E-Marketing opportunities - A study on consumer web site selling security products

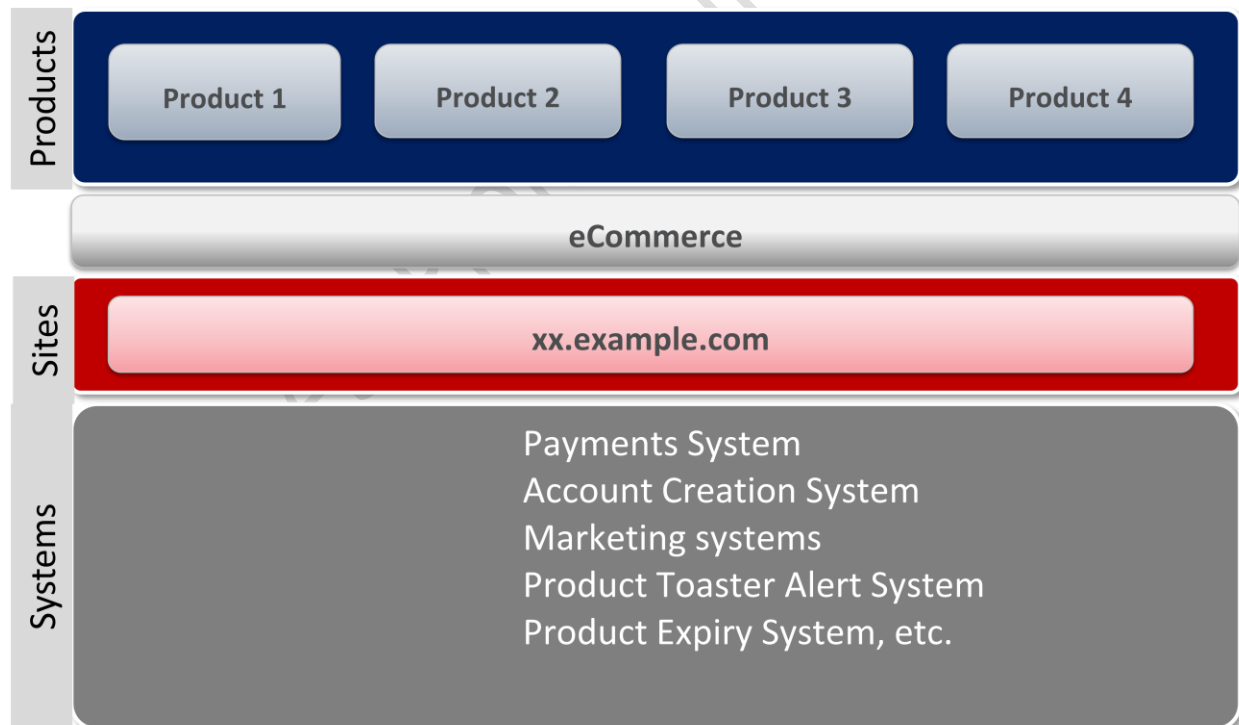*Project by*

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Introduction

Internet has grown at an amazing pace across the world which gives excellent opportunities for online marketing and advertising to address the consumer needs globally. As the internet popularity increases, E-marketing gets its grip over retail industries such as music, film, banking, consumer products etc. with spending in billions of dollars. This project will analyze a sample web site selling consumer Security Products with respect to E-Marketing concepts.

An engaging, responsive and secure site (xx.example.com) which enables online sales of Consumer security Products for Direct and numerous numbers of Affiliates. This web site records significant amount of online bookings (valuation in USD) in every second with millions of *active paid* and a*ctive trial subscribers*. This is a unified Multi-Locale web site which enables online sales in 43 countries. This website also runs a security advice center which advices on emerging security threats and how to protect from these threats.

This site processes huge number of transactions per day, it has payment option in 59 currencies, supports for 20 Payment Types and integrates to 11 Payment Gateways.

Website High Level Business Architecture

Also, there are multiple user flows to the xx.example.com web site pages such as direct, affiliate, retail CD etc. flows.

This project will analyze the E-Marketing opportunities on the e-commerce web site (xx.example.com) selling Consumer Security Products.

E-Business - xx.example.com analysis

Consumer e-commerce web site selling security products is analyzed with respect to the following e-marketing concepts.

- **Value adds to products.**
- **Price Mix for products**
  - Discount schemes for products.
  - Rental schemes for products
- **Promotions**
  - Traditional media marketing
  - Search engine, affiliate marketing
- **Customer profiling and segmentation.**
  - Recency, frequency & monetary – RFM analysis.
  - Personalized recommendations.

Product – Value Adds

The website product pages (e.g. Total Protection product page - http://xx.example.com/store/total-protection) shows the security needs of the customers and compares the level of security with other products for consumers to choose from. This page also collects feedback from consumers to meet their wants and needs from the product. Product page advertises awards well but values add such as Money-back guarantee, free support links could have been highlighted in a better way to grab more customer attention. This page or other pages selling consumer products can consider the techniques to add more value to the existing products.

Solutions:-

Digital information products or tools can be developed and integrated with core products to extend the product better. These information products or tools can help users during their installation and use of the core product.

Top customer lists with their comments can be created in the page like the 'Awards' section. Customer reviews can also be integrated on the page for the products.

All product sales in the web site can use bundling concept e.g. bundling complementary security services or products (Virus removal/Pc Tune Up services, registry or PC cleaner product

etc. to boost PC performance) with core security products such as Total protection, Internet Security etc.

Free support service could be used to extend the product if shown as integrated with the product purchase and Money-back guarantee also can move up the page for better customer attention.

Products - Price Mix

Internet has dramatic implications for pricing in many sectors. In internet prices are transparent and if prices are not consistent enough across different countries then potential customers may notice the price difference and this may impact in a negative way. Also, prices needs to be competitive enough as price comparison engines in internet today such as www.kelkoo.com gives best deals available for a given product at any given point of time.

Currently xx.example.com ALL pages has following pricing components which can be varied online.

 a. Sale Price, Price for returning user & Auto Renewal Price,
 b. Discounts,
 c. Money-back guarantees,
 d. Refund polices

Pricing and discounting schemes across web site pages are very difficult to do due to the competitive nature of Internet today. In internet it is very challenging to retain customers as they navigate away very easily as Internet gives them numerous other options. Therefore, pricing and discounting schemes provided to customer needs to be the best deal to win customers and returning customers.

This web site pages runs seasonal and holiday pricing and discounting schemes but this schemes are given to all users and one to one marketing or particular user segment discount schemes are not provided. Current system can also consider user loyalty before showing the pricing and discounting schemes. Pricing & discounting schemes can also be tailored for returning user. Auto renewal pricing component can be made editable via marketing systems to give better auto renew deals for a particular user or user segments.

Pricing mix should also clearly differentiate between premium pricing and competitive pricing. Products with competitive advantage need to maintain premium pricing schemes where as products with low competitive advantage can be priced or discounted based on competitor pricing.

Money back guarantees and Refund policies can be made attractive to win competition but these are also updated offline in current system.

Product service cannot be availed on rent basis in the current web site but monthly price plans for products can be advertised in current web site.

Solutions:-

Marketing systems can be created to support deciding a price strategy for Sale price, Returning user price & Auto-Renew price for the web site system. These systems can talk to different price comparison engines available as a service in internet to derive the pricing strategy for a given season for a culture. Systems can also target current web site to implement these pricing and discounting strategies for a given period of time for a given culture.

However, current e-commerce system can also consider showing different pricing and discounts for different set of users or system can also provide one to one marketing based on user data available in current system. Current web system can detect premium customer segments or user belonging to any other segments to analyze and deliver the exact price mix for that user or the category of users in web site pages accordingly.

Current web site system can use Adobe's Test & Target facilities to target different segments of users (e.g. loyal user, user subscriptions about to expire, dormant users, expired users etc.) for different pricing for a given set of products but managing the Test & Target recipes may become an issue over time. So for long term solution, web site system change can also be considered which can store & display pricing and discount information for various segments of users or for a particular user.

Current web site system needs to identify different segments of users based on their data already available to decide on pricing or discount schemes displayed in website. For example, a new user gets better discounts then 3 year old regular customer. Similarly, marketing systems can be updated to create special offers or pricing for each user group or for a particular user which will be displayed in web site. Special care should be taken to NOT to create larger price difference between new user & existing user segments. Amazon had to recall its discounting scheme for negative press around price discrimination for different user segments.

In future, Antivirus software can be rented as service from cloud but currently users can buy monthly SKU's via this website which will be expired if NOT on auto-renew otherwise auto-renew price can be configured for a given duration. Auto renew schemes should notify users before renewing the product for the term.

Promotions – Traditional media, Search engine & Affiliate Marketing

A balance must be reached between online media marketing and offline media marketing. There are significant number of users can be reached via traditional print media or TV. This way traffic to the web site can improve for low cost of sale.

Organizations not prominent in search engines may lose significant number of user clicks and potential customers every day. Users search to research the product before buying, sometimes online researches triggers offline purchases. Also users tend to choose natural search results instead of paid search results. According to sample data, natural search selection was 60.8% for Yahoo and 72.3% for Google.

This web site can consider better Search engine indexing for search engines such as Yahoo & Google for common keywords searches. Following data are for the observation made in Google but results for Yahoo also are almost similar.

Product name 'Total protection' keyword gives good results but other common keywords does NOT produce proper search engine indexing.

