

Corporate Digital Library & Advertising and Marketing

6.1 Document Library

- Q1. Explain the concept of corporate digital library as core of document management with the help of block diagram.

What is the core document management in corporate digital library?

OR

Answer :

Documents play a very important role in the success of various companies. Hence, it is necessary that documents are handled properly by the companies. The benefits of proper document handling are,

- Decision making is made easier
- Results in the growth of the company
- Satisfying the needs of the customers efficiently.

Documents that need to be carefully handled are the digital documents. Digital documents contain information in various formats like image, audio, video etc. Companies use digital documents as a means for communicating with each other as well as with different customers.

Digital document handling explains how the information can be,

1. Searched and retrieved.
2. Send as well as viewed
3. Stored.

To do digital document handling, companies have to use a special type of library called digital library.

Digital library is also used in sharing of information among different departments of a company like,

- (i) Sales and marketing department
- (ii) Human resource department
- (iii) Accounting and finance department
- (iv) Suppliers department
- (v) R & D engineering department
- (vi) Stake holders department
- (vii) Manufacturing and production department
- (viii) Service and support department.

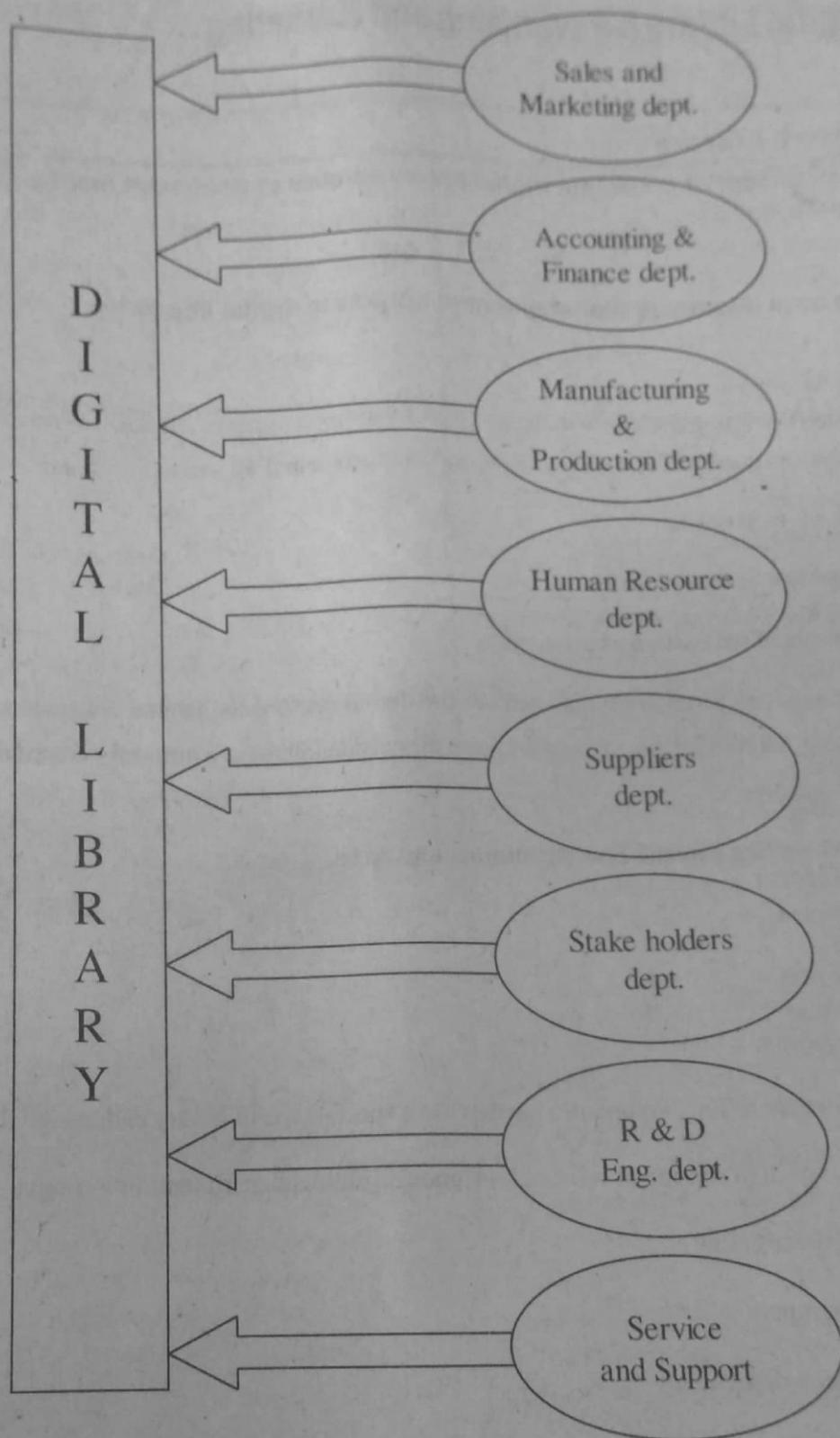


Figure: Corporate Digital Library

The success of a company depends on the management of the following types of documents.

- (a) Adhoc documents
- (b) Process-specific documents
- (c) Knowledge-oriented documents

(a) Adhoc Documents

In these documents, information is not defined in a special format and can change from time to time. Adhoc documents are handled by support staff and managers of the company.

Examples

- (b) Letters, Financial reports and Manuals

(b) Process-specific Documents

Unlike adhoc documents, process specific documents contain consistent and well defined information. Management of these documents is done by supporting staff.

Examples

- Purchase orders and Invoices

(c) Knowledge Oriented Documents

It includes the following documents,

- (i) Technical documents
- (ii) Design documents and
- (iii) Product documents.

Q2. Explain the three approaches to marketing in E-commerce

- (i) Mass

- (ii) Direct

- (iii) Interactive

OR

Explain the nature of marketing techniques in electronic commerce environment.**Answer :****(i) Mass Marketing**

In mass marketing, a company promotes its products through newspapers, radio, magazines, television etc. This type of marketing has both advantages and disadvantages as follows.

Advantages of Newspaper in Marketing

- (a) People can read the product advertisement which is displayed in the newspaper as many times as they want.
- (b) Company has the option of choosing which column or section of the newspaper for displaying their ads.
- (c) Through newspapers, companies make their products globally recognized.

Disadvantages of Newspaper

- (a) Promoting the products through newspaper is costly.
- (b) Newspapers are not a suitable choice for displaying graphical ads and advertisements.
- (c) The emergence of internet has reduced the usage of newspapers. Nowadays, people get most of the information they need through internet.

Advantages of Television

- (a) By using television, companies can make their products accessible to customers very quickly.
- (b) Companies can explain the importance of their products through visual representation.
- (c) Can also advertise their products on multiple television channels.

Disadvantages of Television

- (a) Product advertisements cannot be shown for a long period of time. Hence, companies are unable to describe completely the use of their product to the customers.
- (b) Companies have to display the advertisement multiple times to make the customers understand about the product. This requires a lot of cost.

Advantages of Magazines

- (a) Companies can use magazines as an advertising medium to target specific group of customers.
- (b) Good paper quality enables the product ad to be displayed in both text and graphical format.

Disadvantages of Magazines

- (a) Cost of advertising through magazines is high.
- (b) Unlike TV, companies don't have that much flexibility in deciding where the ad should be displayed or posted.

Advantages of Radio

- (a) There are so many radio stations on which companies can advertise their products.
- (b) Through radio, companies can make the customers to access their products more quickly than TV. This is because radio can be used at any time and at any place. For instance, in office, car, home etc.
- (c) Product rates can generally be negotiated.

Disadvantages of Radio

- (a) People do different things while listening to radio like talking to someone, reading books etc. Hence, the company must make sure that its product has features of attracting the customers.
- (b) Like TV, cost is high for promoting a product.

Mass marketing is also called as one-way marketing. This is because in mass marketing, most of the times, there is not much involvement of the customers. In other words, no interaction between companies and customers.

(ii) Direct Marketing

In this marketing approach, companies use certain methods like direct mail and telemarketing for promoting their products.

