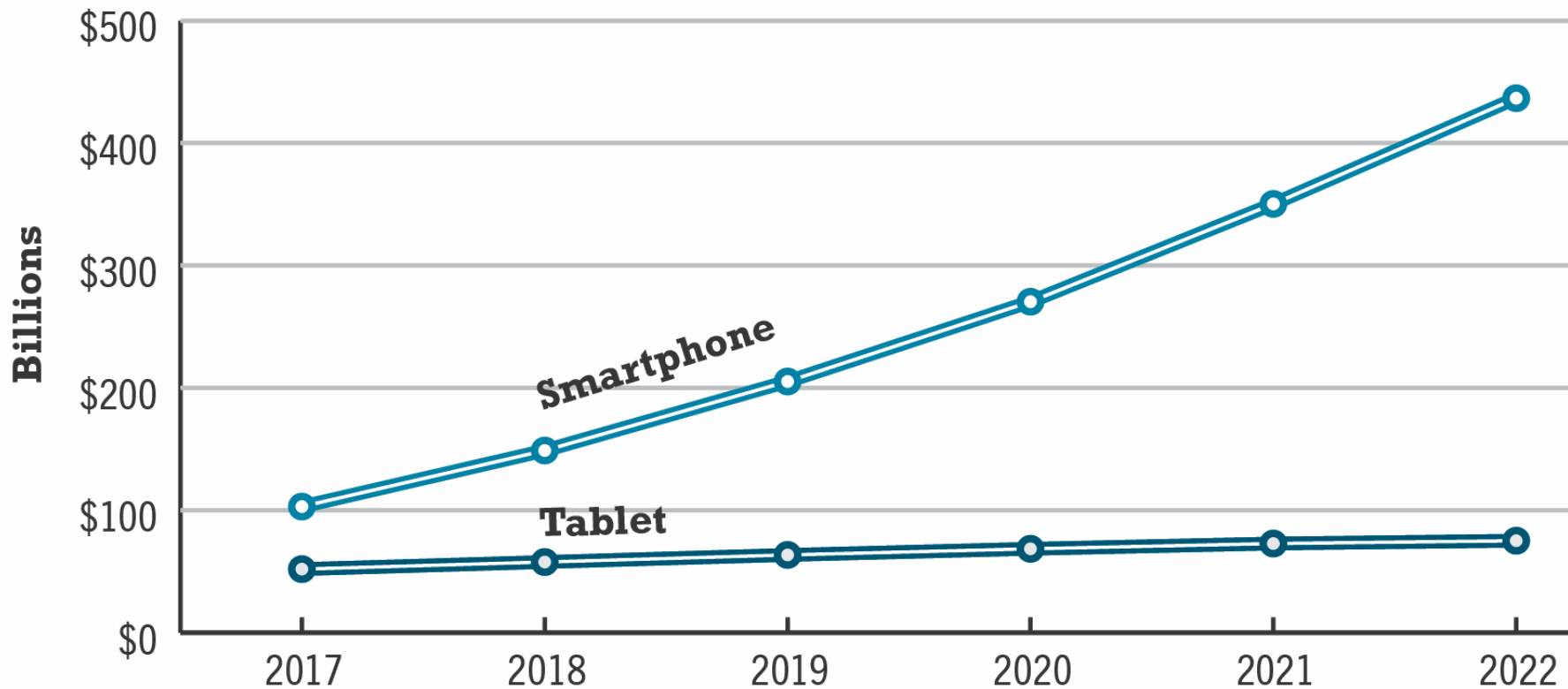


## Mobile versus Desktop Marketing



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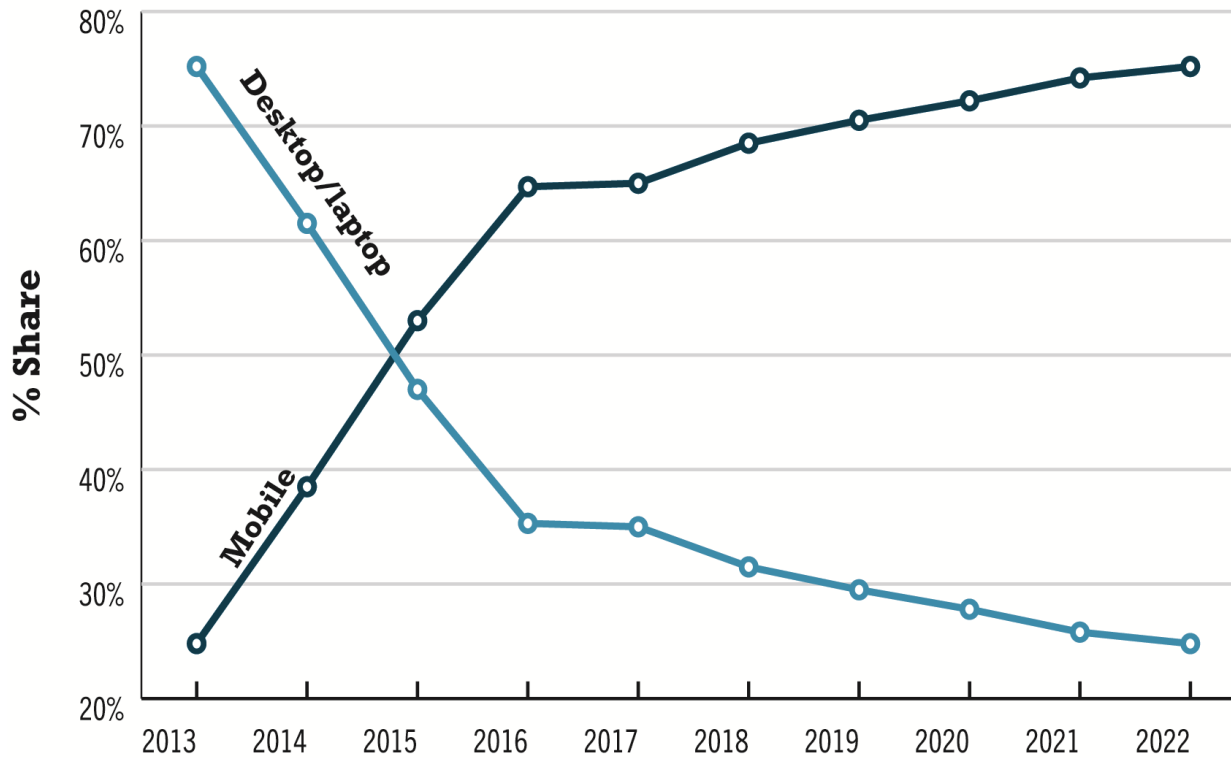
