

# Chapter questions and answers essay



**ASSIGN  
BUSTER**

Is growth of the internet, in terms of users, expected to continue indefinitely?

What will cause it to slow if anything? Internet growth is now currently slowing.

This is because of computer costs. Unless the price of computers drop significantly the internet growth rate will continue to decline 3) Would you say that the Internet fosters or impedes social activity? Explain your position.

I would say both. The Internet probably both fosters and impedes social activity.

It fosters it because socially network, e-mail, instant messaging, and blog. These things help people stay in touch with friends and family.

Blogs also serve as a positive outlet for people to vent and or learn. The Internet may impede social activity because people choose to spend their time in front of a computer rather than engaging with family and friends. “ A Stanford University study has indicated that Internet users lose touch with those around them; they spend far less time talking with friends and family face-to-face and on the phone”. ) Research has shown that many consumers use the Internet to investigate purchases before actually buying, which is often done in physical storefront. What implication does this have for online merchants? What can they do to entice more online buying, rather than pure research? The fact that many consumers use the Internet to research products before actually making purchases has many implications for online merchants because it suggests that e-commerce is a major conduit and generator of offline commerce. This could mean that e-commerce and traditional commerce should integrate to alleviate the concern.

It is very important for online merchants to build the information content on their sites to attract browsers, put less attention on selling, per se, and offer products in offline settings where users feel more comfortable and secure. 7)

Name the five stages in the buyer decision process and briefly describe the online and offline marketing activities used to influence each. The five stages in the buyer decision process and the online and offline marketing activities used to influence them are: \* Awareness of Need \* Search for Information Evaluation of Alternatives \* Actual Purchase Decision \* Post-Purchase Contact with Firm Marketing helps lure in potential buyers by association to a desire or effect. These avenues inform potential customers about the benefits of buying a particular product.

9) Describe a perfect market from the supplier's and customer's perspective? A perfect market from the supplier's perspective is one without substitutes or competitions. They basically "own the market" making it difficult for new competitors to enter. Customers and suppliers do NOT influence pricing.

A consumer's perfect market is the literal opposite. The perfect market from the customer's perspective is one in which there is a lot of competition resulting in pure price competition and available substitutes.

11) What are the components of the core product, actual product, and augmented product in a feature set? In a product feature set offers components of the core product are the core benefits a customer receives from buying the basic product. . The actual product consists of the set of characteristics designed to deliver the product's core benefits.

The augmented product consists of the additional benefits the consumer receives such as a warranty, support and repair personnel that will accompany the product. 13) How are product positioning and branding related? How are they different? Products are put in a specific market demographic because of its brand.

Marketers attempt to present a unique, high value product that is especially suited to the specific needs of the segment customers (demographic).

Product positioning is how the company displays its product to the consumer.

This is similar because the company is making a promise to the consumer that they will benefit by purchasing the product. However certain products aren't always positioned the same due to price availability and use. 15)

Name some of the drawbacks to the four data mining techniques used in Internet marketing? The major drawback to rule-based technique is in the title. The amount of rules is unrealistic and short term.

This method isolates the market making it difficult to return a profit. 17)  
Which of the four market entry strategies is most lucrative?

The most lucrative market entry strategy that has proven is the brand extender. This mixed clicks-and-bricks strategy integrates online marketing closely with offline physical stores. It uses the Web as an extension to already existing order processing and fulfillment, and marketing and branding campaigns.

These firms have been the most successful because they already possess the financial depth, marketing and sales resources, loyal customers, strong brands, and production and/or fulfillment facilities needed to meet customer demands. 9) What pricing strategy turned out to be deadly for many e-commerce ventures during the early days of e-commerce? Why? “ Free or Freemium” is the main pricing strategy that has been devastating to many e-commerce sites including YouTube. com. Although the site has millions of visits every day, it is still not profitable. The reason is many consumers believe that certain things should be free and they have no intention of purchasing anything and are content with whatever is free.

In fact, even mentioning a price may avert certain viewers visiting the site again.