

Unit 12: Internet Marketing in Business

Learner Name:		
Start date: w/c 5 December 2011	Initial Briefing: w/c 5 December 2011	Review Dates: Various - see below
All FINAL work for the assignment must be handed in by: Friday 23 February 2012		

Purpose:

In this unit learners will be introduced to the main areas of marketing (and the marketing mix) which have been affected by the internet.

Internet marketing is about the use of the internet in achieving marketing success rather than being about the technology itself. As customers demand more from digital technologies, the technologists themselves are integrating functions and making it easier for more customers to take part. This is a trend that marketers can use to their advantage.

Learners will have the opportunity to investigate the role of ICT in the marketing activities of a selected organisation.

Learning outcomes

On completion of this unit a learner should:

- 1 Know what role internet marketing has within a modern marketing context
- 2 Understand the benefits of internet marketing to customers
- 3 Understand the opportunities offered to businesses by internet marketing
- 4 Understand the challenges faced by businesses using internet marketing.

SPECIFIC INFORMATION ON THE COMPLETION OF THIS ASSIGNMENT

For each task, you will have the opportunity to improve your work to meet the performance criteria. Class verbal feedback will be available and tasks submitted to deadlines will provide you with written formative assessment.

Task No	To achieve the criteria the evidence must show that the learner is able to:	BTEC Criteria ref	Assessment Method	Deadline for submission of written work
1A	P1 Describe the role internet marketing has within a modern marketing context	P1	Groupwork; research & mini presentation	w/c 12 December 2011
2A	P2 Describe how selected organisations use internet marketing	P2	Magazine Article Part 1	w/c 2 Jan 2012
2B	P3 Explain the benefits to customers of a business using internet marketing.	P3	Magazine Article Part 2	w/c 9 Jan 2012
2C	M1 Analyse the benefits of internet marketing to customers	M1	Discussion & Poster	w/c 9 Jan 2012
3A	P4 Describe the benefits and opportunities to the business of using internet marketing within the marketing mix of a selected business	P4	Group Presentation (Part 1)	w/c 23 Jan 2012
3B	P5 Explain how internet marketing has made a selected business more efficient, effective and successful	P5	Group Presentation (Part 2)	w/c 23 Jan 2012
3C	P6 Explain the challenges of globalisation facing a selected business when using the internet as a marketing tool.	P6	Group Presentation (Part 3)	w/c 23 Jan 2012
4A	M2 Analyse the marketing opportunities and challenges faced by a selected business when using internet marketing.	M2	Individual Report	w/c 30 Jan 2012

4B	D1 Evaluate the effectiveness of internet marketing in meeting customer needs for a selected business	D1	Individual Report	w/c 6 Feb 2012

BTEC National Business

LEARNER INSTRUCTIONS

Unit No: 12

*Unit Title: Internet Marketing in Business
Assignment*

Prepared July 2011

Unit Assessment

There are two assignments covering the grading criteria for this unit. When the assignments have been completed, the unit will be graded as follows:

Grading criteria:

To gain a Pass in this unit, all Pass criteria must be achieved.

To gain a Merit in this unit, all Pass and all Merit criteria must be achieved.

To gain a Distinction, this unit, all Pass, all Merit and all Distinction criteria must be achieved.

Assignment Overview

1 Know what role internet marketing has within a modern marketing context

Marketing: increased integration of marketing mix (4 Ps) and extended mix (7 Ps); relationship marketing; importance of identification of new product and market development opportunities; modern information and communications technologies (ICTs); strategies to achieve business objectives; technology-enabled targeting and segmentation eg demographical, psychographic, economic, usage based; business-to-business (b2b), business-to consumer (b2c) and consumer-to-consumer (c2c) such as eBay; disintermediation and direct market communication by producers

Internet marketing: greater individualisation of market attention eg one-to-one relationships, mass customisation, increased information and cost-effective information gathering methods; reaching wider and more distant markets; product impact, enhancing traditional products and services, online games and music, mix between on and off line activities; opportunities enhancing marketing effectiveness eg through 'one-to-one' communications; understand customers and target more effectively

2 Understand the benefits of internet marketing to customers

Benefits to customers: opportunities to compare and select providers; increased bargaining power; availability of more comprehensive and up-to-date product information; opportunities for lower costs via 'dynamic pricing' eg internet auctions; greater supply convenience through

availability of responsive transaction facilities eg airline ticketing; immediate online sales and customer service without travel or unsatisfying sales experiences, availability of digital complaints services; opportunities to pool customer experiences collectively via chat rooms ie consumer-to-consumer (c2c), better prices with 'middle man' removed, no sales pressure, easier to cancel as no person-to-person issues, more leisure time, flexibility

3 Understand the opportunities offered to businesses by internet marketing

Access: more frequent individualised communications to build relationships; use of communications to promote eg special offers, product launches; new services; use of purchase history to tailor offers to individuals, easier and cheaper to alter adverts, quicker response times to changing market needs, better information to guide stock holding

Availability: increased range of customised buyer menus resulting in more accurate responses to customer needs and wants; use of internet information to identify product development opportunities; opportunities for immediate sales of products eg banking, insurance policies; possibilities of substitute online forms of products eg music, films, radio and TV programmes; podcasts; market development, ability to expand markets more cost-effectively; lower entry costs for small businesses; opportunities to offer services 'virtually' eg virtual tours by estate agents; operating 24/7 eg internet banking; ability to link traditional methods with online marketing ('bricks and clicks'); market diversification opportunities eg www.tesco.com

Business efficiency: use of internet to manage supply chain; use of electronic communications to reduce staff costs; opportunities for increased sales from existing customers; opportunities to monitor competitor activity; internet business opportunities eg use of paid-for promotion on websites, through search engines, portals and links

4 Understand the challenges faced by businesses using internet marketing

Globalisation: problems of channel conflict and disintermediation; low customer confidence in payment security; challenge of delivering to higher reliability expectations raised; problems of managing overload

of market feedback, volume of individual/group customer profiles; challenge of more complex analysis; keeping pace with market and technological change; challenge of revising marketing goals in line with the organisation's capacity to process feedback; problems of ensuring maximum access via ISPs and search engines; security of site information and payment systems; challenge of linguistic/cultural sensitivity eg Kellogg's European promotions and in publishing eg Disneyland Paris versus US Disney; challenge of additional legal complexity

ASSESSMENT TASK 1

Title Describe the role internet marketing has within a modern marketing context (P1)

Deadline: w/c: 12 December 2011 - Groupwork;
research businesses' websites and then present to the rest of the class.

TASK 1:

In this task you will need to work in a group researching businesses' websites and then present your findings to the rest of the class. You will need to highlight examples of Internet Marketing for modern businesses. You should submit background notes as evidence of research for this task.

Select at least two different types of businesses using an online channel to sell physical products or services. Describe how the marketing activities of these different businesses have incorporated internet marketing. For example, the ways in which the internet provides opportunities for producer-customer dialogue and therefore research and relationship building.

Identify and describe the ways the different businesses use the web to support their products or services. How do customers gain from the sites?

Tips

Think about:

- *opportunities for customer interaction (one-to-one communication)*
- *customers using websites to design & customise their products (customisation)*
- *personalisation (individual recommendations based on previous visits)*
- *integrating the Ps and combining offline and online marketing efforts (mainly price, product, promotion & process)*
- *help with meeting marketing objectives*
- *help with targeting consumers*

- *monitoring customer feedback*
- *disintermediation*
- *increased worldwide penetration*
- *ability to enter new markets*
- *types of websites (e.g. transactional, services-oriented relationship building, brand building, portal or media sites, social network or community sites)*

This task provides evidence for P1

ASSESSMENT TASK 2a

Title Describe how selected organisations use internet marketing- P2

Deadline: w/c 2 January 2012 - Magazine Article
(Part 1)

You have been asked to write an article which will appear in a Business School's in-house magazine. Here you need to describe clearly how businesses use internet marketing. Select at least two businesses. The following points on how internet marketing is used may help.