## Retail M-Commerce Sales



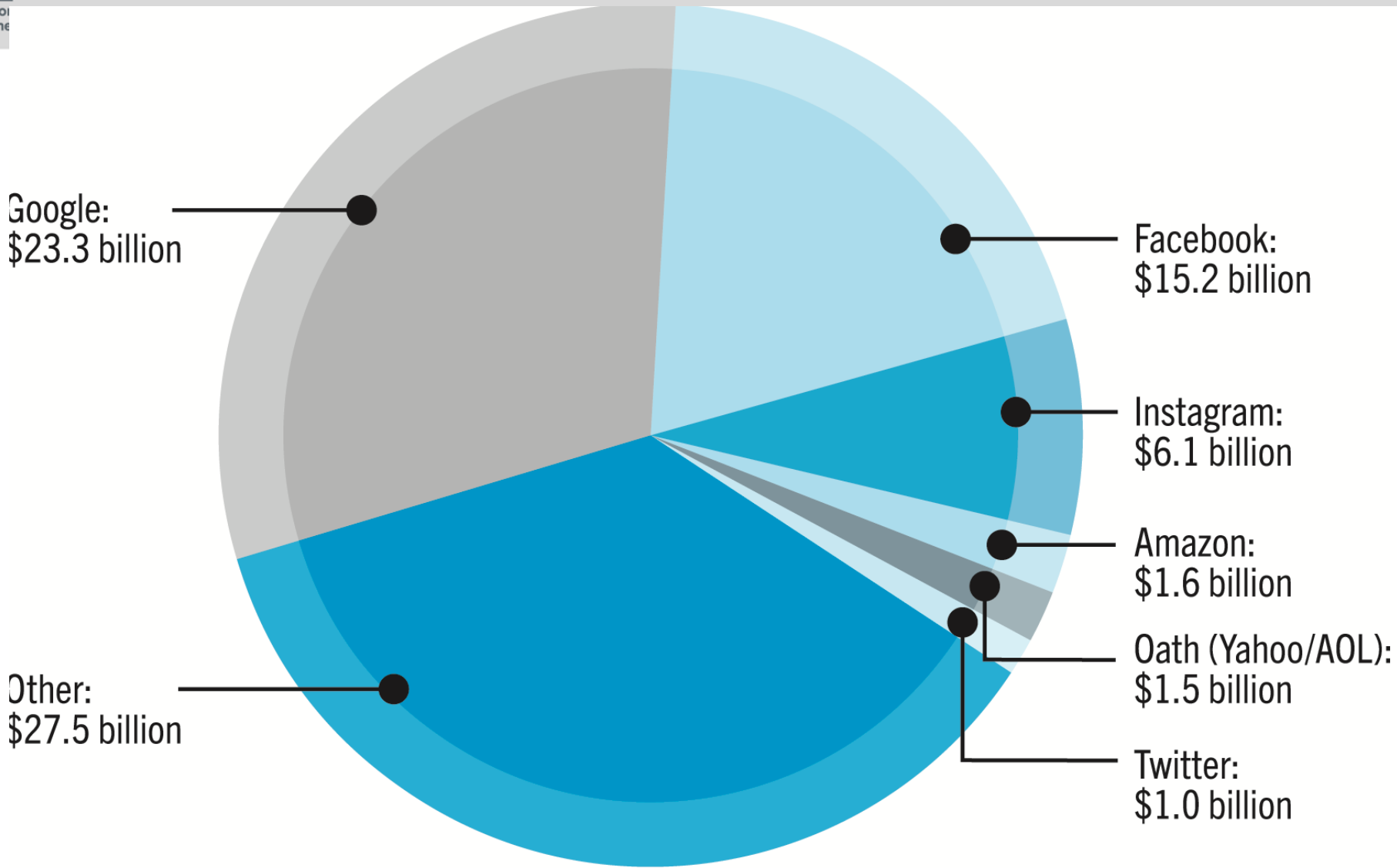
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# Online Ad Spending Worldwide

