Strategic E-Marketing and Performance Metrics

Chapter 2

By

Emd

ESP framework
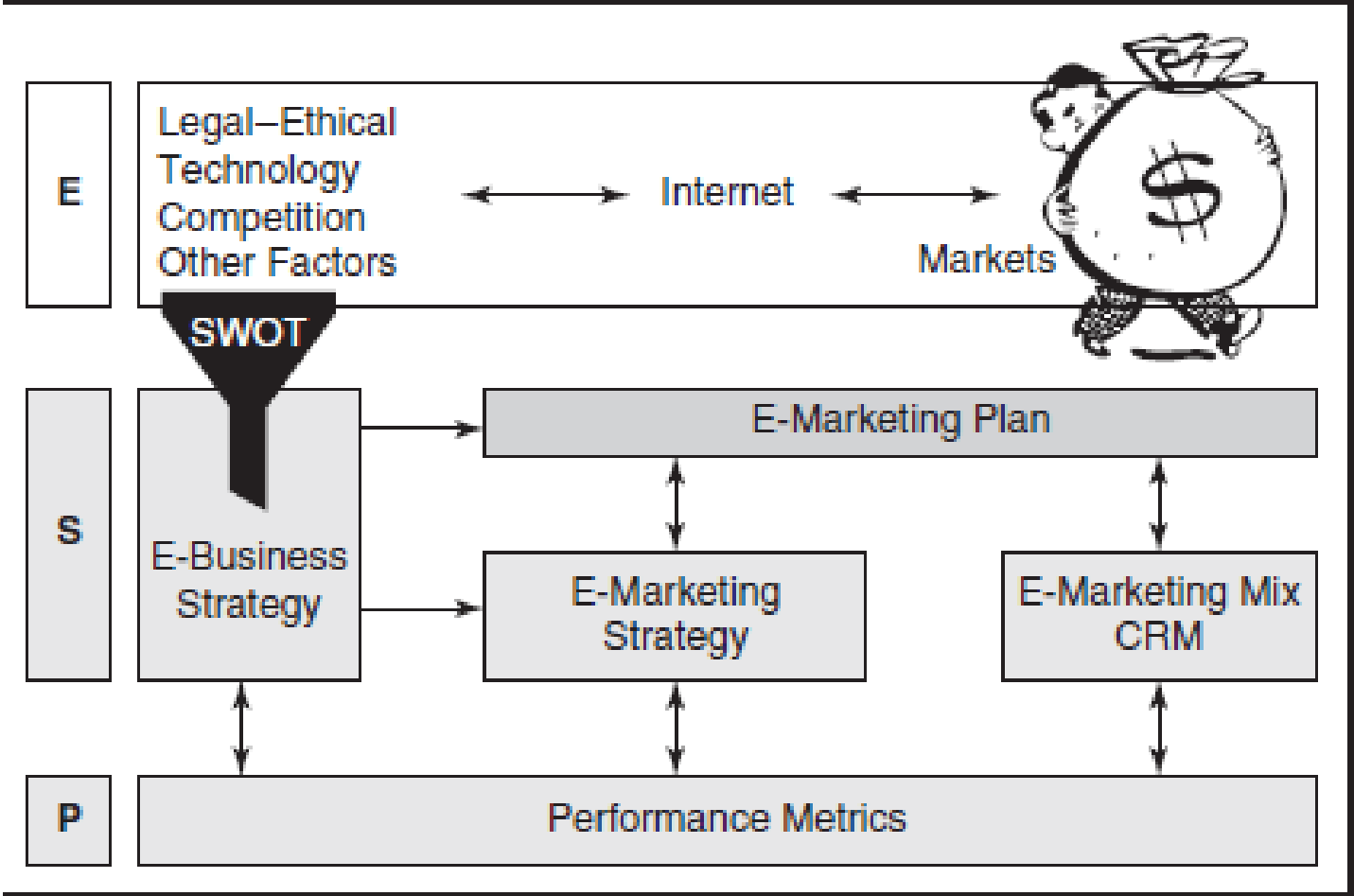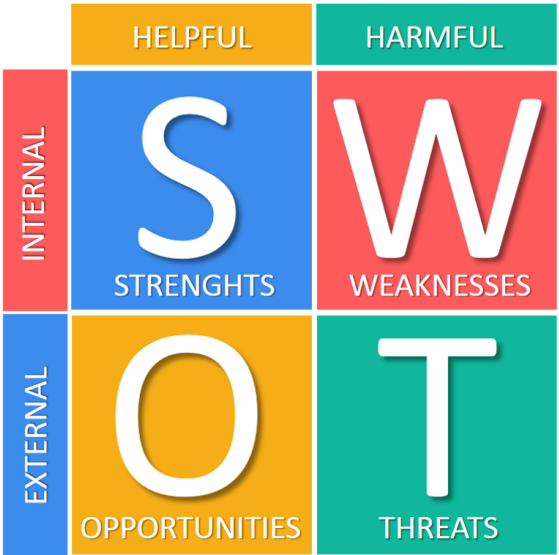