Keywords - internet security antivirus, internet security, cheap internet security, best antivirus, antivirus does not index any xx.example.com pages selling consumer security products compared to competitor security products.

Keywords – 'free antivirus' lists page - http://xx.example.com/store/free-antivirus-trials & 'internet security free download' lists page - http://xx.example.com/store/free-antivirus-trials among first top 10 pages, page - xx.example.com/store/free-services is listed in 2'nd page.

 Keywords - Total protection antivirus produces page - xx.example.com/store/total-protection as 3'rd listing & total protection produces page - xx.example.com/store/total-protection as 1'st link.

This website uses quite a few affiliate networks in APAC, NA & EMEA regions to drive good amount of traffic to website via ads/ad banners in affiliated networks. Transactions in web site for traffic via affiliated networks are tracked real time for revenue share purposes.

Solutions:-

Offline Retail channels selling consumer security products in Box should be able to encourage users to use online channels by giving better deals over web site. Online channel will give low cost for sale as online products do NOT involve printing, packaging, shop setup related costs. All other traditional media like Print, TV should encourage users to buy security products online by giving better deals online to reduce cost of customer acquisition.

Easy-Jet airlines always used to produce better online deals in their offline channels to drive traffic to online channel to avoid higher costs of acquisition which accrued to their success. By 2003 they migrated 90% of their sales to online channel.

This website pages needs to increase the key phrases in its body content i.e. website page content copy should be written in such a way that it should include/repeat key phrases (technically this is called 'key phrase density') to produce better results for search engine indexing. Care should be taken again NOT to repeat key phrases too many times in a page to

avoid search engine spam checks.

Good sites (having higher page rank) should have links to this website pages to improve page ranking. Google counts each link towards a page as a vote for that particular web site page. Greater weight is given to links which links to similar content or context pages. Greater weight is also given if hyperlink anchor texts and adjacent text contains texts relevant to the key phrases.

HTML Title Tags in pages should include key phrases to become prominent in search results. This technique combined key phrases included in body content should improve page search index significantly. Search engines usually forms search result hyperlink on the Page Title Text which actually links to the web page. If this text is relevant and clicks are more than search engines will boost the page ranking accordingly.

Website pages should include HTML Meta Tags with Key Phrases as well. However, Google does NOT assign much relevance to meta-tags due to search engine spamming of meta tags but Yahoo search engine still assigns some amount of relevance to meta-tags. So, it is always better to include meta-tags with key phrases. The "Keywords" meta-tag indicates the key topics covered in the web page. The "description" meta-tag is the content which describes what the web site offers and this information is displayed in the search result page. So, better content will definitely attract more click-through to boost page rank.

Web site page using lot of graphic material or plug ins may NOT be listed highly in search indexes prepared by search engines as the page needs to rely ONLY on the TITLE Tag content for search indexing. Therefore, images can use ALT Texts to produce key phrases but again nowadays less relevance or weight is given to this due to search engine spamming.

Today, Affiliate marketing is integrated into the web site based on region such as EMEA, APAC & NA which may trigger different set of code for real time tracking. One affiliate can be chosen with Global presence to optimize real time tracking process in web site for third party vendors. This way e-commerce system need not track multiple affiliates for same purposes.

Vendors for re-targeting purposes via affiliate marketing channels can be considered for customers dropping out in purchase lifecycle. For example, if a customer C1 drops out in cart and another customer C2 drops out in product page and then when these customers visits the affiliate network then C1 is re-targeted with higher priority than C2 with relevant security products of their interest (already visited products).

Customer profiling and segmentation - better personalization & targeting

This web site currently collects only registration, billing and shipping data from customer. This web site can consider collecting some of the demographic information for the customer during the purchase cycle or via other channels to build customer profile to target the customer more accurately later. Customer user path analysis can be done in the current web site to analyze

user drop outs at various stages in web site flows to target those customers better. Current web site may also consider collecting usage data from customers who are using the product currently for better value add to the products via current web system for future system or product up gradations.

This website uses mass personalization via dynamic content i.e. personalization for a given segment of users. For example, users about to expire in a certain number of days can be served with a entirely different content from new user. Website high value area page segments are tagged with dynamically generated data. Generally this type of tagging is used in a web site to reserve slots in web page for dynamic content. These content segments are served dynamically when a page load with that particular configured tag defined for the particular user segment.

Mass personalization maintained via any content provider may become difficult to maintain over a period time as the web pages grows the number of content segments which are static in nature may grow. So, administering, managing and updating these static contents may become difficult later for any website change.
Personalized (individual or user segments) recommendations cannot be made to up sell or cross sell a product.

Solutions:-
This site can store customer preferences (e.g. preferences related to email marketing, product performance, service & support etc.) and demographic data which can be integrated to purchase system (User is interested to buy) or can be asked later via email but subjected to the 'email opt in' preference of the customer.

