C H A P T E R   1

INTERNET MARKETING BASICS

The Internet is a worldwide network of computers that provides a highly interactive system for marketing communication. Nothing more and nothing less.

—Donny Emerick

CHAPTER OBJECTIVES

In this chapter, you will learn about

- ✔ The Internet as a Communications Tool   Page 2
- ✔ Roles of Direct Marketing   Page 10
  and Relationship Marketing

The primary objective of this chapter is to understand the communication options and marketing techniques that are available to Webmasters. More importantly, this chapter begins to demonstrate how these communication options can be utilized to facilitate and enhance business communication and marketing using the Internet and World Wide Web to develop successful marketing relationships.

**LAB
1.1**

L A B   1 . 1

THE INTERNET AS A COMMUNICATIONS TOOL

LAB OBJECTIVES

After this Lab, you will be able to

- Evaluate How Your Organization Communicates
- Evaluate How a Live Web Site Communicates

The World Wide Web is a client-server application that provides a graphical user interface for information presentation and interactive communication. What this means is that we can communicate in almost any way imaginable over a network of computers. And the computers add previously unprecedented functionality to the situation.

That said, the primary goal in marketing communication is to add value to a product in the eyes of a prospective or current customer. Another way to say this is the fulfillment of wants, needs, and desires. The Web is an exciting opportunity for us as marketers to add value to products and services and fulfill wants, needs, and desires through the use of interactive information presentations and transaction systems. Over time we can build successful marketing relationships through this process.

These systems can be highly effective for marketing communication. The best systems duplicate successful physical world models. Buying books over the Web just duplicates a highly successful model of direct catalog marketing. All the Web can really do is provide an interface for informa-

tion retrieval, interaction, and transactions. But this is a powerful situation for marketers as the Web empowers customers by giving them what they want, how they want it, and when they want it.

But let's not forget that the Internet and Web is a communications tool. It is not a business solution but instead provides communications tools that can facilitate business and interaction. The technology is not the answer. Using the technology effectively provides customers with answers to their questions. And that is what marketing is all about.

LAB 1.1

LAB 1.1 EXERCISES

1.1.1 EVALUATE HOW YOUR ORGANIZATION COMMUNICATES

To begin thinking about the Internet as a communications tool, let's start by answering a few questions about our own communication methods.

a) When you communicate professionally, what's your primary method of communication?

_____

_____

b) What is your secondary method?

_____

_____

c) What kinds of information do you communicate?

_____

_____

d) When you are asked a question by a customer or colleague, where do you find the answer?

_____

_____

**LAB
1.1**

1.1.2   EVALUATE HOW A LIVE WEB SITE COMMUNICATES

Using a computer connected to the Internet, your first lab assignment in this section is to purchase a book over the Internet. You are a consumer with a want, need, and desire. You want to purchase a book. To do so, follow these steps:

Point your browser to amazon.com, an on-line bookseller.

a) Have you ever visited amazon.com before?

Search the Web site for any book you wish. If you need a suggestion, try looking for the book titled "Versed in Country Things."

b) Which book title did you search for?

Complete the steps necessary to purchase the book until the last possible option to buy is presented. You don't need to purchase a book to complete this lab exercise. But do everything up to the point of purchase, including completing the customer account information requested by the Web site if you haven't done so previously.

c) Record the steps that are involved and the information exchanges that take place in the purchase of a book over the Internet.

Terminate your visit to the on-line bookseller. Check out the news at cnn.com.

LAB 1.1 EXERCISE ANSWERS

1.1.1 ANSWERS

a) When you communicate professionally, what's your primary method of communication?

Answer: Though we may not realize it, our primary communication tool at work or home is probably the telephone. This involves voice communication in a synchronous environment.

Unfortunately, the problems associated with synchronous communication grow every day. It is becoming increasingly rare that two parties are available for voice communication spontaneously. Along with phone appointments and conference calls, this situation has led to the frustrating growth of voice mail communication.

