

## BICT Report

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## **1.0 Introduction**

For the Business Information and Communications Technology HND module it has been asked of the students to create a report, which is an individual piece of work that is approximately two thousand words in length.

It is to be based on the topic of an explanation of the impact that either e-commerce, information technology or information systems have had on marketing. This relates directly to a presentation, which was conducted in Microsoft PowerPoint.

This Business Information and Communications Technology Report will show how the use of information technology affects footwear companies by using the world, wide, web (internet).

## **2.0 Research Methods**

It is necessary to describe the method by which the writer has gathered information and conducted the investigation. This part of the report will describe how the information was gathered and how the information was analysed.

- **2.1** How the information was gathered

Information for this report can be found in electronic and paperback journals as well as the traditional methods of using textbooks from the Leeds Metropolitan University Learning Centre on Becketts Park.

- **2.2** How the information was analysed

After gathering all information from the Internet, journals and textbooks. It is necessary to look and read the facts and figures for Internet usage and analyse this in terms of online marketers.

These Facts and Figures are very important to understand so as to draw any conclusions and recommendations from.

## **3.0 Background**

In this section of the report it is expected to discuss the background and context of the report.

For the module Business Application and Communications Technology it has been asked of all HND students to produce a report which furthers the individuals PowerPoint presentation. The continuation is important as to show the student has the ability to discuss and develop their knowledge of the PowerPoint presentation.

For this presentation the topic will follow the effects of Technology on electronic commerce and marketing in general.

## **4.0 Main Body Of The report**

- **4.1 How Companies use the internet and other medias to market products**

“The Internet has been around figuratively speaking for decades but it didn’t really grow to the mass markets until the mid 1990’s, the commercial online services are now being overtaken as the primary online marketing channel. It is a fact that nearly all organisations offer Internet access as a primary service.” (Title: Marketing Unwrapped, Publisher: Ray Parry, Other Information: John Wiley & Sons LTD)

It has been said that the explosion of Internet usage heralds the dawn of a new world of electronic commerce. This just means the world now buys and sells across the World Wide Web.

This is a pretty obvious fact, which is demonstrated by organisations such as modern footwear, and clothing line companies such as “NIKE” and their online service offered called “NIKE.COM”.

“NIKE” uses this online tool to preview and sell their product catalogue. The Internet is a cost affective way of direct marketing which will continue to progress in the future.

“NIKE” offers users the opportunity to customize products before a sale. This is a future used to attract the ever-growing users of the Internet.

The printed media is the oldest and most traditional form of marketing a product. The use of printed marketing can be found every-where, it is possible to find printed adverts in Magazines, Newspapers, Posters & billboards and digitally printed on-screen on the Internet.

“NIKE” have a huge selection of printed advertising available and always have done throughout their thirty plus years. (An example can be found in “Appendix” figure “A”.)

The use of two-dimensional printed media tends to be used as an addition to a marketing campaign rather than a direct marketing strategy.

Television is the most viewed media type hence the most popular for marketing. This is the most important non-personal communication channel with very wide coverage to its audience. How many people come home from a day’s work, have something to eat and then sit and watch TV for the rest of the night? If they watch a commercial television station they will be subjected, during the course of an evening, to many commercial breaks, on which a large variety of products will be advertised. There may also be some exposure of products on the non-commercial channels, especially with sponsored sports events.

This is why NIKE spend heavily on commercials to advertise there Products. In the year 2000 NIKE spent \$5,000,000 on one single advert, which was shown in conjunction with the European Football Championships in The Netherlands.

- **4.2 How They market their products**
- **4.3 How effective it is**
  - **4.3a 2D Printed Media**

### **The Press**

“The press includes all forms of the following: newspapers both local and national; magazines; directories and year-books.” (Title: Principles of Marketing, Publisher: Kotler & Armstrong, Other Information: Eighth Edition) If this is used it can be seen that twice as much is spent on newspaper and magazine advertising compared with commercial television will show the importance of the printed media.

### **Newspapers**

The advertisements carried will obviously depend on whether the newspaper has national or local coverage. With local papers there is always a large section of classified adverts. There are usually so many advertisements placed by the general public and small local firms that they are split up into different categories and displayed in groups.

### **ADVANTAGES**

Newspaper advertising can offer large flexibility and timelines for NIKE. As Newspapers are highly believable they have a broad acceptability over a large local and national region.

### **DIS-ADVANTAGES**

The main things that could hamper the use of Newspaper advertising are that they only have a short life span. This means if NIKE was to place an advert in a particular Newspaper it may be thrown away the next or the same day so it doesn't have the flexibility of a magazine.

