

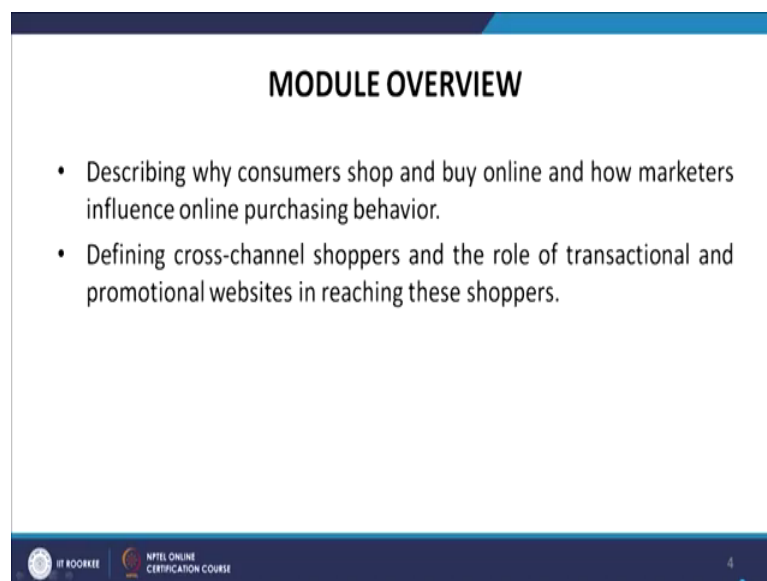
Introduction to Marketing Essentials
Prof. Zillur Rahman
Department of Management Studies
Indian Institute of Technology, Roorkee

Lecture - 40
Implementing Interactive and Multichannel Marketing-II

Welcome to this course on Introduction to Marketing Essentials. Now, we will talk about module 40. Now, this module 40 is the last module in this course and we are still talking about the last topic in this course that is Implementing Interactive and Multichannel Marketing.

So, now let us look at what are the things we will cover in this module, in addition to what have been already covered in the last module that is module 39.

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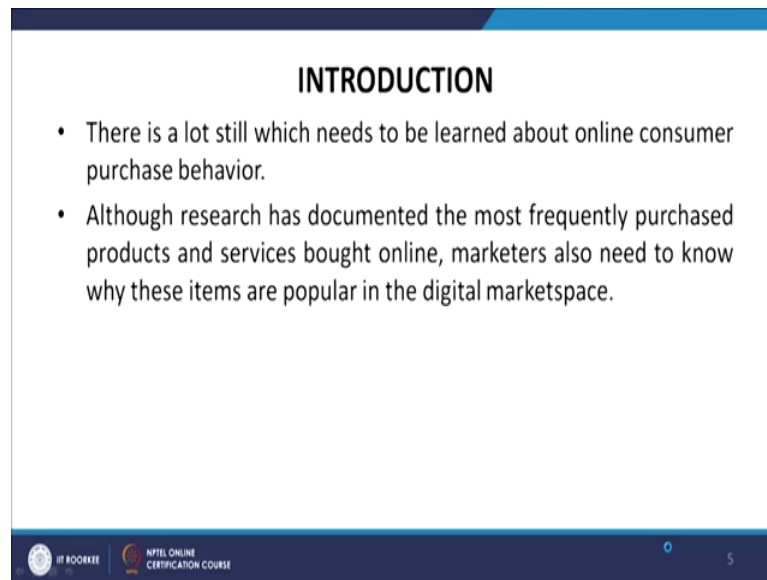
MODULE OVERVIEW

- Describing why consumers shop and buy online and how marketers influence online purchasing behavior.
- Defining cross-channel shoppers and the role of transactional and promotional websites in reaching these shoppers.

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So, we will describe why consumers shop and buy online and how marketers influence this online purchasing behavior. So, now we are talking of influencing this online purchasing behavior. Then, we will describe cross-channel shoppers and the role of transactional and promotional websites in reaching these shoppers. Cross-channel shoppers means people who are moving from one channel to another - maybe from online to offline.

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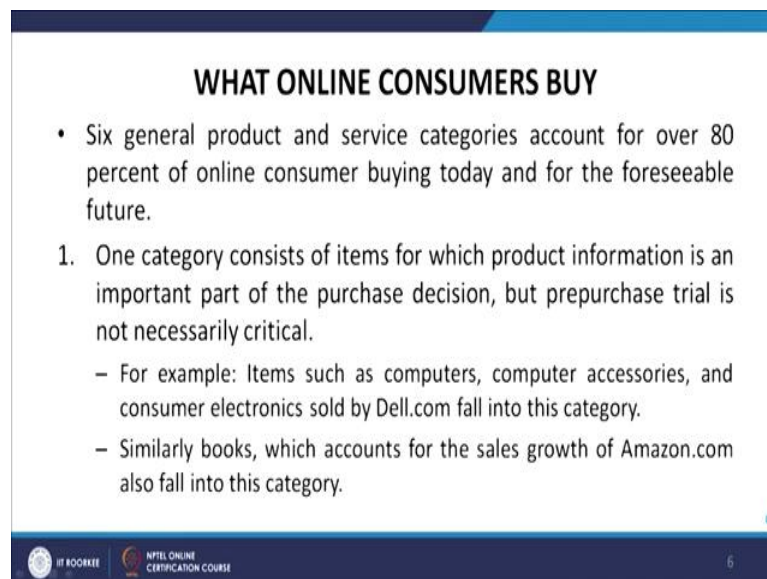
INTRODUCTION

- There is a lot still which needs to be learned about online consumer purchase behavior.
- Although research has documented the most frequently purchased products and services bought online, marketers also need to know why these items are popular in the digital marketplace.

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To start with, there is a lot still which needs to be learned about online consumer purchase behavior. Although research has documented the most frequently purchased products and services brought online, marketers also need to know why these items are popular in the digital market space.

