Electronic Commerce Means Dynamic changes in Consumer Perspectives
Exhibit 6-1: The 7Cs of the Customer Interface

Context
Site's layout and design

Commerce
Site's capabilities to enable commercial transactions

Connection
Degree site is linked to other sites

Communication
The ways sites enable site-to-user communication or two-way communication

Community
The ways sites enable user-to-user communication

Content
Text, pictures, sound and video that web pages contain

Customization
Site's ability to self-tailor to different users or to allow users to personalize the site

7 Cs of WEB design and Customer Interface
Hello, Yannis Dosios. We think you will like these items.

In Books

- **Race for the World: Strategies to Build a Great Global Firm**
  by Lowell L. Bryan, et al

  **Average Customer Rating:** 4.5 stars

In DVD & Video

- **Monty Python's Flying Circus: Set 1, Episodes 1-6 DVD**
  ~ John Cleese

  **Average Customer Rating:** 4.5 stars

In Music

- **Buena Vista Social Club**
  ~ Ry Cooder, et al

Your Top Categories

- Reference
- Business & Investing
- History
- Nonfiction
- Audiobooks

See more Book Recommendations

See more DVD & Video Recommendations

See more Music
Context - Design Look and Feel

- **Section Breakdown**
  - Linking Structure
  - Navigation Tools
  - Site Performance
  - Aesthetics
  - Color Scheme
  - Visual Themes

- **Context Archetypes form and function**
  - Aesthetically Dominant:
  - Functionally Dominant:
  - Integrated: Balance of form and function.
FUNCTIONAL DOMINATE


Frequently recommended by Business Week, Fortune, Wall Street Journal, Fast Company, Inc., Computerworld, CIO and Information Week, more...

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Friday, December 10, 1999

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JOIN THE NETWORK of the worldwide community of @Brint.com and get FREE access to resources and special offers for success and performance in the new world of business. It's 
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Our Global Community of Users
E-zine: in depth Reports & Articles
Online 24x7 Discussion Forums
Global Events, Conferences & Expos
Books: Bestsellers & Others
For Authors & Speakers
Jobs at Big4, Fortune 1000, IPOs
$500 in Free Raffles for Success, Don't Miss
Congratulations to winners of $15,500+ raffle draw in

Latest News
Tech News
More Technology News
Business & Politics News
Science & Health News
Money & Investments
Advertising & Branding
Venture Capital & IPOs
E-Commerce and Net
Software & Hardware
Articles
Forums
Scratch & Win
Congratulations to Dr. Sheryl R.
Torr-Brown, CMO, Pfizer, Inc.,
Eric McDougall, Consultant,
CSC, Vivek Relan, Consultant,
Ernst & Young LLP for winning
in the $15,500+ raffle draw in
A LEADER IN INTERESTING WEB DESIGNS
Exhibit 6-7: Integrated Approach Example — Patagonia.com
CONTENT: Multimedia, text, pictures, etc.

Returning Members? Sign in | New to site? Sign up.

In Theaters
Assassination of a High School President

New Release
Quarantine

Television
24: Redemption

You May Have Missed
The Clique

Featured Download
W.

Assassination of a High School
Show Summary
GO TO TRAILER

Movies Delivered to Your Mailbox
• Over 90,000 titles
• No due dates or late fees
• FREE in-store exchanges

TRY IT FREE

Top DVD Rentals In Theaters TV Spotlight Top Sellers Top Downloads Blu-ray to Buy Games to Buy
INTEGRATING MARKETING – BLOG, TWEETS, FACEBOOK, VIDEOS, SALES COMMUNICATION – USER TWO WAY COMMUNICATION
Community Archetypes

Club  Theme Park
Theater  Shrine
Café  Bazaar
**Bazaar:** users wander through a vast number of interest areas but does not provide means for users to interact with one another.
Theme Park: finite interest areas organized by categories. sites host number of communities where members interact with one another speakout.com
**Theater:** particular area but allows for moderate interaction among members  ifilm.com

**Waltz Goodbye**
*Tholly Dosios*

- **Running Time:** 11 min
- **Viewer Rating:** 5.86

Waltz Goodbye is a psychological comedy about a father who struggles between his personal needs and his love for his daughters. Trying to deal with his fear of being left alone and old, he obsesses over the waltz he is about to dance with his daughter on the day of her engagement.

**EMAIL TO A FRIEND**

**REVIEWS**

**samantha:**
I think the scene at the tailorshop is hilarious. A must see!!!
**Shrine:** Exhibits extreme enthusiasm a common object minimal interaction between members [elvis.com](http://elvis.com)
Club: Focuses on one area of interest, promotes considerable interaction among members gillettecancerconnect.org.

Gillette Women's Cancer Connection message boards are offered in partnership with allHealth, a channel of ivillage.com: The Women's Network. In order to participate in these boards, you will first be asked to join allHealth, a membership which is free.