6.4 E-Commerce

Advantages of Direct Mail

- (a) No limit on the length of the product advertisement.
- (b) By using direct mail, companies can target those customers who are interested in buying the products.
- (c) Company can decide in what format, it wants the product information to be displayed.

Disadvantages of Direct Mail

- (a) Direct mail advertising can be costly.
- (b) Possibility of spanning through direct mail.

Advantages of Telemarketing

- (a) Less expensive than direct mail.
- (b) Telemarketing helps companies to globalize their products.
- (c) Allows companies to interact with customers and establish a good rapport with them.

Disadvantages of Telemarketing

- (a) Only suitable for high cost transactions.
- (b) Company needs to hire a person with good command over English to advertise the products through telephone. Direct marketing is also referred as one-way of advertising. This is because direct mail method is preferred over telemarketing for doing direct marketing because it doesn't require much involvement of the customers.

(iii) Interactive Marketing

Interactive type of companies use internet to promote their products. By using internet.

- (a) Two-way communication is possible. This means that there is a frequent interaction between companies and customers.
- (b) Companies can update or modify the product information whenever they want.
- (c) Customer can know in detail about the product through the company's website. In addition to this, customers can also provide feedback to the company regarding the product.

The drawback of internet is that despite of all the above benefits, internet usage is very less.

6.2 Digital Document Types

Q3. Discuss in detail the various types of digital documents.

Answer :

Digital documents can be mainly classified into four types,

1. Image documents
2. Structured documents
3. Hypertext documents
4. Active documents.

1. Image Documents

Image documents refers to those documents which will be displayed or stored in an image format. In order to obtain these type of documents, a special type of device called scanner is used. The document, especially in written format is placed inside the scanner where a light passes over that document. This light converts the document into an image document and which is displayed on the screen. This procedure is performed on systems called imaging systems. Imaging systems are also used by large scale organizations for performing operations on highly important documents. The drawback of image documents is that they cannot be modified or edited.

There are two standards for defining image documents

- (a) TIFF
- (b) ITU-TSS.

(a) TIFF

TIFF stands for Tag Interchange File Format. The purpose of using this standard is to make the transmission of image documents easier. It is used for exchanging the bit-mapped images.

(b) ITU-TSS

ITU-TSS stands for International Telecommunication Union-Telecommunications standardization sector. By using this standard, larger size image documents can be reduced to smaller size image documents so that they can be properly stored on the computer.

2. Structured Documents

This type of digital documents are more flexible than the image documents. The reason for this is that they focus on different document formats like audio, video etc. Structured documents also provides methods that describes.

- (a) How to receive information about various document formats.
- (b) How to transmit information associated with different document formats.

Apart from this, structured documents have a solution for documents whose content is too long and difficult to understand. Structured documents use a technique called Table of Contents (TOC). Generally, this is found in the front page of books. TOC categorizes the book into various chapters, subtopics of the chapters, along with their page numbers. This makes searching of particular information in an easy manner. Similar procedure is followed for different document formats.

Additional features of structured documents are,

- 1. Helps in reducing the transmission cost.
- 2. Structured documents can be manipulated, edited or updated.

- Different standards used in structured documents are,
- SGML
 - ODA
 - CDA
 - RTF.

(i) SGML

The full form of SGML is Standard Generalized Markup Language. This standard is only used for text based documents because,

- ❖ It defines how these documents can be transmitted properly.
- ❖ It defines how text based documents can be formatted more than once.

In addition to this, SGML also describes the structure of text documents. This standard was developed by ISO (International Standards Organization).

(ii) ODA

ODA stands for Office Documents Architecture. This standard was jointly developed by ANSI (American National Standards Institute) and ISO. Unlike the SGML, ODA not only defines the structure of the documents, but also defines what kind of information is present in the document. ODA standard is mostly used for easier transmission of different office documents.

(iii) CDA

CDA stands for Compound Document Architecture. This standard was created under Digital Equipment corporation (DEC). CDA standard defines how compound documents are transmitted among various applications by following some standard rules, content and format. CDA applications can be revised irrespective of the language and operating system used and their locations in a distributed network.

(iv) RTF

RTF stands for Rich Text Format. This standard was created by microsoft corporation. RTF standard describes how text based documents can be transmitted among different desktop applications of microsoft company.

3.

Hypertext Documents

The third type of digital documents is hypertext document. By using hypertext documents, information can be easily moved or transmitted from one place to another. In general, we can say that documents of hypertext format makes the data more mobile. The advantages of making data mobile are,

- Data can be easily shared
- Data can be easily accessed and retrieved. This eliminates the wastage of time incurred in searching of data. Hypertext documents also provides different facilities like,

- ❖ Giving reference to the data
- ❖ Applying conditional branching technique to the document. Hypertext documents uses hyperlinks for establishing relationships among various documents.

Different standards used for hypertext documents are,

- Hy time
- HTML
- MHEG.

(a) Hy Time

This hypertext standard is an advanced version of SGML standard. Hy time uses a method called synchronization for maintaining association among various multimedia documents.

(b) HTML

HTML stands for Hypertext Markup Language. This standard was created under W3C consortium. HTML standard is mainly used for documents like hypertext, multimedia etc.

(c) MHEG

This standard supports only multimedia documents. It is still under developing phase. MHEG was developed under multimedia/Hypermedia Encoding/Experts group.

4. Active Documents

This is the fourth and final type of digital documents. Active documents are the most flexible of all the digital documents. Active documents uses a program or interface which provides facilities of how to arrange the data and links it in various applications. Hence, by using active documents, you can concentrate a lot more harder on the work you got.

Active documents can also be used for carrying out difficult tasks. This is because of the capability of these documents to integrate information into various applications that performs such tasks.

With the usage of active documents, creation of remote data interfaces is possible. Active documents also describes how to access distributed documents by using linking facility.

Possible standards used for active documents are,

- CORBA
- OLE

(a) CORBA

This standard was developed by object management group. CORBA stands for Common Object Request Broker Architecture. CORBA standard describes, how the communication among various distributed objects takes place.

(b) OLE

OLE stands for Object Linking and Embedding. OLE was created under microsoft in 1990.

The diagrammatic representation of the four types of digital documents is given below.

