



UNIT-6

Marketing Your E-Commerce Business

Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ Create a marketing plan with all the essential elements
- ✓ Market your online store using social media and other appropriate channels

Unit 6

Marketing Your E-Commerce Business

Creating a Marketing Plan

The Purpose of the Plan

So far, we've covered the ins and outs of planning, designing, and launching an e-commerce site. Now, it's time to consider how you will market your online business. Marketing processes may vary in terminology or stages depending on the material you read, and they may include more or fewer steps than this session will cover. What is common, however, is that marketing is a cyclical process, and it uses very particular terms. We will also use those terms here so that you can plan, speak to, and perform these functions within your business.

Your marketing plan may undergo many revisions until all stages work effectively. This frustrates people who do not like working in a fluid state, or have trouble dealing with change. As a result, you may need to seek help from marketing professionals who love their work and have a strong track record.

Cycle Overview

Marketing uses the following steps:



Looking at the Steps

Let's take a closer look at each of the steps in the marketing cycle.

Stage One: Consumer and Market Analysis

This stage involves the following elements:

- Considering who your customer is and what they need
- Grouping target customers into segments
- Outlining the buying process for your product or service

Stage Two: Analyzing the Competition and Yourself

In this stage, you will want to ask the following questions of your competition and yourself:

- What are your advantages?
- What are your core competencies (the things you do well)?
- What are your weaknesses?
- Where are your shortcomings?
- What can you do to capitalize on your strengths?
- What can you do to exploit the competition's weaknesses and shortcomings?

A SWOT analysis can help you address each question in the list above. SWOT stands for strengths, weaknesses, opportunities, and threats. It is a method of analyzing external factors (opportunities and threats) and internal factors (strengths and weaknesses) in a methodical way.

Once you have gathered this information, you can identify:

- How to position your services to play to your strengths
- Ways to lessen the impact of the competition
- What makes your services unique
- Key aspects of your brand

Stage Three: Analyzing Distribution Channels

Consider how you are going to get your product or service to your client. Will your product or service be completely virtual or will you need warehouses and delivery services? Consider the costs at each step of the delivery process, including bandwidth and hosting fees.

Stage Four: Creating a Marketing Plan

Your marketing research gets applied in a marketing plan based on the P's of marketing: product, price, place, promotion, and packaging. All of these P's influence the sixth P: the **positioning** of your product or service (how it compares to similar products from other companies).

Stage Five: Implement the Plan

Now it's time to test out your marketing plan. If possible, do a limited trial run before the full-scale launch.

Stage Six: Evaluate, Review, and Revise

You may recall that earlier we said that marketing is a cyclical process. At any time in the cycle, the marketer can be forced to return to an earlier stage to remedy some kind of problem. Even if things appear to be going well, take the time to closely look at what you are doing and how effective it is.

Essential E-Commerce Marketing Channels

There are four main channels that you may want to consider as part of your e-commerce marketing strategy. Let's look at the first three elements and how you can leverage each as a marketing tool.

Web and Mobile

Your website will be your home base for your e-commerce business. We've already talked about what you need to engage customers and keep them on your site: dynamic, engaging content; an aesthetically pleasing design; and easy-to-use navigation tools. You also need to use search engine optimization techniques to generate traffic and bring customers to your site.

Another element of your web presence is a blog related to your business. If well done, a blog can contribute to search engine optimization, increase traffic to your site, and build visitor engagement.

Your mobile presence is also part of this category. Consider:

- How will your website (including shopping cart and checkout features) work on tablets and smartphones?
- Can you optimize your site so that it loads quickly on mobile connections?
- Will mobile apps provide convenient features for customers and increase your market presence?

E-Mail

E-mail marketing is the second element of your e-commerce presence. This can include regular newsletters, e-flyers, updates, and special deals or perks for members.

Most countries have very strict regulations about who you e-mail and what the e-mail contains. For example, in most regions of the world, you must have customers' permission (called opting in) in order to e-mail them information and not have it considered spam. As well, many countries have anti-spam legislation that requires you to give customers a clear way to unsubscribe from your e-mails (called opting out) right in the message.

In addition to an “unsubscribe” link, it’s also wise to include a link to manage account settings, as well as company and social media information. Here’s an example of a great e-mail footer that covers all the bases.



Offline Media

Don’t forget about traditional marketing methods. Consider how trade shows; print, radio, and television ads; and offline marketing campaigns can support your e-commerce marketing strategy.

