Learning Objectives

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

1. Describe the benefits of e-procurement.
2. Explain the risks of e-procurement.
3. Analyze procurement methods to evaluate cost savings.
4. Assess different options for integration of organizations’ information systems with e-procurement suppliers.
5. Assess the need for separate e-business and e-marketing strategies.
6. Explain an e-marketing plan intended to implement the e-marketing strategy.
7. Distinguish between marketing communications characteristics of traditional and new media.
8. Analyze the most appropriate e-procurement to adopt.

Unit Summary

In the early stages of electronic commerce, having the most efficient and creative site was enough for e-businesses to prosper. Today, competition is intense, and having a solid Internet marketing strategy can give a company advantage.

The Internet and the World Wide Web provide marketers with new tools and added convenience that can increase the success of their marketing efforts. This chapter explores various components of an Internet marketing campaign, such as marketing research, advertising, promotions and public relations. Also discussed is the importance of understanding how search engines work, which can help company increase traffic to its Web site.

Generating Web-site traffic is important to the success of the e-business but, it is not enough. Keeping user profiles, recording visits and analyzing promotional and advertising results are key to measuring effectiveness of marketing campaigns. By discovering your target market you can focus your campaign and increase the number of visits, responses and purchases.

Affiliate programs have become a dominant and unique form of Internet marketing. An affiliate program is a form of partnership in which a company pays affiliates for prespecified actions taken by visitors who click-through from an affiliate site to a merchant site. This chapter discusses the costs, benefits and program reward structures of affiliate programs. We discuss program-building options, particularly tracking and affiliate solution providers and directories and search engines that provide affiliate- and partnering-program resources.

Today’s world of e-business and e-commerce has become one of intense competition. It is often difficult to distinguish an e-business from its competitors.
Offering customers convenience, personalization and excellent service plays a key role in the success and differentiation of many online businesses. Customer relationship management (CRM) focuses on providing and maintaining quality service for customers, by effectively communicating and delivering products, services, information and solutions to address customer problems, wants and needs. CRM can include call handling, sales tracking and transaction support, as well as many other functions. eCRM is the application of CRM to an e-business’ strategy and includes the personalization and customization of customers’ experiences and interactions with a Web site, call center or any other method of customer contact with the e-business.

Purchasing and procurement are topics that tend to be poorly represented in the study of e-commerce. Given this, this unit takes the approach of first explaining what procurement is and then reviewing what its benefits and risks to business are. To help explain this, it lends itself to simple spreadsheet modeling and examples of these are included in the unit. The concept of e-business has highlighted the importance of procurement as strategic issues since introducing electronic procurement or e-procurement can achieve significant savings and other benefits which directly impact the customer. Issues involved with electronic trading between supplier and its customers are introduced in this unit and further developed in the next section.