Voice mail could be called asynchronous voice communication. But problems occur when converting this type of communication to text. This is necessary for the actual use of information. There is a better way. An asynchronous method of personal and professional communication using text, which is my primary method of business communication, is electronic mail.

More and more people are using e-mail every day. It is a direct, personal, text-based communications channel that is instantaneous and inexpensive—a perfect channel for marketing and communications in general.

b) What is your secondary method?

Answer: After phones and e-mail, communication usually involves hard copy vehicles for text and graphics.

This includes everything from internal memos and operations forms to external marketing materials and annual reports. Just think about how many pieces of hard copy printed material literally covered with text and graphical information are available for your review at any moment in the office. We spend billions of dollars and hours creating, printing, writing, approving, editing, mailing, distributing, filing, and tossing hard copy materials every day.

The good news is that the growth of the World Wide Web has created a hyperlinked publishing environment that duplicates and actually increases the functionality of written material. The Web interface is more
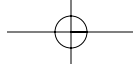
**LAB
1.1**

interactive, dynamic, and flexible than the current hard copy examples. And Web-based information can be distributed at relatively low cost, requires virtually no storage, and can be changed and customized instantly.

c) What kinds of information do you communicate?

Answer: Obviously, your answer will vary here. The following represents the type of information that this question should have yielded for you.

On a daily basis I respond to external communication from current and prospective students with marketing and operational information. I respond to my staff and colleagues with different operational and sometimes personal information. I process two piles of incoming hard copy information (mail). I constantly create new versions of both operational (memos and internal forms) and marketing materials in hard copy for later distribution and internal functioning. I also constantly convert voice mail messages to more voice mail messages and respond to a constant stream of personal and professional conversations via e-mail.

Except for reading my mail, which usually involves a flick of the wrist into the circular file, almost every one of these information transfers either can be converted to Internet technology or already is. Communication between myself, my students, and my staff is almost exclusively by e-mail. The writing of this book was accomplished using e-mail and File Transfer Protocols (FTP).

Internal operations between departments involve e-mail and paper-based forms that could be converted easily to Web-based formats. Any information retrieval I do is accomplished via the Web. I get almost all of my professional information from this source. And every purchasing decision I make, from airline tickets to projection equipment, involves Web-based information. Though I am a Web proponent, there is no reason to believe that the rest of the business world is moving in a similar direction. If we use these Internet and Web communication tools effectively, which will probably involve nothing more than developing them as we use them ourselves, as marketers we will benefit greatly.

d) When you are asked a question by a customer or colleague, where do you find the answer?

Answer: Unless you know the answer from memory, you probably have to look it up somewhere. Hard copy storage of information involves files, manuals, and good old-fashioned books. But more and more information retrieval involves databases.

While books and files are static databases themselves, business information is usually stored in databases for operational and logical reasons.
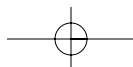
Information can be shared, developed, and manipulated by more people in a dynamic fashion and can be compiled and reviewed on demand.

**LAB
1.1**

When a customer contacts me with a question about billing or course grades, I refer to our internal database, which I access via a network from my desktop computer. This takes my time and energy. If I made this database available to the students directly, they could answer their own questions, which would make them happy. I would also have more time to do other things and theoretically save money through postage and lost time, which would make me happy.

If I put my internal database on the Web for student access, I'd save time and money and make the students happy. This is why the Web is good news for marketers and communicators.

1.1.2 ANSWERS

Point your browser to an on-line bookseller. A popular Web site for this type of commerce is amazon.com.

a)   Have you ever visited amazon.com before?

Answer: Your answer will vary, but if you frequent amazon.com or have purchased from it in the past, your experience will be slightly different from that of somebody who has never visited the site.

I accessed this Web site via the amazon.com home page. I'd always heard good things about this site but hadn't yet participated out of loyalty to my local book shop. You will see as we progress through this exercise how this Web site is an excellent example of relationship marketing over the Web.

Search the Web site for any book you wish. If you need a suggestion, try looking for the book titled "Versed in Country Things."

b)   Which book title did you search for?