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WHAT ONLINE CONSUMERS BUY

- Six general product and service categories account for over 80 percent of online consumer buying today and for the foreseeable future.
- 1. One category consists of items for which product information is an important part of the purchase decision, but prepurchase trial is not necessarily critical.
 - For example: Items such as computers, computer accessories, and consumer electronics sold by Dell.com fall into this category.
 - Similarly books, which accounts for the sales growth of Amazon.com also fall into this category.

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Now, let us look at what online consumers buy? In general, products and service categories account for over 80 percent of the online consumer buying today and for the

foreseeable future. One category consists of items for which product information is an important part of the purchase decision.

So, first type of things that they purchase is that where the product information is important in decision making but pre purchase trial is not necessarily critical. So, in every case this pre purchase trial may not be there; it may not be important.

So, one is that category of products for example, items such as computers, computer accessories and consumer electronics sold by Dell dot com fall into this category. Because, even if you use a computer for one time, you may not be able to assess, how it will function over a period of time? So, in this case this information about the components and the brands that are used in building this Dell computer are of much more importance.

Similarly books, which accounts for the sales growth of Amazon dot com also fall into this category. So, people keep on reading about reviews of these books and then they purchase just reading 1 chapter or 1 page may not be a good indicator of how this book will be?

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WHAT ONLINE CONSUMERS BUY

2. A second category includes items for which audio or video demonstration is important.
 - This category consists of DVDs.
3. The third category contains items that can be delivered digitally, including computer software, music, video, and electronic ticketing.
 - Popular websites for these items include apple.com/iTunes, and Netflix.com.

IIT ROORKEE NPTEL ONLINE CERTIFICATION COURSE 7

The second category includes item for which audio or video demonstration is important. This category consists of DVDs. So, maybe the quality of voice that is recorded or the

quality of video that is recorded on this DVD is not good. Then, this DVD will be of no use.

And the third category consist of item that can be delivered digitally, including computer software, music, video, and electronic ticketing. Popular websites for these items include iTunes and Netflix dot com.

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WHAT ONLINE CONSUMERS BUY

4. Unique items, such as specialty products, foods, beverages, and gifts, represent a fourth category.
5. A fifth category includes items that are regularly purchased and where convenience is very important.
 - Many consumer-packaged goods, such as grocery products, personal care items, and office products, fall into this category.
6. A final category of items consists of highly standardized products and services for which information about price is important.
 - Certain kinds of home improvement products, small appliances, casual apparel, and toys make up this category.

IT ROORKEE NPTEL ONLINE CERTIFICATION COURSE 8

The fourth types of items are unique items. Specialty products, foods, beverages, and gifts, represent this fourth category. The fifth category includes item that are regularly purchased and where convenience is very important. So, that place utility is more important here; so it is not about the information of the product, but more about the convenience. So, many consumer packaged goods such as grocery products, personal care items and office products fall into this category.

A final category of items consist of highly standardized products and services for which information about price is important. Certain kinds of home improvement products, small appliances, casual apparels, and toys make up this category.

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WHY CONSUMERS SHOP AND BUY ONLINE

- Marketers emphasize the customer value-creation possibilities, the importance of interactivity, individuality and relationship building, and producing customer experience in the new marketplace.
- However, consumers typically refer to six reasons they shop and buy online:
 - Convenience
 - Choice
 - Customization
 - Communication
 - Cost
 - Control (see Figure 40.1 on the next slide).

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Now, why consumers shop and buy online? Why do they not continue to buy offline? Marketers emphasize the customer value-creation possibilities, the importance of interactivity, individuality and relationship building, and producing customer experience in the new market space. However, consumers typically refers to six reasons they shop and buy online. And these six reasons are: the first is convenience, the second is choice, customization, communication, cost and control.

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WHY CONSUMERS SHOP AND BUY ONLINE

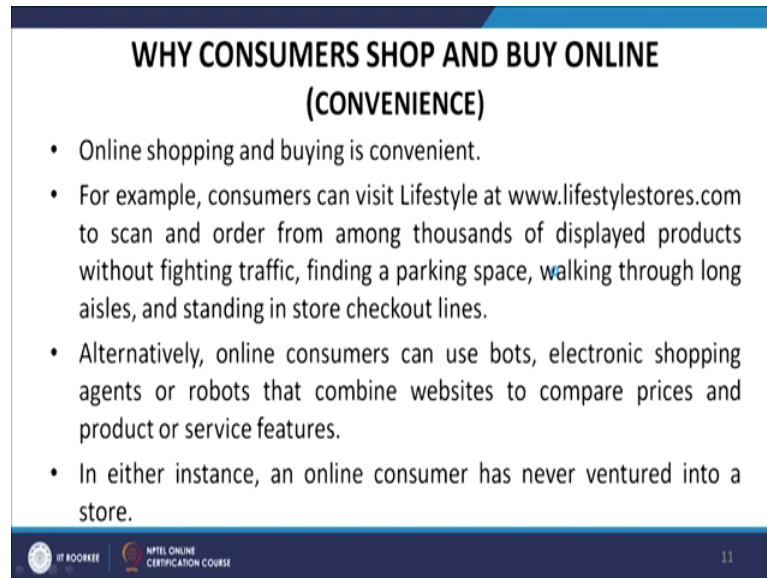
6C'S

Source: Roger, K., Steven, H. & William, R. (2013). Marketing: The Core. McGraw-Hill Irwin, Fifth Edition.

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Now, this is represented here. Now, this figure 40.1 shows why consumers shop and buy online because of these 6 C'S.

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**WHY CONSUMERS SHOP AND BUY ONLINE
(CONVENIENCE)**

- Online shopping and buying is convenient.
- For example, consumers can visit Lifestyle at www.lifestylestores.com to scan and order from among thousands of displayed products without fighting traffic, finding a parking space, walking through long aisles, and standing in store checkout lines.
- Alternatively, online consumers can use bots, electronic shopping agents or robots that combine websites to compare prices and product or service features.
- In either instance, an online consumer has never ventured into a store.