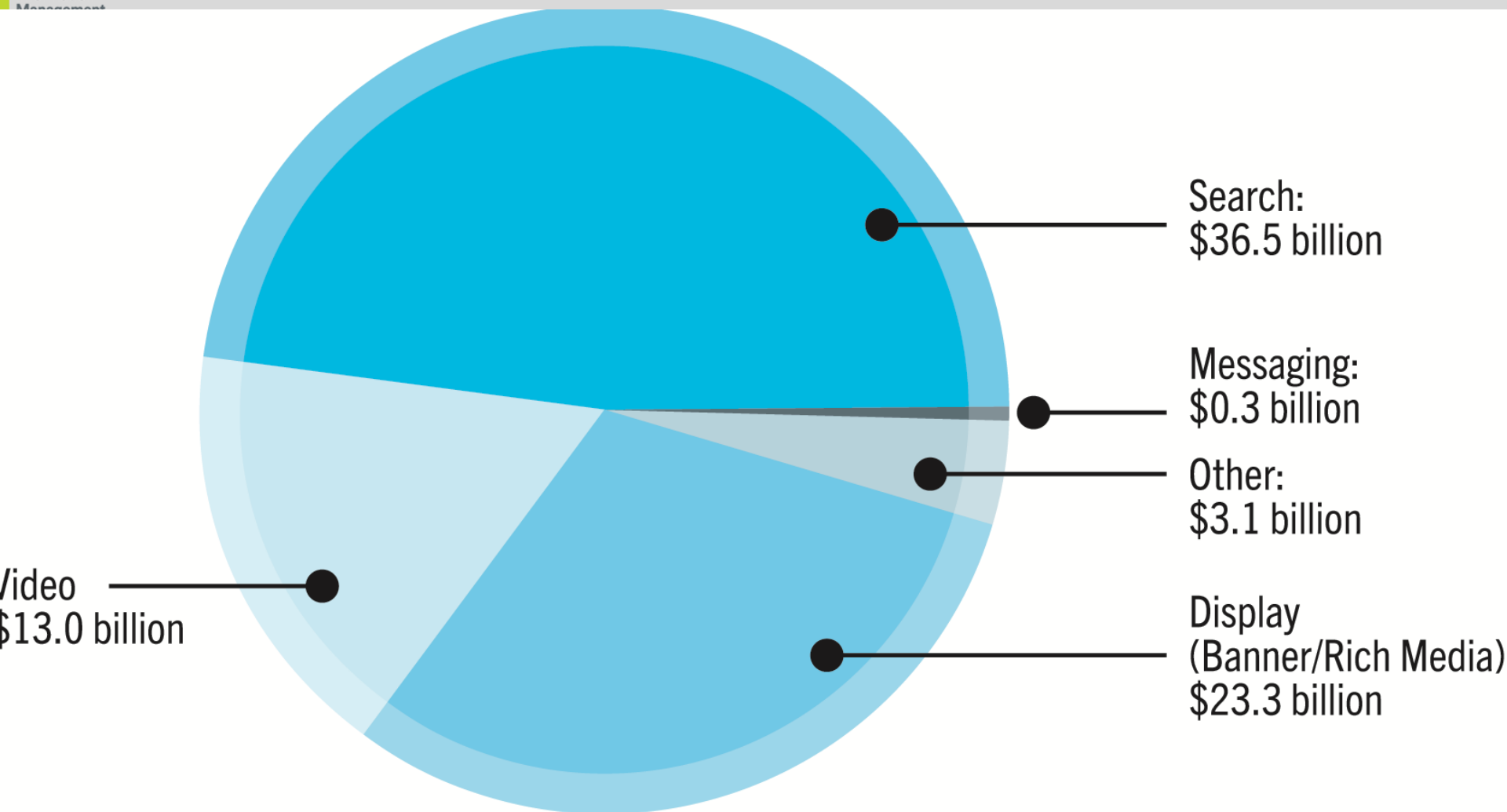


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## Top Mobile Ad Spending by Format



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TABLE 7.14

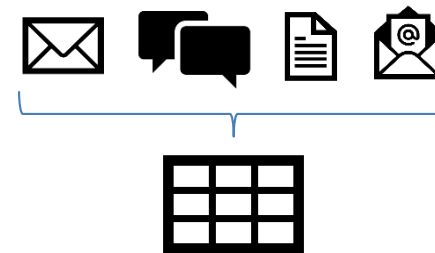
## SELECTED MOBILE MARKETING CAMPAIGNS

COMPANY	CAMPAIGN
Ikea	Launched an interactive mobile app of its catalog, allowing users to view hidden content by scanning certain pages and to test how furniture looks in your home with augmented reality.
Just for Men	Men's facial care retailer launched a series of mobile ads with interactive sports trivia quizzes, producing brand lift of 24%.
Target	Launched banner ad on Huffington Post mobile site that enabled viewers to browse Procter & Gamble hair products and purchase using a buy button.
McDonald's	Created just-for-fun "Fry Defender" feature of its mobile apps, turning your phone into a motion sensor that goes off if someone approaches your fries.

[Augmented Reality](#)[Timberland Augmented Reality Campaign](#)[McDonald's "Fry Defender" Campaign](#)[Burger King: "Burn the Ad" Campaign](#)