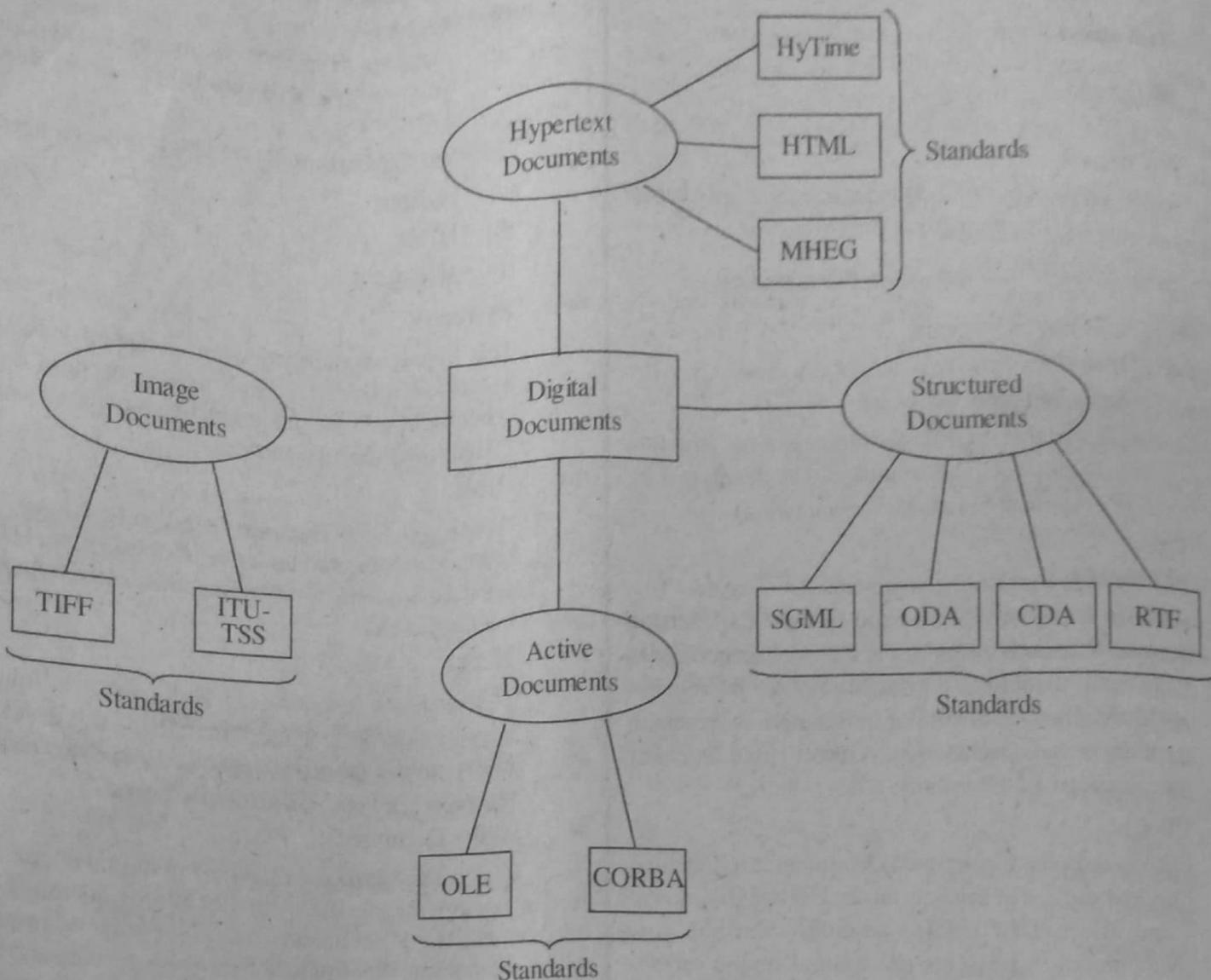


Figure: Four Types of Digital Document

Q4. Explain the following two types of digital documents

- (i) Structured documents
- (ii) Hypertext documents.

Answer :

- (i) For answer refer Unit-VI, Q3, Topic: Structured Documents.
- (ii) For answer refer Unit-VI, Q3, Topic: Hypertext Documents.

Q5. Explain different steps required to build a complete data warehouse.

OR

What are the initial elements to have a complete data warehouse?

Answer :

The three steps that are required to build a complete data warehouse are as follows,

- (i) Installing a back-end software for data warehouse
- (ii) Making the stored data useful for analysis
- (iii) Installing the front-end software.

(i) Installing a Back-end Software for Data Warehouse

Back-end software is necessary for data warehouse because it provides tools for collecting the data of different formats from different locations and store it in data warehouse. In addition to this, back-end software also consist of different methods to make the data secure.

This step is essential because other two steps can be performed only after the above step.

(ii) Making the Stored Data Useful For Analysis

This can be done by using the following methods.

- Translation
- Summarization
- Packaging
- Distribution
- Garbage collection.

(a) Translation

Data in the data warehouse can be stored in different formats like binary format, text format etc. This makes it difficult to analyse the data. Hence, to overcome this problem, data is translated into one consistent format by using proper naming standards.

(b) Summarization

Another way of preparing the data for analysis is to summarize the data. This can be done by grouping the data into views.

(c) Packaging

Once the data is summarized, it must be presented in a proper way. This is made possible by using packaging method.

(d) Distribution

Through data distribution, there is a greater chance of making the data reachable to customers.

(e) Garbage Collection

This is the process of removing irrelevant information from the data warehouse and keeping only meaningful information without affecting the performance of the data warehouse. Hence, the data can be analyzed easily.

(iii) Installing the Front-end Software

By using this software, people can retrieve the data whenever they want by using different query methods. For example, they can retrieve the data regularly or only once.

In addition to this, front-end software helps the organization in delivering the data proactively to customers. Organization does this by using publish and subscribe method. In this method, organizations through data warehouse develops various types of data at fairly regular intervals and the people in order to access the required data must pay for it.

The diagrammatic representation of the data warehouse is given below.

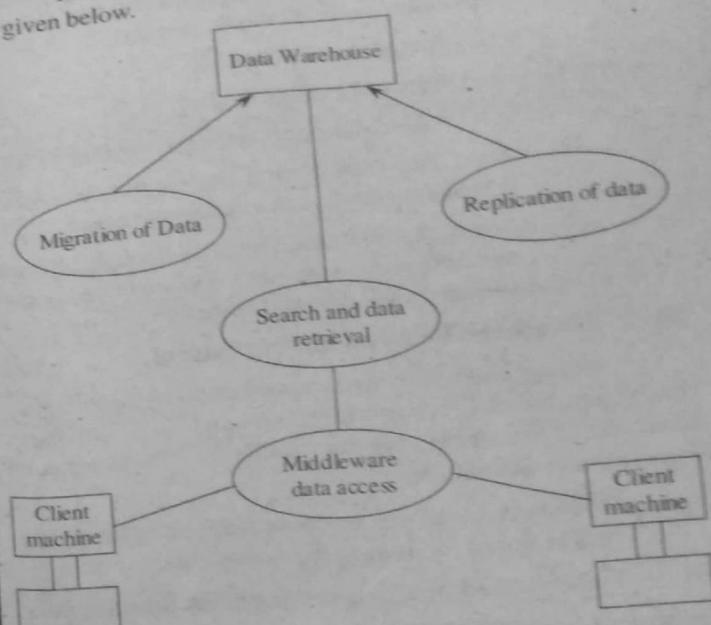


Figure: Data Warehouse

Q6. Write notes on document-oriented processes and document-based work flows.

Answer :

Document-oriented Processes

Document-oriented processes comprises of,

- Creation of a document
- Media conversion of a document
- Production and distribution of a document
- Storage and retrieval of a document.

(a) Creation of a Document

Documents must be created in such a way that it can run on different computer systems. Suppose, the document is created on DOS system. The document should work not only on DOS systems, but also on other systems like Macintosh system. Also, document developed in one format must be applicable to other formats as well. For example, document prepared in MS WORD should also be usable in Acrobat Reader.

(b) Media Conversion of a Document

In order to handle a variety of data, we require systems that can convert the data from one format into another format and transmit it. Unfortunately, such systems are still under construction.

(c) Production and Distribution of a Document

Users must know how to produce and distribute document. To do this, users have to perform the following tasks.

- (i) They must employ JIT technique for creating a document. In order to implement this technique, following methods should be used.
1. Image retrieval method
 2. Network storage method
 3. Page description language method.
- (ii) Then, they need to carry out integration process to make production of a document easier.
- (iii) Finally, distribute the document through different networks and display that document on special systems called demand systems.
- (d) Storage and Retrieval of the Document**
- Storage and retrieval of a document is as important as production and distribution of the document. To do this, users have to use document inventory methods. The benefits of using these methods are,
- (i) Document inventory methods helps in reducing the cost required for storing the documents.
 - (ii) These methods makes accessing of documents easier.

Document-based Work Flows

Document-based work flows involves four different activities

1. Modeling of a document.
2. Transformation of a document.
3. Production of a document.
4. Business modeling of a document.

1. Modeling of Document

This type of modelling describes how the work flow of documents can be shown on operational systems i.e., it defines both internal and external processes and their frameworks.

2. Transformation of a Document

Document transformation is the process of developing different types of programs that defines,

- ❖ How to validate the documents.
- ❖ How to capture the documents.

3. Production of a Document

Document production is a process in which two or more documents are merged to form new document consisting of detailed and accurate information.

4. Business Modeling of a Document

Business modeling of a document is completely different to modeling of a document. In document modeling, the focus is on operational systems. Whereas, business modeling describes how business-oriented systems are used for describing document workflow.

6.3 Corporate Data Warehouse

- Q7.** Write short notes on,
- (i) Push-based advertising
 - (ii) Pull-based advertising.

Answer :

- (i) **Push-based Advertising**
For answer refer Unit-VI, Q13.
- (ii) **Pull-based Advertising**
For answer refer Unit-VI, Q13.

6.4 Information Based Marketing

- Q8.** Explain about new age of information based marketing.