EXHIBIT 2.1   Focusing on Strategy and Performance

ESP Framework

Strategy

- Corporate: used by companies to plan and execute their business goals

- Functional: customized to a specific industry and is used to back up other corporate and business strategies

- Operational: A plan of action implemented by a firm that describes how they will employ their resources in the production of a product or service

Strategy to eStrategy

- Deployment of enterprise resources to capitalize on technologies
- A.K.A enterprise level strategy

Tchibo

- corporate-level business strategy of building new retail stores in selected European cities
- e-business strategy of selling products on its Web site.

From Business Models to E-Business Models

- is a method by which the organization sustains itself in the long term using information technology
- time-tested components as critical to appraising the fit of a business model for the company
  - Customer Value
  - Scope
  - Price
  - Revenue source
  - Connected activities
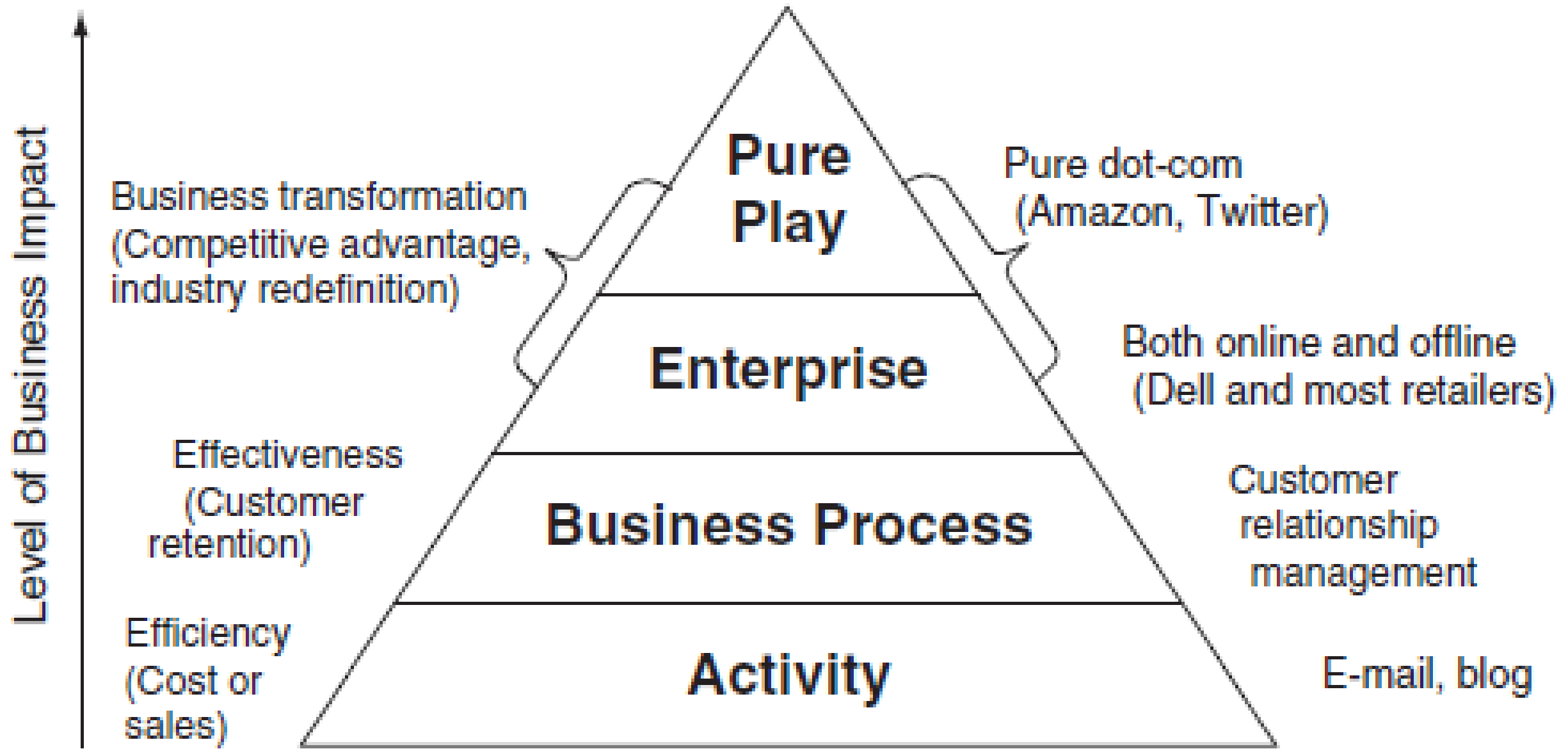 - Implementation
  - Capabilities
  - Sustainability

