

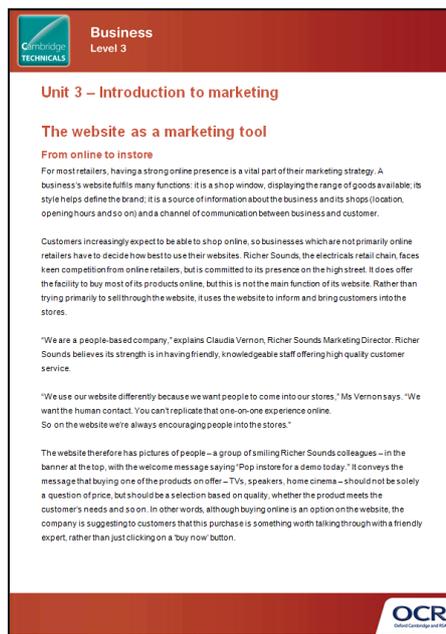
Cambridge Technicals in Business

Level 3 Unit 3

Case study: The website as a marketing tool

Instructions for teachers

These instructions should accompany the OCR resource 'Case study: The website as a marketing tool' activity which supports OCR Cambridge Technicals in Business.



The Activity:



This activity offers an opportunity for English skills development.

Associated materials:

'Case study: The website as a marketing tool' Lesson Element learner activity sheet.

Suggesting timing:

30 minutes

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From online to instore

For most retailers, having a strong online presence is a vital part of their marketing strategy. A business's website fulfils many functions: it is a shop window, displaying the range of goods available; its style helps define the brand; it is a source of information about the business and its shops (location, opening hours and so on) and a channel of communication between business and customer.

Customers increasingly expect to be able to shop online, so businesses which are not primarily online retailers have to decide how best to use their websites. Richer Sounds, the electricals retail chain, faces keen competition from online retailers, but is committed to its presence on the high street. It does offer the facility to buy most of its products online, but this is not the main function of its website. Rather than trying primarily to sell through the website, it uses the website to inform and bring customers into the stores.

"We are a people-based company," explains Claudia Vernon, Richer Sounds Marketing Director. Richer Sounds believes its strength is in having friendly, knowledgeable staff offering high quality customer service.

"We use our website differently because we want people to come into our stores," Ms Vernon says. "We want the human contact. You can't replicate that one-on-one experience online. So on the website we're always encouraging people into the stores."

The website therefore has pictures of people – a group of smiling Richer Sounds colleagues – in the banner at the top, with the welcome message saying "Pop instore for a demo today." It conveys the message that buying one of the products on offer – TVs, speakers, home cinema – should not be solely a question of price, but should be a selection based on quality, whether the product meets the customer's needs and so on. In other words, although buying online is an option on the website, the company is suggesting to customers that this purchase is something worth talking through with a friendly expert, rather than just clicking on a 'buy now' button.

Information on the website is presented in an informal, conversational style and often given a 'face', reinforcing the company's slogan that "we employ real people...". When an enquirer clicks on one of the

headings on the menu, such as ‘portable systems’, ‘audio’ or ‘headphones’, up comes a headshot of one of the Richer Sounds store staff, with the promise that “we have the knowledge”. A drop-down menu provides answers to various questions, such as “internet radio versus DAB – what’s best?”, all in common sense language that doesn’t presuppose any expert knowledge.

The website continually puts over the message – “ask us”, “see a demo in-store” and so on, linking the website to the stores. Users are assured that, if a product on the website is cheaper than the same product in-store, they can mention that to the store staff and get the cheaper price.

It is important to understand the range of ways that people use a website, Ms Vernon says. In electronics retailing, where many products have a high price point and competition between retailers is keen, customers use the internet to check products and prices.

“A lot of people use our website as a research tool,” she says. “We make a point of putting a full picture of each product and all the information about it on the website, including reviews of it from, for example, the music press, but also from users.”