Answer :

With the emergence of information based marketing (i.e., interactive marketing) in electronic commerce, there will be a change in the working of retailers, manufacturers different organizations and companies. This change can be classified into following areas

- (i) Retailers against manufacturers
- (ii) Target and micro marketing
- (iii) Small organization against large organizations

(i) Retailers Against Manufacturers

Previously, in electronic commerce, manufacturers dominated the retailers i.e., manufacturers were given more importance than the retailers. But today, the trend had changed. The reason for this is that the retailers started using a special type of system called Point of Sale (POS) scanning systems. Through these systems, retailers are aware of the latest information available in the market. Another benefit of POS systems is that they allow retailers to know the needs of different customers much earlier than they are available to the manufacturers.

Through information based marketing, retailers and manufactures can do the following tasks

- (a) Market research and customers anticipation
- (b) Establishment of market presence
- (c) Developing bundles of customized products
- (d) Establish a relation between the price and priority of information based products.

(a) Market Research and Customer Anticipation

In today's time, companies have to be clever as well as efficient in order to have good impression on the customers. For instance, companies instead of using traditional methods for gathering information about different needs of the customer, must make use of internet services. In this way, the cost of collecting information can be reduced. Also, the companies can provide better service to customers through internet.

(b) Market presence

Companies advertise their products in mostly two ways,

1. Through "in your face" advertising, the companies advertises their products in such a manner that they don't consider the profit or loss of selling the product. If customers are interested, they can buy the product. Otherwise, they don't buy the product.

2. By using value added corporate advertising method. In contrast to the above method, here the companies keep in mind the needs of customers when marketing their products. Consider an example, where you want to purchase a car online. The company on its website will display all the possible facilities that the customer wants in a car. Company also allows customers to post their suggestions regarding the car. In this way, company can improve its standard of performance.

In order to establish the market presence, it is important for the companies to know how they should promote their products. Some companies promote their products by offering discounts on them.

(c) Product or Service Bundling

Companies can also attract their customers by using a special method called product bundling method. Product bundling can be defined as a strategy in which company sells a product in combination with another product at a reasonable cost. For example, selling of particular software or hardware along with the computer etc.

Bundling method can be categorized into three types

1. Only component method
2. Only bundles method
3. Mixed method.

Only Component Method

In this method each product is sold individually.

Only Bundles Method

Only bundles method is just the opposite of the above method. In this type of method, product is not sold separately, but is combined or bundled with another product and then sold.

Mixed Method

This is the combination of only component and only bundles methods. Here, the product is sold separately as well as by combining with other products.

The feasibility of the above three methods depends on the following factors,

- (i) Cost of using each method.
- (ii) Profit incurred with each method.

(d) Relation between Pricing and Priority of Information based Products

New type of products are slowly making an impact on e-commerce. These products are called information based products. The possible forms of information based products are,

- (i) Software related products
- (ii) Electronics related products
- (iii) Entertainment related products.

The two important factors that must be considered by customers while using the services of information based marketing,

- ❖ Pricing factor in information based marketing.
- ❖ Priority factor in information based marketing.

Customer must keep in mind that whenever he purchases any product he has to pay not only for the product, but also for the various services provided by that product. In addition to this, customer should also pay for connectivity services offered through information based marketing strategy.

The cost of information based products varies with the rate at which the product is received and also the standard of information available in the product.

The information products cost can also vary depending on these products need to be delivered to the customers. In other words, we can say that the cost depends on the priority given by the customers. Suppose the customer wants the product to be delivered in two hours, then the cost of that product will be less when compared to the customer who needs the product in one hour.

(ii) Target and Micromarketing

Previously, companies found difficulty in targeting the customers by using micromarketing method. This is because they could not understand how to use the method properly. These problems were overcome with the use of different computer based technologies. Companies can now implement the method more easily for fulfilling the customer needs.

Micromarketing can be done in mostly two ways

- (a) Micromarketing through direct mail
- (b) Micromarketing through tele marketing.

(a) Micromarketing through Direct Mail

In this micromarketing method, companies persuade people to buy their products by writing to them.

(b) Micromarketing through Telemarketing

In this method of micromarketing, companies tell people to buy their products by talking to them through telephones.

The working of both the methods might be different from one another but their objectives are same in order to satisfy the needs of the customers.

6.10 E-Commerce

Micromarketing can be classified into two types,

1. Direct-relationship marketing
2. Direct-order marketing.

1. Direct-relationship Marketing

This is the first type of micromarketing. In this type, companies try to establish a relationship with the customers by direct contacting with them for the purpose of improving their sales.

2. Direct-order Marketing

This is the second micromarketing type. In direct-order marketing, companies are not concerned about how the sales will improve. They just concentrate on how to sell their products and services to different customers.

(iii) Small Organisations Against Large Organizations

Both large and small organizations used television as a medium of advertising. Despite of this, large organizations dominated small organizations for a long period of time. The reason for this was that through television, large organizations not only promoted their products in local markets, but also in global markets. For example, they advertised their products in India as well as outside India. Whereas, small organizations could only do local advertising as cost required for doing global advertising through television was beyond the reach of small organizations.

All this has changed with the emergence of electronic commerce. Now, small organizations can also promote their products globally by using services like internet. This is because using internet is far more cheaper than using television for global advertising.

Q9. Describe the relation between pricing and priority of information based products.

Answer :

For answer refer Unit-VI, Q8, Topic: Relation between Pricing and Priority of Information Based Products.

Q10. What is data warehouse? Explain briefly different types of data warehouse. What are the advantages of data warehouse?

Answer :

Data Warehouse

A data warehouse is a special type of database used by the organizations for storing large amounts of business data.

Data warehouse can also be defined as a database which contains.

- (a) Subject-oriented data
- (b) Non-volatile data
- (c) Time-variant data
- (d) Integrated data.

Subject-oriented data means that the data in the data warehouse is stored in an organized format with the objects belonging to the same event linked in same.

Nonvolatile data refers to that information which cannot be modified in the data warehouse.

Time-variant data refers to that data which is kept in data warehouse for long periods of time. The life span of the data in data warehouse ranges from 5 to 10 years.

Integrated data means that in data warehouse data of different formats are stored for the purpose of making the data into a consistent or similar format.

Types of Data Warehouses

- (a) Physical data warehouse
- (b) Logical data warehouse
- (c) Data library
- (d) Decision support systems.

(a) Physical Data Warehouse

Physical data warehouse contains only relevant and complete information. In addition to this, it also provides methods for accessing such information i.e., all the organizations data for the data warehouse is collected and stored along with its schemas in physical data warehouse.

(b) Logical Data Warehouse

Like the physical data warehouse, logical data warehouse also provides various methods for accessing the business information. The only difference is that the logical data warehouse even specifies different standards that can be used to access this information.

(c) Data Library

Data library is just a part of a data warehouse. It is not completely a data warehouse. The physical and logical data warehouse only describes how the business information in the data warehouse can be accessed. Data library explains how to access other possible forms of information. For example, departmental information, regional information, functional information etc.

(d) Decision Support Systems

Even though decision support systems are placed under the category of data warehouse, they are not actually data warehouse. Decision support systems are special programs or applications that used data warehouse for decision making purposes.

Advantages of Data Warehouse

1. It provides an easy way to access the information.
2. Provides tools for accessing complex data.
3. Detailed accurate and complete information is available in data warehouse which makes decision making easier.
4. Storing of new data in the warehouse will not affect the already existing data.

Answer :

Internet Advertisement

For answer refer Unit-VI, Q13.

April/May-09, Set-3, Q6 M[16]

Objectives of Internet Advertisement

The following are the various objectives or characteristics that internet should posses.

(i) Low-cost

Internet advertisement is supposed to reduce the overall cost of advertisement.

(ii) Dynamic and Flexible

Advertising on the internet is fast when compared to other media. Additionally, we can make changes easily if something is advertised on internet.

(iii) Content-orientation

Internet advertising should contain images and text and it should be content oriented.

(iv) Two-way Communication

One of the major reasons for the success of internet advertisement is the two way interactive communication between advertisers and consumers. It is only because of internet advertisement that consumers are able to respond to the manufacturers in a proper manner.

