

# Assaignment essay



**ASSIGN  
BUSTER**

The marker accepts that the student should be familiar with the contents of the learner guide and the prescribed textbook. If, however, factual and correct information is included from other valid academic sources besides the learner guide and the prescribed textbook. Such knowledge and insights also qualify for the allocation of marks.

When answering questions the student is required to: ; Read each question carefully and thoroughly before attempting the answer, in order to determine exactly what is required. ; Allocate sufficient time to answer each question in proportion to the marks indicated on the examination paper. Number answers clearly and correctly. Provide answers in a legible handwritten format. ; Set out the answers in a structured format and formulate statements in full and coherent sentences. In most papers one mark is normally allocated for each factual statement.

This memorandum should also assist students and student support centers in preparing for future examinations. As the memorandum accompanies the examination paper and is prepared prior to the examination session, it is not able to include areas where the students provided incorrect answers.

The memorandum is also central to the moderating team when performing moderation of examination scripts. After the release of marks for any examination session, the memorandum becomes public knowledge and is available to students.

Page 2 of 7 O MIM Graduate School of Marketing May 2011 Memorandum  
SEC/ECHOIC Readers are cautioned that this memorandum provides an  
Indication of the theoretical content that should be covered in the answer.

Learners should not replicate the style of the memorandum in the exam. The learner is expected to explain the answers in greater detail.

It is expected that learners have mastered good examination technique at this level. QUESTION 1 [20] The Internet is used to publish information about products and services.

Prospective clients can obtain information about the organization or its products and services. This is the most basic stage of Internet use. Many firms in the developing world may only use the Internet for this purpose as they know that the majority of their clients will not have access to or do not use the Internet. They will opt for a basic web presence for the small number of customers or investors that do use the Internet.

Interaction stage The Internet is used for two way communication with customers, for example customers can send queries to a hotel asking if they can make a booking for a certain period. The Internet is used primarily as a communication channel by the organization.

It replaces the telephone as the primary communication channel between the organization and customers. E-commerce stage In this stage the Internet has become integrated with most business functions from marketing to finance and even human resources management.

The organization uses the Internet to advertise, to transact with customers and even to manage the distribution channel. An e-commerce strategy is required so that it can be aligned with the business strategy.

E-business stage At this stage the Internet is used to identify new business opportunities. The Internet is used to redesign business processes. The Internet becomes integrated with all aspects of the business. It is essential to link the business strategy with the overall business strategy.

(10) 1. 2 Value is intangible, ideas and information are more critical than tangible assets.

Distance and time are less of an issue. Instantaneous service and response is possible.

Value is not determined just by scarcity; time and convenience offer new sources of value. Disintermediation results in new channels where many traditional intermediaries are no longer needed. Buyers may have more power as the Internet remits them to aggregate their buying power. Supply is also enhanced leading to greater competition. Greater personalization can be offered online for example, web pages can be customized.

10) Page 3 of 7 MIM Graduate School of Marketing QUESTION 2 [20] The objectives of the website must be specified, for example, is it a presence site or will the transactions be done online? A website development team must be assembled consisting of designers and programmers. A web hosting source and an Internet service provider will be required. The website will also require promotion ND a strategy for promoting the site must be developed. Website development can be done internally or externally. An external Internet service provider is usually needed.

Internet security and user authentication are required to provide a secure interface for customers to transact.

The site must offer value to customers to encourage them to come back to the site. The principle source of value online is speed and convenience including not having ease of gathering information online is another source of value. Some sites offer value such as free content or a pleasant online experience. Extensive and ongoing rumination is necessary to entice customers to try the site for the first time as well as to come back to the site.

Registration with a popular search engine, joining an affiliate programmer whereby the site is advertised on other sites or using banner advertising may help generate awareness of the site. It may also be necessary to advertise in traditional media such as newspapers, magazines and television. Advertising may generate awareness and attract consumers to the site but this may not translate into sales. Sales promotions and discounts may have to be offered to encourage purchase or subscription. It is also essential to target the right group of customers.

The site must have a plan as to where it will obtain the revenue which is used to fund its development and maintenance.

Income from sales, advertising or subscriptions can be used to generate revenue for the site. The site may offer additional benefits such as improved customer service which can enhance the return on investment of the site.

QUESTION 3 [20] One-to-one marketing is a type of relationship marketing in which the main idea is to treat each customer as an individual. This type of relationship usually results in loyalty and customer retention.

As it is more cost effective to retain customers rather than seek new customers, one-to-one marketing has risen to prominence. Each interaction with the customer enables the business to obtain more information about the customer which they can use to build better relationships with customers. Thus customer relationships are continually being improved upon. The marketing offering as well as the website can be adjusted to suit the customer's individual needs. Thus the product offering becomes more valuable to the customer and thereby enhances the loyalty of the customer.

Doing business over the web allows the firm to better understand the needs and buying habits of the customer. In order to apply one-to-one marketing the firm needs a database of customers with very detailed information about the customers. This information will be used as the basis for customizing the offering for the customer including the development of tailored direct marketing strategies and tactics. The use of the Internet to facilitate interactive communications with customers is a characteristic of one-to-one marketing.

Page 4 of 7 For successful one-to-one marketing the firm has to go beyond customer satisfaction and strive to delight the customer.