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Now, let us look at each of this C. Let us start with convenience. So, online shopping and buying is convenient. For example, consumers can visit Lifestyle at www.lifestylestores.com to scan and order from among thousands of displayed products without fighting traffic, finding a parking space, walking through long aisles, and a standing in a store checkout lines.

Alternatively, online consumers can use bots, electronic shopping agents or robots that combine websites to compare prices and products or service features. In either instance, an online consumer has never ventured into a store. All these things are happening on a market space.

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**WHY CONSUMERS SHOP AND BUY ONLINE
(CONVENIENCE)**

- However, for convenience to remain a source of customer value creation, websites must be easy to locate and navigate, and image downloads must be fast.
- A commonly held view among online marketers is the eight-second rule. Customers will abandon their efforts to enter and navigate a website if download time exceeds eight seconds.
- Furthermore, the more clicks and pauses between clicks required to access information or make a purchase, the more likely it is a customer will exit a website.

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However, for convenience to remain a source of customer value creation, websites must be easy to locate and navigate, and image downloads must be fast. Otherwise, if the website is not doing this then, it will be convenient for a consumer to go to an offline store.

The commonly held view among online marketer is the eight-second rule. Customers will abandon their efforts to enter and navigate a website; if download time exceeds eight-seconds. Furthermore, the more clicks and pauses between clicks required to access information or make a purchase, the more likely it is a customer to exit a website.

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**WHY CONSUMERS SHOP AND BUY ONLINE
(CHOICE)**

- Choice, the second reason consumers shop and buy online, has two dimensions.
 1. First, choice exists in the product or service selection offered to consumers. Buyers desiring selection can avail themselves of numerous websites for almost anything they want.
 - For instance, online buyers of consumer electronics can shop individual manufacturers such as Bose (www.bose.com) and QVC.com, a general merchant that showcases more than 1,000 products each week.

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Another C is the choice. So, the choice is the second reason consumers shop and buy online, and it has two dimensions. The first dimension is choice exists in product or service selection offered to consumers. Buyers desiring selection can avail themselves of numerous websites for almost anywhere they want. For instance, online buyers of consumer electronics can shop individual manufacturers such as Bose and QVC - a general merchant that showcases more than 1,000 products each week.

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**WHY CONSUMERS SHOP AND BUY ONLINE
(CHOICE)**

2. Choice assistance is the second dimension.
 - Here, the interactive capabilities of Internet enabled technologies invite customers to engage in an electronic dialogue with marketers for the purpose of making informed choices.
 - Choice assistance is one of the reasons for the continued success of Zappos.com. The company offers an online chat room that enables prospective buyers to ask questions and receive answers in real time.
 - In addition, carefully designed search capabilities permit consumers to review products by brand and particular items.

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Now, this choice assistance is the second dimension in this choice. Here the interactive capabilities of internet enabled technology invite customers to engage in an electronic dialogue with marketers for the purpose of making informed choices. Now, here, the concept of making informed choices is important.

So, when we go to a physical store; there are sales people who tell us about the various things; the features, the attributes, the advantages etcetera of a product. But, when we are going online, this may be difficult. Now, with this internet enabled technologies, these companies are using different forms to help customers to satisfy or to make informed choices. So, with the use of this information technology the marketers communicate to the customers about the various benefits, and the features etcetera.

Choice assistance is one of the reasons for the continued success of Zappos dot com. The company offers an online chat room that enables prospective buyers to ask questions and receive answers in real time. In addition, carefully designed search capabilities permit consumers to review products by brand and by a particular item.

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**WHY CONSUMERS SHOP AND BUY ONLINE
(CUSTOMIZATION)**

- Even with a broad selection and choice assistance, some customers prefer one-of-a-kind items that fit their specific needs.
- Customization arises from Internet-enabled capabilities that make possible a highly interactive and individualized information and exchange environment for shoppers and buyers.
- To varying degrees, online consumers also benefit from **customerization**—the growing practice of not only customizing a product or service but also personalizing the marketing and overall shopping and buying interaction for each customer.

Handwritten notes: A red circle around the first bullet point. A red arrow pointing from the word 'CUSTOMIZATION' in the title to the first bullet point. A red arrow pointing from the word 'customerization' in the third bullet point to the word 'CUSTOMIZATION' in the title.

IT ROORKEE NPTEL ONLINE CERTIFICATION COURSE 15

Another C is customization. Even with a broad selection and choice assistance, some customers prefer one-of-a-kind item that fits their specific needs. So, now we are talking about this customization: Something that will fit my specific need.

Customization arises from Internet-enabled capabilities that make possible a highly interactive and individualized information and exchange environment for shoppers and buyers. To varying degrees, online customers also benefit from customerization - the growing practice of not only customizing a product or service, but also personalizing the marketing and overall shopping and buying interaction for each customer.

So, now from customization where we are customizing the products and services; now we are moving to customerization. So, here we are trying to customize the marketing and the overall buying and shopping interaction for each customer.

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**WHY CONSUMERS SHOP AND BUY ONLINE
(CUSTOMIZATION)**

- Customerization seeks to do more than offer consumers the right product, at the right time, and at the right price.
- It combines choiceboard and personalization systems to expand the exchange environment beyond a transaction and makes shopping and buying an enjoyable, personal experience.

IT ROOKIE | NPTEL ONLINE CERTIFICATION COURSE | 16

Customerization seeks to do more than offer customers the right product, at the right time, and at the right place. It combines choice boards and personalization systems to expand the exchange environment beyond a transaction and make shopping and buying an enjoyable or personal experience.

The next C is communication; online customers particularly welcome the communication capabilities of internet enabled technologies.

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**WHY CONSUMERS SHOP AND BUY ONLINE
(COMMUNICATION)**

- Online consumers particularly welcome the communication capabilities of Internet enabled technologies.
- This communication can take three forms:
 - Marketer-to-consumer e-mail notification,
 - Consumer-to-marketer buying and service requests, and
 - Consumer-to-consumer chat rooms and instant messaging, plus social networking websites such as Twitter and Facebook.

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This communication can take three forms: the first form is marketer-to-consumer e-mail notification, the second is consumer-to-marketer buying and service requests, and the third is consumer-to-consumer chat rooms and instant messaging, plus social networking websites such as Twitter and Facebook.

So, now you see how important this communication has become in the reason for why consumer shop and buy online. Marketers are talking to the customers, customers are talking to the marketers, and consumers are talking to each other.

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**WHY CONSUMERS SHOP AND BUY ONLINE
(COMMUNICATION)**

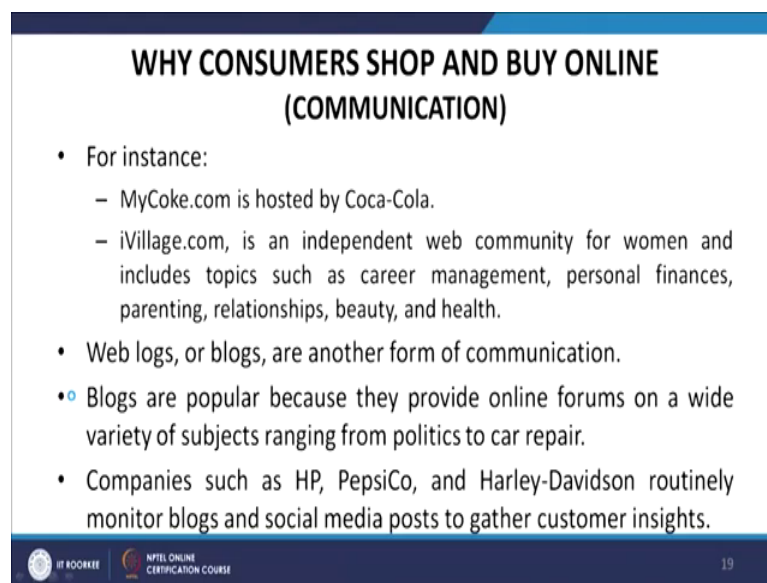
- Communication has proven to be a double-edged sword for online consumers.
- On the one hand, the interactive communication capabilities of Internet-enabled technologies increase consumer convenience, reduce information search costs, and make choice assistance and customization possible.
- Communication also promotes the development of company-hosted and independent web communities—websites that allow people to gather online and exchange views on topics of common interest.

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Communication has proven to be a double-edged sword for online consumers. On the one hand, the interactive communication capabilities of internet-enabled technologies increase consumer convenience, reduce information search cost, and make choice assistance and customization possible.

Communication also promotes the development of company-hosted and independent web communities. Now, these web communities are websites that allow people to gather online and exchange views on topics of common interest.

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**WHY CONSUMERS SHOP AND BUY ONLINE
(COMMUNICATION)**

- For instance:
 - MyCoke.com is hosted by Coca-Cola.
 - iVillage.com, is an independent web community for women and includes topics such as career management, personal finances, parenting, relationships, beauty, and health.
- Web logs, or blogs, are another form of communication.
- Blogs are popular because they provide online forums on a wide variety of subjects ranging from politics to car repair.
- Companies such as HP, PepsiCo, and Harley-Davidson routinely monitor blogs and social media posts to gather customer insights.

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For instance, MyCoke dot com is hosted by Coca-Cola. iVillage dot com, is an independent web community for women and includes topics such as career management, personal finances, parenting, relationships, beauty and health. Web logs, or blogs, are another form of communication.

Blogs are popular because they provide online forum for a wide variety of subjects ranging from politics to car repair. Companies such as HP, PepsiCo, and Harley-Davidson routinely monitor blogs and social media post to gather customer insights.

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**WHY CONSUMERS SHOP AND BUY ONLINE
(COMMUNICATION)**

- On the other hand, communications can take the form of electronic junk mail or unsolicited e-mail, called **spam**.
- The prevalence of spam has prompted many online services to institute policies and procedures to prevent spammers from spamming their subscribers.
- Internet-enabled communication capabilities also make possible
 - **buzz**, a popular term for word-of-mouth behavior in marketspace.

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On the other hand, communication can take the form of electronic junk mail or unsolicited e-mail, called as spam. The prevalence of spam has prompted many online services to institute policies and procedures to prevent spammers from spamming their subscribers. Internet-enabled communication capabilities also make possible buzz, a popular term for word-of-mouth behavior in the marketspace.

So, buzz is online word-of-mouth behavior. According to Jeff Bezos, that is president of Amazon dot com, if you have an unhappy customer on the internet, he tells his 6,000 friends. So, that is the problem with this online thing.

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**WHY CONSUMERS SHOP AND BUY ONLINE
(COMMUNICATION)**

- According to Jeff Bezos, president of Amazon.com, “If you have an unhappy customer on the Internet, he doesn’t tell his six friends, he tells his 6,000 friends!”
- Buzz is particularly influential for toys, cars, sporting goods, motion pictures, apparel, consumer electronics, pharmaceuticals, health and beauty products, and health care services.
- Some marketers have capitalized on this phenomenon by creating buzz through viral marketing.

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Buzz is particularly influential for toys, cars, sporting goods, motion pictures, apparels, consumer electronics, pharmaceuticals, health and beauty products, and healthcare services. Many marketers have capitalized on this phenomena by creating buzz through viral marketing. So, this viral marketing is created to use this buzz, and buzz is word-of-mouth behavior in the online marketplace that is marketpace.

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**WHY CONSUMERS SHOP AND BUY ONLINE
(COMMUNICATION)**

- **Viral marketing** is an Internet-enabled promotional strategy that encourages individuals to forward marketer-initiated messages to others via e-mail, social networking websites, and blogs.
- There are three approaches to viral marketing:
 1. Marketers can embed a message in the product or service so that customers hardly realize they are passing it along.
 - The classic example is Hotmail, which was one of the first companies to provide free, Internet-based e-mail. Each outgoing e-mail message has the tagline: “Get Your Private, Free Email from MSN Hotmail.”
 - Today, Windows Live Hotmail has more than 350 million users.