Growth of Internet Advertisement

The internet offers two unique characteristics. They are connectivity and interactivity. Connectivity means ignoring geographical barriers and therefore a customer may be available anytime and anywhere. Through advertising on internet, millions of customers are being in touch with the marketers. In last five years, United States and Europe have tremendously increased advertising on internet.

Q12. How can one advertise in a chat room? What are the limitations of it?

Answer :

April/May-09, Set-4, Q6 M[16]

Advertising over the internet plays an extremely important role in e-commerce. The traditional method of mass advertising was one-way i.e., the advertisers can only inform to the consumers about their product. There was nearly no way to hear from the consumers. However, with the advent of web advertisement, advertisers can interact directly with the consumers. It enabled a two-way communication. There are several methods to advertise on the web.

Banners

A web page may contain a banner which is a graphic element on which ads are placed. Most popular websites are earning millions of dollars by placing banners on their web pages. When users click the banners, they (users) are redirected to advertiser's website.

Pop-ups

When we enter or exit some websites, a pop-up ad appears in active window. These pop-ups sometimes annoy the users by disturbing them in their work.

Emails

Advertising through emails is perhaps the most formal and popular method. A company may compose an email writing about its products, services and business, then mail it to related people. For example, an insurance company may mail information about its new policy to a group of employees of some company.

Advertising in a Chat Room

Now-a-days chat rooms are becoming a hub of advertisers. Group of people are forming communities in the chatting sites. People who are interested in those communities join the chat room and interact with various other people. There are several political, environmental, industrial and many more communities or chat rooms on the internet.

These chat rooms help the advertisers to advertise their products and services to the people who are actually interested in it. For example, there may be chat room for electronic toys. The toy manufacturers can readily use this chat room to advertise their toys. For example, marketing employees of Sony INC can enter this chat room to advertise the features of new Sony PSP.

There are chat rooms that guide and suggest people with medical problems. Health care companies can advertise their products in such chat rooms. Moreover, patients can interact directly with the doctors or physiotherapists etc. Similarly, some chat rooms are hobby specific. For example, chat room for electronic hobbyists, wherein the hobbyists share their interest and support each other. Electronic components and measurement device manufacturers mostly advertise in such chat rooms.

The main advantage of advertising in a chat room is that we advertise to those people who are actually involved, interested or related to our product.

Mostly, vendors sponsor the chat rooms. They place a chat link on their website, when users click that link, they are redirected to vendor sponsored chat room. Advertising in a chat room is more thematic. An advertiser can start the campaign with one message, gradually builds a scene and tries to win the confidence of the consumer. This is similar to brain washing.

The major difference between a static banner advertisement on a web page and a chat room advertisement is that chat room ads can cycle through different messages and target the consumers again and again, whereas static banner ads just display the same information all the time.

Limitations

Despite several advantages, there are a few drawbacks of chat room advertisement.

- ❖ Since chat rooms are like public places, anybody can enter the chat rooms and join the discussion. The primary disadvantage of this is that our competitors can also enter chat room to hear what consumers think of our product.
- ❖ If any consumer complaints about any bug in our product, then this information will be known to everybody and almost immediately. This may cause bad impression on consumer's mind about our product.
- ❖ Since chat rooms are one-to-one connections between company and consumers, we may have to employ more people as chat executives who will advertise and chat with consumers.

6.5 Advertising on Internet

Q13. What is internet advertising? Discuss the methods of internet advertising.

Answer :

Aug./Sep.-08, Set-1, Q6 M[16]

Advertising over internet is called internet advertising.

It has its own advantages and disadvantages. The advantages of advertising over internet are,

- (i) Through internet advertising companies can promote their products more efficiently.
- (ii) By advertising through internet, companies can satisfy the needs of different customers.
- (iii) Customers get to know about the latest products available in the market.
- (iv) Income of companies will increase as a result of advertising on internet.

Disadvantages of advertising are,

- (i) Customers sometimes receive unwanted messages in their mailbox.
- (ii) No specific rules have been defined that describe how advertising should be done.

Internet advertising or online advertising can be classified into mainly two types

1. Push-based advertising
2. Pull-based advertising.

1. Push-based Advertising

It is also known as active advertising. Push-based advertising is the most inefficient type of advertising. This is because it does not convey relevant information to customers. In short we can say that information sent through this advertising is meaningless.

There are two types of push-based advertising

- (a) Broadcast advertising
- (b) Direct mail advertising.

(a) Broadcast Advertising

This is the first type of push-based advertising. Through broadcast advertising, different companies can advertise their products to unlimited number of customers. One of the ways by which broadcast advertising can be done is by using television. Doing broadcast advertising with television has benefits and drawbacks.

The benefits are,

- ❖ Companies through television can visually explain the importance of their products.

Drawbacks of Broadcast Advertising

Using Television for Advertising is Expensive

The time duration allotted for showing advertisements on television is usually thirty sec. Hence in such short span of time, customers cannot get the complete idea about the product. Thus, product advertisement has to be displayed at periodic intervals of times in order for the customer to understand. To display the ad more than once requires a lot of cost.

Another way in which companies can do broadcast advertising is by using news groups. In other words, company can advertise their products through news groups.

(b) Direct Mail Advertising

This is the second type of push-based advertising. Direct mail advertising is the process in which companies advertise their products by sending mails to different customers. The benefits of this advertising technique are,

- (i) Through direct mail advertising, companies can target only those customers who seem interested in buying their products.
- (ii) Companies can send the product information in their own way. In other words, companies have full control over presentation of the message.

Drawbacks of Direct Mail Advertising

- (i) There is a possibility that some messages received by customers will be of less importance.

For this reason, direct mail is also referred to as junk mail. These junk mail messages not only waste the customers' time but also unnecessarily utilize the space of the customers' mailbox.

Spectrum All India Online Journal for Engineering Students, 2010
 Another interesting point to note here is that companies sometimes purposely send junk mails thinking that there will be few customers who will read the message and buy their products.

2. Pull-based Advertising

This type of online advertising is also called as passive advertising. Companies by using pull-based advertising can have a better customer response than through push-based advertising. This is because with the help of pull-based advertising paradigm a feedback loop which directly connects a company and customer is established thereby providing meaningful information to the customers.

Pull-based advertising can be classified into three types or forms,

- (a) Bill board advertising
- (b) Advertising through yellow pages
- (c) Advertising through endorsements.

(a) Bill Board Advertising

This is the first type of pull-based advertising. It is also known as world wide web advertising. In this type of advertising, one company has to take the help of other company for promotion of its products online. In other words, one company promotes its products through other company's online services.

Advantages of Bill Board Advertising

- (i) Inexpensive to implement
- (ii) Companies through this advertising, can make their products reachable to different customers.

Disadvantages of Bill Board Advertising

Most of the customers don't browse through one site for long period of time. They constantly switch from one site to another. So the product information provided by the company should be in such a format that it is simple short so that the customers can easily understand.

(b) Advertising through Yellow Pages or Yellow Pages Advertising

In this type of pull-based advertising, companies can promote their products by using yellow pages directory services.

Advantages of Yellow Pages

- (i) Information can be kept for long time.
- (ii) Using yellow pages for advertising is cheap.

Disadvantages of Yellow Pages

- (i) Product information cannot be frequently updated.
- (ii) Limited creativity in the ads.

There are different types of yellow pages that can be used by companies for promoting their products.

❖ Traditional yellow pages

❖ Audiotext yellow pages (talking yellow pages)

❖ Interactive or consumer search databases.

(c) Advertising through Endorsements or Endorsement Advertising

In this type of pull-based advertising. Companies ask different celebrities, sports personalities etc to promote their products. But in case of online endorsement advertising, a company asks the customers to give feedback for its products. In other words company ask the customers to endorse its products.

Q14. Compare and contrast internet advertisement and traditional advertisement.