Marketing with Social Media

The Final Element

The final element of your e-commerce marketing strategy is your social media strategy. We highly recommend that all e-commerce businesses join Facebook and Twitter, but in the end you should choose the platforms that make sense for your business. It’s also important to have a strategy about what kind of presence you’re going to build on each platform, and then implement it, evaluate the data, review the results, and tweak your approach. Remember, your primary goal on social media is to build relationships and engage customers.

With that being said, however, many social media sites include tools that you can use to share deals with customers and give them another way to buy your product. Let’s look at a few examples.

Facebook

For example, Facebook has a number of apps and services that you can use to create offers for your customers. Here’s an example of a non e-commerce business (a restaurant) offering a meal coupon.



There are also Facebook apps that will allow you to add a “Buy Now” link to a post.



This can also be achieved through built-in apps that keep the user on the Facebook website, like this one from Groupon.



Twitter

While Twitter doesn't yet offer direct e-commerce features, it is perfect for sharing coupons and deals. For example, JetBlue has a special JetBlue Cheeps account that tweets deals on last-minute flights.



Pinterest

Last but not least, as of this writing Pinterest is starting to add more e-commerce features using rich product pins. Below, you can see a product that is on sale and in stock at Neiman Marcus for \$280. Links at the top of the pin allow users to visit the site and share this product, as well as pin it for later use.



Creating Promotions that Make You Money

Introduction

Just as with a traditional bricks-and-mortar store, offering customers a deal, coupon, or special offer can increase your sales and boost traffic to your site. However, in order to see results from this campaign, you must plan, implement, and evaluate it just as you would any other marketing strategy. Let's look at the steps involved in a successful offer campaign.

Step One: Set the goal.

What do you want to achieve with this campaign? Do you want to...

- Generate interest in a new product
- Increase traffic to your site by a certain percentage
- Reward loyal customers and increase your rate of returning visitors

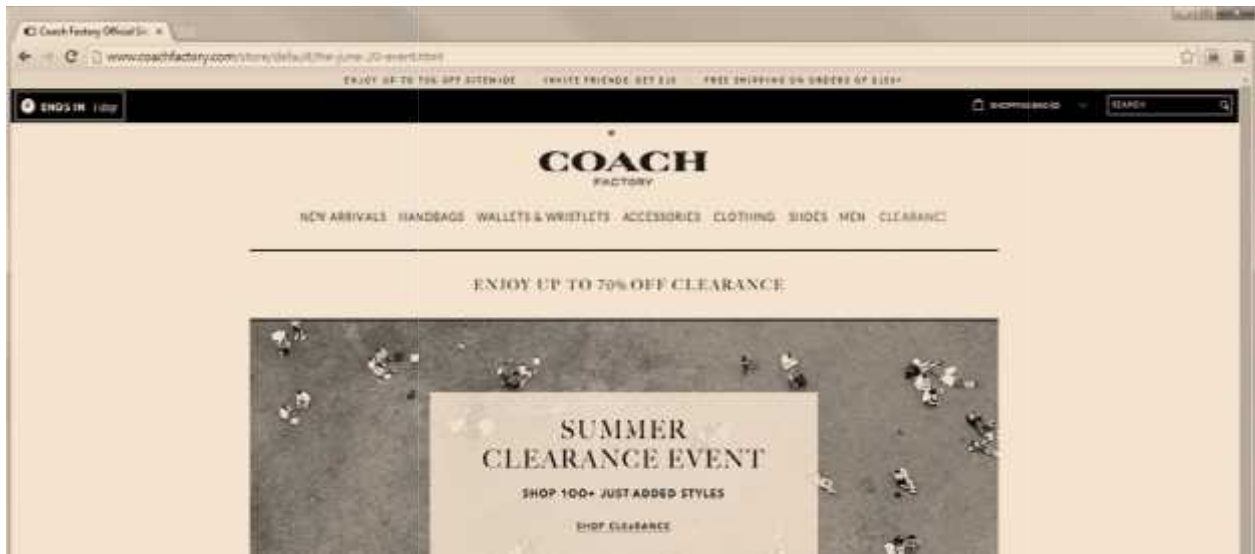
- Increase sales for an existing product by a certain amount

Step Two: Determine the details.

Now, decide exactly what you are going to offer and how you are going to offer it. Here are some ideas to get you started.

General Markdowns

Just as in regular stores, you can also put items on sale for a particular period of time. Clearly advertise the percentage off and when the sale ends. Some websites use a counter to communicate this:



Lead-In Product Offer

Another popular type of promotion is to offer customers a particular product at a discount or for free when they purchase another product. Have you ever watched an infomercial that urges you to order in the next 20 minutes to get an additional product ABSOLUTELY FREE?



