Learning Objectives

Upon completion of this unit, students should be able to:

1. Recognize Customer Lifetime Value (LTV) as a key concept driving direct and indirect online business activities.
2. Analyze methods for tracking the activities and value of online users, including the importance of closed-loop marketing strategies and the concept of web chain evaluation.
3. Compare methods for improving Customer Lifetime Value through online activity and aware that not all customers are of equal value.
4. Comprehend how improved processes from online activities can enhance a firm's performance.
5. Identify the different channel-based revenue models and the risk calculations in each system for both advertising network and advertising firm.
6. Recognize that effective branding strategies integrate online activities and traditional advertising.
7. Identify the key advantages of online branding strategies for building a company's web traffic and reinforcing brand salience.
8. Explain how domain name selection and use contribute to a successful branding strategy.
9. Discuss the distinctions, and different marketing demands, of companies with multiple brands.
10. Describe how the flexibility and low-cost of online media can improve brand image, performance and crisis management.
11. Understand how online content can deepen a consumer's brand relationship and help foster brand communities.

Unit Summary

The Internet provides businesses with an array of new methods to track customers, monitor sales and, in some instances, to structure entirely new operational platforms. Chapter 5 introduces different models for measuring and assessing a firm’s online effectiveness, emphasizing both customer lifetime value and web chain evaluation. Chapter 5 also identifies some of the distinct innovations and benefits that well-conceived and well-executed online marketing activities can deliver to businesses. The author looks specifically at direct improvements in efficiency and effectiveness, the potential for additional revenue and strategies for pricing. The chapter also offers a cautionary reminder: not all online activities are equally profitable, and there is no formula for a bullet-proof online enterprise.

Chapter 6 explores the growing online role for brand development, examining how the Internet has altered spending and development patterns for marketers. The author emphasizes the importance of domain names to brand identity and details how the fast and relatively inexpensive nature of the web allows...
marketers to be more nimble and more imaginative both in promoting a particular brand and in managing crises. The chapter also discusses the web's unique role in fostering brand communities by linking the organic, grassroots networks that form around a loyalty to a particular brand – be it a sports team or a sports car – and harnessing their power for future purchases and referrals.

You've probably heard that "all the good domain names are taken," but that's just not the case. However, domain names are getting longer and harder to read at a glance. Make your site's URL easy for visitors to read and remember by emphasizing it online and in your printed literature. Long Names Are Harder To Read. Domain name options increased dramatically when the allowed length increased from 22 to 63 characters (not including the extensions). Although most one and two-word domain names got snapped up years ago, the longer domain names gave online companies and groups many more choices when selecting an online identity.

For instance, small businesses with longer names often want to register their entire company name or slogan. Imagine this domain name for an unusually versatile company:

doriskirshteinandsonsreptiletaxidermyandchainsawrepair.com.

Now, that's pretty illegible when written in all lower-case letters - hard to tell where the taxidermy stops and the chain saw repair begins. It would be way too easy for someone to misspell the domain name, get a DNS error, and conclude that the business had folded.

Additional Resources: