E-Marketing/7E Chapter 3

The E-Marketing Plan

Chapter 3 Objectives

- After reading Chapter 3, you will be able to:
  - Discuss the nature and importance of an e-marketing plan and outline its 7 steps.
  - Show the form of an e-marketing objective and explain the use of an objective-strategy matrix.
  - Describe the tasks that marketers complete in tiers 1 and 2 as they create e-marketing strategies.
  - List some key revenues and costs identified during the budgeting step of the planning process.
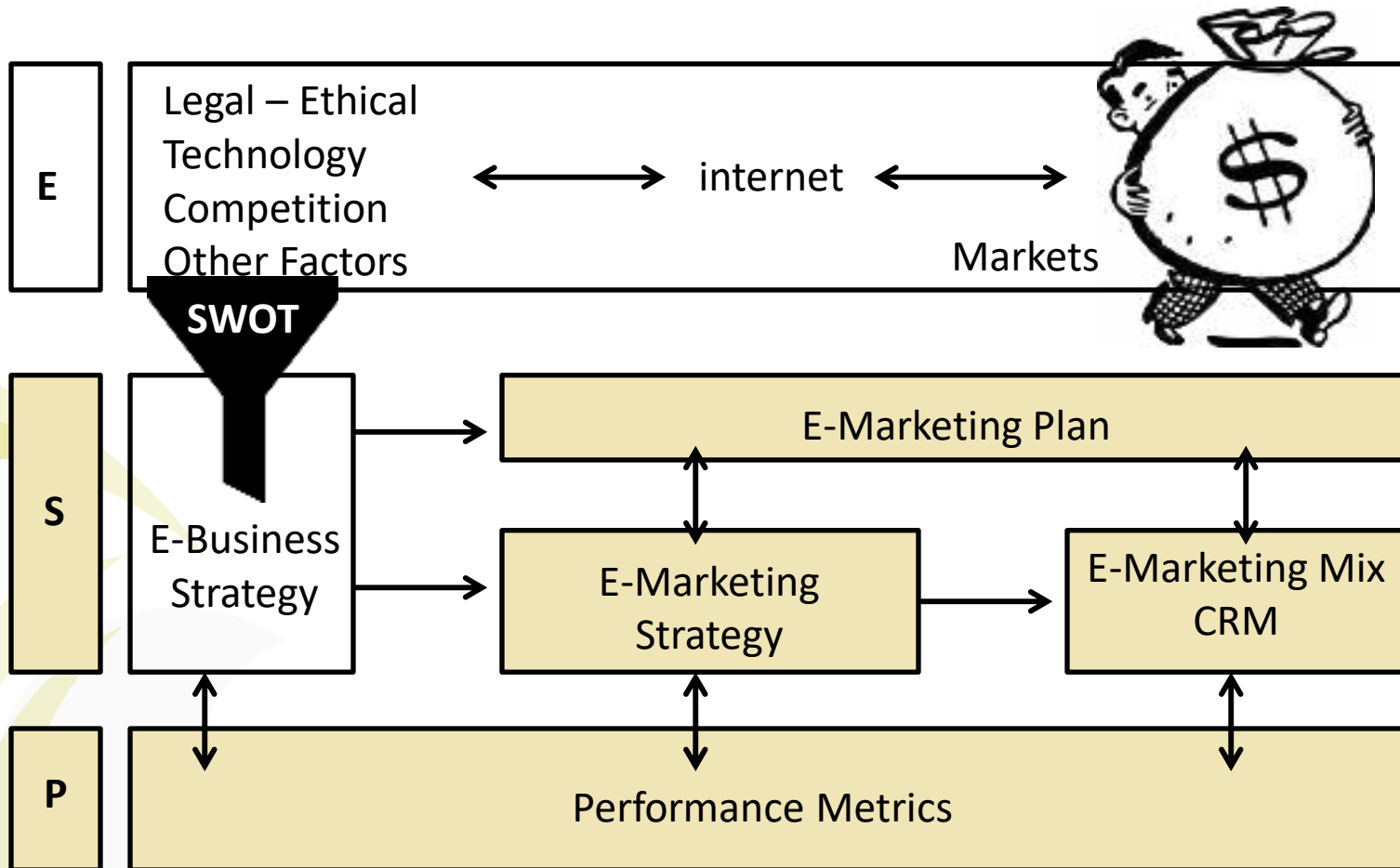
The Twitter Story

- Started as a concept in a brainstorming meeting in 2006 to become the second most popular social network six years later.
- Twitter took off after attendees sent text messages on 60-inch TV screens at the South by Southwest festival in 2007.
- 340 billion tweets/day and 140 million registered users in 2012.
- Monetizes traffic by selling ad products: promoted Tweets, promoted trends and promoted accounts.

