

E-MARKETING 5/E

Part III: E-Marketing Strategy

Chapter 6: E-Marketing Research

Chapter 6 Objectives

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- After reading Chapter 6, you will be able to:
 - ▣ Identify the three main sources of data that e-marketers use to address research problems.
 - ▣ Discuss how and why e-marketers need to check the quality of research data gathered online.
 - ▣ Explain why the internet is used as a contact method for primary research and describe the main internet-based approaches to primary research.

Marketing Knowledge Management

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- Knowledge management is the process of managing the creation, use, and dissemination of knowledge.
- Data, information, and knowledge are shared with internal decision makers, partners, channel members, and sometimes customers.
- Examples of the uses of knowledge management can be found in Exhibit 6.3.

Source 1: Internal Records

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- Accounting, finance, production, and marketing personnel collect and analyze data.
 - Sales data
 - Customer characteristics and behavior
 - Universal product codes
 - Tracking of user movements through web pages

Source 2: Secondary Data

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- Can be collected more quickly and less expensively than primary data.
- Secondary data may not meet e-marketer's information needs.
 - ▣ Data was gathered for a different purpose.
 - ▣ Quality of secondary data may be unknown.
 - ▣ Data may be old.
- Marketers continually gather business intelligence by scanning the macroenvironment.

Public and Private Data Sources

6-6

- Publicly generated data
 - Country Statistics - ISSER
 - Marketing Association
 - Wikipedia
- Privately generated data
 - Marketing Research Companies
 - Nielsen/NetRatings
- Commercial online databases

Source 3: Primary Data

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- Primary data are information gathered for the first time to solve a particular problem.
- Primary data collection enhanced by the internet:
 - ▣ Experiments
 - ▣ Focus groups
 - ▣ Observation
 - ▣ Survey research

Primary Research Steps

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□ Exhibit 6.10



Advantages & Disadvantages of Online Research

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□ Exhibit 6.15

Advantages	Disadvantages
Fast and inexpensive	Sample selection/generalizability
Diverse, large group of internet users worldwide to small specialized niche	Measurement validity self-selection bias
Reduced researcher data entry errors because of respondent data entry	Respondent authenticity uncertain
Honest responses to sensitive questions	Frivolous or dishonest responses
Anyone-can-answer, invitation-only, or password protected	Duplicate submissions
Easy tabulation of electronic data	Declining response rates
Less interviewer bias	Perception that research solicitation is spam

Ethics of Online Research

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- Companies conducting research on the Web often give respondents a gift or fee for participating.
- Other ethical concerns include:
 - ▣ Respondents are increasingly upset at getting unsolicited e-mail requests for survey participation.
 - ▣ “Harvesting” of e-mail addresses from newsgroups without permission.
 - ▣ “Surveys” for the sole purpose of building a database.
 - ▣ Privacy of user data.

Cookies and Online Data Collection

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- Cookies are packets of data created and stored on the user's hard drive in response to instructions received from a Web page.
- Cookies serve many purposes:
 - ▣ Create shopping baskets to hold purchases
 - ▣ Recall stored sales information
 - ▣ Collect user data
- Cookies are normally executed without any user action.
- They allow marketers to pinpoint an individual's online behavior.

Other Technology-Enabled Approaches

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- Client-side Data Collection
 - Cookies
 - Use PC meter with panel of users to track the user clickstream.
- Server-side Data Collection
 - Site log software
 - Real-time profiling tracks users' movements through a Web site.

Marketing Databases & Data Warehouses

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- Product databases hold information about product features, prices, and inventory levels; customer databases hold information about customer characteristics.
- Data warehouses are repositories for the entire organization's historical data, not just for marketing data.
- Data are stored in the data warehouse system and used for analysis by marketing decision makers.

Data Analysis and Distribution

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- Four important types of analysis for marketing decision making include:
 - ▣ Data mining
 - ▣ Customer profiling
 - ▣ RFM (recency, frequency, monetary value) analysis
 - ▣ Report generating

Digital Property

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- The law protects intangible or intellectual property through 3 basic mechanisms:
 - ▣ Patent law is centered on inventions.
 - ▣ Copyright addresses issues of expression.
 - ▣ Trademark is concerned with words or images used in the market.