EXHIBIT 2.3 Level of Commitment to E-Business *Source:* Adapted from
www.mohansawhney.com

Menu of Strategic E-Business Models

- Each level of the pyramid indicates a number of opportunities for the company to provide stakeholder value and generate revenue streams using information technology

- Because no single, comprehensive, ideal taxonomy of e-business models is available, we categorize the most commonly used models based on the company's level of commitment

Activity Level	Business Process Level	Enterprise Level
1. Order processing	1. Customer relationship management (CRM) and Social CRM	1. E-commerce, social commerce, direct selling, content sponsorship
2. Online purchasing	2. Knowledge management (KM)	2. Portal
3. E-mail	3. Supply chain management (SCM)	3. Social networking
4. Content publishing	4. Community building online	4. Broker models
5. Business intelligence (BI)	5. Database marketing	• Online exchange, hub
6. Online advertising and public relations (PR)	6. Enterprise resource planning (ERP)	• Online auction
7. Online sales promotions	7. Mass customization	5. Agent models
8. Dynamic pricing strategies online	8. Crowdsourcing	• Manufacturer's/selling agents
9. Social media communication	9. Freemium	• Shopping agent
10. Search marketing.		• Reverse auction

EXHIBIT 2.4 E-Business Model Classification

Activity-Level E-Business Models

- Online purchasing
- Order processing
- E-mail
- Content publishing
- Business Intelligence (BI)

- Online advertising and public relations (PR
- Online sales promotion
- Pricing strategies
- Social media communication
- Search marketing

Business Process–Level E-Business Models

- Customer relationship management (CRM)
- Knowledge management (KM)
- Supply chain management (SCM)
- Community building
- Affiliate program
- Database marketing
- Enterprise resource planning (ERP)
- Mass customization
- Crowdsourcing
- Freemium
- Location based marketing

Enterprise-Level E-Business Models

- E-commerce
- Virtual worlds
- Social commerce
- Direct distribution
- Content sponsorship
- Portal

- Social network
- Online broker
- Online agents
- Manufacturer's agents
- Purchasing agents

Pure Play

- businesses that began on the internet, even if they subsequently added a brick-and-mortar presence.

- Challenges:
  - must compete as new brands and take customers away from established brick-and-mortar or online businesses
  - The key to pure play success is offering greater customer value. For example, Rakuten.com increases customer value by using a content sponsorship model combined with direct sales.

