CHAPTER-II
Chapter II E-Marketing – an overview

Contents

2.1 Introduction
2.2 E-Marketing
2.3 E-Marketing vs. Traditional Marketing
2.4 The Basics of website
2.5 Market segmentation
2.6 Electronic market consumers
2.7 Branding in E-Marketing
2.8 Packaging in E-marketing
2.9 Distribution in E-marketing
2.10 Pricing in E-Marketing
2.11 Digital payment systems
2.12 Cryptography
2.13 Website promotion
2.14 E-market advertising

Tables

Table 2.1 Difference between traditional marketing and E-Marketing.
Table 2.2 Difference between E-Marketing distributions to traditional marketing distribution.
Table 2.3 Difference between direct distribution and physical distribution in E-Marketing.
Table 2.4 Difference between online advertising to traditional advertising.
Chapter II E-Marketing – an overview

2.1 Introduction

In this chapter explains about what is E-Marketing. What are the difference between E-Marketing and marketing? E-market segmentation, E-market consumers, Branding in E-Marketing, Packaging in E-Marketing, distribution in E-Marketing, pricing in E-Marketing, Digital payment systems, Cryptography, Website promotion, advertising and many more...

2.2 E-Marketing

The governance of computing, broadcasting and telecom technologies was revolutionizing the way people did business, and companies today had to adapt to this new paradigm. One of its dimensions is E-Marketing.

E-Marketing is just like marketing, but it markets on the Internet. Marketing on the Internet for a company is taken as the process of using the Internet to market themselves, their products and their services.

The Internet is a wonderful mirror reflection of the real world, and is often referred to as the virtual world. The most exciting part of this for business is the fact that they have an opportunity to open a new branch in
this virtual world at a very low cost, which can be accessed by anyone, anywhere and anytime. This is the website—the foundation on which a business can start building a full blown, fully functional business unit. That's the power of the Internet—a very effective, unique medium, still at its infancy.

### 2.3 E-Marketing vs. Traditional Marketing

E-Marketing and traditional marketing are really different from one another. The table 2.1 will differentiate these two marketing.

**Table 2.1** Difference between traditional marketing and E-Marketing

<table>
<thead>
<tr>
<th>Traditional marketing</th>
<th>Electronic marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bound by geography and Location.</td>
<td>The internet market is borderless.</td>
</tr>
<tr>
<td>Marketing is of the push variety, where the marketer decides the time and place.</td>
<td>Internet marketing is pull marketing. Allowing users to define the time and place.</td>
</tr>
<tr>
<td>Relatively higher cost.</td>
<td>Internet marketing costs are relatively very low.</td>
</tr>
<tr>
<td>Lead times for implementation are sustained.</td>
<td>Lead times are virtually nonexistent.</td>
</tr>
<tr>
<td>Limited interactivity exists, if at all.</td>
<td>Internet marketing is based on high levels of interactivity.</td>
</tr>
<tr>
<td>Getting customer feedback is a slow process.</td>
<td>Customer feedback is immediate.</td>
</tr>
<tr>
<td>Tracking the effectiveness of the marketing efforts is relatively difficult.</td>
<td>Effectiveness can be easily monitored.</td>
</tr>
<tr>
<td>Marketing 'Bibles' exist propounding tried and tested marketing rules.</td>
<td>The rules of internet marketing are still being created.</td>
</tr>
<tr>
<td>Marketing efforts are restricted by time and place.</td>
<td>On the internet, marketing can be carried out 24 hours a day, 365 days a year.</td>
</tr>
<tr>
<td>Marketing is carried out by the marketing team.</td>
<td>The marketing team has to work hand in hand with the technical internet team.</td>
</tr>
<tr>
<td>Various Medias need to be employed for different parts of marketing [advertising, Direct mails, etc.].</td>
<td>Internet marketing can be completely carried out using different services on the Internet.</td>
</tr>
<tr>
<td>Cross promotion between related businesses requires a lot of planning and co-ordination.</td>
<td>Cross promotion is easily achieved on the WWW by just linking on site to another where appropriate.</td>
</tr>
<tr>
<td>Every movement was controlled by government rules and regulations.</td>
<td>Government interference is very low.</td>
</tr>
</tbody>
</table>

### 2.4 The Basics of website

#### 2.4.1 Have great keyword-loaded URL:

Find your (com, net, org) URL through Bulk register, Dotster, or your (.cc) URL through ENIC.CC. Other country domains through uninett.no/navn/domreg.html. URLs for sale at unclaimeddomains.com and DomainCollection.com. Find words in URLs with netcraft.com. ICANN.org is the technical coordination body for the Internet (what to do about domain name disputes).
ICANN.org is the technical coordination body for the Internet (what to do about domain name disputes).