A customer wanting to buy, say, speakers, might be a well-informed music fan, interested in a detailed spec for the product, or might be a first-time buyer for this product who needs plenty of assistance. The Richer Sounds website gives information that both could use, but also suggests that both the expert and the first-timer could benefit from visiting a store.

“Some people will always shop online and only online,” Ms Vernon says. “Others only go into shops. But most people these days use both – they research online but also want to go into the shop. Because of the types of product we sell, people do want to listen to the sound system and see the TV screen for themselves. We always suggest that it’s a more complete experience in-store.”

The Richer Sounds website includes reviews of products posted by customers, even where these comments are critical. It is part of the people-based approach and having an honest dialogue with customers, the company believes. “Reviews are really important these days – you’ve got to allow the customer to post reviews online, including the negative ones,” Ms Vernon says. When a review is particularly bad, Richer Sounds posts a reply, inviting the reviewer to contact the customer services team.

A website is particularly useful marketing tool for a business like Richer Sounds, because of the nature of the business's offer. Richer Sounds promotes itself as being able to deliver value for money, so it has to offer both a wide range of products, and deals which beat those of its competitors. These deals can be short-lived – a limited number of products may become available at an exceptional price – so the company must be able to act fast and tell its customers as soon as products and deals are in the shops. The website not only holds a great deal of data, but can also be quickly updated, makes this possible.

“The electronics business is highly volatile,” explains Ms Vernon. “We have to be responsive and react quickly to what’s going on in the marketplace. The competition then responds to us, so something that was a deal yesterday might not be a deal today – that’s the industry we’re in. We ensure we are constantly aware of what else is going on in the marketplace, so we know when we have a great deal to put in the spotlight. Amazing deals will always sell if you tell people about them.”

Questions

1. Is the Richer Sounds website is used more as a promotional tool or a sales tool?
Explain the difference between them.

A promotional tool's main purpose is to enhance the perception of an organisation and to provide potential customers with information. A sales tool, however, is focused upon the completion of a purchase by a customer. Whilst the Richer Sounds website is clearly a sales tool, since customers can complete purchases on it, it is clearly seen as more of a promotional tool by the business, since it's primary focus is to provide information and encourage users to visit stores.

2. Claudia Vernon, Richer Sounds Marketing Director, describes Richer Sounds as a “people-based company”. How is this message reflected on their website?

The “people-based” message is reinforced on the Richer Sounds website in a number of ways. Pictures of Richer Sounds colleagues are prominent, the conversational and informal style of writing reinforces the friendly perception and the slogan “we employ real people...” reinforces the fact that Richer Sounds is keen for customers to visit their stores and their people.

3. Identify the extent to which Richer Sounds communicate each element of their marketing mix via their website.

The Richer Sounds website puts the emphasis on the **products** that they sell. Images, detailed information and reviews of products are all provided on the website. **Place** is communicated clearly with customers encouraged to visit stores to gain hands-on experience of the product. The ability to update websites instantly allows Richer Sounds to communicate the short-lived exceptional **price** deals that they are able to offer, whilst the whole website provides **promotion** of both products and stores.

4. Outline how the Richer Sounds website caters for the needs of different target markets.

Richer Sounds have identified a number of different types of consumers who might visit their website, with each type using the website in a slightly different way. They recognise that some visitors have little technical knowledge of the products, and so offer information that will assist these visitors, whilst a visitor looking for detailed technical information can also obtain this. They also recognise that some people use the website as a research tool and may not want to visit their stores.

5. According to the case study, how do Richer Sounds differentiate themselves from their competitors? Why do you think they use this method?

Richer Sounds differentiates itself from competitors by placing the emphasis on the expertise of their people and encouraging customers to visit their physical stores. They believe that customers gain a better experience in store given the type of products that they sell. This method of differentiation allows Richer Sounds to highlight the fact that they are specialist retailers and that they can offer help and guidance when making a purchase. Many of their competitors, particularly those who only operate online, will be unable to offer this.



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