Performance Metrics

- **Web analytics** is the e-marketing term for the study of user behavior on Web pages. Companies collect data as users click through pages and take actions, such as registration or purchase.

- These data for Web analytics are collected in several ways:
  - Web site server log**s** record the user's IP (internet protocol) address, which browser the visitor is using, his or her location before arriving at the company site, the time of the day, and every click-through of the user while on the site.
  - **Cookie files** are small data files written to a user's hard drive when visiting a site.
  - **Page tags** are one pixel on a page that is invisible to users (a pixel is one dot of light on a computer screen).
  - **Geo-location**, uses many different technologies to locate an internet-enabled device (and its owner) at its physical world address

Four Perspectives

- Customer perspective
- Internal perspective
- Learning and growth perspective
- Financial perspective

Social Media Performance Metrics

- Social media metrics are different from most standard Web site metrics because users interact with branded social media in many different ways. for example
  - (1) most people will become aware of a viral video (awareness/exposure),
  - (2) fewer will like or dislike and post positive or negative comments about it (brand health),
  - (3) fewer still engage more deeply with the brand by sharing or using social bookmarking to tag the video (engagement),
  - (4) even fewer visit the video sponsor's site to read about the products and purchase one (action), and
  - (5) the smallest number are loyal customers who post collaborative type comments that the company

Pyramid levels (top to bottom) with corresponding sample metrics:

Innovation → Number of ideas, trend spotting

Action → Click-through, contact form completion or registration, event attendance, purchase

Engagement → Content viewership, tagging/bookmarking/likes, membership/follower, number of shares, content creation

Brand Health → Share of voice, sentiment, brand influence

Awareness/Exposure → Unique visitors, page views, impressions, number of searches, search engine ranking, number of followers/registration/subscribers

Social Media Measurement Pyramid   **Sample Metrics**

EXHIBIT 2.11   Social Media Measurement Areas

Awareness/Exposure Metrics

- Unique visitors
- Page views
- Impressions
- Number of searches
- Search engine ranking
- Number of followers, registration or subscribers

Brand health metrics

- ## Share of voice (SOV)
  - For example, iStrategyLabs found the SOV for shoe brands over a one month period in 2009: Nike (57%), Adidas (22%), Converse (15%), New Balance (4%) and Under Armour (2%) ("Social Media Share . . . ," 2009).
- ## Sentiment
  - On August 11, 2012, we typed "Nike" into the social media search box at socialmention.com and got the following results (number of mentions): positive (116), neutral (409), and negative (27). The site calculated brand strength at 27 percent due to a 4:1 positive to negative conversation.
- ## Brand influence

Engagement metrics

- Content viewership
- Tagging, bookmarking or likes
- Membership or follower
- Number of shares
- Content creation