IT ROOBBEE | NPTEL ONLINE CERTIFICATION COURSE 22

Now, let us look at what is this viral marketing? An internet-enabled promotional strategy that encourages individual to forward marketers-initiated messages to others via

e-mail, social networking websites, and blogs. Now, there are three approaches to viral marketing.

The first approach is marketers can embed a message in the product or service so that customers hardly realize they are passing it along. The classic example is Hotmail, which was one of the first companies to provide free, Internet-based e-mail. Each outgoing e-mail message has the tagline: Get your Private, Free Email from MSN Hotmail. Today, Window Live Hotmail has more than 350 million users.

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**WHY CONSUMERS SHOP AND BUY ONLINE
(COMMUNICATION)**

2. Marketers can make the website content so compelling that viewers want to share it with others.
 - Careerbuilders.com has done this with its Monk-e-mail site, which allows users to send personalized, private-themed e-cards for all occasions.
 - More than 100 million Monk-e-mails have been sent since 2006.
3. Finally, marketers can offer incentives (discounts, sweepstakes, or free merchandise).
 - For example, Burger King asked, “What do you love more, your friend or the Whopper?” in its Whopper Sacrifice campaign. Facebook users were asked to “unfriend” 10 people from their Facebook friends list in exchange for a free burger.

IT ROOBBEE NPTEL ONLINE CERTIFICATION COURSE 23

The second is marketers can make website content so compelling that viewers want to share it with others. Careerbuilders dot com has done this with their Monk-e-mail site which allows users to send personalized, private themed, e-cards for all occasions. More than 100 million Monk-e-mail have been sent since 2006.

Finally, marketers can offer incentives that is discounts, sweepstakes, or free merchandise. For example, Burger King asked, what do you love more, your friend or the Whopper? in its Whopper Sacrifice campaign. Facebook users were asked to unfriend 10 people from their Facebook friends list in exchange for a free burger.

The next C is the cost. Consumer cost is the fifth C for online shopping and buying. Many popular items brought online can be purchased at the same price or cheaper than in the retail stores. Lower prices also result from Internet-enabled softwares that permit

dynamic pricing, the practice of changing pricing for products and services in real time in response to supply and demand conditions.

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WHY CONSUMERS SHOP AND BUY ONLINE
(COST)

- Consumer cost is a fifth reason for online shopping and buying.
- Many popular items bought online can be purchased at the same price or cheaper than in retail stores.
- Lower prices also result from Internet-enabled software that permits **dynamic pricing**, the practice of changing prices for products and services in real time in response to supply and demand conditions.
- Dynamic pricing is a form of flexible pricing and can often result in lower prices.

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Now, this dynamic pricing that is the practice of changing prices because of the changing supply and demand is obviously, much more possible in a marketplace rather than the market place. So, dynamic pricing is a form of flexible pricing and can often result in lower prices.

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WHY CONSUMERS SHOP AND BUY ONLINE
(COST)

- Dynamic pricing is typically used for pricing time-sensitive items such as airline seats, scarce items found at art or collectible auctions, and out-of-date items such as last year's models of computer equipment and accessories.
- A consumer's cost of external information search, including time spent and often the hassle of shopping, is also reduced.
- Greater shopping convenience and lower external search costs are two major reasons for the popularity of online shopping and buying among women—particularly those who work outside the home.

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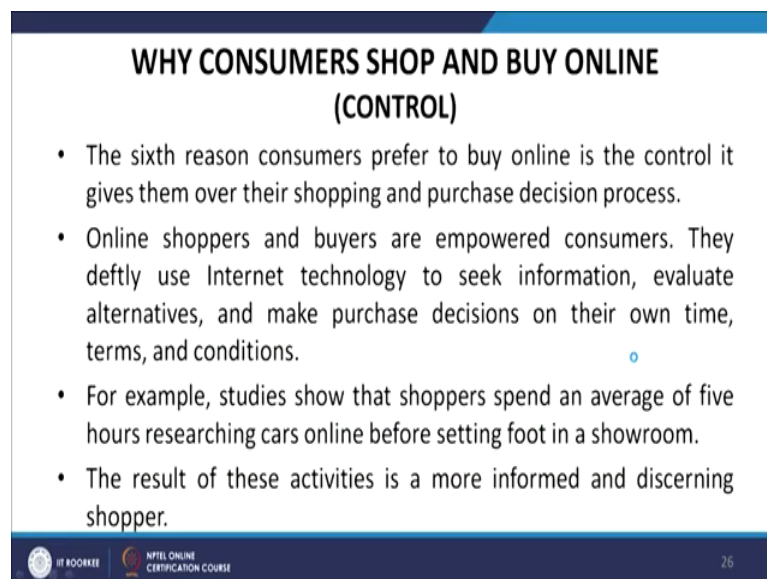
Dynamic pricing is typically used for pricing time-sensitive items such as airline seats; because, once the aircraft has flown then the seats become useless. Scarce items found in art or collectible auctions, and out of date items such as last year models of computer equipment and accessories.

A consumer's cost of external information search, including time spent and often the hassle of shopping is also reduced. Greater shopping convenience and lower external search cost are two major reasons for the popularity of online shopping and buying among women; particularly those who work outside the home.

So, for women these are the two advantages that it is convenient and second it lowers the external search cost. Now, you see that this search cost can be huge in case of external search because then the person may be visiting 10 different stores to find out their product.

So, first thing is to find out where the product is available, then visiting each and every store and then finding out what are the features and attributes of that product and then based on that deciding and then going back to that particular store and buying that thing. So, that external search cost is huge; especially, for those women who work outside their home.

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**WHY CONSUMERS SHOP AND BUY ONLINE
(CONTROL)**

- The sixth reason consumers prefer to buy online is the control it gives them over their shopping and purchase decision process.
- Online shoppers and buyers are empowered consumers. They deftly use Internet technology to seek information, evaluate alternatives, and make purchase decisions on their own time, terms, and conditions.
- For example, studies show that shoppers spend an average of five hours researching cars online before setting foot in a showroom.
- The result of these activities is a more informed and discerning shopper.