Is your site easy to use and navigate? Does it satisfy its intended purpose? Check out these usability sites: uie.com, useit.com.

2.4.2 Easy to use Site:

Use these sites to fine-tune your html: Website Garage.com, to test for viewing compatibility with various browsers: cast.org/bobby, AnyBrowser.com, check your graphics efficiency: giftwizard.com, keep track of your site's performance: webpartner.com, keynote.com. Either ask a bunch of friends/family to critique your site or pay for a firm like testnow.com to do it for you.

2.4.3 Give away something of Value:

Give back to the community. Give something of value to your audience. Update this information periodically to keep your audience coming back. This page, the resource and examples pages from ECnow.com are examples of this technique.

2.4.4 Satisfy Users Content needs with External Resources:

Let your audience quickly find what they need. Valuable content, good navigation and easily accessible contract/ feedback mechanisms. Add value to your site, by using some of the “free” tools on the Internet. For example, if you’re a U.S. public company, point to the Edgar database
(eg.Intel). If you want people to visit you, use Mapblast to give directions (eg.ECnow.com). Check out how a customer used Vicinity's services (Closet tower Records to ECnow.com)


2.4.5 Put your URL Everywhere:

All pieces of corporate literature should contain your URL: business cards, ads, letterhead, e-mail, etc.

2.4.6 Use a Signature Tag on your E-mail:

A short description of your product or service should be automatically attached to the bottom of every e-mail. All employees should be encouraged to use it. Target your tag to the group receiving your e-mail. Here's an example from ECnow.com.

2.4.7 Submit Site at Search Engines, Directories, and Announcement Spots etc.:

Make sure people can find your site in Yahoo and the top 7 search engines. Also submit to other locations. Check out: uran.net/imall/S&D A-Lhtml, Beaucoup.com, Search.com for other places to submit to. Look at yahoo's list and Tucows list of search engine submission tools (also look at exploit.com).
Check you listings manually with positionagent.com or learn the tricks of checking the major engines from searchinginewatch.com. Learn everything you wanted to know about search engines from searchengines.net.

Prioritized List of Techniques

2.4.8 Find and Fuel Evangelists (Viral Marketing):

Whether it's an internal employee or an excited partner, empower your evangelists with the tools they can use to help market you in the online world. Essentially, find the best way to get word of mouth excitement about your product or service.

Alladvantage.com (no longer around), for example, grow to over 250,000 members in first 21 days at 2,000,000 members in 120 days by getting evangelists to push their concept of paying users to surf the net.

2.4.9 Establish a “free” Online Newsletter:

Package content is of value and distribute it on a periodic basis. You can build trust and spread the word. Also a good way to gather e-mail addresses that you can market to. Announce everywhere you can, don’t miss announcing at new lists, and using these sets of resources: Australian Electronic Journals, eZine AdSource, ezineZ, eZineZ helpful


2.4.10 optimize Your Site & Positioning in the Search Engines:

If your potential customer types in the key word or key phrase that describes your services, you want to make sure that your site is within the first two pages that show up. Click on examples (includes the methodology used) that ECnow.com has helped optimize (Digitivity), (CGDC), or Crisislink).

Learn more about search engines through searchenginewatch and search engine showdown. Brainstorm key phrases with Search Terms.com. Check out: Websitesresults.com, Yahoo’s list.

2.4.11 Establish an Affiliate Program:


2.4.12 E-mail Marketing:

You should be collecting e-mail addresses at every opportunity. E-mail people with info they’ve asked for: Annuncio.com. Bluemartini.com, Clickaction.com. Hallmark.com. Lifeminders.com. Markets first are interesting services that might be used. Tie in with incentives from companies like: Beanz, ECentives, ERewards, Netcentives, and Webmiles.