Customers must trust in the online interface and must feel secure with online communication. In particular payment systems must be secure. As there are a number of Internet scams the firm must take steps to assure the customers that they are trustworthy. This can be done by including details of the physical address and contact phone numbers of the business, customer

testimonials, satisfaction guarantees, and registration with Internet certification companies such as Version.

Viral marketing whereby other customers convince new customers to marketing over the Internet provides a new means of relating to customers. It can be used by firms that want to differentiate their offering from competitors and may be useful for products or services where personalization is important or for market segments that value customization.

The primary benefit of one-to-one marketing is that it facilitates customer loyalty and retention. QUESTION 4 [20] Branding is important in e-commerce and trust is critical.

Consumers trust brands which they are familiar with. In order to establish the cosmetics brand the firm has to follow the steps in the online brand building process.

Step 1 – Identify the goal of the branding project. The firm must identify the target market for the brand, the characteristics of the products which are involved and the corporate image which must be portrayed. In the case of the cosmetics company it may be wise to target younger customers as they tend to be more techno savvy and enjoy spending time online.

They are also less risk averse and may be more willing to make purchases online.

The firm must decide which characteristics of the product to emphasis, for example the firm can decide to emphasis that the product is made with

natural ingredients and it is gentle on the skin and good for the environment. They may also want to emphasize that the firm is reputable and has been selling cosmetics for a number of years. Thus the products and the firm can be trusted. Trust in the firm will influence trust in the online brand.

Step 2 – Identify the corporate image required for the website In order for the trust that the firm has built over the years to influence the online brand the corporate identity of the firm must be evident on the website. The site must have a unique look and feel but the firm logo as well as other elements which the target market associate with the firm must be visible on the site.

Step 3 – Establish brand identity on the site The site must have a look and feel which appeals to the target market. The selection of colors must appeal to the target market.

Bright colors may be more appealing to the young target market. The layout of the site in terms of structure and font must also suit the target market. For a young market the site must not be too formal and Page 5 of 7 should have a playful feel.

The brand may have its own logo and again this must appeal to the target market. Some research may be required to establish the preferences of the target market. In developing countries it must be remembered that bandwidth can be slow so the site must not have too many images which take very long to download as most customers will not wait.

Step 4 – Select domain name The domain name of the site must be easy to remember. It can be based on an existing company or brand name or it can



be a new name. In this case the brand name should be the domain name as the site is designed for the particular brand.

Step 5 – Quality experience The customer experience on the site must be positive to encourage them to come back to the site. Pages must download quickly and the firm must refrain from adding not be too cluttered.

Information must be organized in an intuitive manner so that it is easy to find.

It must be easy to make transactions and they must be secure. The customers must see value in the product. Customers must be assured that their financial information is confidential and secure and that their privacy will be protected.

Step 6 – Convey brand proposition The brand proposition or unique selling proposition – this is the unique value of the product – must be communicated on the site. If there are unique online benefits then these need to be communicated too. In this case the value proposition may be that he product is natural and affordable.

This can be communicated with images of the natural ingredients used in the products. Added online value can be in the form of a community chat forum where users can exchange information about their skin problems and experiences using the product.

QUESTION 5 [20] There are four stages in the development of e-government. In the categories stage the government will publish information on the Internet. The Internet will not be used to redesign processes or organization

in the department. In the transactions stage there is two-way communication with citizens and the Internet is used as a arrive channel.

In the vertical integration stage, processes can be changed and made more efficient with the Internet. Systems can be integrated for better efficiency. In the horizontal integration stage there is integration across government departments. Back office processes can be made more efficient and it is easier to share resources and information across government departments. Due to low Internet penetration in Southern Africa much of the population is not able to benefit from the use of e-commerce to make governance more efficient and convenient.

The scope for e-governance can be enhanced by providing terminals here consumers can access the Internet for e-governance purposes. Other factors which curb the use of e-governance in Southern Africa are poor infrastructure such Page 6 of 7 as the lack of electricity and telephone access. In addition low literacy and lack of computer literacy are also barriers. Consumers can benefit from e-governance by obtaining information about government services, community meetings and voting. They can also benefit by making electronic payments for services.

E-governance can make governance more efficient and government more accountable to citizens.

The Internet can be used by overspent departments for back office operations which can be made more efficient and government departments can use the Internet to share information and for faster, cheaper communication. Information and communication within a department as well

as across departments can be enhanced. The relationship between government and its citizens can be improved by streamlining processes, improving service and offering greater convenience. Government can also improve relations with the business sector through greater efficiency and better supply chain management in its procurement systems.

Public QUESTION 6 [20] Spam Consumers are not bound to unsolicited emails which offer them goods or services.

They can demand that the sender disclose where their contact information was obtained. It is an offence to continue to send unsolicited emails after the recipient has indicated that they do not want to receive the mails. The provisions of the Act cannot be overridden via contracts. Thus the bookstore should ask customers if they wish to receive emails concerning new books or special offers and they must respect the customers' wishes to receive or not receive these mails.

If customers decide that they do not want to receive the mails then the store must stop sending them. Information There are 18 categories of information which the online bookstore must publish on its website. This includes the registration name and registration number of the firm, contact details, names of directors and other company officials, details of any memberships to self-regulating bodies and the code of conduct which the store adheres to. The site must also comply with the disclosure requirements specified in other Acts. There must be a full description of the goods and services with prices.