Answer :

Aug./Sep.-08, Set-2, Q6 M[16]

As an internet advertiser one can notice that internet have changed drastically. Initially, people used to go online, enquire about their desired products or service and if they found it interesting, they instantly committed the transaction. Nowadays many organizations are going online with multiple offers, causing a change in customer's attitude. They don't bother to reply back to marketing calls and mails even after making detailed enquires at the marketing website. They do everything i.e., go online, browse the sites enquire about various offers, modes of payment, etc, but do not commit anything. On the other side, due to the negligible cost of internet advertisements, many businesses are making uncertain and irresponsible claims. Further more some fraudsters are making false promises for duping the customers, because there is no committee for tracking an online business. Thus, we can say that the promise offered by online sales are much sceptical than the promises offered by traditional media like direct mail, television, radio or printed brochures.

An advertisement via direct mail gives us an opportunity to highlight all the significant features provided by our company. Moreover, they also allow us to present the headline of our ad in a better way compared to the web page. Apart from this, since online advertising is cheaper than the traditional advertisements, it is crowded by billions of web pages and this number keeps on multiplying on daily basis. The users will simply name their product/service in any of the search engines available which will respond with millions of websites so the chances for impressing the user are less compared to that of direct mail. In direct mail, we directly send the offer to the potential customer and his/her response will indicate that he/she is really interested in the offer. Whereas, in case of online advertising the user simply fills the form, give some details and leave without any commitment. We cannot convince them to be a customer because we don't have opportunity to interact with them and thus their queries will be left unresolved.

6.14 E-Commerce

In television ad campaign, we describe our product/service in a realistic way, thus the users will be more attracted. If we advertise via television, the only way the customers can contact us is by making a call and if they attempt to call us it means that they are really interested in the offer. The rest is handled by our marketing team. The printed brochures and the advertisements over radio also requires the customer to initiate the communication. Although radio is expensive, it is a better way to reach genuine customers. The cost associated with printed brochure can be reduced to one-half by printing the advertisement of some other company on the other side of a brochure.

Q15. Describe the push technology and state its benefits.

Answer :

Aug./Sep.-08, Set-4, Q6 M[16]

For answer refer Unit-VI, Q13, Topic: Push-based Advertising.

Q16. What are the various forms of advertisements you come across in web? Explain about them briefly.

April/May-08, Set-1, Q2 M[16]

OR

Discuss the various available strategies of internet advertisement.

Answer :

April/May-08, Set-4, Q6 M[16]

For answer refer Unit-VI, Q13.

Q17. Describe the advantages of advertising through web to customer and organization.

Aug./Sep.-08, Set-3, Q2 M[16]

April/May-08, Set-3, Q2 M[16]

April/May-08, Set-4, Q2 M[16]

Answer :

Advantages of Advertising through Web

The internet advertising offers plenty of advantages to both customers and organizations.

Advantages to Customers

(a) Global Shopping Environment

With the evolution of internet, the customers can conveniently log on to any online shopping website, view all the available advertisements related to his/her desired product, place order for that product, pay bill via electronic payment systems and the products will be delivered to their doorstep irrespective of their geographical location.

(b) Availability

The customers can view the internet advertisements according to their convenience because internet advertisements on products or services are available 24 hours a day and 365 days a year.

(c) Detailed Information About the Products

The internet advertising also provides some automated tools to the advertisers that helps them in developing web-based detailed advertisements. So that the advertisers can place as much information about their products as possible. Thus, the customers can view the complete description of the products before the purchase.

(d) Visibility

Internet advertisements also supports the use of multi-media contents like audio, video, images, graphics, etc. Thus, with the help of multimedia contents the advertisers can provide visibility to their products or services. This feature of internet advertisement facilitates the customers by giving a clear picture of their desired products. For an instance consider an online air ticket booking counter, with the help of this internet advertisement the customer can view the aircraft in which he/she wish to travel, can virtually sit on the allotted seat to know the comfort level provided and then make the purchase.

(e) Comparative Shopping

With so many shopping malls going online every year, the competition in the internet market has significantly grown, this leads to a rapid increase in the number of web advertisements. The online shopping sites are trying hard to attract the potential customers by introducing several lucrative offers, thus, the customers can have a glance on all the offers provided by different sites and choose the one which offers maximum benefits at the lowest cost and then a purchase it.

Advantages to Organizations

(a) Global Exposure

With the evolution of online advertisements, the organizations are no longer bounded to their local boundaries, they can attract the customers via online websites i.e., by placing their advertisements on websites available or by creating their own websites. Thus, the people can be convinced to become customers irrespective of their geographical location by communicating via e-mail. Online educational institutions, e-businesses, e-suppliers are some of the examples of organization that get benefited through online advertisement.

(b) Affordability

Internet advertisements are inexpensive compared to traditional forms of advertisements. A typical site with around four web pages consisting of about 3 images each, comes in a meagre 600 US dollars budget which also includes the web hosting subscription for one year. Moreover, there are no incremental costs, whether 100 or more people access it. After the completion of one year the subscription can be renewed with an annual renewal cost of 200 dollars.

(c) Attractive and Influential

The advertisers can make use of multimedia contents like graphics, pictures, audio, video, animations, etc., in order to develop an attractive and influential advertisement. This advertisement is developed within an affordable budget because the cost associated with ad materials (such as color, brush, stool, ladder, cloth, etc.) printing cost employees needed etc.. are nonexistent for online advertisements.

(d) Supports Printability

The internet users i.e. potential customers can also obtain a hard copy of the advertisement by taking the prints with an ordinary printer from any computer connected to the internet. Thus, they can carry and share the hard copies with their friends or colleagues. Moreover, they can also forward the web advertisements to their colleagues via email messages which in turn leads to more publicity for web advertisers.

(e) Business Card and Online Brochure

Internet advertisement also supports the use of hyperlinks so, an organization can place the hyperlink of its home page on several sites and search engines. This hyperlink will usually be in the form of animated image which attracts the users to click on them. Once the user has clicked the image and entered the organizations home page, he/she will be subjected to various attractive packages offered by an organization.

Q18. What are the advantages and limitations of internet advertisement as compared to traditional media?**Answer :**

April/May-08, Set-3, Q6 M[16]

Advantages

For answer refer Unit-VI, Q17.

Limitations

Although internet advertising offers significant advantages, they have certain limitations. They are,

1. They need the customers to implement new technologies.
2. If the potential customers are connected to internet via a low speed connection, then, they may face significant delays while downloading the information from complicated websites (the one which have lots of animation in it).
3. The customers are not directly subjected to the product so, they cannot touch, smell, taste or 'try-on' the products before making the purchase.
4. Lack of trust among customers because they are not familiar with the permanent address of the advertisers.
5. Customers are unlikely to purchase from an online website because of security issues associated with electronic payment systems.
6. Business cannot completely rely on online advertising because online advertising space is becoming crowded day-by-day and search engines keep on changing their algorithms at regular intervals.

6.6 Online Marketing Process

Q19. What is the significance of online marketing? State the limitations of online marketing.

Answer :

April/May-08, Set-2, Q6 M[16]

The mechanism of marketing the products and services over the internet is said to be as online marketing, web marketing or e-marketing. Online marketing offers many significant benefits when compared to traditional advertising. It is cheaper and has a greater reach to the desired audience. This way of marketing enables the companies to quickly attract more customers by allowing them to conduct research on the products and services before purchasing them. Moreover, the marketing statistics can be easily and affordably measured i.e., almost all aspects of online marketing can be identified, measured and tested with ease.

Different methods such as pay per impression, pay per click or pay per action are used by advertisers which enables the marketer to determine the most influencing advertisement and the number of customers it obtain. The reason for this widespread use of online marketing is the efficiency and easy access to the internet.

Limitations of Online Marketing

Although online marketing has many advantages, it is associated with certain limitations.

1. It requires the customers to utilize newer technologies so, the customers must at least have the working knowledge about the computers.
2. The speed of internet plays a major role in online marketing so that customers connected to a low speed network face significant delays for obtaining the desired content.
3. The customers are not directly subjected to products instead, they are shown a video presentation or an image of the desired product.
4. Online marketing requires well experienced and sincere staff that can deal with customers, makes prompt delivery of customer requested products etc. It is very difficult to obtain and retain such staff because of extreme shortage of such professionals.
5. With the online marketing, customers feel insecure to trust the company. Thus, the company can expect profit only after gaining popularity which may take much time.
6. From merchant's perspective, online marketing introduces many competitors, ultimately leads to the reduction in profit margins.