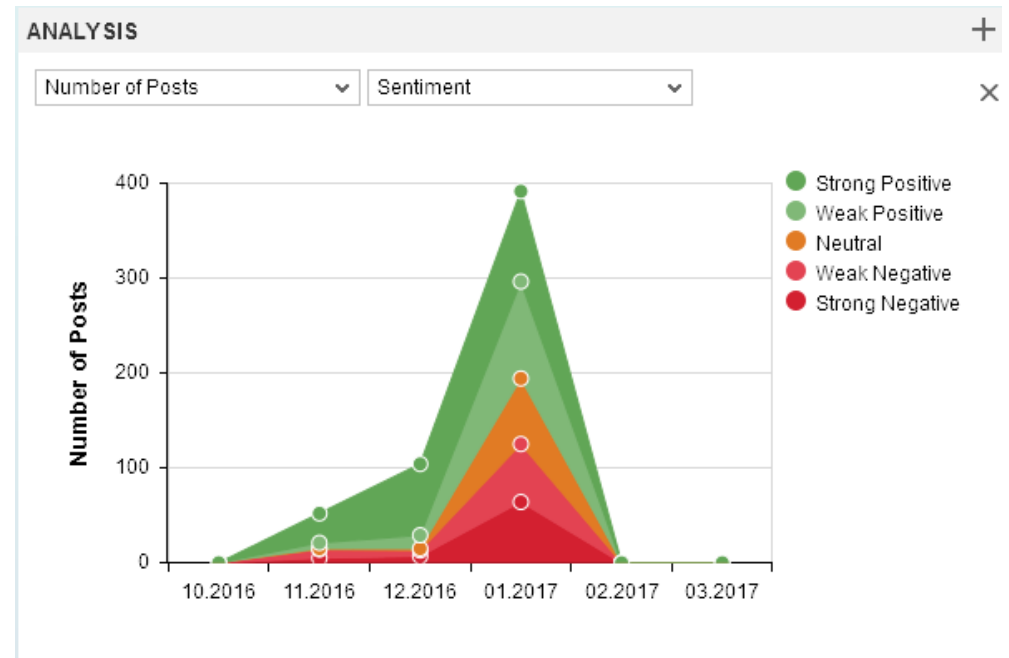
# Sentiment Analysis

- Based on **Text Analysis**
  - Unstructured Content → Structured Content
- Recognition of **polarity** (=emotions)
- Assigning to **sentiment class**
  - Strong Positive ++
  - Weak Positive +
  - Neutral 0
  - Weak Negative -
  - Strong Negative --
  - No sentiment 



# Analysis Panel

- Reflects any filters from the Filter Panel in an **aggregated view**
- **Display options:**
  - Number of Posts
  - Average Sentiment
  - Interests, Tags
    - Rising Trend
    - Declining Trend
    - Trend
    - Sentiment



# Analysis Panel

## Comparison of Sentiment Ratio and Average Sentiment

### • Sentiment Ratio (SR)

$$SR = \frac{\text{Weak Positive Sentiments} + \text{Strong Positive Sentiments}}{\text{Weak Negative Sentiments} + \text{Strong Negative Sentiments}}$$

### • Average Sentiment (AS)

$$AS = \sum \text{Posts in Sentiment Class} * \text{Sentiment Score Value}$$

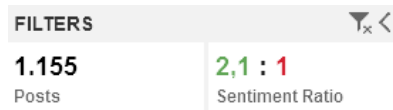
### – Sentiment Score Values

- Strong Positive **(++)** **5**
- Weak Positive **(+)** **4**
- Neutral **(0)** **3**
- Weak Negative **(-)** **2**
- Strong Negative **(--)** **1**

# Sentiment Ratios and Trends

- The **Sentiment Ratio** only considers positive and negative polarity