Answer: Your answer will vary. Here's mine:

I searched for a publication of Frost's poetry by typing the book title into the search field. The Web site returned a description of the exact book with pricing, availability, and even a little thumbnail picture. The thumbnail helps out with the lack of tactile interaction and is a replacement for the physical process involved with traditional retail shopping.

LAB
1.1

Two options were also presented to purchase the book: putting the book into a traditional on-line shopping cart or using a single-step process.

Complete the steps necessary to purchase the book until the last possible option to buy is presented. You don't need to purchase a book to complete this lab exercise. But do everything up the point of purchase, including completing the customer account information requested by the Web site if you haven't done so previously.

c) Record the steps that are involved and the information exchanges that take place in the purchase of a book over the Internet.

Answer: The following is an account of my experience. Yours should be similar.

I tried the quick method but wasn't an existing account holder. After attempting to change an account that didn't yet exist, I was given the option to create a new account. If I hadn't been persistent, I could have gotten frustrated and abandoned the effort. After a couple of redundant screens were overcome, I was able to create a new account. It involved first setting up an account name and password and then inputting contact and credit card information. A confirmation screen displayed my new account information and gave me the opportunity to return to browsing. This link brought me back to the home page. But now things on this index page were subtly different. I now had a customized message welcoming me by e-mail username and an option to view book recommendations.

Setting up an account and purchasing a book involved approximately eight different, linked Web pages. Every screen requested my choice of action, and two involved completing forms to input my contact, payment, and shipping information. The amount of time was minimal.

This situation was driven by me, the end user, at my convenience, though the Web site presentation dictated the interactions necessary to complete the transaction. The effort was completed by me on my schedule.

This is an important distinction in Internet communication and Web marketing. As Web marketers, we receive the communication from the customer. Like traditional direct marketing, we dictate the actions, but it is up to the prospective customer to complete the actions. The great thing about the Web, however, is that end users are empowered by the technology interfaces and can receive an immediate response to their actions. And they can participate at their leisure.

One of the fundamental goals in Web marketing is to empower end users in their interactions with us. We benefit from a lack of overhead in con-

ducting transactions with computers instead of traditional methods, and the customers benefit by engaging marketers on the customers' own terms and receiving immediate informational and transactional responses. Web marketing is good news for both parties involved.

Terminate your visit to the on-line bookseller. Check out the news at cnn.com.

The purpose of this last step is to terminate your connection with the amazon.com server.

LAB 1.1 SELF-REVIEW QUESTIONS

In order to test your progress, you should be able to answer the following questions:

1) Which of the following is NOT an example of relationship marketing at the amazon.com Web site?
   a) _____ Customized welcome page for repeat visitors
   b) _____ Discount over retail price of product
   c) _____ Offering book recommendations
   d) _____ One-click ordering
   e) _____ All of these are examples of relationship marketing at amazon.com.

2) Which of the following is the most effective means of communication today?
   a) _____ Telephone
   b) _____ Postal mail
   c) _____ Electronic mail
   d) _____ Voice mail

3) It is not likely that the Internet will ever become a primary source of marketing and/or communication.
   a) _____ True
   b) _____ False

Quiz answers appear in Appendix A, Section 1.1.

L A B   1 . 2

ROLES OF DIRECT MARKETING AND RELATIONSHIP MARKETING

LAB OBJECTIVES

After this Lab, you will be able to

- Understand the Roles of Direct Marketing and Relationship Marketing
- Understand the Concept of Customization
- Understand the Simple Mechanics of Internet Marketing
- Identify and Evaluate Your Favorite Web Site

Let's take a look at the traditional definitions of direct marketing and its latest incarnation, relationship marketing. The Internet provides exciting marketing communication opportunities using these methods to customize presentations and exchange information with end users. Looking at our favorite Web sites also demonstrates the direct communication methods that the Internet supplies.

