

EASTERN UNIVERSITY, SRI LANKA

Faculty of Commerce and Management

Final Year/Second Semester Examination in Business Administration

-Specialization in Marketing Management-

2007/2008 (March/April 2009)

(Proper)

MKT 4213 E-Marketing

Answer all five (5) questions

Time: 03 hours

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Q1) **Secondary Research for overseas expansion: the launch of Dabs France**

There have always been significant barriers to entry into overseas markets, particularly for small and medium sized enterprises such as access to market information, logistics and intermediary issues and financing arrangements. Selling online in an international market also requires research and understanding of market competitiveness, cultural, political and legal factors, as well as site design and content issues. In this case we consider how the internet has made internationalisation through secondary research easier for one UK organization.

Dabs.com is the UK's leading internet retailer of IT and technology products, offering over 34,000 lines from the world's leading manufactures to over 850,000 online customers across Britain. This pioneering operation is serviced from state of the art premises in Bolton and processes in excess of 5,000 orders every day. The company has received numerous business awards for its customer centric adoption of new technology in all of its business functions including finalist in The Sunday Times Business Awards for 2003, business of the Year in the North West regional final of the National Business awards as well its founder, David Atherton receiving 'Entrepreneur of the year award. Buoyed by its rapid success, Dabs' entrepreneurial approach sought opportunities further afield and sought to dip its toes overseas.

In 2003, dabs.com announced the acquisition of French company SOS Developers, an established specialist reseller of developer software with offices in both Nice and Paris. This thoroughly researched move represented the first step in developing the Dabs' pan-European business model with an organization having a similar technological and entrepreneurial culture.

Dabs identified France as the optimal starting point for European expansion due to similarities between the French and British technology markets. Marketing Director Jonathan Wall explains, 'Although France was initially slower on taking up e-commerce, the uptake over the last 12 months has been very encouraging. The composition of the overall French IT market place has much in common with that of the UK, and France is currently a close 3<sup>rd</sup> in market size to that of the UK. These synergies, together with very positive indicators such as the rapid take up of broadband in France over the last year, means we're confident we can replicate our successful model of logistical excellence and low-cost, high return marketing in France'.

Rather than indulge in costly and time consuming primary research when speed of market entry was important, Dabs used a variety of secondary sources to evaluate the potential of the French market. Forrester Research found that for many commercial sites, 30% of traffic came from overseas and 10% of total sales. In the UK, like many online merchants, Dabs regularly uses the likes of Hitwise ([www.hitwise.co.uk](http://www.hitwise.co.uk)) and Nielsen Net Ratings ([www.nielsen-netrating.co.uk](http://www.nielsen-netrating.co.uk)) for audience measurement and top performing sites by category. Their French equivalents provided a good basis for traffic comparisons with the UK. Dabs also subscribe to online merchant comparison sites such as Dealtime ([www.dealtime.net.uk](http://www.dealtime.net.uk)) and Kelkoo ([www.kelkoo.co.uk](http://www.kelkoo.co.uk)) and compared prices and product range with their sites in France. They also evaluated key measures for sponsored links such as cost-per-click against UK prices as cost control is critical to the Dabs model. Other comparisons were drawn from analysis of site traffic comparing Google in the UK and France in terms of how busy they were. Offline secondary research was carried out trawling the key French IT and computer magazines to identify key competitors, their ranges and prices. In addition, Dabs.com found that 'the PC press in France is very strong with a range of highly circulated titles reminiscent of the UK news-stand and as such, there's a big PC hobbyist sector with very strong demand for PC components, which currently account for around 40% of our total UK online business'.

The overall trawl of secondary data that sought as many exact matches to UK data sources suggested that commercial conditions were favourable for Dabs first overseas venture. 20 April 2004 was a significant day in the history of dabs.com ([www.dabs.com](http://www.dabs.com)), with the launch of Dabs France ([www.dabs.com/fr](http://www.dabs.com/fr)).

The new site almost doubled the number of potential consumers for Dabs' products,

with minimal set-up costs but Jonathan Wall commented, 'costs have been kept to an absolute minimum because of the way we have structured our UK business model and the technologies used to power it'. Prior to the launch, dabs.com restructured their existing UK site to support dual-language and currency, to help them prepare for further overseas expansion.

'We see the launch of Dabs.France (www.dabs.fr/fr) as a key point in our development,' said Wall. We do have ambitions to expand further into Europe, but our plans are for safe, measured and profitable growth, so putting a timeframe on our future expansion isn't possible. We are focussing on making Dabs.France a success, and only when we have achieved this will turn our attentions to the next stage.' By 2006, overseas business accounted for one-tenth of Dabs business and it now employs around 40 staff in France.

Dabs had become such a significant player in the IT and computer peripheral market that it attracted the attention of some big companies and has subsequently been bought by British Telecom for an undisclosed sum in April 2006, Marketing Director, Jonathan Wall said the company is looking at other opportunities in Europe and Scandinavia, especially Spain, Sweden and the Benelux countries where broadband is well established. It will be interesting to see how the Dabs overseas plans evolve under the stewardship of BT.

Questions:

- a) What are the key benefits offered by online secondary research compared to traditional secondary research?

(07 Marks)

- b) What market similarities between the UK and France were identified by Dabs during its secondary research?

(07 Marks)

- c) How can online research assist SMEs when considering exporting or internationalisation?

(07 Marks)

d) How could Dabs have enriched its data with online primary research methods?

(07 Marks)

(Total 28 Marks)

Q2) (a) Compare and contrast the concepts of *E-Commerce*, *E-business* and *E-marketing*.

(05 Marks)

(b) How *Customer Relationship Management* and *Supply chain Management* integrate with each other.

(04 Marks)

(c) Describe the importance of *SWOT analysis* in the strategic planning process.

(04 Marks)

(d) What is the contribution made by the *Balanced Scorecard* to measure e-business and e-marketing performance?

(05 Marks)

(Total 18 Marks)

Q3) (a) Briefly specify the tasks that marketers complete in *tier 1 and tier 2* as they create e-marketing strategies.

(03 Marks)

(b) What are the other languages that have been added with Hyper Text Markup Language (HTML) to support interactive Web pages and specify the different features of those?

(06 Marks)

(c) "Internet technologies have change traditional marketing in a number of critical ways". Identify those and state the problems arising out of internet

(04 Marks)

(d) Specify and briefly explain the 04 approaches available for marketers in selecting the best for targeting out of potential segments

(05Marks)

(Total 18 Marks)

Q4) (a) According to Kotler (2003) a company can *differentiate* its market offering along *five dimensions*. Describe how those dimensions are different from each other.

(06 Marks)

(b) Marketers must make five general *product decisions* that comprise its bundle of benefits to meet customer needs. briefly describe those product decisions.

(06 Marks)

(c) Explain some of the important *copyright, patent and trademark* issues related to the internet

(06 Marks)

(Total 18 Marks)

Q5) (a) Marketers can employ three types of *pricing strategies* in on-line. Elaborate your answer with examples

(04 Marks)

(b) What is an *Integrated Marketing Communication* (IMC) and how it can be carried out in on-line marketing?

(05 Marks)

(c) Discuss the **role of intermediaries** in on-line business with suitable examples

(05Marks)

(d) Define the term of "*Emerging Economies*". How it differ from developed economies?

(04 Marks)

(Total 18 Marks)