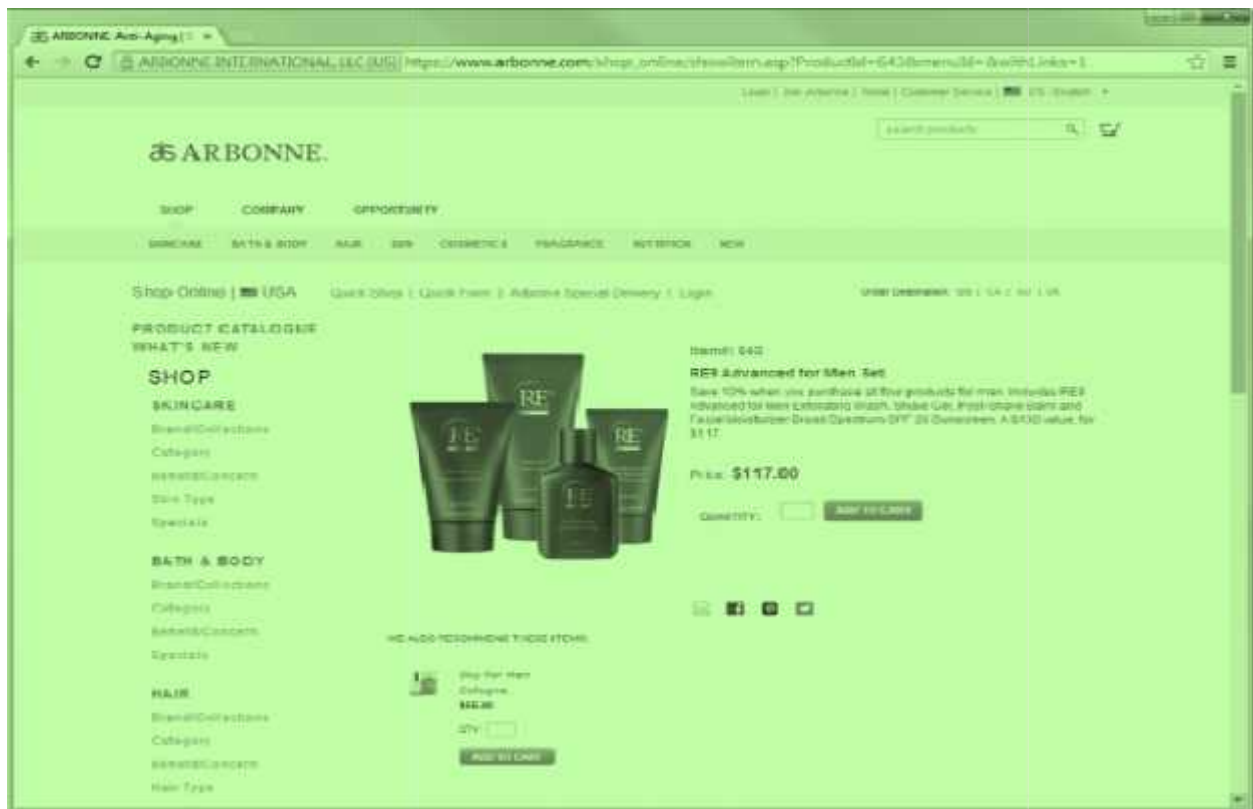
Discount Codes

Discount codes are one of the most popular promotion types. As well, they are easy to set up and manage. You might offer all customers a limited-time code to give them free shipping, a post-purchase discount code for a percentage off the customer's next order, or a physical coupon mailed with the product that gives customers a special perk on their next purchase. Discount codes can be set up through your e-commerce suite, or you can use a third-party service.

Bundling

You can also bundle products together and offer them at a discount. Be sure to consider the total cost to you and the total revenue so that you are still making money off of the bundle.

Here's a great example of this type of promotion from a skin care company.



Social Promotions

Finally, you can also leverage social media to encourage your customers to share your product with their friends and followers. You might offer customers five dollars off for every friend that they refer, or give them a coupon that they can share with others. Be sure to track each coupon so that you can analyze the results in detail.

Step Three: Set Up the Promotion.

Now it's time to set up the promotion and analysis tools. For most campaigns, this will mean modifying your site to reflect the new deals (which you should easily be able to do with most e-commerce management suites). If your e-commerce suite does not offer the ability to set up and manage discount codes or promotions, there are third-party websites that can do this for you.