We usually think of direct marketing as junk mail and dinner-time telemarketing efforts, but the methods are much more in depth than we may

realize. Simply put, direct marketing involves direct sales to a buyer by a seller. More important, direct marketing generally involves at least five distinct elements in any program or effort:

- Promotional materials
- Databases
- Analysis
- Marketing with offers (response driven)
- Fulfillment

LAB 1.2

Promotional materials carry the marketing message to the end user. They may be mail packages, catalogs, phone scripts, fax letters, postcards, or e-mail messages. Any material, from four-color glossy to spoken words and even television infomercials, can be considered the promotional materials of a direct marketing effort. These materials are then deliverd to the prospect or customer using some method. The script being read by the telemarketer at the other end of the phone during dinner is an example of direct marketing promotional material. The method of delivery in this case is outbound telemarketing.

Databases are electronic information storage and manipulation files. They are used at a basic level to provide contact information for the promotional materials to be forwarded to. A simple list of addresses for a mailing or names and phone numbers for a telemarketing effort can be considered a direct marketing database. Real direct marketers, however, use databases over time to create contact, prospect, and customer files for ongoing business development and customer service efforts. Every communication to and from a prospective or current customer is recorded. This is why modern direct marketing is sometimes called database marketing. The telemarketer called you during dinner because you are included in a database of information. Your contact information was probably purchased from a database company that specializes in consumer home contact information.

Direct marketers analyze database information before, during, and after each program they run to better use resources and further target offerings to prospects and customers. This is how direct marketing is developed and how it is measured. Using the telemarketing example, you are being called because you have demonstrated your willingness to do whatever the telemarketer is asking you to do. You may be a well-qualified prospect. Being a responsible credit card customer is one reason you get called during dinner with offers for more credit cards.

LAB
1.2

Whatever the reason you are contacted, that reason was determined by a direct marketer. And you were chosen to receive that call through analysis of a database. If you do speak with the telemarketer and sign up for the credit card, then you have advanced from qualified prospect to customer. Later, when the program is analyzed for success, the costs to run the program and the number of new customers can be compared and evaluated. Though those telemarketing calls may seem random, and sometimes they are, a company is paying for the call and the caller. A company can't afford to call every person who has a phone. You are being called because a database was analyzed at some level and your name and contact was provided as a prospective customer.

That call almost always involves an offer. And an offer is included in direct marketing communication to solicit and motivate response. Response is a communication action taken by the recipient of the offer. Offers work on the age-old psychological principle of "What's in it for me?" Offers can be anything included in a marketing message that sweetens the deal enough to solicit response. They might be free gifts, special pricing, time-sensitive discounts, and standing offers like money-back guarantees and risk-free trials. Direct marketing always contains some form of call-to-action that can be responded to. In the telemarketing call, the offer is usually a discounted finance charge and an introductory interest rate. You may have been offered a special credit card carrying a particular set of benefits important to you based on some type of affinity, like an alumni association or frequent flyer program. This offer was developed based on deeper analysis of your contact or customer database file. The response is verbal during the call.

Once a response is captured by a direct marketer, some type of fulfillment is executed. If a product is purchased directly from a catalog, then fulfillment involves charging the cutomer's credit card account and shipping the appropriate product to the correct address. A request for information is fulfilled in the appropriate manner. A credit card account is created and opened and the cards are shipped to the new customer. A record of this transaction is recorded in the direct marketing database for analysis and later use.

Use of these methods over time is now defined as relationship marketing. In a relationship marketing model, every communication between the customer and marketer is recorded in the database. And every department in a company has access to that same information, from sales to customer service to shipping and accounts receivable. In this type of marketing every person or department that has contact with the customer shares the same information. This creates a higher level of customer service, satisfaction, and efficiency in every interaction with the customer.

Greater use and sharing of information helps companies build and keep relationships with their individual customers.

As this information is captured and analyzed, special offers are being developed that are specifically targeted to the individual based on his or her demonstrated needs and buying history. This process builds a relationship between buyer and seller. Buyers get what they want, when they want it. Sellers deliver what is wanted at the right time. Both participants are engaged in a positive commercial relationship.