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And the sixth reason is control. The sixth reason consumer prefer to buy online is the control it gives them over their shopping and purchase decision process. Online shoppers and buyers are empowered customers. They deftly use internet technologies to seek information, evaluate alternatives, and make purchase decisions on their own time, terms, and conditions.

For example, studies shows that shoppers spend an average of five hours researching cars online before setting a foot in a showroom. Now this is an advantage to both the customer as well as the companies; the manufacturers or the marketers so consumers now spend five hours researching for the cars online on their laptops or mobiles and then after that they go to the showroom.

The result of these activities is a more informed and discerning shopper. So, now this shopper is more informed and discerning. So, now the company may not have to tell the various features and attributes of the car to the customer because they have already researched all those things.

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**WHY CONSUMERS SHOP AND BUY ONLINE
(CONTROL)**

- Even though consumers have many reasons for shopping and buying online, a segment of Internet users refrains from making purchases for privacy and security reasons. These consumers are concerned about a rarely mentioned seventh C—**cookies**.
- Cookies are computer files that a marketer can download onto the computer and mobile phone of an online shopper who visits the marketer's website.
- Cookies allow the marketer's website to record a user's visit, track visits to other websites, and store and retrieve this information in the future.

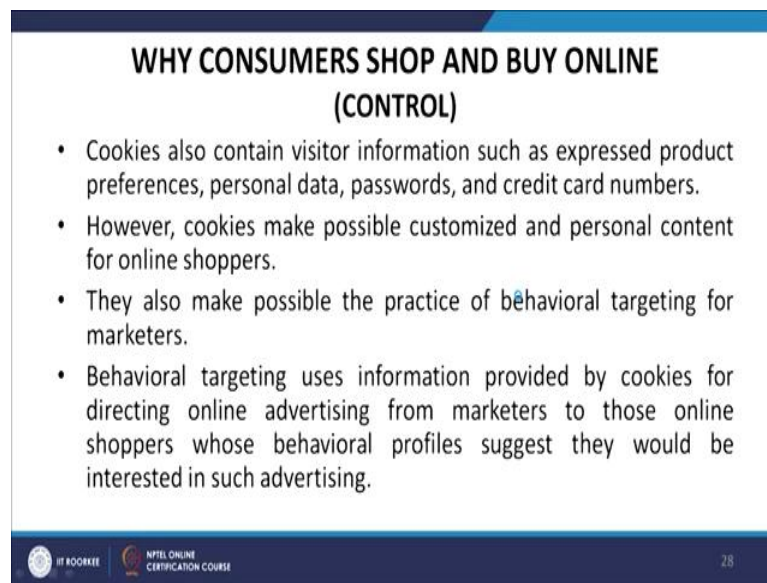
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Even though consumers have many reasons for shopping and buying online, a segment of internet users refrain from making purchases for privacy and security concerns. These consumers are concerned about the rarely mentioned seven C that is cookies. Cookies are computer files that a marketer can download onto the computer and mobile phone of an online shopper who visits the marketer's website.

So, without the customers knowing about it these cookies; they now sit on your mobile phone or on your desktop and this cookies allows the manufacturers website to record a user's visit, track visits to other website, and store and retrieve this information in the future.

So, this cookies keep on looking on what all you are doing and storing that information, and then this information can be retrieved for any kind of purposes in the future.

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**WHY CONSUMERS SHOP AND BUY ONLINE
(CONTROL)**

- Cookies also contain visitor information such as expressed product preferences, personal data, passwords, and credit card numbers.
- However, cookies make possible customized and personal content for online shoppers.
- They also make possible the practice of behavioral targeting for marketers.
- Behavioral targeting uses information provided by cookies for directing online advertising from marketers to those online shoppers whose behavioral profiles suggest they would be interested in such advertising.

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Cookies also contain visitor information such as expressed product preferences, personal data, passwords, and credit card numbers. However, cookies make possible customized and personal content for online shoppers. So, there are both these advantages and disadvantages of these cookies.

They also make possible the practice of behavioral targeting for marketers. Behavioral targeting use information provided by cookies for directing online advertising from marketers to those online shoppers whose behavioral profile suggests that they would be interested in such kind of advertising.

Now, this cookie that sits on your mobile phones and computers it has all your information about the various websites you are going; what kind of online behavior do you have? So, now this can be used by the company for a variety of purposes.

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**WHY CONSUMERS SHOP AND BUY ONLINE
(CONTROL)**

- A controversy surrounding cookies is summed up by an authority on the technology:
- “At best cookies make for a user-friendly web world: like a salesclerk who knows who you are. At worst, cookies represent a potential loss of privacy.”

IT ROOBBEE | NPTEL ONLINE CERTIFICATION COURSE 29

Now, a controversy surrounding cookies is summed up by an authority on the technology. At best cookies make for a user-friendly web world like a sales clerk who know who you are. At worst, cookies represent a potential loss of privacy.

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**WHEN AND WHERE ONLINE CONSUMERS SHOP AND
BUY**

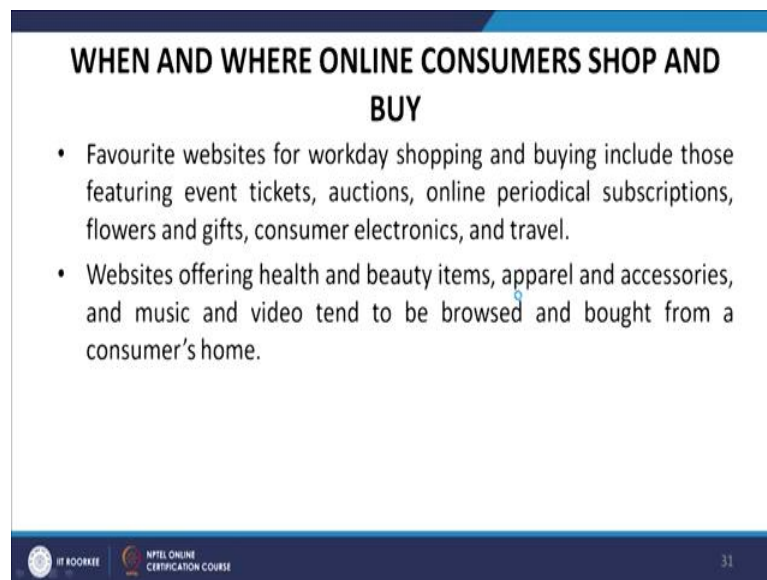
- Shopping and buying also happen at different times in marketspace than in the traditional marketplace.
- About 80 percent of online retail sales occur Monday through Friday and the busiest shopping day is Wednesday.
- By comparison, 35 percent of retail store sales are registered on the weekend. Saturday is the most popular shopping day.
- Monday through Friday online shopping and buying often occur during normal work hours—some 30 percent of online consumers say they visit websites from their place of work, which partially accounts for the sales level during the workweek.