When advertising the promotion, be very clear about the fine print and what customers need to do to receive the deal. As well, clearly state when the promotion begins and ends, and (if applicable) when coupons and codes expire.

Step Four: Launch.

It's time to put your promotion in action. Make sure that it launches and finishes as advertised. As well, make sure that everyone in the company is aware of the promotion and its fine print. Check and double-check your website and social media pages to make sure that everything is correct and consistent.

Step Five: Evaluate and Analyze.

Once the promotion has finished running, remove it from your website and all social media pages. If appropriate, you may want to thank customers who participated. Then, review the data as well as customer feedback (and feedback from employees, if applicable). Determine what worked well and what you would do differently the next time. As well, evaluate the lasting impact on your business. For example, perhaps you now have 5% more visitors to your website on a daily basis, or obtained 100 more Facebook likes.

Security and Fraud Awareness

Protecting Your Customers and Your Business

Your Responsibilities to Your Customers

As a business owner, you have a responsibility to your customers to protect their information and to ensure their safety when using your e-commerce services (whether it is through your site, a partner's site, or your mobile app). This includes:

- Protecting their personal and financial information
- Ensuring that your site and its contents are free of malware, spyware, and viruses
- Certifying that the information that customers are seeing is indeed from your business
- Ensuring that the information processed by your e-commerce services is only accessible to the appropriate parties
- Being transparent about your data collection and privacy policies

In order to fulfill these responsibilities, you need to know:

- How data is transmitted, stored, and protected in all systems that your business uses
- What security services are in place throughout your site and the processes that it uses

- What legal regulations and codes of practice govern your industry and your jurisdiction

Building Trust with Customers

Customers will not purchase from a site that they feel is not secure. You can reassure them by using Secure Sockets Layer (SSL) protocols in all areas where customers enter personal or financial information. This is indicated by the prefix “https.” Most browsers also display a padlock icon when a secure site is being viewed. It is also helpful to include clickable logos that tell the customer what services are being used to protect their data.

Here is an e-commerce website that includes all of these features.



Test Your Knowledge

What security features do you look for when purchasing a product?

Your Responsibilities to Your Business

You also have a responsibility to protect your business' information. When using hosted services, be clear about who has access to your data. Ensure that secure passwords and individual accounts are used so that you can easily see who made what changes. Safeguard your account information just as you would banking information.

To protect yourself against fraud, you should also implement verification systems to ensure that billing information is valid. There are two basic automated verification techniques that are used by most service providers.

- The first system is address verification. This ensures that the billing address entered in the order is the same as the address on file with the company that owns the credit card used.
- The second system asks the customer to enter a card verification code (usually located on the back of the credit card). This confirms that the customer actually has the card in hand and is not entering it off of a bill that they found in the trash, for example.

Additional services provided by particular credit card brands (like [3D Secure](#), [Verified by Visa](#), and [MasterCard SecureCode](#)) can offer an extra level of comfort for both you and your customers. However, it does add an extra step for customers and extra costs for you. Consider the value offered by the service versus the value of your product.

If you are a small company, another easy way to protect yourself from fraudulent orders is to call the customer in question to confirm suspicious orders. If the phone number is invalid, send an e-mail requesting up-to-date information. If you cannot confirm order details, you are within your rights to cancel the order. Be sure to inform the customer and offer options for re-placing the order in case you have made a mistake.

Intellectual Property on the Internet

About Intellectual Property

Although intellectual property rules vary around the world, in general the person who creates content owns it. That means if you create the website "www.acmewidgets.com," other users cannot copy the site's design or content. However, managing and controlling digital information is extremely difficult.

Copyrights, Patents, and Trademarks

One way to protect your digital work is to register it with the appropriate regulatory group in your area. There are typically three types of protection that you can apply. The rules for each type vary by jurisdiction but usually follow these definitions.

- A **copyright** gives a person the exclusive right to use their own creative work, and to grant that right to others. For example, digital books are protected by copyright.
- A **trademark** is a word, symbol, or design that is associated with and assigned to a particular company or brand. For example, you may establish your business name as a trademark.
- A **patent** gives a person exclusive rights over an invention or product.

Fair Use Considerations

In general, you must obtain permission from the owner to use copyrighted or trademarked content. (For example, toy companies often obtain a license to create products from particular television shows or movies.) This means, for example, that you cannot use a company’s trademarks or logo in a testimonial without their written permission. It also means that you cannot re-post content (such as videos or blog posts) on your site from other sites unless you get the author’s permission.