2. 4. 13 Paid-for Internet Advertising:

There’s myriad of paid-for Internet advertising opportunities. Clickz.com’s Media Buying or Internet.com’s Ad Resources for good starting points of the on-line advertising resources.

2.4.14 Publish Articles and/or get mentioned in News Stories:

Write and publish articles of value. Include your URL in your bio. Contact new people who write about your area of expertise. Here are two lists of contacts: PR Newswire Links. PressAccess.com

2.4.15 Online Press Releases:

2.4.16 Run an Auction:


2.4.17 Run Contests, Give-away:


2.4.18 Determine ON-line Communities to Participate in:

Use these services to find: user groups’ deja/.com, mailing lists lizl.com or paml, and discussion groups’ forumone.com of interest. Also available for general searches of all areas reference.com.

2.4.19 Actively Monitor and Participate in On-line Community:

Both manually or via on-line services, actively monitor and participate in user groups, mailing lists and discussion groups. Here are some services that can do this for you cyveillance.com.ewatch.com. Webpartner.com.
2.4.20 Establish and Lead an On-line Forum Community:

If you can find the time, leading an on-line forum or running an on-line community is a great way to establish an affinity group and build credibility. Create a bulletin board in 10 minutes with beseen.com. Try anexa.com, eGroups.com/myfamily.com. Clubs, yahoo.com for a host of on-line community services. Sign up for this e-zine to read about on-line communities: OnlineCommunityReport.com.

2.4.21 Give Away On-line Coupons:


2.4.22 Conduct Surveys:

Check out Yahoo’s or the University of North Carolina’s list or try Addaform.com. SurveyBuilder.com. Zoomeragng.com.

2.4.23 Participates in a Charity:

As an example go to the Hunger Site at the UN, click a button and somewhere in the world a hungry person gets meal to eat, at no cost to you. The-HungerSite.com (paid by the sponsors). Cisco did a phenomenal tie-in with NetAid.org. Also try: igive.com. Schoolpop.com Web Site.
2.4.24 Links in Internet Mails Portals:

Posting links in high-traffic mails/portals is a trend some are trying. Use your best judgment, and some are great, some are a waster of money. Absolutely put a link in Yahoo (#7). The best sites for paid-for banner advertising are those with traffic. Try any of the search engine companies that offer targeted advertising.

2.4.25 Participate in Paid-for and Free Banner Advertising:


2.4.26 Establish a Reciprocal Web Linking Program:

Approach appropriate sites in your industry and closely aligned industries to link to your site. Create a link2us page to make it easy. Check out ecnow.com/link2us.htm. Use Link Leads. Joining or starting a Webring.com might work for your site. Getting links to sites in the top 100 is a great goal!

2.4.27 Place Paid-for and Free Classified Ads:
Place fee-based classified ads: uran.net/mail/Fee Sites, or for free: uran.net/imail/FREE Sites. Here's a list of low-cost physical world classified ads.

2.4.28 Host classified Ads:

Host classified ads at your site classifieds2000.com.

2.4.29 Use E-mail Auto responders:

If you have key information that you want to share, consider using an auto responder. This is a good way to gather e-mail addresses for future marketing. Can be used for: Promotional Material, Product/Service Information, Training/Hiring Help, and Article/White Paper Distribution. Check out: Apexmail.com. Biz-E-Bot.com. Databack Systems, E-Mail Auto responder. RSVP Mail Processor.

2.4.30 Create your own Search Engine:

Check out jayde.com. searchbuilders.com.

2.4.31 Apply for and Win Awards:

If you have a site worth taking about, apply for, win and post your awards. Check out: market-teck.com /awardsite.html. focusa.com/awardsites/introduction.htm

2.4.32 create a free-for-all page:

2.5 Market segmentation

The electronic market is segmented like the traditional market. But it is differentiated by its functions. The table 2.2 will show the differences.

2.5.1 Business to business:

This has been a bonanza for the likes of Dell computers, Cisco systems and gateway for several years and is well established particularly using EDI, over private or value added networks. An example would be a company that uses network ordering from its suppliers, receiving invoices and making payments. This category is also called market to link transaction.