### **Magazines**

There are hundreds or even thousands of magazines covering subjects which range from those covering topics of general interest to ones on highly specialist subjects. For any subject or hobbies there will be a magazine to cater to the people that do that activity. This is the case because there is always going to be a link between the readers and the lifestyle. This makes it easy for marketers to target particular markets.

NIKE will tend to advertise in many if not all-sporting magazines. This is a massive advantage, as magazines do not suffer from the disadvantage of being discarded on the day they are bought. Some time they are kept for more than the month they are available they can be stored and collected over years.

### **ADVANTAGES**

Magazines have a large geographical range and can be directed at target consumer base. It is also said that one magazine is read by more people than the units sold, it can be the case that this figure could quadruple. An example would be if a magazine sells 250,000 units it could be passed to as many as 1million (250,000 x 4) people.

### **DIS-ADVANTAGES**

The main problems for NIKE to use magazines all the time are that there is a long advert purchase lead-time with higher costs and no guarantee of position in the magazine.

- **4.3b Television Advertising**

For television it is to be expected that sporting goods will be advertised during the period when sport programmes are screened, whereas toys will be screened when children's programs are on.

Television does not offer lasting images, but it does combine sound and moving pictures in a very powerful way.

### **TV advertising for NIKE**

### **ADVANTAGES**

TV advertising offers good mass-market coverage at a low cost per exposure to the consumer. TV advertising offers visual aspects and sound with motion to appeal to the senses that a consumer can relate to the image for NIKE.

NIKE can position the adverts as mentioned previously into "perfect" audience time. This would be between sporting programming and sponsored events.

### **DIS-ADVANTAGES**

The disadvantages for NIKE, is that huge campaigns like the advertising before the Football European Championships can cause high absolute costs, high clutter, fleeting exposure and could also cause less audience selectivity.

- **4.3c Internet Marketing**

Online marketing is conducted through interactive online computer systems, which link consumers with sellers electronically. Although there was a stereotype for many decades about users of the Internet and them being teenage "nerds" the fact is that near enough half the population of the UK have a personal computer and are able to connect to the Internet. (The usage rates can be viewed in the "Figures and tables section 'Figure A1' ")

## **The benefits of online marketing**

The question is... Why have online services become so popular? The fact is that online marketing yields benefits to both consumers and marketers.