With that being said, most jurisdictions have considerations built in for fair use. If, for example, a blog post includes a quote from a different article (with attribution and a link), that would not be considered copyright violation. The following principles are typically included in fair use clauses:

- Whether the copyrighted material was used for profit or for educational purposes
- The nature of the copyrighted material (blog article, poem, etc.)
- The amount of work used
- Whether the reproduction would have a detrimental market effect
- Context of the re-use and media used

Resources

For additional information, here are some intellectual property resources around the world. This is not intended to be an exhaustive list, but rather a guide to help you find the most relevant resources in the areas that you operate.

Area	Organization	Website
Global	World Intellectual Property Organization	http://www.wipo.int/
Africa	African Intellectual Property Organization	http://www.oapi.int/
Australia	IP Australia	http://www.ipaustralia.gov.au/
Canada	Canadian Intellectual Property Office	http://www.cipo.ic.gc.ca/
China	National Copyright Administration of the People’s Republic of China	http://www.ncac.gov.cn/
Europe	European Patent Office	http://www.epo.org
France	National Institute of Industrial Property	http://www.inpi.fr/
Germany	German Patent and Trade Mark Office	http://www.dpma.de/
India	Office of the Controller General of	http://www.ipindia.nic.in/

Area	Organization	Website
	Patents, Designs, and Trade Marks	
Ireland	Irish Patents Office	http://www.patentsoffice.ie/
Mexico	National Copyrights Institute	http://www.indautor.gob.mx/
New Zealand	Intellectual Property Office	http://www.iponz.govt.nz/
Russian Federation	Federal Service for Intellectual Property (Rospatent)	http://www.rupto.ru/
South Africa	Companies and Intellectual Property Commission	http://www.cipc.co.za/
United Arab Emirates	Copyright Department, Ministry of Economy	http://www.economy.ae/
United Kingdom	Intellectual Property Office	http://www.ipo.gov.uk/
United States	United States Patent and Trademark Office	http://www.uspto.gov

Intellectual property can be a sticky situation no matter where you work and live. If you have specific questions or find yourself in a dispute, it is best to consult a lawyer with experience in that area. Please note : the sites listed above are for reference purposes only and we do not endorse any of the listed sites. These links were accurate at the time of publication.

Rules and Regulations

Trade Rules and Regulations

Just as copyright and financial regulations vary around the world, so do shipping and customs regulations. Be very clear about the regulations and what your responsibilities are. Here is a brief list of items to consider.

Contraband and Restricted Goods

Be aware of what goods can and cannot be shipped, particularly if your products are crossing territorial or national borders. Products may be legal in one jurisdiction and illegal in another. In addition, shipping a product outside of its native country may invalidate warranties and guarantees.

Privacy Regulations

Data Collection Points

Many websites routinely collect a massive amount of data from customers. Sometimes customers voluntarily provide this data (such as giving your e-mail address when signing up for an account). Other times, this information (such as browsing history) is provided without the user's explicit consent and tracked through cookies and beacons. Some companies even go as far to catalog publicly available data about their customers, such as search engine results and social network pages.

Here is a list of the data points that e-commerce businesses usually gather about each customer.

- First, middle, and last name
- Age
- Gender
- Mailing address (current and past)
- Telephone number
- Workplace and job title
- Social identification number (such as Social Security Number or Social Insurance Number)
- Credit card details
- Physical profile (e.g. height and weight or photographs)
- Online browsing profile (including devices, platforms, and browsers used)

Global Differences

Privacy expectations and regulations vary widely around the world. In Europe, for example, an e-commerce business can only gather information and use it for the transaction currently at hand (unless the customer consents otherwise). In North America, data is widely tracked and shared.

However, customers everywhere are starting to pay more attention to privacy policies and their options when it comes to the collection of data. Advocacy groups are pushing regulators and businesses to be more transparent about what data is collected, how data is stored, who it is shared with, and what purposes it will be used for.