**LAB
1.2**

This customization is very successful in the marketplace, and it has been said that all marketing will eventually become direct relationship marketing between individuals and companies. Customization of marketing messages involves traditional elements, like personalization of promotional materials. But more important, it includes offers of products and services specifically designed to meet the wants, needs, and desires of the customer involved. These offers can be delivered in a customized presentation using personalization and targeted solicitation.

The Internet and Web are excellent communications methods for all of these aspects of direct and relationship marketing. The dynamic aspect of this media also makes individual customization of presentations available and powerful. Using the Internet as a relationship marketing tool incorporates the five elements of direct marketing to build relationships over time and deliver customized presentations and marketing messages to individual users.

> *Promotional materials.* The Web can be used as an interactive promotional medium displaying text, graphics, and any other media available that is practical for communicating to prospects and customers. E-mail can serve the same role as traditional mail and phone communication. It could be said that every Web site is promoting something to some audience.

> *Databases.* The nature of this medium, based on computer technology, provides the marketer with immediate interactions between users and databases of information. Information can be captured and manipulated instantaneously and utilized to provide solutions to wants, needs, and desires. A perfect example is the availability of Federal Express package tracking on the Web.

> *Analysis.* Again this can be done immediately to provide value for the end user. Information can also be captured for later review, reporting, and improved targeting of information. This process is done automatically and behind the scenes of a Web site.

**LAB
1.2**

Marketing with offers (response driven). Successful Internet marketing involves the use of targeted offers. In any situation on the Web special offers can be made to solicit immediate response. And the Web provides an immediate, interactive response device that can capture and exchange information instantly. Offers can be individual for particular customers or specific products or services, such as special discounts for certain airline tickets purchased on-line. They can be available only on the Web or otherwise. Many heavily discounted airline offers can't be purchased any other way. Some offers in traditional media can be further strengthened by adding a Web response option. A recent mailing offered frequent flyer miles for completing an airline survey. The number of miles awarded was increased if the survey was completed on the Web.

Fulfillment. In some situations, including software, information products, and services like on-line trading transactions, fulfillment can be completed immediately over the Internet. Many research reports and software tools can be downloaded immediately after purchase. Internet stock trading is another example. Other products and services require fulfillment through traditional channels, including shipping of Web-based catalog purchases. But parts of the process can be automated using the Web. Credit card processing can be facilitated and fulfillment information can supplied to the customer. Order status (i.e., processing or back order) can be displayed on demand and an e-mail message can be sent when a package has been shipped.

As all of these processes are completed over time, an individual profile of each customer and his or her interactions over the Internet can be compiled. This information can be made available internally, inside the company, using a Web interface for facilitation of customer interactions. It can be added to existing customer databases and used in other media as well.

Most important, these compiled information profiles can be used to create customized presentations for each customer, further enhancing the customer/marketer relationship. As the profile grows, with more information added during each interaction, the marketer can build customized interfaces and offers that are specifically targeted to the customer. We'll look at examples of this activity in the following exercises.

We'll also start looking at the simple mechanics of the information exchanges that can take place over the Web. Information is solicited by marketers and supplied by the end user. Information captured by the

marketer can then be used to build marketing relationships and fulfill wants, needs, and desires.

Some of these concepts also become apparent when we look at our personal favorites on the World Wide Web. Our favorite Web sites usually supply something we want—either information, products, or services. Looking at these sites helps us to start thinking about targeting Web presentations to audiences. And that is the subject of the next chapter.

LAB 1.2

LAB 1.2 EXERCISES

1.2.1 UNDERSTAND THE ROLES OF DIRECT MARKETING AND RELATIONSHIP MARKETING

a) Identify an example of direct marketing in your personal or professional life.

b) Define the elements that make up direct marketing as a marketing technique.

c) Describe an ongoing business relationship that you participate in.

d) Try to define relationship marketing as a marketing technique.

1.2.2 UNDERSTAND THE CONCEPT OF CUSTOMIZATION

This exercise involves returning to the amazon.com Web site that you visited in Exercise 1.1.2. If you didn't actually leave, please do so at this time. You're now returning as a customer.

**LAB
1.2**

Point your browser back to www.amazon.com.

a) What do you notice that is different from your last visit?