### **Benefits to the Consumer**

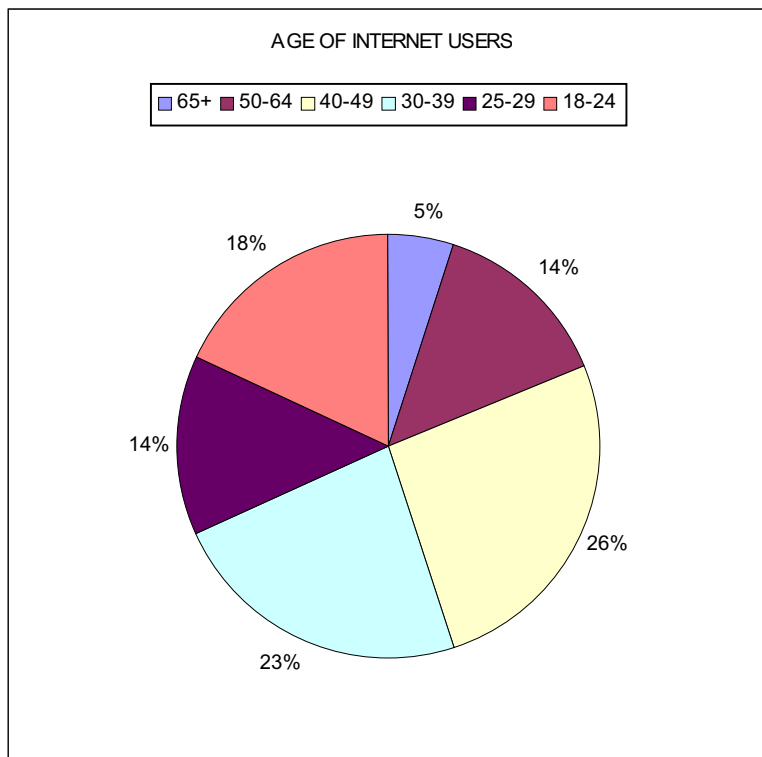
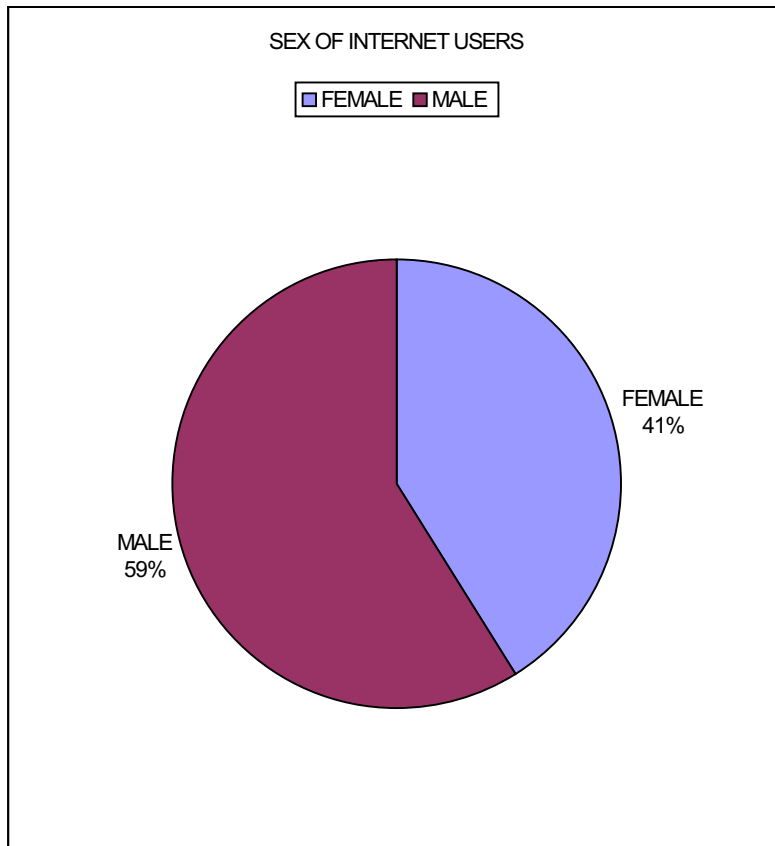
Online buying provides the same basic benefits to consumers as other forms of direct marketing. It is convenient for consumers, as they don't have to battle traffic, find a parking space and walk through large streets to find what they want. They can compare brands, check out prices, and other merchandise twenty-four hours a day from any location they can. Online buying is easy and private for consumers this means they face fewer buying hassles and don't have to face salespeople or open themselves up to persuasion and emotional pitches.

### **Benefits to Marketers**

Online marketing has massive benefits to marketers simply because of its one to one, interactive nature; online marketing is a good tool for customer relationship building. For organisations like "NIKE" it can interact with the consumer to learn more about specific customer needs and wants and to build customer database. "NIKE" online can ask questions and get feedback from customers so can further their service and products.