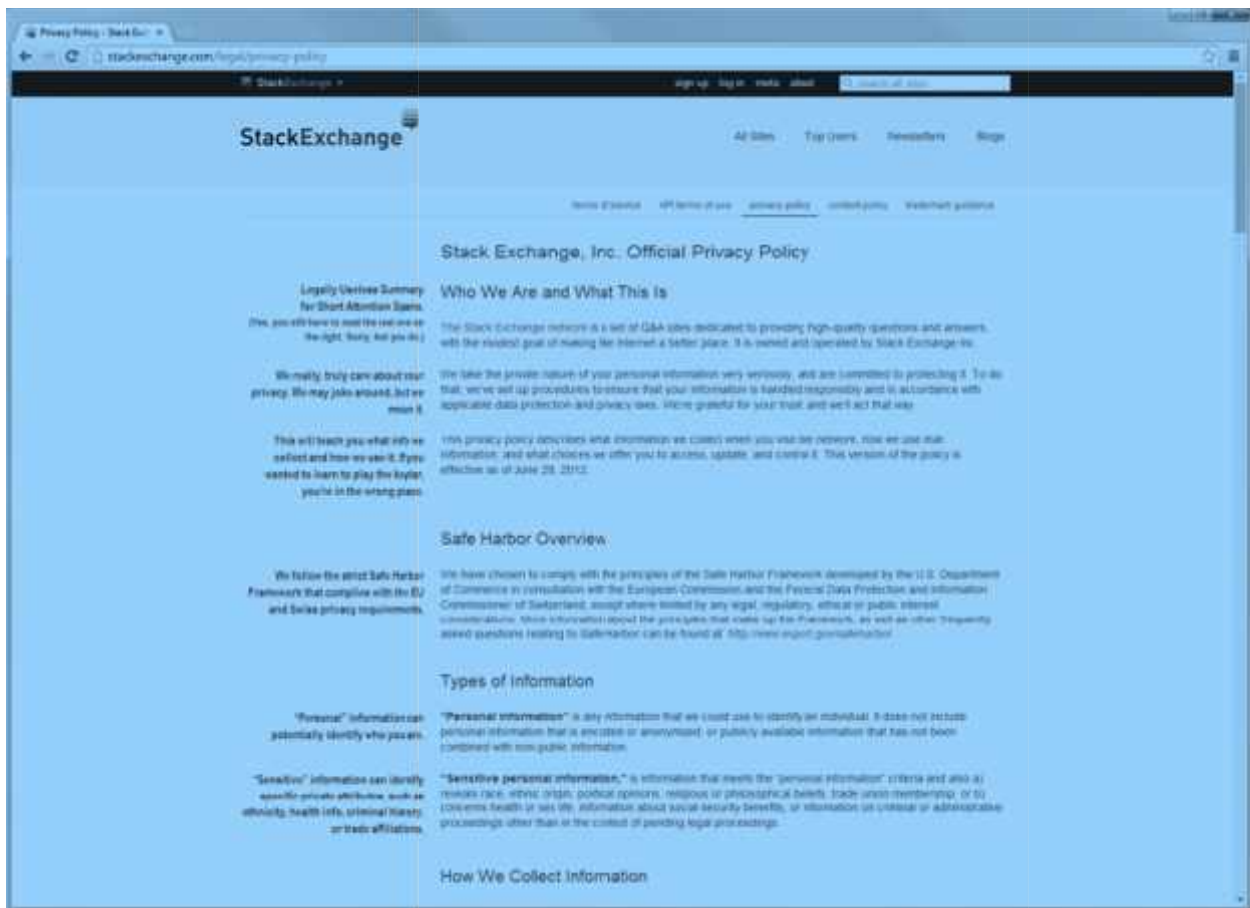
Know what the regulations and expectations are in the regions that your business targets. Being ahead of the pack (for example, by promising not to track customers' web browsing behavior in an area where this is currently legal) and being transparent about your data collection and privacy policies may give you an advantage over your competitors.

Test Your Knowledge

Consider the rules and regulations that govern your particular jurisdiction, particularly if there are any special rules or exceptions.

Case Study

StackExchange is a question and answer site that focuses on high-level subject matter, such as advanced mathematics, programming, and project management. Here is a snapshot of their privacy page.



The key features on this page include:

- Easy to remember URL (<http://stackexchange.com/legal/privacy-policy>)
- Commitment to protect personal information
- Summary on the left-hand side with detailed information organized by category on the right-hand side
- A bit of humor, making the page easier to read
- Definitions of key terms (for example, differentiating personal information from sensitive information)
- Regulations that the site follows
- What data is collected and how it is used
- What choices users have in various situations (for example, when creating a profile versus when applying for a job)
- How users can access and modify their data
- What the policy does and does not apply to
- Who to contact with questions (including a specific contact person, e-mail address, and mailing address)

Test Your Knowledge

Have you ever read the complete privacy policy of a website?