Acton metrics

- Click through to an advertiser's site
- Contact form completion or registration
- Event attendance online or offline
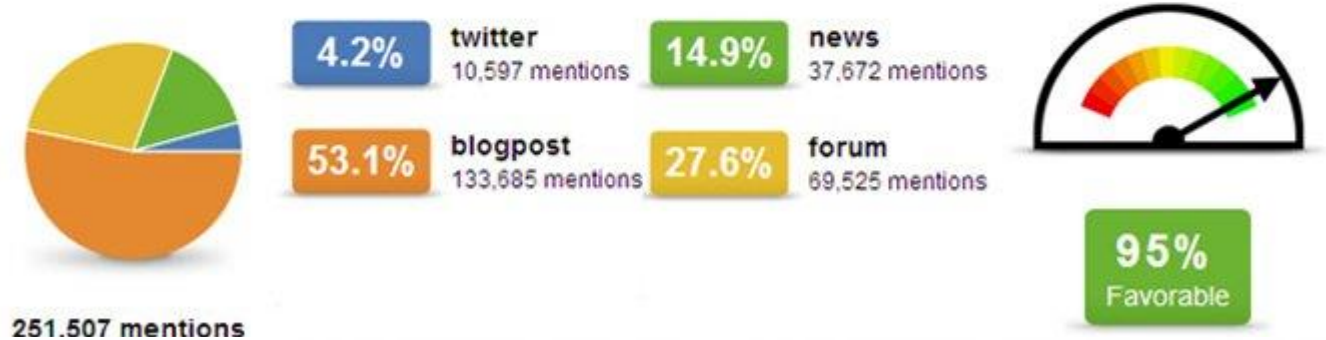- Purchase
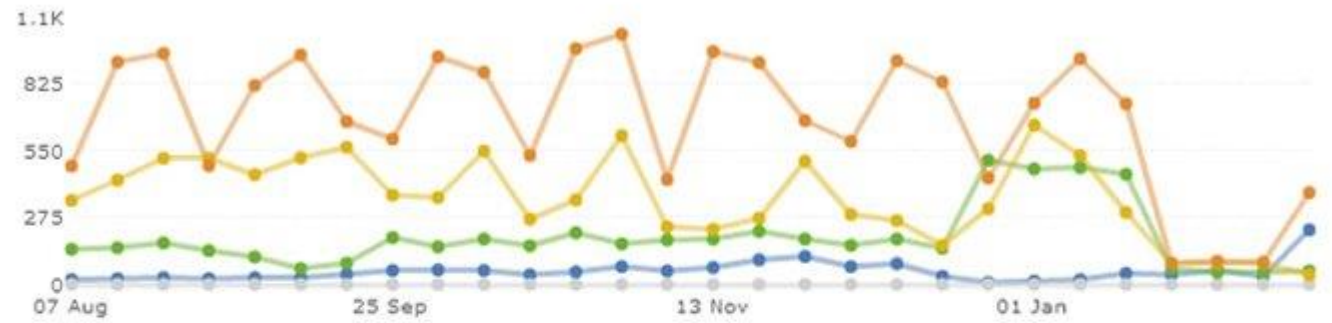
Innovation metrics

- Number of ideas shared in company's social media site
- Trend spotting
  - Google trends
  - Trendsmap
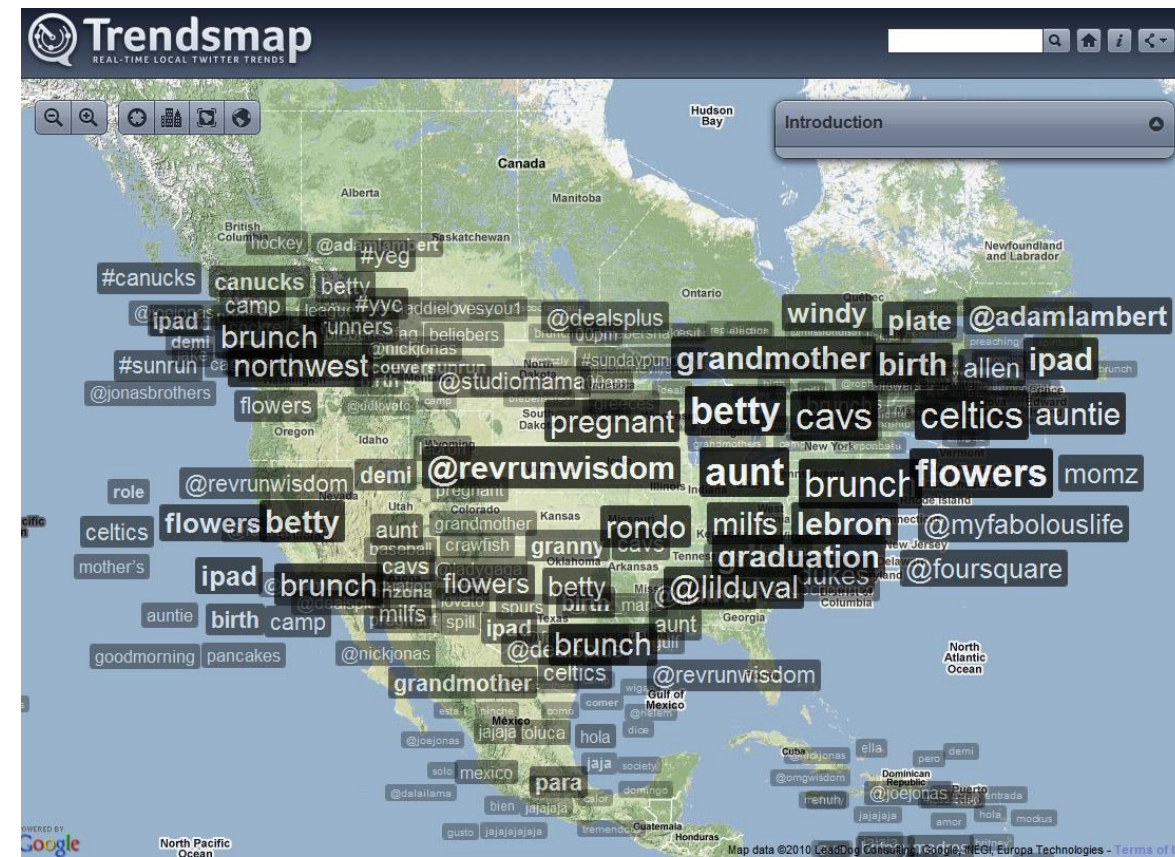
Measurement tools