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Now, shopping and buying also happens at different times in marketplaces than in the traditional marketplaces. About 80 percent of online retail sales occur Monday through Friday and the busiest shopping day is Wednesday. By comparison, 35 percent of the retail store sales are registered on a weekend. Saturday is the most popular shopping day.

So, people go offline on Saturday and they go online on Wednesday for shopping. Monday through Friday online shopping and buying often occurs during normal work hours, some 30 percent of online consumers say they visit websites /from their place of work, which partially accounts for the sales level during the work week.

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WHEN AND WHERE ONLINE CONSUMERS SHOP AND BUY

- Favourite websites for workday shopping and buying include those featuring event tickets, auctions, online periodical subscriptions, flowers and gifts, consumer electronics, and travel.
- Websites offering health and beauty items, apparel and accessories, and music and video tend to be browsed and bought from a consumer's home.

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Favourite websites for work day shopping and buying includes those featuring event tickets, auctions, online periodical subscriptions, flower and gifts, consumer electronics, and travel. Website offering health and beauty items, apparel and accessories, and music and video tend to be browsed and bought from a consumer's home.

Now, let us look at the cross channel shoppers and multi-channel marketing. A cross channel shopper is an online consumer who researches products online and then purchase them at a retail store.

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CROSS-CHANNEL SHOPPERS AND MULTICHANNEL MARKETING

- A cross-channel shopper is an online consumer who researches products online and then purchases them at a retail store.
- Recent research shows that 51 percent of online consumers are cross-channel shoppers.
- These shoppers represent both genders equally and are only slightly younger than online consumers.
- They tend to have a higher education, earn significantly more money, and are more likely to embrace technology in their lives than online consumers who don't cross-channel shop.

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CROSS-CHANNEL SHOPPERS AND MULTICHANNEL MARKETING

- Cross-channel shoppers want the right product at the best price, and they don't want to wait several days for delivery.
- The top reasons these shoppers research items online before buying in stores include:
 - The desire to compare products among different retailers,
 - The need for more information than is available in stores, and
 - The ease of comparing their options without having to trek to multiple retail locations.
- Research shows that sales arising from cross-channel shoppers dwarf exclusive online retail sales.

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Cross-channel shoppers want the right product at the best price, and they do not want to wait several days for delivery. The top reason these shoppers research items online

before buying in store include: the desire to compare products among different retailers, the need for more information than is available in stores, and the ease of comparing their options without having to trek to multiple retail locations. Research shows that sales arising from cross-channel shoppers dwarf exclusive online retail sales.

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IMPLEMENTING MULTICHANNEL MARKETING

- Retail sales revenue from cross-channel shoppers is estimated to be about five times greater than online retail sales.
- The prominence of cross-channel shoppers has focused increased attention on multichannel marketing.
- **Multichannel marketing** is the blending of different communication and delivery channels that are mutually reinforcing in attracting, retaining, and building relationships with consumers who shop and buy in the traditional marketplace and online—the cross-channel shopper.

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Now, we move on to implementing multi-channel marketing. Retail sales from cross-channel shoppers is estimated to be about five times greater than online retail sales. The prominence of this cross-channel shoppers have focused increased attention on multichannel marketing.

This multichannel marketing is the blending of different communication and delivery channels that are mutually reinforcing in attracting, retaining, and building the relationships with customers who shop and buy in the traditional marketplace and online the cross channel shoppers.

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IMPLEMENTING MULTICHANNEL MARKETING

- The most common cross-channel shopping and buying path is to browse one or more websites and then purchase an item at a retail store.
- This shopping path might suggest that company websites for cross-channel shoppers should be similar. But they are not. Websites play a multifaceted role in multichannel marketing because they can serve as either a communication or delivery channel.
- Two general applications of websites exist based on their intended purpose are:
 - Transactional websites and promotional websites.

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The most common cross-channel shopping and buying path is to browse one or more websites then purchase an item at a retail store. This shopping path might suggest that company's website for cross-channel shoppers should be similar. But they are not.

Websites play a multifaceted role in multi-channel marketing because; they can serve as either a communication or delivery channel. Two general application of website exists based on their intended purposes. So, these two are the transactional websites and the promotional websites.

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IMPLEMENTING MULTICHANNEL MARKETING

Multichannel marketing with transactional websites

- Transactional websites are essentially electronic storefronts.
- They focus principally on converting an online browser into an online, catalog, or in-store buyer using the website design elements.
- Transactional websites are most common among store and catalog retailers and direct selling companies, such as Tupperware.
- Retailers and direct selling firms have found that their websites, while cannibalizing sales volume from stores, catalogs, and sales representatives, attract new customers and influence sales.

IT ROORKEE | NPTEL ONLINE CERTIFICATION COURSE 36

Now, let us look at what these transactional websites are? The transactional websites are essentially electronic storefronts. They focus principally on converting an online browser into an online, catalog, or in store buyer using the website design elements. Transactional websites are most common among store and catalog retailers and direct selling companies, such as Tupperware. Retailers and direct selling firms have found that their websites, while cannibalizing sales volume from stores, catalogs, and sales representatives, attract new customers and influence sales.