The E-Marketing Planning Process

- The e-marketing plan is a blueprint for e-marketing strategy formulation and implementation.
  - Links the firm's e-business strategy with technology-driven marketing strategies.
- The plan serves as a road map to guide the firm, allocate resources, and make adjustments.

E-Marketing Plan

E	Legal – Ethical Technology Competition Other Factors	internet	Markets

SWOT

| S | E-Business Strategy | E-Marketing Plan |
| | | E-Marketing Strategy → E-Marketing Mix CRM |

| P | Performance Metrics |

Two Common Types Of Plans

- Napkin Plan
  - Entrepreneurs may jot down ideas on a napkin or pad of paper.
  - Large companies might create a just-do-it, activity-based, bottom-up plan.
  - These ad hoc plans may work and are sometimes necessary, but not recommended.
- The Venture Capital E-Marketing Plan is a more comprehensive plan for those seeking start-up capital and long-term success.

Sources Of Funding

- Where does an entrepreneur go for capital?
  - Bank loans
  - Private funds
  - Angel investors
  - Venture capitalists (VCs)
- Venture capital investment in internet companies increased by 68% from 2010 to 2011.

Seven-Step
E-Marketing Plan

1. Situation analysis
2. E-marketing strategic planning
3. Objectives
4. E-marketing strategy
5. Implementation plan
6. Budget
7. Evaluation plan

Step 1: Situation Analysis

- Review the firm's environmental factors and SWOT analysis.
  - Three key environmental factors are legal, technological and market-related factors, which are covered in Chapters 4, 5, and 7.
  - SWOT examines the company's internal strengths and weaknesses and looks at external opportunities and threats.

SWOT Analysis Leading To E-Marketing Objective

Opportunities	Threats
1. Hispanic markets growing and untapped in our industry. 2. Save postage costs through Facebook marketing.	1. Pending security law means costly software upgrades. 2. Competitor X is aggressively using Facebook e-commerce.
Strengths	**Weaknesses**
1. Strong customer service department. 2. Excellent Web/social media sites and database system.	1. Low-tech corporate culture. 2. Seasonal business: Peaks during summer months.
E-Marketing Objective: $500,000 in revenues from e-commerce in one year.	

Step 2: E-marketing Strategic Planning

- Marketers uncover opportunities that help formulate the e-marketing objectives.
- Marketers conduct analyses to determine strategies, such as Market Opportunity Analysis (MOA)
  - Demand & supply analysis for segmenting and targeting.
  - Segment analysis such as demographics.
  - Supply analysis to assist in forecasting. segment profitability and to find competitive advantages.

Step 3: Objectives

- An objective in an e-marketing plan may include the following aspects:
  - Task (what is to be accomplished).
  - Measurable quantity (how much).
  - Time frame (by when).
- Most e-marketing plans have multiple objectives:
  - Increase market share.
 - Increase the number of comments left on a blog.

Step 3: Objectives, cont.

- Increase positive comments .
- Increase sales revenue.
- Reduce costs.
- Achieve branding goals.
- Increase database size.
- Achieve customer relationship management goals.
- Improve supply chain management.

Step 4: E-Marketing Strategies

- Strategies related to the 4 Ps and relationship management to achieve objectives.
  - Product strategies: merchandise, content, services or advertising on its Web site.
  - Pricing strategies: dynamic pricing and online bidding.
  - Distribution strategies: direct marketing and agent e-business models.
  - Marketing communication strategies.
  - Relationship management strategies.