- Example:
  - Google Alerts
  - Google analytics
  - Alterian
  - Sysomos
  - Radian6
  - TrackUR

PR SMITH'S SOSTAC®

WHERE ARE WE NOW
- Goal performance (5 Ss)
- Customer insight
- E marketplace SWOT
- Brand perception
- Internal capabilities and resources

HOW DO WE MONITOR PERFORMANCE?
- 5Ss + web analytics - KPIs
- Usability testing/mystery shopper
- Customer satisfaction surveys
- Site visitor profiling
- Frequency of reporting
- Process of reporting and actions

WHERE DO WE WANT TO BE?
5 Ss objectives:
- **Sell** - customer acquisition and retention targets
- **Serve** - customer satisfaction targets
- **Sizzle** - site stickiness, visit duration
- **Speak** - trialogue: number of engages customers
- **Save** - quantified efficience gains

THE DETAILS OF TACTICS, WHO DOES WHAT AND WHEN
- Responsibilities and structures
- Internal resources and skills
- External agencies

HOW DO WE GET THERE?
- Segmented, targeting and positioning
- OVP (online value proposition)
- Sequence (credibility before visibility)
- Integration (consistent OVP) and database
- Tools (web functionality, e-mail, IPTV etc.)

SITUATION ANALYSIS

CONTROL

OBJECTIVES

ACTIONS

STRATEGY

TACTICS

HOW *EXACTLY* DO WE GET THERE?
(The details of the tactics)
- E-Marketing mix, including: the communications mix, social networking, what happens when?
- Details of content strategy
- E-campaign initiative schedule

Situation Analysis: The 5S

- Sell – customer acquisition and retention targets
- Serve – customer satisfaction targets
- Sizzle – site stickiness, visit duration
- Speak – trialogue; number of engaged customers
- Save – quantified efficiency gains