Q20. What is internet marketing? Explain the impact of e-commerce technology on marketing.

Answer :

April/May-09, Set-2, Q6 M[16]

For answer refer Unit-VI, Q19.

6.16 E-Commerce

Q21. List some guidelines for internet advertising.

Answer :

The six guidelines that each company should follow for advertising on the internet are as follows.

1. A company should send only the information which is asked or required by the customer. In other words, avoid sending unnecessary product information.
2. A company should refrain from performing any illegal activities like selling customer's personal details to some other company without asking the customers.
3. A company should display its products information on an appropriate news group. For example, if the company wants to sell a java software, it must post the detailed information of java software on a software news group, rather than on a medical news group.
4. A company must promote the services of its products in such a way that customers know about it. Also, company must provide what conditions are applied for accessing the services.
5. Proper organization of consumer research must be done consumer research is nothing but knowing the opinion of different customers regarding a particular product. For this, some questions are asked about the product to the customers. This research should be conducted only by the permission of the customer other than this customers should also be notified about what impact their answers can make on the development of the product.
6. The company should avoid using unfair means of capturing information from the customers.

6.7 Market Research

Q22. How is online survey and analysis different from the traditional process of mailing surveys?

Answer :

April/May-09, Set-1, Q6 M[16]

Survey is a process of collecting quantitative information from public. It is a way of conducting market research by knowing the customer's opinion about a particular product or service. It involves asking various questions to different people. Based on their feedback, market researchers can decide whether any changes need to be done in the product. There are several ways of conducting surveys.

Mailing Survey

It is a traditional method of surveying in which a questionnaire is mailed (posted) to a number of people (or respondents). They answer the questionnaire and return it through mail (post). The received mail is then sorted and analyzed by the researchers.

In most of the countries, bulk postage is very cheap and hence mailing survey can cost low compared to other survey methods. However, the time taken in survey would be considerably long because post is a slow means of communication. The time delay can range from weeks to even months. In mailing survey, the respondents have flexibility to answer the questionnaires at any time of their convenience.

If the issues or questions in the survey require clarification then mailing survey is not suitable. An important advantage of mail survey is that it allows large information to be obtained from the respondents. If the questionnaire is as long as 50 pages also, respondents can answer it during their leisure time.

Online Survey

Online survey uses e-mail or www for conducting survey. Online survey through e-mail is similar to traditional mail survey i.e., a questionnaire is e-mailed to respondents and they answer it and reply. However, use of e-mail has many advantages over traditional post. For example, e-mail is faster and cheaper than post.

However, these days websites (or HTML pages) are preferred over e-mails. This is because web pages are interactive, very fast, most inexpensive and easily modifiable (dynamic).

The primary advantage of online survey is that it avoids paperwork, since, data collection, manipulation, reporting can be automated (computerized). This drastically reduces the time to analyze the survey data. Moreover, we can create data sets in real time and categorize the data according to its type. Online surveying can be used by large scale industries to conduct survey of their products.

Q23. What are the various methods in online market research? Suggest remedial measures to overcome the limitations of the same.

Answer :

Aug./Sep.-08, Set-3, Q6 M[16]

Online market research can be conducted in the following ways.

1. By using surveys
2. By using e-commerce websites.

1. Surveys

A survey is a way of conducting any market research. It involves asking various questions to different people.

Surveys are of different types like,

- (a) Geophysical survey
- (b) Aerial survey
- (c) Geological surveys
- (d) Astronomical surveys
- (e) Online surveys.

Since we are dealing with online market research, our focus will be on online surveys.

An online survey is a method adopted by online market researchers to know the customer's opinion about their product who have purchased their product or visited their sites. Based on their feedback, market researchers can decide whether any changes need to be done in the product.

Online surveys can also be categorized as,

- (i) Researcher-administered survey
- (ii) Self-administered survey.

Survey in which questions are asked by market researchers to the user or a customer is called research-administered survey.

On the other hand, questions posted by the customer to the market researchers is known as self-administered survey.

Types of questions provided are,

- (i) Contingency questions
- (ii) Matrix questions
- (iii) Closed-ended questions
- (iv) Open-ended questions.

(i) Contingency Questions

These questions are asked by market researchers to the user only when he/she has provided answer to the previous question. The benefit of asking contingency question is that irrelevant questions are avoided.

(ii) Matrix Questions

Questions on the site are placed one under the other, resulting in a matrix format. In such a format, instead of providing space for answer after the question, it is given above the question. Hence, as a result, time of the user is not wasted. For instance, if the question is lengthy, he/she does not have to spend too much time scrolling down to respond to the question. Also, page space is not wasted.

(iii) Closed-ended Questions

Users have limited options to give response to this type of questions. To elaborate this point, consider few types of closed-ended questions.

a) Multiple Choice Questions

In this format a user will be given several options from which he/she has to select the best suitable option.

b) Yes/No Questions

Here, users have to respond with either yes or no.

c) Scaled Questions

Responses to such questions should be provided in the form of ratings. For instance, description of a particular product along with its picture is displayed. Below the product a question will be asked "How did you find the product"? Beside the question, rating

points will be provided from 1 to 10 with each rating point corresponding to a specific response. For example, 1-Poor, 2-Below average etc. In some cases, five stars are provided to rate the product with fifth star being considered as excellent.

(iv) Open-ended Questions

These questions are completely opposite to that of the above questions. Users can give answers to such questions in whatever way they like because there are no constraints as seen in closed-ended questions. Different types of open-ended questions are,

(a) Completely Unstructured

Here, question is asked to the user by the market researcher in an unstructured way and the user gives response to the question in his own way. For instance answer can be provided in paragraph, in points etc. For example, "What do you think of questionnaire"?

(b) Sentence Completion

In this type of open-ended questions, questions are asked in the form of sentences. To be more precise, an incorrect sentence will be given and the user must complete the sentence. For example, "the most important characteristic I look for when purchasing a car is".

(c) Word Association

These type of questions are represented in the form of words and the user can choose any appropriate word from the given set of words.

Advantages of Online Surveys

- (a) Online surveys produce very fast results.
- (b) They are inexpensive.
- (c) Data sets can be created in real time.
- (d) Any operation performed on the data can be easily automated and converted into a human-readable format.
- (e) Efficient way of gathering opinions from the user or the customers.

Disadvantages of Online Surveys

- (a) Multiple choice questions can cause confusion to the users because some of the options provided will not exactly specify what they mean. For instance, an option is provided "partly agree". As a result market researchers may not be able to understand what is the exact feedback of the user.
- (b) There is a possibility that answers provided are valid or accurate i.e. user can give answers to the question in a jovial manner.

6.18 E-Commerce

2. E-commerce Websites

Websites where various types of products can be promoted or sold by the market researchers are referred as e-commerce websites.

Services provided by such websites are,

- (a) Customization of shopping carts.
- (b) Customization of order management systems.
- (c) Logo design.
- (d) Website design.

One of the popularly used e-commerce websites is "www.esellerate.com". It is an industry-leading e-commerce provider because of the following reasons.

- (i) "esellerate" enables the market researchers to create a sales strategy which can help them to promote their products properly.
- (ii) "esellarate" provides multiple sales solutions as well as real-time tools. By using these tools, market researchers can perform the following tasks.
 - ❖ Upload suitable content for their products.
 - ❖ Set appropriate prices for their products.
 - ❖ Generate promotional coupons and offers for their products.

With all these features, it has become the most unique, advanced and successful e-commerce system.

Limitations

Potential limitations of online market research are,

- 1. Information overload
- 2. Information quality
- 3. Internet speed
- 4. Security
- 5. Skewed demography.

1. Information Overload

One of the way of attracting customers by the market researchers towards the product is by providing relevant information about it. But, in order to be one step ahead of their competitors, market researchers try to include some additional information which is irrelevant. For instance, how the product was developed. Therefore, with so much information, users are unable to identify how much portion of information is accurate. This excessive amount of information being provided is known as "information overload". Other than this, with the increasing popularity of internet, people are using net not only for browsing, but also to express their views regarding a particular subject. This also leads to information overload.