2.5.2 Business to consumer:

This category of the retailing has expanded greatly with the advent of the worldwide web. There are now shopping malls all over the net
offering all types of consumer goods, from cakes and wines to pc and cars. This is also called marketplace transaction.

2.5.3 Business to administration:

All the transactions are covered between companies and government organizations. For example in USA the details of forthcoming government procurements are published over net and companies respond electronically. Currently this category is in its infancy, but it would expand quite rapidly as governments use their own operations to promote awareness and growth of electronic commerce. In addition to public procurement, administrations may also offer the option of E-transactions as VAT returns and the payment of corporate taxes.

2.5.4 Consumer to administration:

This category not yet emerged. However in the wake of the growth of both the business to consumer and business to administration categories, government may extend to electronic interaction to such areas as welfare payments and self assessed tax returns. The need of E-governance in such an E-boom seems huge.

2.6 Electronic market consumers

In traditional market there are various kinds of people engaged in consumption. And also many kinds of middlemen are also engaged. But
in the marketing the consumers are having very good knowledge about their purchases. They are well educated and well informed. This marketing method also eliminates the intermediaries.

The internet consumers are classified into two broad categories. One is business consumers and another one is direct consumers. Business consumers are like our traditional markets industrial consumers. They are buying goods and services and modify that and sell it.

The second categories of buyers are the real buyers of internet Goods. But their part in the market is very low. In India efforts are made in implementing situation to boost up the marketing practices. These buyers are buying goods from the internet for direct use. They are getting the same goods from the nearest shop, but they purchase it from the net because the net offers them more advantages.

2.7 Branding in E-Marketing

Cutting out the markets branding refers to establishing a strong identity. For yourself, your product or service, so that potential consumers think of you first when they are in the market for that particular product or service. Branding is a necessity because of the clutter in the marketplace and the wide choice available. The virtual world of the internet is just an electronic Mayor of the real world, and the reflection is surprisingly realistic. And in the business side, for instance it reassembles marketplace with the low cost of entry allowing sellers to enter and leave the market as and when they please.
The result is peak for itself - Even though this cyber market is just five years old, the clutter and competition is extremely fierce. What with over 800 million web pages on the World Wide Web struggling to be noticed. To stand out like the proverbial needle in a haystack to attract the attention of the casual surfer, and more importantly the prospective customer, the need for a strong online brand becomes even more imperative.

2.8 Packaging in E-Marketing

The package is another important component of the total product quality. The package performs the following two essential roles:

- Giving production to the products.
- Adding aesthetic appeal from the sale point of view.

Traditionally, packaging was intended to protect the product, prevent deterioration en route and facilitate handling at various points of distribution. In the later years, packaging has become a major tool in sales promotion. In electronic marketing the buyers and sellers are in around the world, so the delivery of goods will take an important one, good packaging lead to safe delivery of goods. Packaging is branching of as significant area of study in marketing. The concept of treating it as part of product has become absolute.
2.9 Distribution in the marketing

It is not a simple thing to surf the world, with a mouse click. It has some spectacular methods to buy and sell the goods. This marketing structure mostly has some advantages which the traditional markets do not have. Internet marketing system is having an advantage of unrestricted and unlimited geographical and governmental factors. The table 2.2 Differentiates between E-Marketing distributions to the traditional marketing distribution.

Table 2.2 Difference between E-Marketing distributions to traditional marketing distribution:

<table>
<thead>
<tr>
<th>Electronic market distribution</th>
<th>Traditional market distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>It saves time and money.</td>
<td>It takes more money and time.</td>
</tr>
<tr>
<td>Instant delivery.</td>
<td>Later delivery.</td>
</tr>
<tr>
<td>Prize of the product is low.</td>
<td>Distribution cost is very high.</td>
</tr>
<tr>
<td>Large number of middlemen is not here.</td>
<td>Various kinds of middlemen are available here.</td>
</tr>
<tr>
<td>Low level of product distribution costs.</td>
<td>High level of product distribution costs.</td>
</tr>
<tr>
<td>There are no Geographical limits.</td>
<td>It is having some geographical limits.</td>
</tr>
<tr>
<td>Government interference is very low.</td>
<td>Higher level of government interference.</td>
</tr>
<tr>
<td>Impossible to tax most of the items.</td>
<td>All time possibility to tax.</td>
</tr>
<tr>
<td>Cheating plays a big role.</td>
<td>Cheating chances are very low.</td>
</tr>
<tr>
<td>There is no non-availability of goods.</td>
<td>Non-availability plays a big role in remote-areas.</td>
</tr>
</tbody>
</table>
In the internet marketing system companies use two different types of distribution systems. One is direct downloads and another one is a physical distribution. These two methods are classified by its products futures. Products in non physical nature are directly downloaded, and the products having physical nature are distributed in physical distribution system. The table 2.3 Differentiate between direct distribution and physical distribution in E-Marketing.