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IMPLEMENTING MULTICHANNEL MARKETING

Multichannel marketing with transactional websites

- Transactional websites are used less frequently by manufacturers of consumer products.
- A recurring issue for manufacturers is the threat of channel conflict and the potential harm to trade relationships with their retailing intermediaries.

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Transactional websites are used less frequently by a manufacturer of consumer products. A recurring issue for manufacturer is the threat of channel conflict and the potential harm to trade relationships with their retailing intermediaries.

Now, let us look at multichannel marketing with promotional websites. Procter and Gamble maintains separate websites for many offers leading brands, including Pampers, Diapers. Promotional websites are effective in generating interest in and trial of the company's product.

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IMPLEMENTING MULTICHANNEL MARKETING

Multichannel marketing with promotional websites

- Procter & Gamble maintains separate websites for many of its leading brands, including Pampers diapers (www.pampers.com).
- Promotional websites are effective in generating interest in and trial of a company's products.
- Hyundai Motor reports that 80 percent of the people visiting a Hyundai store first visited the brand's website (www.hyundai.com) and 70 percent of Hyundai leads come from its website.

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Hyundai Motor reports that 80 percent of the people visiting Hyundai store first visited the brand's website and 70 percent of Hyundai leads come from its website.

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IMPLEMENTING MULTICHANNEL MARKETING

Multichannel marketing with promotional websites

- Promotional websites also can be used to support a company's traditional marketing channel and build customer relationships.
- This is the objective of the Clinique Division of Estée Lauder, Inc., which markets cosmetics through department stores.
- Clinique reports that 80 percent of current customers who visit its website (www.clinique.com) later purchase a Clinique product at a department store, while 37 percent of non-Clinique buyers make a Clinique purchase after visiting the company's website.

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Clinique reports that 80 percent of the current customers who visit its website later purchases a Clinique product at a department store, while 37 percent of non-Clinique buyers make a Clinique purchase after visiting the company's website.

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IMPLEMENTING MULTICHANNEL MARKETING

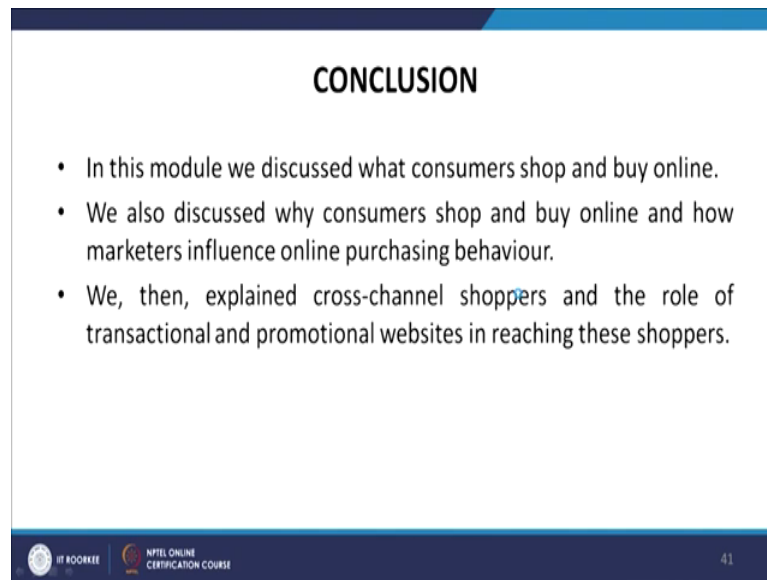
Multichannel marketing with promotional websites

- Promotional websites have a very different purpose than transactional websites.
- They advertise and promote a company's products and services and provide information on how items can be used and where they can be purchased.
- They often engage the visitor in an interactive experience involving games, contests, and quizzes with electronic coupons and other gifts as prizes.

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Promotional websites have a very different purpose than the transactional websites. They advertise and promote a company's product and services and provide information on how items can be used and where they can be purchased. They often engage the visitors in an interactive experience involving games, contests, and quizzes with electronic coupons and other gifts as prizes.

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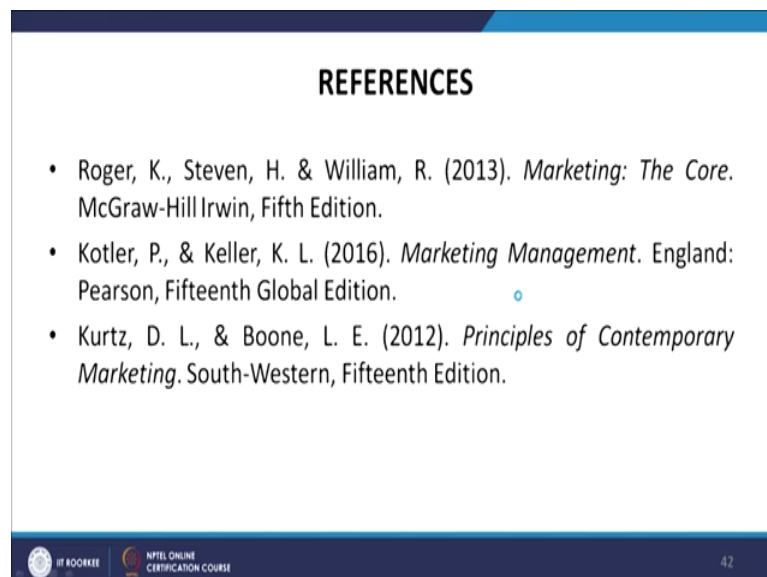
CONCLUSION

- In this module we discussed what consumers shop and buy online.
- We also discussed why consumers shop and buy online and how marketers influence online purchasing behaviour.
- We, then, explained cross-channel shoppers and the role of transactional and promotional websites in reaching these shoppers.

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So, to conclude in this module we have discussed what consumers shop and buy online. We also discussed why consumers shop and buy online and how marketers influence online purchasing behavior. We then explained cross channel shoppers and the role of transactional and promotional websites in reaching these shoppers.

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And again these are the 3 books used for making this module.

Thank you.