Steps 2, 3, and 4 of the E-Marketing Plan
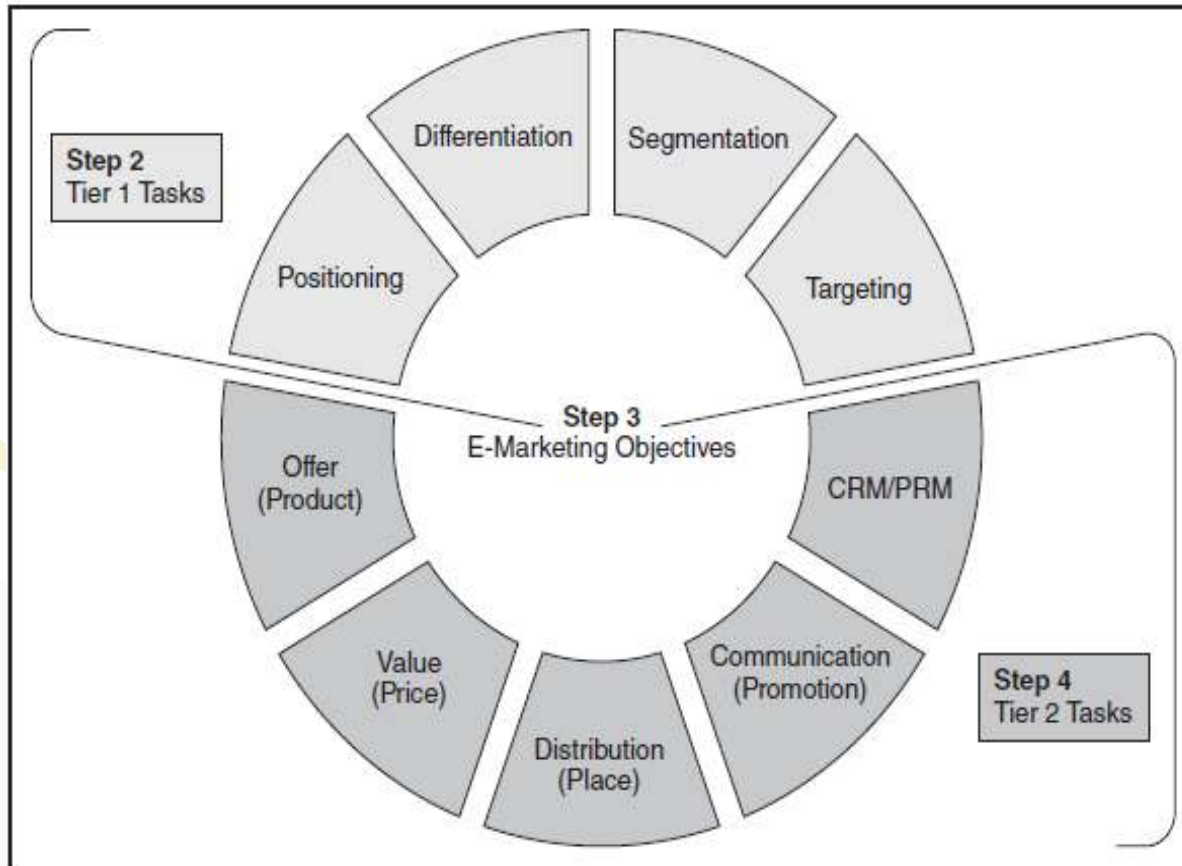
E-Marketing Objective-Strategy Matrix

	Online Strategies				
Online Goals	**Online advertising**	**Online videos**	**E-Mail**	**Online sales**	**Social networking**
Increase customer engagement	Yes	Yes	Yes	No	Yes
Increase customer database	Yes	No	No	Yes	Yes
Improve customer service	No	No	Yes	Yes	Yes
Build brand name awareness	Yes	Yes	Yes	No	Yes
Increase online sales	Yes	Possibly	Yes	Yes	Yes
Reposition brand	Yes	Yes	Yes	No	Yes
Increase Facebook "likes"	Yes	No	Yes	Yes	Yes
Generate sales leads	Yes	Yes	Yes	Yes	Yes

Step 5: Implementation Plan

- Tactics are used to achieve plan objectives.
  - Marketing mix (4 Ps) tactics.
  - Relationship management tactics.
  - Marketing organization tactics.
    - Staff, department structure.
  - Information-gathering tactics.
    - Website forms, cookies, feedback e-mail, social media comments and likes, etc.
    - Web site log analysis, business intelligence and secondary research.

Step 6: Budget

• The plan must identify the expected returns from marketing investments, in order to develop:

- Cost/benefit analysis
- ROI calculation
- Internal rate of return (IRR) calculation
- Return on marketing investment (ROMI)

Revenues and Costs

- Revenue forecast
- Intangible benefits, such as brand equity
- Cost savings
- E-Marketing costs
  - Technology costs
  - Site design
  - Salaries
  - Other site development expenses
  - Marketing communication
  - Social media communication
  - Miscellaneous

Step 7: Evaluation Plan

- Marketing plan success depends on continuous evaluation.
  - E-marketers must have tracking systems in place to measure results.
  - Various metrics relate to specific plan goals.
- Today's firms are ROI driven.
  - E-marketers must show how intangible goals will lead to higher revenue.
  - Accurate and timely metrics can help justify expenditures.