Adobe Site Catalyst system can be compared with free Google analytics for integration with current web site which may offer similar user data or user path analysis like Adobe. Adobe's Test & Target solution can also be implemented to serve different content to check the page performance i.e. Page A performance can be compared with Page B via Test & Target system.

Web site can build intelligence to analyze customer data based on current value of customer to the future potential value. Customer groups with low current value and low future potential value may become unprofitable and cost can be reduced to NOT to communicate to these customers. Customers with decent current value with future potential may be targeted with extension offers. Customers with High current value and Low future potential are offered extension whenever possible but usually these customers does NOT have growth potential. Customers with High current value and High future potential value are the ones to retain. It is very important for e-commerce business to understand their preferences to server better and to retain them.

Website can customize promotions based on customer Age, Sex and Geography. Customers with online channel preference can ONLY be targeted with online communications such as email. Customers with traditional channel preferences may need to be targeted via traditional communications such as phone, direct mail etc. Right channel needs to be chosen based on customer profile data. Messaging & style preferences for a customer can also be stored for a customer profile and messaging or creative elements of the message can be tailored according to their preferences. For example, some customers may prefer messages which explains the actual offer by the company other set of customers may like emotional, less formal messages with creative graphics.

Web site can consider using Recency, Frequency, Monetary value (RFM) analysis on their customer to group them for better personalization and targeting.
Recency is the number of days that have gone by since a customer did some action on the website e.g. purchasing, site visit, log in, download etc. This customer behavior is the predictor of the customer repeating an action again. This helps to identify more responsive customers and personalized communications can be tailored for them to save cost.
Frequency is the number of times an action is completed for the period of that action e.g. purchase, email response etc. i.e. five purchases per year, three email open per month indicates customer frequency. Increased frequency indicates interest and decreased frequency shows disinterest. Based on this parameter company website or other systems may decide the communication channel. Sometimes customers can be contacted via traditional communication media such as phone for unusual long intervals between purchases.
Monetary value of customer purchases can be derived from their average purchase value, total annual purchase value etc. Customers with higher monetary value can have high loyalty and future potential value. Website or other systems can decide based on this indicator to avoid these customers to target for promotional messages and extension offers.
Website or systems can tag customers or assign some values based on RFM analysis to decide better when delivering marketing activities.

For example, Oncer customers can be categorized based on their visit within less than 1 yr. , greater than 1 yr. but less than 2 yr., greater than 3 yr. etc. to assign different customer weight values to identify them for marketing activities. Similarly, customers who visited twice (Twicers) in less than 1 yr. , greater than 1 yr. but less than 2 yr., greater than 3 yr. etc. can be identified to assigned values. Subscribers who subscribed recently and customers who subscribed last season or few seasons ago can also be identified in the e-commerce system for appropriate marketing treatment.

E-retailer Tesco.com uses a loyalty ladder which is completely based on Recency of purchase, Frequency of purchase and Monetary value of the purchase. This method is used identify six

lifecycle categories which are then divided to target communications. After identification Tesco uses automated system to trigger messages to encourage continued purchase. For example, Trigger event 1 : Customer registers but does NOT buy – Tesco Auto Response 1 :- 2 days after registration email sent offering phone assistance and 5 Pound discount off first purchase to encourage trial.

Website system can make personalized recommendations to up sell or cross sell a product based on customer profile created from existing customer data. Also, web site system should try to recommend the 'Next Best Product' to its existing customers.
System can also show 'Top related products' which could be relevant for the current purchase along with personalized recommendations.

Conclusion

E-Marketing has produced a new way to reach global markets which was never possible without Internet Marketing. This boosts possibilities for companies to reach to consumer with new & innovative marketing strategies via online channels along with offline channels. E-marketing produces benefits for buyers as well as marketers.

Marketers can easily change their pricing & discounting schemes online which can reach millions of eye balls immediately. Products can be added and advertised quickly. They can reduce their operating costs by avoiding traditional shop set up costs to add more value to offers for customers. Online marketing costs very less when compared with radio, TV, print medias. Return on investment can be tracked & calculated easily where other medias does NOT provide adequate analytics for marketing budgets. Targeting can be done based on demographics.

Buyers have the convenience of NOT commuting to stores through traffic to purchase a product. They can just order 24X7 and the product is delivered with necessary services. Buyers can easily compare products, prices etc. online in their home or offices before buying when compared with offline method of walking through a bunch of shops to find the product. Customers can avoid sales person who may try to influence customer decision emotionally.

Above all online marketing of Consumer Security products is done with a purpose of making consumers safe when they do their online activities. Therefore, e-marketing of security products actually enables customers to be SAFE online and everybody wants to be SAFE.

References

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