- The **Average Sentiment** includes neutral posts
- From the Average Sentiment, the system calculates a **Sentiment Trend (ST)**

$$ST = \frac{\text{Average Sentiment (last 24 hours)}}{\text{Average Sentiment (last 7 days)}}$$



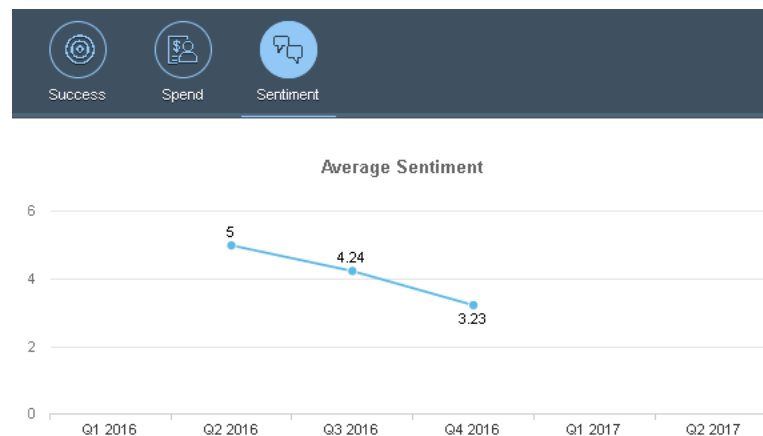


# Average Sentiment

## – Sentiment

- **Average Sentiment**

- Display the average sentiment for social media posts for a period
- Identify any effects of switching campaigns on the sentiment scores



# KPIs for Campaigns

- **KPIs for Campaigns**

- Success

- **Top Categories and Top Channels**

- Display categories and channels were most frequently assigned to the campaigns

- **Post Sentiment**

- Display the number of social media posts for the sentiment scores

- **Top Interests and Sentiment Score**

- Display interests which were entered for the campaigns and for which the highest number of social media post



Top Categories + Top Channels

Default	16	No data
Activiv	7	
Email Newsletter	6	
Trigger-Based Cam...	4	
Transfer Leads	3	

Post Sentiment

Strong Positive	326
Weak Positive	266
Neutral	163
Weak Negative	163
Strong Negative	168
No Valuation	617



Top Interests (Posts) + Sentiment Score (Posts)

GBI Eurobike 2017	904	GBI Eurobike 2017	3.23
Racing BIKES	152	Racing BIKES	4.24
Mountain Bikes	6	Mountain Bikes	3.5