A number of suggestions will be made by the Web site for additional titles you may want to check out. Do so.

b) Record what you notice from a marketing perspective about this experience.

c) What other elements of the Web site presentation are customized to you as a customer?

d) How does this affect you emotionally as a consumer? Do you think you'll return here again to complete the same type of transaction? Why?

1.2.3 UNDERSTAND THE SIMPLE MECHANICS OF INTERNET MARKETING

Thinking about the whole book buying experience, please complete the following questions:

**LAB
1.2**

a) What information was supplied by the Web site?

b) What information did the Web site capture from you?

c) How was the information used by the Web site initially and later during your second visit?

d) What types of Internet communications technology were involved in these transactions?

1.2.4   IDENTIFY AND EVALUATE YOUR FAVORITE WEB SITE

Referring back to your Internet-connected computer, this next lab exercise is probably simplified by the use of your bookmark file in your Web browser.

**LAB
1.2**

Point your Web browser to your favorite Web site.

a) What is it and why is it your favorite Web site?

_____

_____

b) What information do you regularly retrieve from this Web site?

_____

_____

If this Web site is not bookmarked by your browser, do so now. We'll be referring to it again.

LAB 1.2 EXERCISE ANSWERS

1.2.1   ANSWERS

a)   Identify an example of direct marketing in your personal or professional life.

Answer: Almost every piece of mail you receive at work and home is an example of direct marketing.

For discussion purposes, let's talk about my favorite direct marketing company. L.L. Bean is a consumer-oriented catalog marketer.

b)   Define the elements that make up direct marketing as a marketing technique.

Answer: Most people recognize the basics of direct marketing—that it involves direct communication between marketers and customers—as opposed to retail marketing, which involves physical locations, and sales representation, which involves a personal conduit between parties. The Web is a direct marketing medium. Looking at traditional direct marketing can help us prepare for Web marketing.

The definable elements of direct marketing include promotional materials, databases, analysis, marketing with offers, and fulfillment. L.L. Bean

distributes a variety of four-color promotional catalogs. They use advanced database techniques to develop and service customers through regular mailings of these catalogs. Analysis of response and purchasing records by the people at L.L. Bean leads to further targeting of materials and offers to appropriate audiences. If I purchase outdoor equipment, I receive the outdoor equipment catalog. If I purchase housewares, I receive the seasonal housewares catalog based on analysis of my responses.

LAB 1.2

The long-time offer from L.L. Bean is a 100% no questions asked guarantee. If you buy something from them you can return it at any time for a replacement or for the money you spent. I had a friend who returned a broken pair of sunglasses years after purchase and was refunded the amount the sunglasses were selling for when she returned them. This offer has worked for L.L. Bean because purchasers have much lower risk when buying. L.L. Bean also offers discounts, special shipping, and targeted products. Fulfillment of catalog requests is efficient, and the shipping of purchased goods is equally professional. L.L. Bean is a successful direct marketing company. We can learn much from looking at L.L. Bean's use of these techniques and how they can be adapted in Web marketing and communication.

c) Describe an ongoing business relationship that you participate in.

Answer: Your answers will vary. Following is mine:

Many of my own business relationships are based on mutually positive experiences. I get something I need, and the company involved makes it worth my while to keep the business relationship going. I drive a car and need gasoline. I regularly purchase Mobil gasoline because Mobil provides a direct payment system that is very convenient. In addition, Mobil offers a loyalty program that gives me discounted ski tickets after purchasing a certain amount of gasoline. In addition to getting something I need, I also get good service and something additional that I want, which gives me incentive to keep the relationship going.

My business relationships are similar. I use list brokers and a mail house for direct marketing of the Merrimack College Webmaster Training Program. After purchasing a new list from a broker, the broker sent me a fruit basket at work. In addition to providing a good product at a competitive price and delivering it in an efficient manner, the vendor also did something to enhance a personal relationship. Who do you think I'm going to call the next time I need a list?