Click on a board name listed below to go to our message board communities:

- Breast Cancer Support
- Cervical & Ovarian Cancer Support
- Families & Friends Support
- General Cancer Support
- Chemotherapy
- Grief & Grieving
- Newly Diagnosed
- Patients Rights & Advocacy
- Childhood Cancer
- Survive and Thrive!
Café: common area of interest provides considerable interaction among members bolt.com
THE NEW CONSUMER GROUP EMERGING

2011, 87% of all teens - 44% of all younger kids online more than half frequent digital worlds. visit virtual online environments e.g. Disney’s Club Penguin.
NEW STRATEGY: METRICS FOR CUSTOMIZATION

1. METRICS – COMPANY USE
2. METRICS – FOR CONSUMER USE

WHAT ARE THE TYPES OF THINGS YOU WANT TO KNOW ABOUT YOUR CUSTOMERS AND SITE?
Value Proposition

- target segment
- focal customer benefit
- unique capabilities

CLUSTERS IS WHERE INTERNET HAS ADVANTAGE METRIC DATA COLLECTION

Value Cluster

- multiple target segments
- combination of customer benefits
- unique capabilities
VALUE CLUSTERS
Data Mining and Personalization

SOURCE: Adomavicius and Tuzhilin, 2001
Web Transaction Logs

- Built into Web server software
- Record user activity at Web site
- WebTrends: leading log analysis tool
- Provides value data, especially combined with:
  - Registration forms
  - Shopping cart database
- Answers questions such as:
  - What are major patterns of interest and purchase?
  - After home page, where do users go first? Second?
Clickstream factors include:

- Number of days since last visit
- Speed of clickstream behavior
- Number of products viewed during last visit
- Number of pages viewed
- Supplying personal information
- Number of days since last purchase
- Number of past purchases
Cookies and Web Bugs

Cookies:
- Small text file Web sites place on visitor’s PC every time they visit, as specific pages are accessed.
- Provide Web marketers with very quick means of identifying customer and understanding prior behavior.

Web bugs:
- Tiny (one pixel) graphic files embedded in e-mail messages and on Web sites.
- Used to automatically transmit information about user and page being viewed to monitoring server.
Insight on Society

Marketing with Web Bugs

Class Discussion

- Are Web bugs innocuous? Or are they an invasion of personal privacy?
- Do you think your Web browsing should be known to marketers?
- What are the different types of Web bugs?
- What are the Privacy Foundation guidelines for Web bugs?
- What protections are available?
Meaningful Metrics

WHAT ARE SOME MEANINGFUL METRICS?

WHY?

AND WHAT DO WE DO WITH THE INFORMATION?
- **Branding and Implementation metrics**: focus on supply chain performance, organizational dynamics, and marketing-communication effectiveness.

- **Delivery system metrics** track business processes, internal organization and supply chain management.

- **Innovation metrics** could capture ability to rapidly innovate.

- **Financial metrics** could capture issues related to cost, price, income etc.
Some Measurements for Evaluating Traffic

Percentage Online Users Visit a Specific Site (Reach)
Duration of Customer Visits
Frequency of Customer Visits
Visits Resulting in a Purchase (Conversion Rate)
Number of Customers
Growth in Customer Base
Customer Acquisition Costs
Revenue per Active Customer
Revenue Repeat Visitors - Frequency of Purchase
Inventory Turns
Massive Data is Confusing and Overwhelms.
• Numbers and information generated to measure/monitor online commerce overwhelms.

• There is no one statistic that provides insights for e-commerce merchants to evaluate performance/adjust strategies.

• Data must be evaluated to appreciate what is/not working. Benchmark results against key competitors, segment by individuals & perform trend analysis to discount the impact of short-term promotions and seasonality.

• E-retailers know limits of metrics and not alter strategies to produce attractive numbers.
The End of The Day
Meaningful Metrics

Measurements for Evaluating Traffic

The Internet provides online retailers with a wide array of measurements for evaluating traffic, performance and the effectiveness of business strategy. Data gathered on traffic and shopping patterns can provide valuable feedback to allow e-tailers to evaluate and fine-tune their businesses as they evolve. Not all metrics are meaningful, however and the misinterpretation of some measures can lead online businesses astray. The following metrics are commonly tracked.

Site Traffic

Site traffic is important because every visit is an opportunity to capture a transaction. However, it is also important to ascertain why visitors are coming. They may be attracted by one-time promotions or may be surfing and not buying. Very large traffic percentage increases are easier to achieve when the site is first initiated. Gradual and sustained increases in traffic over time often are indicative of a site that has established a successful online strategy, and its customer base may include a higher percentage of repeat buyers.
Percentage Online Users Visit a Specific Site (Reach).