- Used as a cost-effective method to gather information
- Used to develop one-to-one relationships (mass customisation)
- Used to understand customers and target more effectively
- Used to advertise last minute promotions
- Used to reach wider and more distant markets
- Online effort used to enhance traditional offline marketing effort

This task provides evidence for P2

ASSESSMENT TASK 2b

Title Explain the benefits to customers of a business using internet marketing- P3

Deadline: w/c 9 January 2012 - Magazine Article
(Part 2)

This is part two of the magazine article you are preparing for the business school in-house magazine. In this second part, you have been asked to explain the benefits of internet marketing to the customers of a business. You can choose any businesses to base the article on from any business sector, as long as you explain the benefits to customers clearly. Ideally you will need to refer to two or three contrasting businesses, to clearly show the benefits.

Tips:

Think about the following:

- More convenience & choice
- One-to-one relationships
- Personalisation
- Mass customisation
- Speed of service
- Price transparency & dynamic pricing
- Increased availability of product and service information
- New digital products being available
- Opportunity to provide feedback & raise customer concerns

Try and select at least two online retailing sites such as www.diy.com, www.topshop.co.uk and www.tesco.com etc.

You could use the main headings below to help you describe the features of these websites that offer benefits to their customers:

- Comparing and selecting providers
- Comprehensive and up-to-date product information
- Dynamic pricing
- Responsive transactions
- Customer service

*The internet allows **price transparency**, software can be used to search for the best prices, e.g. www.kelkoo.com; www.dealtime.co.uk, price comparisons at www.priceline.co.uk allows consumers to set their own prices; www.ebay.co.uk etc.*

This task provides evidence for P3

ASSESSMENT TASK 2c

Title Analyse the benefits of internet marketing to customers- M1

Deadline: w/c 9 January 2012 - Discussion & Poster

Here you need to analyse the benefits of Internet Marketing to customers. For this it will be a good idea to keep a diary/log of online activities for selected businesses, this will include websites visited with comments on how customers have personally benefitted from use of the business' online effort. Coverage from the P2 and P3 tasks can be built on here.

You will then need to participate in a group discussion, and then produce an A3 poster which summarises analysis of the main benefits.

In this task you are asked to analyse how internet marketing activities build on conventional offline marketing principles and offer customers greater freedom of choice. This will involve a greater depth of understanding of internet marketing as offline activities form the basis for greater individualisation of market attention and offer opportunities for elements of the marketing mix. (Specification)

Tips:

Provide a fuller more in-depth analysis for the benefits that you have identified in the P3 Task. P3 explains the benefits, M1 requires a full explanation.

To analyse the benefits you must give full details about each one and explain the ways in which customers gain. For instance product comparisons are available in the physical stores too; why is this felt to be 'beneficial' just because it is online? You might say that the features are available at the click of a button without searching around, asking staff, etc. How have internet marketing activities built on conventional offline marketing activities? How is the mix exploited differently?

You should discuss ways in which the internet marketing activities build upon conventional offline marketing principles and offer customers greater freedom of choice.

ASSESSMENT TASK 3a

Title Describe the benefits and opportunities to the business of using internet marketing within the marketing mix of a selected business (P4)

Deadline: w/c 23 January 2012 - Group Presentation (Part 1)

Task 3:

A local entrepreneur has approached the consultancy firm you work for and has requested a presentation to be performed in front of her staff. As part of the group you are working for, you must prepare a short powerpoint presentation which describes the benefits and opportunities to the business of using internet marketing within the marketing mix of a selected business.

Tips:

Success for this outcome hinges on a description of both benefits and opportunities for a business. A clue to the structure might be given in the reference to the marketing mix. You might describe the various tactics under the Ps and outline benefits and opportunities for each one.