I use the same mail house because the vendor is a nice person who does a good job and provides excellent customer service, doing extra work if

needed to complete projects. These situations all involve positive rela-
tionships beyond the traditional buyer and seller model. Web technology
allows us to enhance traditional marketing models and build relation-
ships.

LAB
1.2

d)   Try to define relationship marketing as a marketing technique.

*Answer: Relationship marketing is an advanced model of direct marketing using the
previously discussed elements. The basic premises of relationship marketing involve
capturing, analyzing, and sharing customer-supplied information between all parties
within a company. Information is captured and stored in every single customer com-
munication initiated by the buyer or seller. This process further involves developing and
executing customized marketing and customer service programs for individual cus-
tomers based on this information.*

Let's look again at the L.L. Bean example. When I call L.L. Bean to order
some new flannel pajamas for a gift, the sales rep pulls up my entire cus-
tomer history. The representative knows immediately what pajamas I
bought last year, the gift recipient information I previously supplied, my
method of payment, and shipping information. The phone rep is able to
suggest products based on previous history to complete the transaction
efficiently. This simplifies the buying process and builds an ongoing rela-
tionship between us. If I call with a question, the customer service repre-
sentative knows all the same information. This applies to billing or
shipping questions as well.

This type of marketing communication can be duplicated over the Web.
The Web also provides further enhancement by allowing buyers to initi-
ate, control, and benefit from the communication.

1.2.2 ANSWERS

Point your browser back to the same Web site you just visited.

a)   What do you notice that is different from your last visit?

Answer: The following summarizes my account of what is different.

Upon return, I now have a customized greeting on the home page of the
merchant. The merchant is now building a relationship with the cus-
tomer. And relationship marketing is the key to success in today's highly
competitive business environment.

A number of suggestions will be made by the Web site for additional titles you may
want to check out. Do so.

b) Record what you notice from a marketing perspective about this experience.

Answer: Your answer will vary. Here's what my experience was like.

Clicking on the link to book recommendations brings up a whole section that provides further customization of the presentation I see as a consumer. This is smart Web marketing. The Web site continuously profiles me as a customer in a number of ways.

**LAB
1.2**

By comparing my purchases with other customers who have purchased the same titles or products, the site gives me additional choices based on patterns in customer records. If customers have similar tastes, demonstrated by purchasing the exact same thing, maybe other matches will work also. The site gives us the option to provide information about books we own and about our interests. And we can tell the site what we already own or don't like. Every piece of information we give to the site is captured and used to further customize our presentation and add to our relationship with the merchant. Our goal as Web marketers is to harness these same concepts when building on-line marketing and communication efforts.

c) What other elements of the Web site presentation are customized to you as a customer?

Answer: After completing the account setup process, our shipping information is stored and brought up when necessary. This can be changed if needed. The system is extremely easy to use, and purchasing requires only a mouse click. When an end user wants to purchase something, doing so is extremely simple and immediately gratifying.

d) How does this affect you emotionally as a consumer? Do you think you'll return here again to complete the same type of transaction? Why?

Answer: While I can probably safely assume that you had a positive experience like I did, your answer here will obviously vary.

I greatly enjoyed this on-line book-buying experience. I will certainly return when planning to purchase books, as this on-line merchant completely fulfilled my wants, needs and desires. The process is simple, quick, hassle-free, saves money, adds value to the products, and provides immediate results. Granted, I still enjoy retail shopping at bookstores and will continue to support my local book merchant. But if I have an immediate need and not much time, this Web marketing effort will garner my business.

1.2.3 ANSWERS

Let's take a look at the mechanics behind this type of marketing communication.

a) What information was supplied by the Web site?

Answer: The Web site supplied a whole range of presentations involving selling products and driving transactions to do so. The majority of the information was text and was supported by presentation graphics and minimal product representation.

**LAB
1.2**

b) What information did the Web site capture from you?

Answer: The Web site captured contact, shipping, and payment information over a secure, encrypted connection. Relationship-building information was captured using a number of forms and drill-down techniques. In addition, this Web site electronically coded my client browser software by setting a cookie on my hard drive.

This software transaction individually identifies each customer and allows the marketer's server to present customized presentations each time the client logs on. A cookie is actually a short text code written into a file on the client computer by the server computer. Each code is distinct making the client computer discernable by the server computer in each ensuing interaction. This electronic identity badge also provides a system to track the activity of the client over time and helps build relationships.

c) How was the information used by the Web site initially and later during your second visit?

Answer: When I filled out the initial account information, the Web site immediately customized by presentation and provided opportunities to add information in the recommendation process. When I returned to the site the server read my cookie file, accessed my customer account information, and served Web pages with the appropriate customization.

d) What types of Internet communications technology were involved in these transactions?

Answer: The technology involved in these transactions was the same two client-server–based applications available to us as Web marketers. World Wide Web servers and client browsers played a primary role for presentation and interactively between parties. E-mail served a secondary role to confirm the purchase transactions.

The power behind the scenes comes from the use of database technology for the storage, searching, and customized presentation of product information. Web pages produced and supported by database technology also

capture customer information to complete the transactions and further customize the interactions.

In this situation and others on the Internet, the Web interface allows individual customers and other end users to access, manipulate, retrieve, and benefit from databased information. They can do this at their convenience in situations where they have control of the interaction and receive an immediate positive response. In addition, these database-driven interactions are more cost effective and more productive than many traditional communications channels. Database-driven Web communication is an achievable goal for any Web marketing and communication effort.

1.2.4 ANSWERS

Point your Web browser to your favorite Web site.

a)   What is it and why is it your favorite Web site?

Answer: Your answer will vary.

I consider the Cable News Network site (cnn.com) to be my favorite Web site. I originally studied journalism in college and ever since have been kind of a news junkie. I like to know what is going on nationally and in the high-tech business sector. I also like the space coverage and the random features available on that site. Most important, a weather report and forecast is also available based on my hometown zip code. Your favorite site probably involves a personal interest.

b)   What information do you regularly retrieve from this Web site?

Answer: Again, your answer here will vary. Here's mine.

I do a lot of outdoor stuff when I have the time, and knowing the immediate forecast is helpful in the inconsistent weather of New England, where I live. This is quite useful for me personally, and I go to my favorite site a couple of times a week. I'll bet that you access your favorite site at least weekly for some type of information you either want or need to see.

I have this resource bookmarked, and with one mouse double click I can get current weather conditions and a four-day forecast. I like doing so. It makes me happy, and I don't mind taking the action to retrieve this information that I value highly. Marketers and communicators can leverage such relationships using the Web as a communications tool.

LAB 1.2 SELF-REVIEW QUESTIONS

In order to test your progress, you should be able to answer the following questions:

**LAB
1.2**

1) Which are technologies used in creating customer relationships at amazon.com?
   a) _____ Client-server information exchange
   b) _____ Writing and reading cookie files
   c) _____ Databases of customer and product information
   d) _____ Customized Web pages created for each customer interaction
   e) _____ All of these are utilized.

2) Which are the elements of direct and relationship marketing?
   a) _____ Promotional materials
   b) _____ Offers, response devices, and fulfillment
   c) _____ Databases and analysis of information
   d) _____ Sales calls and branding campaigns

3) Which is the reason you access a particular Web site regularly?
   a) _____ Because it provides information I want easily and quickly
   b) _____ Because it has cool graphics and lots of banner ads for products I want

Quiz answers appear in Appendix A, Section 1.2.

C H A P T E R   1

TEST YOUR THINKING

**LAB
1.2**

The projects in this section use the skills you've acquired in this chapter. The answers to these projects are available to instructors only through a Prentice Hall sales representative and are intended to be used in classroom discussion and assessment.

1) Evaluate your current marketing efforts. How do you currently fulfill wants, needs, and desires?

2) Identify any direct and relationship marketing activities. Do you build relationships with customers through information capture and targeted communication?

3) Look for opportunities to develop database interfaces that will develop and sustain Web marketing relationships. Where can the use of this technology increase customer satisfaction while decreasing operational activity?