**Table 2.3 Difference between direct distribution and physical distribution in E-Marketing:**

<table>
<thead>
<tr>
<th>Direct distribution</th>
<th>Physical distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivered online.</td>
<td>Goods are delivered offline.</td>
</tr>
<tr>
<td>Buying process time is less than twenty minutes.</td>
<td>Buying process time is more than twenty days.</td>
</tr>
<tr>
<td>More security to customers.</td>
<td>A little bit of security.</td>
</tr>
<tr>
<td>Pay it online.</td>
<td>Pay it both online and offline.</td>
</tr>
<tr>
<td>Usability test is possible.</td>
<td>It is not possible.</td>
</tr>
<tr>
<td>Immediate delivery.</td>
<td>Ordinary delivery.</td>
</tr>
<tr>
<td>Virtual goods only.</td>
<td>All kind of goods.</td>
</tr>
<tr>
<td>Product damage is very low.</td>
<td>Possibility of high damage.</td>
</tr>
<tr>
<td>Cheating in quality is not possible.</td>
<td>Possibility in cheating for the quality of the product.</td>
</tr>
</tbody>
</table>
2.10 Pricing in E-Marketing

Pricing is a difficult task and companies must have price policies to provide guidelines within which management must make pricing decisions. Companies need proper price policies. This is because at that price maintained by the company should be relative to the competition and costs. Besides uniformity of prices of different buyers, use of price differentials, price leadership, product line pricing, resale price maintenance guaranteeing buyers against a price declines and the use of pricing as a promotion device require a proper price policy.

Most of the internet prices are less then the market price of the product. In traditional marketing price is determined by mostly middle men.

2.11 Digital payment systems

2.11.1 The first virtual internet payment system:
First virtual has created a payment system, the internet payment system, to be used exclusively for the sale of information over the Internet, rather than for products or services. This is called as first virtual payment system. Using an automated telephone system to collect payment information about the participants, first virtual eschews cryptographic methods preferring to rely instead on close monitoring of sales and purchase to reduce fraud.

2.11.2 Cyber cash:

In August, 1994 the cyber cash system was introduced. The goal of cyber cash is working with financial institutions and merchants to provide on accessible and acceptable payment systems for the Internet. Cyber cash offers as secure conduct to deliver payments between customers, merchants and banks. Cyber cash has been described as the Federal express of the Internet payment systems. Since it offers safe, efficient and inexpensive delivery of payments across the net, practically strenuously.

2.11.3 Digi-cash’s E-cash:

Digi-cash has been a ground breaking organization in developing electronic currencies and their electronic gas trail programs called as E-cash. developed by David Shaum in October, 1994. In this method we are using currencies like the real currencies. Users who requested client from Digi-cash were given a password and user ID that allow them to download
a copy of the software. This software contains virtual currencies, like real currencies. If you spend, it will decrease. This software allows you to buy and sell online.

2.11.4 Smart cards:

Smart cards look very much like a traditional credit card with one major exception. There is a tiny microprocessor or computer chip on the face of the card. Smartcards are being offered to consumers for small purchases.

2.11.5 SET:

In the year 1997 SET was published by Master card and VISA. SET means Secured Electronic Transaction. It is an open specification for protecting payment purchases on any type of network. The SET specifications incorporate the use of public key cryptography to protect the privacy of personal and financial information over any open network. The specification calls for software to reside in the card holders' personal computer and in the merchants' network computer. In addition, there is technology residing at the acquired location to decrypt the finance information, as well as at the certificate authority's location to issue digital certificates.