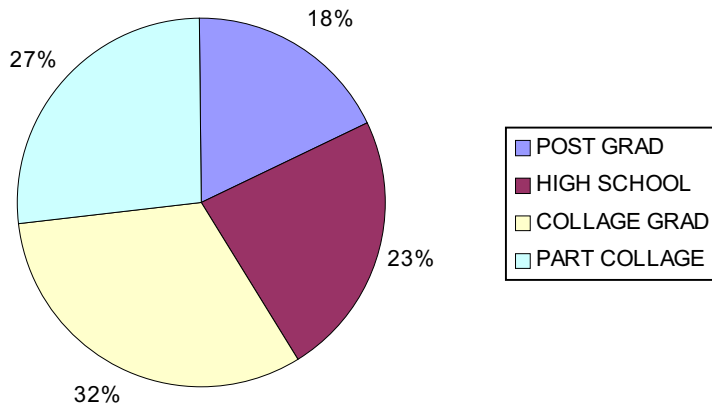
## 5.0 Figures and Tables

**Figure A (1-4)**

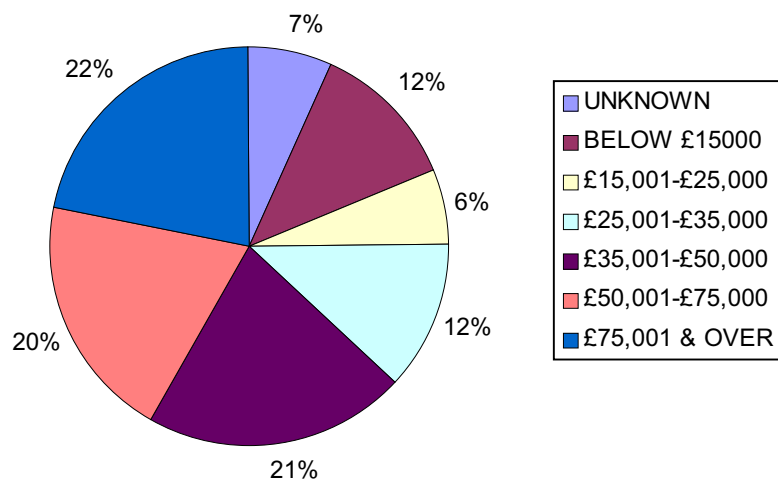




EDUCATION OF INTERNET USERS



INCOME OF INTERNET USERS



## **6.0 Conclusions**

Online Marketing offers great promise for the future. Its most ardent users think that there could be a time when the Internet and electronic commerce will replace magazines, newspapers and even stores as sources for information and buying. But despite all this hype companies like “NIKE” are years away from online marketing realizing its full potential. Even then, it is unlikely to become the holy grail people may think. Instead eventually, online marketing will become another important tactical tool that works along side other tactical elements in a fully integrated marketing mix.

As for the use of traditional media it is clear that there is an increasing use of the traditional media types to market products. This means increasing investment and increasing costs for “NIKE” when promoting their products. This continuation of investment will just work hand in hand with the enhancements in the use of the Internet and other online and digital media.

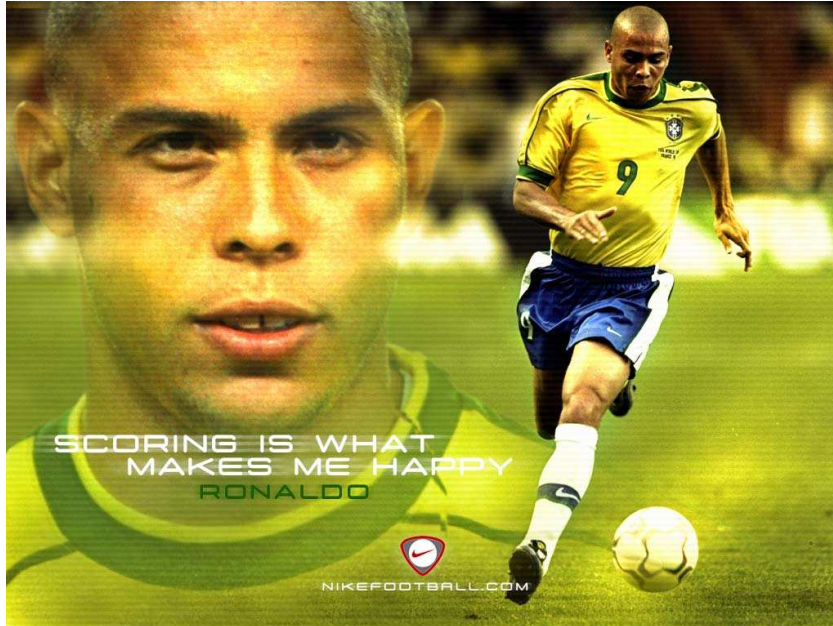
## **7.0 Recommendations**

For a large organisation to function in a ever changing modern market when consumers are overloaded with all types of marketing it is important for companies like “NIKE” to invest heavily in new marketing ideas. These ideas can either be through the traditional methods, which have been mentioned or through innovative ideas. These ideas will arise for marketers finding spaces in a growing market. The development of new mobile phones will change the way company’s direct marketing at consumers.

The future of mobile phones is promising for users with new integrated video. This means marketers can direct their products any and everywhere 24hours a day to consumers. So the future is bright for electronic commerce and investments in media tools.

## 8.0 Appendix

Figure A



## **9.0 Bibliography/References**

Title: Marketing Unwrapped  
Publisher: Ray Parry  
Other Information: John Wiley & Sons LTD

Title: Marketing Principles and Practice  
Publisher: Dennis Adcock, Ray Bradfield & Caroline Ross  
Other Information: Third Edition

Title: Principles of Marketing  
Publisher: Kotler & Armstrong  
Other Information: Eighth Edition

Title: Marketing Management  
Publisher: Philip Kotler  
Other Information: ME Edition

Title: Strategy and Process in Marketing  
Publisher: Jon A. Murray  
Other Information: Prentice Hall

Title: The Marketing Plan  
Publisher: John Westwood  
Other Information: A Practitioner's Guide