Copyright

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- Copyright is the primary means of protecting most expression on the Internet.
- Chief protections include:
 - ▣ Doctrine of Fair Use
 - Ability to copy protected material for education and news reporting.

Copyright, cont.

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- The No Electronic Theft (NET) Act was signed into law in 1997.
 - ▣ Confers copyright protection for computer content and imposes sanctions for infringement.
- The 1998 Digital Millennium Copyright Act (DMCA) contains several provisions.
 - ▣ Protects ISPs from acts of user infringement.
 - ▣ Criminalizes the circumvention of software protections.
 - ▣ Complies with international standards for copyrighted material.

Trademarks

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- Trademark law concerns the ownership of intellectual property that identifies goods or services.
- Trademark law as been applied to the internet naming system of domain names.
 - ▣ Similarities in names may result in trademark infringement claims.
 - ▣ A trademark violation, cybersquatting, involves the registration of domains that resemble or duplicate existing ones.

Licenses

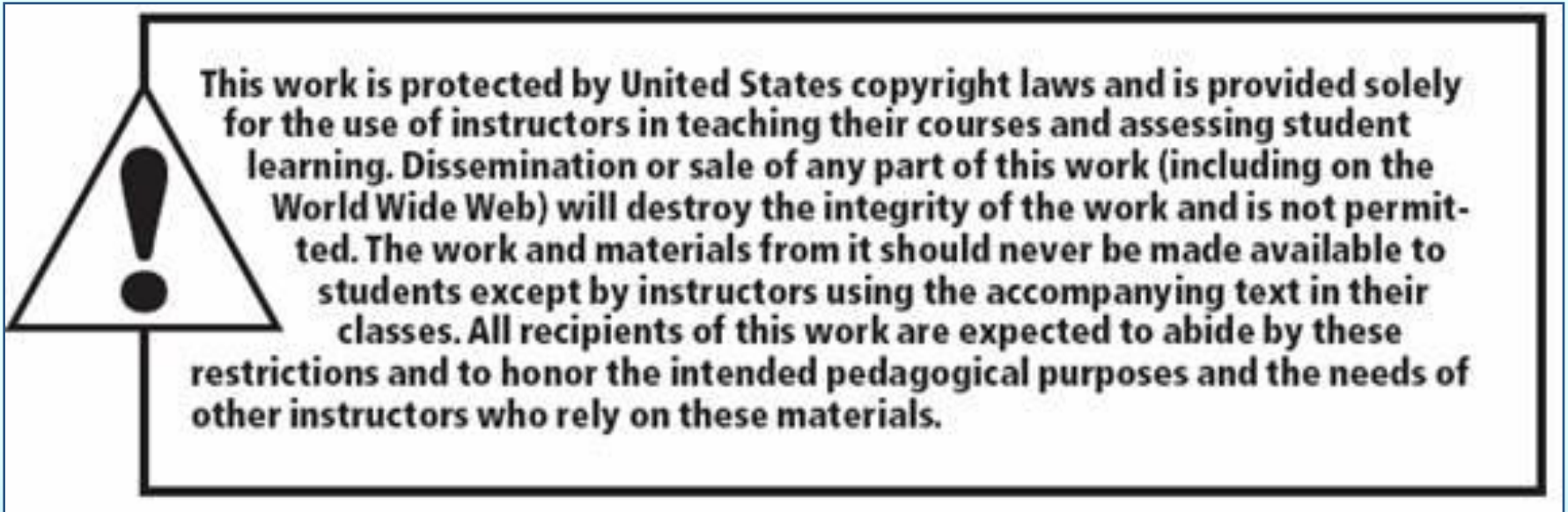
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- Licenses are an increasingly popular method of intellectual property protection.
 - ▣ Licenses allow the buyer to use the product but restrict duplication or distribution.
- Licenses may be two basic types:
 - ▣ Shrinkwrap or break-the-seal licenses
 - ▣ Clickwrap licenses where the user is required to click a button to accept the terms
- Legal trend favors enforcement of software licenses.

Data Ownership

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- Legal and ethical debates about data access and ownership questions abound.
- Online technologies such as click data and spidering raise concerns about data ownership.
- A movement is growing to protect specially compiled or *sui generis* data.
 - ▣ U.S. copyright law does not protect facts, so database vendors are seeking legal protection.



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