2.12 Cryptography

Some businesses began using strong cryptography about twenty years ago. They seemed to do it in the half incentive way they used office
safes and armored -car services. Banks used DES [the U.S. Data Encryption Standard] to secure the electronic transfer between branches, and later in ATM's. And any business with a computer had some kind of password system either to control access to the computer or to certain disk files. It was just done .no one made much fuss about it.

Little by little, things changed, very strong cryptography left the shadows of national security organizations and started to look like an essential business tool.

National security organizations don't appear to like these developments. There is almost a war at the moment about whether or not they will have a 'right' to be able to read encrypted business communications. Whichever way that turns out, business use of encryption will grow.

2.13 Website promotion

People spend thousands or lack of rupees to create a web site. But leaving the site at that amounts to letting it remained a 'cocktail party site'- serving as a conversation piece of cocktail parties. With over 800 million pages on the World Wide Web, a website cannot be considered complete until the target audience has been informed about its presence, what it offers and why they should log on to the site. Promoting a site, with the ultimate aim of getting visitors to use it, requires its own set of strategies and tactics planned well in advance of the site launch. Promoting a web site involves a double edged strategy to lure visitors to the website- online promotion and off-line promotion.
2.13.1 Online promotion:

On-line promotion is all about using the internet itself to promote a web site. For a site promoted online, the effort required to visit the website is virtually non-existent, since it catches the user when he's already on internet, and usually involves just a click or two of the mouse. On the other hand, if a customer heard about a company's website in traditional media, he would visit it only the next time he logs on the internet- if he remembers to.

2.13.2 Off-line promotion:

Despite what news reports say about cyberspace being addictive, the fact of the matter is that people still spend most of their time off-line. So while off-line promotion is important to draw the online population to the website. Off-line promotion is equally important to attract those who do not come across the online promotion campaign. Besides, for those who are not connected to the internet off-line promotion helps portray a savvy, modern and technology advanced image of the company.

2.14 E-market advertising

Internet advertising is similar to advertising, but it has a difference, 'Internet advertising is consumer oriented'. The first web advertising was placed in the 'Hot wired' website in October 1994. The table 2.4 will differentiate internet advertising and advertising.
Table 2.4 Difference between online advertising and traditional advertising:

<table>
<thead>
<tr>
<th>Traditional advertising</th>
<th>Internet advertising</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional advertising is static.</td>
<td>Internet advertising is dynamic, and multimedia supported text, graphics, video and sound all at once.</td>
</tr>
<tr>
<td>Space is not a restricting factor.</td>
<td>Being restricted by standard sizes, internet advertisements are small and need to grab attention.</td>
</tr>
<tr>
<td>The proportion of advertising to editorial is high, reaching at 50:50 ratios at times.</td>
<td>A typical website is 91% editorial and 9% advertising.</td>
</tr>
<tr>
<td>Traditional advertising does not evoke immediate action.</td>
<td>Internet advertising requires the user to take immediate action, usually involving clicking the advertisement.</td>
</tr>
<tr>
<td>Response to the action is not immediate.</td>
<td>Response is usually immediate- when a user clicks on an advertisement he has taken to another web page with more details.</td>
</tr>
<tr>
<td>Advertisements are passively received.</td>
<td>The user has a high attention level and concentration while using the net; both of which are required for advertising to get noticed, remembered and ultimately acted upon.</td>
</tr>
<tr>
<td>Advertising does not always target a much focused audience.</td>
<td>Internet advertising can be much focused.</td>
</tr>
</tbody>
</table>
Advertisements are ubiquitous. Advertisements catch users when they are actively on the lookout.

It is very difficult to actually track how many people saw the advertisement. Advertisements are easily tackled and the statistics shown on how many people saw the advertisement, and even how many people acted on it.

Advertisements are usually graphic intensive and avoid copy overload. Both copy and graphics are restricted by the banner size specifications.

For an advertisement to have a global reach, the costs would be prohibitive. An advertisement placed on a well trafficked site can get global exposure for a relatively low cost.

This chapter has explained about e-market. The next chapter deals with the growth of E-Marketing, consumer trends in world wide.