Other possibilities of information overload are,

- (i) Unavailability of a method that can be used to process as well as compare various forms of information.
- (ii) Ease of duplication of data when transmitted over the internet.

Information overload can be overcome by finding answer to the following question.

"How much information is required?"

To answer this question, certain tasks should be performed such as,

Building a personal website that invalues only relevant information about yourself. For instance, your educational background, your likes and dislikes, any memorable incidents on your life etc. Hence, information overload can be reduced to some extent.

2. Information Quality

An information is said to be good if it is,

- (i) Objective
- (ii) Complete and
- (iii) Plural.

Objective information is the information which is unbiased. Complete information is the information that gives a complete picture of a particular subject.

Plural information is a type of information in which there is no censoring of information i.e., all aspects of the information are covered and the information is not restricted to a particular viewpoint or aspect.

Quality also plays an important role in information. To have quality information, following conditions should be satisfied.

- ❖ Complete and authorized access to the given information.
- ❖ Easy retrieval of relevant information.
- ❖ Easy evaluation of quality of information.

With so much popularity of internet, children below 18 years are also getting attracted towards it. It is associated with certain benefits and drawbacks. Benefits are that they can gain valuable information about their selected topics. On the other hand, bad information is also provided relating to violence, pornography etc.

To overcome this, cyber patrol has made a list called "cybernet" list. The list includes banning of information (graphic or text) which involves violence, drugs, alcohol and tobacco, intolerance, gambling, etc.

3. Internet Speed

To promote their product, market researchers should provide information about it. With so much information, the speed of the system as well as of the internet get effected.

There are different softwares through which speed can be improved. Some of them are,

- (a) Download boost
- (b) BB monitor
- (c) TCP optimizer
- (d) XP smoker
- (e) SilverSoft speed
- (f) Auslogics boost speed.

(a) Download Boost

This software improves the downloading speed. The size of software is 1654 kB. Download boost includes advanced features of the third generation download manager software such as,

- Download scheduling
- Pause and resume buttons i.e., you can pause the file to be downloaded for some time and resume the download from the point where it was stopped.

(b) BB Monitor

BB monitor is a shareware type of software. Its size is 4287 kB. BB monitor enables you to configure the bandwidth of your system in a proper way.

(c) TCP Optimizer

A software that automatically optimizes the settings of TCP/IP network of the user's system, resulting in an improved performance.

(d) XP Smoker

XP smoker is a shareware software and its download size is 4005 kB. This software enables the user to update settings of Windows registry. The updated settings increases the speed of a system. Another interesting point to be noted is that, irrespective of internet connection used for the system such as dial up, cable or satellite connection, XP smoker can increase browsing speed by nearly 100%.

(e) SilverSoft Speed

This type of software causes automatic and efficient increase in the speed of the user's system. SilverSoft speed is a shareware software and its size is 2050 kB.

Other advantages of using SilverSoft speed software are,

- Programs can be compiled and executed faster.
- Games can loaded and run quickly.

(f) Auslogics Boost Speed

This software makes your system cleaner, error-free and faster. It is a shareware software with a size of 2953 kB.

4. Security

With so much important information being displayed on the internet, there is a possibility that it can be hacked. To avoid this, users should be more careful and intelligent. For instance, consider the case of providing credit card information. Suppose, you have selected to buy a particular product and company has asked to provide credit card information. You have provided the correct information and the transaction is

successful. Now, after few days, you get a mail from the company that due to some site problems, previous transaction has not been properly carried out and you need to reenter the credit card information. Now, here you should be more careful because few days back you get an information that the transaction is successful. Hence, this should be considered as a fake message or spam and ignored. But, it is easier said than done. This is because, the message will look so genuine that you will find it difficult to ignore it.

5. Skewed Demography

It is obvious that the views gathered by market researchers about the products from the people may not be the same. This is because, different people will have different opinions. Therefore, developing a marketing strategy based on each individual's perspective will be quite difficult.

To overcome this, market researchers should only consider that opinion which has been expressed by majority of the people.

Q24. Describe online marketing research. Explain the procedure for conducting online marketing research.**Answer :**

April/May-08, Set-1, Q6 M[16]

Online Marketing Research

Marketing research is the process defined for measuring the effectiveness of the organization in this electronic world. It is very important for an organization to conduct a marketing research and the consumer research on the online market because online market is dynamic in nature. Moreover, the research provides the companies with new ideas for making investment in sales promotions, introduction of new products, targeting new markets, new tactics to be followed etc.

Procedure for Online Marketing Research

The following steps must be followed by an online business for conducting a throughout marketing research.

Step 1 : Analyzing Dimensions of Online Market

This step involves determining the size of the market, determining the number of potential clients needed for carrying an online business, determining the target customers and their locations, deciding the language to be used in the business website, determining different methods for retaining the customers.

Step 2 : Analyzing Supply and Demand Relationship

In this step, the market is analyzed for determining the products/services that have high demand but low supply. This step is crucial for the identification of products (services) that can be sold. If the product to be sold is already decided then, this step helps in identifying the market where demand for the our product is more. The demand for a particular product/service can be determined by identifying the number of times the product is searched in the search engine.

6.20 E-Commerce

Step 3 : Evaluation of Competitors

This step is very crucial for starting any business, whether online or off-line. It involves determination of quality, strength, weakness and popularity of competitors existing in the market with the same set of products/services. Various toolbars such as Alexa Toolbar and Google Toolbar are available for this purpose. They rank the websites based on their popularity.

Step 4 : Determining the Target Market

This step also contributes to the success of an online business. This step helps in determining the domain we wished to concentrate on. For example, electronics, food, mobile and accessories etc. If we don't specialize in any particular domain then we will be nowhere in the market because of huge competition. Further more, the domain must be chosen according to our capabilities and experience so that we can excel in our business.

Step 5 : Market Segmentation

This step involves division of the market into several segments and subsegments which can be easily attacked. Instead of focussing on entire market, it is better to focus and specialize on individual segments. Although, the initial profit will be less but this profit keeps on increasing with respect to the number of segments we have specialized.

Step 6 : Determine Characteristics of the Market

This step incorporates the collection of maximum information about the market. This information can be collected by careful examination of customers, competitors, market conditions, etc. One need to consider each and every aspect of the market and plan for the tactics that are to be implemented in our business.

Q25. What are the initial procedures for creating digital documents?

Answer :

For answer refer Unit-VI, Q3.

6.8 Dimensions of Internal E-commerce Systems

Q26. What is meant by information brokers? State why their services are needed in e-commerce?

Answer :

Aug./Sep.-08, Set-1, Q2 M[16]

Information Brokers

Information brokers are the mediators for performing consumer and organizational related searches. In other words, information brokers are the agents that are responsible for,

- (i) Processing of end user queries and displaying the desired information.
- (ii) Searching, filtering and summarizing large amount of data.

- (iii) Redirecting the search queries to different databases/agents/brokers.
- (iv) Tracing all the manipulations done to the information so that, the information when needed can be reobtained by reverting the changes made.
- (v) Maintaining directors for the database repository.

The services of the information brokers are needed for the following reasons.

1. Comparative shopping
2. Reduced searching cost and
3. Integration of various services.

1. Comparative Shopping

Information brokers enables the users to perform comparative shopping that is, with the help of information brokers, the user will be able to view the prices offered by different online database search services, service bureaus etc., for a particular set of information. Hence, the users can choose the service bureau that offers the same high-priced information at low cost. Therefore, we can say that information broker provides more value for money by saving the cost associated with information purchase.

2. Reduced Searching Cost

The information broker incorporates the information-search feature for its users so that, the desired information is quickly and easily obtained. Since, searching of information online is not cheap and most of the customers are nonexpert searches, this feature of information brokers will be very helpful for customers in saving their searching cost. The customers can directly hire an information broker for searching their desired information.

3. Integration of Various Services

Today, searching for information on most of the online-search engines require the searchers to have a microcomputer, a modem, a mouse, an operating system that supports graphical user interface, good memory, storage and other multimedia peripherals. In order to meet all these requirements the customer need to consult a broker that can provide all the required tools and services for integration purposes. The information-brokers not only provide the customers with an inexpensive access to large volumes of data but also provide most of the information free-of-cost.