Some of the following issues may be useful:

Access

- more frequent individualised communications to build relationships;
- use of communications to promote, eg special offers, product launches;
- being able to offer new services;
- use of purchase history to tailor offers to individuals
- easier and cheaper to alter adverts.
- quicker response times to changing market needs
- better information to guide stock holding

Availability

- increased range of customised buyer menus resulting in more accurate responses to customer needs and wants;

- use of internet information to identify product development opportunities;
- opportunities for immediate sales of products, eg banking, insurance policies;
- possibilities of substitute online forms of products, eg music, films, radio and TV programmes;
- podcasts;
- opportunities to offer services 'virtually', eg virtual tours by estate agents;
- operating 24/7, eg internet banking;
- ability to link traditional methods with online marketing ('bricks and clicks');
- market diversification opportunities, eg tesco.com

This task provides evidence for P4

ASSESSMENT TASK 3b

Title Explain how internet marketing has made a selected business more efficient, effective and successful (P5)

Deadline: w/c 23 January 2012 - Group Presentation (Part 2)

Task 3:

A local entrepreneur has approached the consultancy firm you work for and has requested a presentation to be performed in front of her staff. As part of the group you are working for, you must prepare a short powerpoint presentation which also explains how internet marketing has made a selected business more efficient, effective and successful.

It might be worth considering the following:

- Efficiency- is doing something with the least possible amount of resources
- Effectiveness- is doing something as well as possible.
- Success- e.g. helping the business to achieve its objectives.

Some of the following issues may be useful:

Business Efficiency

- lower entry costs for small businesses;
- market development – ability to expand markets more cost-effectively;
- use of internet to manage supply chain;
- use of electronic communications to reduce staff costs;
- opportunities for increased sales from existing customers;
- opportunities to monitor competitor activity;
- internet business opportunities, eg use of paid-for promotion on websites, through search engines, portals and links

This task provides evidence for P5

ASSESSMENT TASK 3c

Title Explain the challenges of globalisation facing a selected business when using the internet as a marketing tool (P6)

Deadline: w/c 23 January 2012 - Group Presentation (Part 3)

Task 3:

A local entrepreneur has approached the consultancy firm you work for and has requested a presentation to be performed in front of her staff. As part of the group you are working for, you must prepare a short powerpoint presentation which also explains the challenges of globalisation facing a selected business when using the internet as a marketing tool.

Some issues you may want to consider are:

- problems of channel conflict and disintermediation
- low customer confidence in payment security
- challenge of delivering to higher reliability expectations raised
- problems of managing overload of market feedback
- volume of individual/group customer profiles
- challenge of more complex analysis
- keeping pace with market and technological change

ASSESSMENT TASK 4b

Title **Evaluate the effectiveness of internet marketing in meeting customer needs for a selected business-D1**

Deadline: **w/c 6 February 2012 - Individual Report**

Following on from your earlier group presentation, you have now secured a new role working for a business consultant. Your first task is to prepare a report the purpose of which is to advise a client about Internet Marketing. Based on your research and investigations so far, respond to the following tasks in a report to your line manager.

The Overall D1 Report should have the following structure:

- TITLE- e.g. "Evaluation of Internet Marketing Activities"
- TERMS OF REFERENCE
- PROCEDURE
- FINDINGS
- CONCLUSIONS
- RECOMMENDATIONS

Tips:

One of the main purposes of Marketing, is to meet consumer needs, (going back to the CIM definition). For your selected business, (which you have worked on for the P4, P5, P6, and M2 tasks), you need to evaluate the effectiveness of internet marketing for your selected business.

Evaluate how the performance of the selected business has been enhanced through integration of internet marketing into the overall marketing strategy, despite the challenges encountered.

The evaluation will explore the principles, benefits, opportunities and challenges of internet marketing. You must investigate all these considerations and then reach a final supported viewpoint.

To evaluate means, in this case, you must review the information you have presented about one online business. This is a challenge because you must outline your own views based on your judgements about something. For example, you may decide to consider whether customers really benefit from having the chance to chat about products online. Your view may be

that this is a gimmick. However, you must be able to fully justify that view. On the other hand, you may discover a 'chat' or 'discussion' service about a product that you think is very useful (e.g. Apple iPod discussion forum at www.apple.com). You must back up your views with evidence.

This task provides evidence for D1