

Eastern University, Sri Lanka
Faculty of Commerce & Management



Final Year Second Semester Examination in BBA / Specialization in Marketing
Management – 2005/2006 (Proper/Repeat)

MKT 4213 – E-Marketing

Answer all Questions

Time: Three Hours

Q1. Read the following case study and answer the questions given below.

It's Funky online students!

During the final year at University, and after spending the summer working with one of the UK's largest ISPs, three young men, Peter Dabrowa, Gordon McNevin and Graham Bontoft put their heads together with the aim of taking advantage of what the new found Internet had to offer and in turn creating an online destination for their fellow students.

The vision

The vision was to establish a site that informed potential students of what University life was all about, and somewhere for current students to share their experiences and interact with each other, ultimately creating a community online that served the needs of the student population in the UK. A fun, informative and interactive site was needed, a site that offered something for nothing, student discounts, competitions, fun, and, games ... basically somewhere for students to 'hang out' online. A classic stock free, content rich online business model was the platform for commercial success.

Initially launched as 'TheCompleteStudent.co.uk' in 2001 with a quirky cartoon character and youthful branding, the name was seen to be too long and not the easiest to remember for their 100 visitors per day.

After a week of printing out available domain names, one to a page of A4, and sticking them on a large wall to compare and eliminate, the new name 'Studentmax.com' was agreed and a new site design and branding was set in action.

The new name was not only a chance to create a new brand, one more attractive and memorable to the student marketplace, it was also the opportunity to restructure and rebuild the entire site. A new front-end design and a back-end infrastructure were constructed, allowing a new members' area to work in parallel with several features and channels throughout the site. Essentially it was the first real step in making an interactive student community.

Once Studentmax.com was launched, students were then able to create their own user accounts, post messages on forums, send private messages to other members, add drinking games, cocktails and hangover cures, all under a unique online alias. From here the site dramatically grew in popularity, people would return on a daily basis, check their

messages, see the latest updates and chat with their newfound friends. A thriving online community was established.

With all information and content-based websites such as Studentmax, the primary way to generate revenue is through advertising. In order to appear attractive to advertisers and agencies that represent them, a site needs to have a reasonably sized audience since the more users and visitors you have the more you can charge as the amount of exposure is greater for the end client. Once a site establishes a large audience, for example 100,000 visitors and 1 million page views per month, it can expect CPM (cost per thousand) based advertising deals, (charged at how many advertisements are being shown rather than on response rates) which guarantees revenue each month as long as traffic figures stay level or increase. A fundamental understanding of how Google works and its importance in search engine marketing and reciprocal links was essential in achieving top rankings and the critical mass to make Studentmax an attractive proposition for potential online advertisers.

Once Studentmax.com reached the figure of 100,000 monthly visitors it was able to approach a number of advertising sales houses for them to take the site on board as a part of their portfolio, essentially allowing them to sell its inventory on a monthly basis on its behalf.

Once accepted by advertising sales house, Ad 2-one, one of the UK's leading digital agencies, advertisers were soon introduced to the student site and leading brands such as HSBC, Vodafone, T-Mobile, AOL and Sony were using it as a platform to reach the ever growing youth and student marketplace.

Once good revenue streams began to flow and, money began to be ploughed back into the site to aid growth, the amount of users continued to increase on a daily basis and with the increase in traffic followed an increase in revenue. With low costs, covering the basics such as office space, wages and web hosting, the student site soon became a profitable online business turning over strong five figure sums every month with the majority either being saved or invested in the future of the online venture.

Investments later made included a new domain name 'Funky.co.uk', a teen site 'WickedColours.com' and the creation of a new student site in Australia 'Studentmax.com.au'.

The new Funky domain was to introduce the latest 'stages of development for the student site. Once again with a more memorable name and one that was more suited to the target market, a new infrastructure was built offering Hotmail style e-mail accounts with 'yourname@funky.co.uk', the ability to see who was online, buddies lists, live chat and an advanced member section controlling all the new features on offer.

With the new site now established and more community focused, Funky became a more self-sufficient site, with members driving the traffic through interacting with each other, browsing through the members' directory and chatting with new friends and those at their

own college or University. The site became so popular at certain colleges that the IT departments banned access due to too many students logging on during lesson times. Certain channels continue to be updated on a daily basis, such as entertainment and competitions but as a rule the users have now become the main content writers through their own interaction.

Through the years of development, The CompleteStudent.co.uk -attracting some 3,000 users per month has now grown into a 'Funky' brand achieving well over 500,000 users per month and 5,000,000 page views with site revenues in excess of 15,000 per month from advertising alone. The site continues to grow as the word spreads and Funky.co.uk is now a well-established and trusted brand with both advertisers and students alike. With new additional sister sites such as www.Studentdiscounts.co.uk, www.Studentsstories.co.lk and www.Studentjobs.co.uk, with a fifth site (www.Studenthousing.co.uk being launched during 2006), the portfolio of student sites are bonding together with the loyal user-base being distributed over an array of sites providing a one stop shop for student needs online. Where it will go from here, only time can tell, but it has seemed to establish a winning formula through years of trial, error and change.

QUESTIONS

1. What factors related to the Internet enable start-up businesses, like Funky and how would you research the market? (05 Marks)
 2. What is the key attraction (s) to this site for the student audience? (05 Marks)
 3. How important is it to the site's success to create an online community? (06 Marks)
 4. Apart from advertising revenues, suggest other possible revenue streams for Funky and its sister operations. (06 Marks)
 5. What are the advantages and disadvantages to the Funky brand when introducing 'sister' sites? (06 Marks)
- (Total 28 Marks)**

- Q2.**
- a) What does it mean by "Viral Marketing"? Briefly cite some real world viral marketing campaign. (05 Marks)
 - b) There are some problems which should be understood and responded by the Internet marketer. Briefly, describe such problems associated with the Internet? (06 Marks)
 - c) Define the term 'E-Business Model' and identify and describe at least five business models which can be employed by a Sri Lankan online marketer? (07 Marks)
- (Total 18 Marks)**

a) A market segment is a sub-set of a market made up of people or organizations with one or more characteristics that cause them to demand similar product and/or services. Identify and briefly explain the different types of E-marketing segmentation?

(06 Marks)

b) Differentiate the Virtual World (clicks) from Physical world (bricks) in terms of Location & Hosting, Marketing & Presentation, Payment, and Security and Fulfillments?

(06 Marks)

c) Continues changes and Discontinues Changes are two boarder categories of changes taking place in the Digital World. Identify the causes for such changes in the context of the online world?

(06 Marks)

(Total 18 Marks)

a) Brand building on the Internet, provide a valuable customer oriented guide for online marketing planners with their 10 Internet commandments. Describe the 10 Internet commandments?

(06 Marks)

b) There are several modes for displaying the online advertisements on websites. What are the payment methods available for displaying such advertisements?

(06 Marks)

c) Differentiate the Ad servers from Advertising Networks?

(06 Marks)

(Total 18 Marks)

a) An E-metric can be known as 'A virtual reference transaction conducted via e-mail, website, or other network-based medium designed to support virtual reference'. Identify the pros and cons of e-metrics in online marketing practice?

(06 Marks)

b) Internet marketing is inexpensive when examining the ratio of cost to the reach of the target audience. If a Sri Lankan retailer wishes to start-up a business via internet; find the available strategy options for his decision?

(06 Marks)

c) E-mail offers a great potential for targeted and personalized communication and so it is a suitable medium of communication for number of purpose. Identify the different types of e-mail marketing campaign?

(06 Marks)

(Total 18 Marks)