This helps e-tailers determine if the increased traffic is site-specific or just due to an overall increase in Internet usage. It also helps to assess how well known the Web site is relative to competitors. This is not a proxy for market share, since visitors may not necessarily be buyers.

Duration of Customer Visits.

Customers who spend more time on the site are typically more engaged and more likely to become shoppers. E-retailers need to develop content and site designs that attract and hold visitors for longer periods.

Frequency of Customer Visits.

This measurement provides insight on the attractiveness of the site, the value of content provided to customers and customer loyalty. Visitors who have a pleasant experience are more likely to come back and eventually shop. Jupiter Research reports that 76% of consumers visit two or more sites before making a purchase, and 49% visit three or more sites.
E-tailer acquiring loyal customers or driving transactions. Promotions and discounts can bring in customers but, with the ease of comparison-shopping on the Internet, these customers may leave when the offer expires. Building customer loyalty is an important component in a successful business strategy. Some products and services require a higher level of visits before a purchase is made. (includes travel purchases and high-cost items).
Number of Customers (Customers Base).
This figure often is cited by online retailers as a measure of their success in attracting business. However, it is ambiguous because it does not convey the number of active customers or repeat customers. Customers who have bought only once are included in the customer base even if they never shop there again. Some companies report “registered users,” that is, those who have provided personal information, but may never have shopped. Also, scale alone will not ensure profitability if e-retailers are luring customers with discounts and promotions. Large increases in the customer base, therefore, may not be an accurate comparative measure.

Growth in Customer Base.
Growth in the number of customers is a factor of advertising dollars and the effectiveness of marketing and promotion.
Origin of Visitors and Purchasers.
Monitoring traffic log files and click-through rates can help to determine the source of interested visitors and help to assess the effectiveness of referral programs advertisements on other sites. E-retailers need to know how much portals and affiliates are aiding in customer acquisition and retention.

Customer Acquisition Costs.
Marketing costs need to decline to a level at which they can be funded from operations, if businesses are to achieve long-term profitability. This has not been the experience of many online merchants that continue to spend heavily to drive traffic to their sites. Initially high customer acquisition costs are inevitable in order to build awareness and attract customers. Some sectors, like groceries, have higher average customer acquisition costs than others.

Revenue per Active Customer.
The decline in the marketing cost per customer relative to the revenue per customer is an indication of marketing and merchandising effectiveness. Revenue per customer is also a reflection of the effectiveness of converting browsers to buyers, the number of repeat visitors and the average order price.
Average Order Size & Number Products per Transaction

The growing number of online shopper will put downward pressure on average order sizes in the near term as more merchants come online and increase competition, new entrants rely on price discounting to attract customers, and more consumers with lower incomes shop online. However, increased familiarity with products, the addition of new categories and improved cross-selling techniques should boost revenue per active customer over time.

Number of Repeat Visitors.

This is an indication customer loyalty and is essential for long-term viability. Repeat customers convert to purchasers at a far higher rate than first-time customers do. Churn rate, which is the percent of the customer base that does not return to shop in a given period, is an indication of the number of customers who are being lured away by competitors.
Revenue Repeat Visitors and Frequency of Purchase.

The most loyal customers come back most often and buy from multiple categories. They also refer friends to the site. Focusing on repeat customers and building loyalty is the most important step on online retailer can take.

Revenue Growth.

Sales growth often is used to value an online company. Growth in revenue is a reflection of a number of factors including percent of repeat customers, ticket size and frequency of orders.

Gross Profit Per Order.

This measure allows the merchant to determine if he is covering his average customer acquisition expenses after promotions (including free shipping) and discounts. As a company matures, it must shift focus to concentrate on performance metrics if it is going to toward profitability.
Inventory Turns.
inventory the online merchant’s highest cost. Critical business turn inventory as quickly as possible. High volume of Internet traffic & scalability of online operations allow online retailers to turn much faster than offline competitors.

Customer Service Response Time.
Online sellers provide more than low prices. Can build loyalty by enhancing customer service. One way -provide feedback to customers through customer call centers. Customer response time one measure of program effectiveness.

Massive Data is Confusing and Overwhelms.
Numbers and information generated to measure/monitor online commerce overwhelms. There is no one statistic that provides insights for e-merchants to evaluate performance/adjust strategies. Data must be evaluated to appreciate what is/not working. Benchmark results against key competitors, segment by individuals & perform trend analysis to discount the impact of short-term promotions and seasonality. E-retailers must know limits of metrics and not alter strategies to produce attractive numbers (reducing scale to improve conversion rates or increasing promotions to inflate sales).
Marketspace Offering Metrics

Reflect the entire decision process from pre-purchase to post-purchase. Focus more on the nuts-and-bolts features, attributes and functionality of the site.

Resource System metrics

Benefits offered to consumers. From these benefits, the firm would analyze the capabilities that are necessary to supply the benefits.