SOSTAC

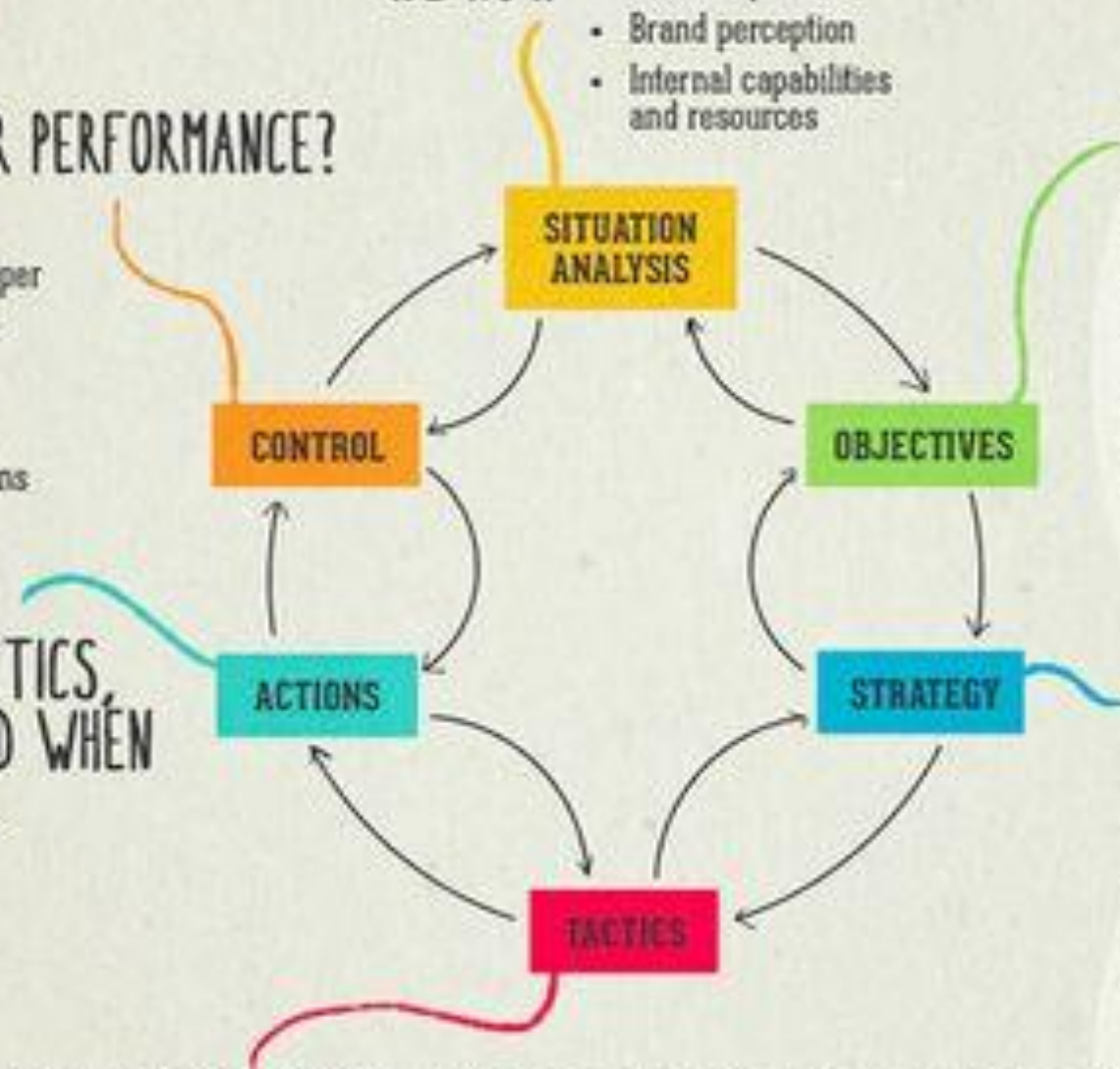**WHERE DO WE WANT TO BE?**

5 S's objectives:

Sell - customer acquisition and retention targets

Serve - customer satisfaction targets

Sizzle- wow factor (added value)

Speak - engaging customers

Save - quantified efficiency gains

Objectives

Strategy

HOW DO WE GET THERE?

STOP & SIT:

Segments
Target markets
Objectives
Positioning (OVP)

&

Sequence (Trust, Try, Buy...)
Integration (CRM & D/Base)
Targeting and segmentation

Tactics

HOW EXACTLY DO WE GET THERE?

Marketing mix:

8 P's

Incl. Communications Mix

Content Plan

Contact Plan

THE DETAILS OF TACTICS

Who does what and when:

Responsibilities and structures

Processes and systems

Internal resources and skills

External agencies

Actions

HOW DO WE MONITOR PERFORMANCE?

Optimising through:

5 S's , KPI's and web analytics

User experience review

Conversion rate optimisation

Frequency of reporting

Process of reporting and actions

Control

Thank You