**Digital Marketing: Strategy & Tactics**

**Chapter 10: E-Commerce and Shopping – Product Listing Ads**

**MULTIPLE CHOICE**

1. Why is the online channel so important in business?

|  |  |
| --- | --- |
| a. | Almost all sales are now online. |
| b. | You can reach more customers online. |
| c. | More than half of all sales, even those taking place offline, as influenced by online information. |
| d. | Prices are better online. |

**ANS:** C

**Notes:** Although only about 15% of sales happen online even today, more than 50% of all sales have some portion of the user path to purchase online — reading reviews, comparing prices, discovering new products, etc.

1. Why don’t some consumers complete an online purchase on mobile devices?

|  |  |
| --- | --- |
| a. | Harder to browse and navigate |
| b. | Harder to input data |
| c. | Security concerns |
| d. | All of the above |

**ANS:** D

**Notes:** Many consumers say the user interface is not good enough to make the experience worthwhile, and have security concerns about inputting their data as well.

1. What is the biggest threat Amazon places on Google?

|  |  |
| --- | --- |
| a. | Low prices |
| b. | Free shipping |
| c. | Vast selection |
| d. | Consumers start their searches for products on Amazon. |

**ANS:** D

**Notes:** Google doesn’t sell products directly but its customers—advertisers—do. If its search volume declines for commercial searchers because people start on Amazon, it will sell less ads!

1. The biggest e-commerce day is:

|  |  |
| --- | --- |
| a. | The last day before Christmas when you can get the gift delivered in time! |
| b. | Black Friday |
| c. | Singles Day in China |
| d. | Cyber Monday |

**ANS:** C

**Notes:** Singles Day is a huge e-commerce day in China due, in part, to the larger population!

1. What is a PLA?

|  |  |
| --- | --- |
| a. | Perfect listing ad |
| b. | Product listing ad |
| c. | Part listing agency |
| d. | Post large ad |

**ANS:** B

**Notes:** PLAs are a special type of data-driven ad with pictures, prices, and product information, but no creative copy like search ads. They are driven by a data feed.

1. What are examples of product type ads?

|  |  |
| --- | --- |
| a. | Google PLAs |
| b. | Amazon sponsored listings |
| c. | Facebook/Instagram product carousels |
| d. | All of the above |

**ANS:** D

**Notes:** Generally, ads that show the product, price, and name of the retailer fall into this category. They allow purchase decisions before arriving at the e-commerce site or actually in the ad unit.

**SHORT ANSWER**

1. Discuss some of the innovations Amazon brought to e-commerce.

**ANS:** Amazon pioneered one-click buying—making it simpler; vast selection; loyalty—Amazon Prime, etc.; affiliate marketing—Amazon associates; efficient logistics—free shipping. While Amazon wasn’t first in all of these, it has done an amazing job. The answer should list 2 or 3 examples.

**Notes:** Advanced answers can discuss Amazon web services, delivery, Amazon Go, and other retail innovations.

1. What is subscription commerce and how does it change e-commerce? Use an example.

**ANS:** Buying more mundane items on a subscription or replenishment changes the economics from one purchase to many. Example: Dollar Shave Club.

**Notes:** Advanced answers will note ability to offer discounts for commitment, and higher lifetime value for customers, justifying higher marketing costs to get them.

1. Why is packaging so important in e-commerce?

**ANS:** For online brands, it’s the first “moment of truth” where the customer interacts with the brand and makes a first impression. High quality packaging conveys a better first impression; offline brands can do this with in-store displays and other methods.

**Notes:** Advanced answers can talk about customer touch points and the differences between online and offline.

1. Discuss the future of retail and innovations in today’s e-commerce market—guide shops, subscription models, augmented reality purchase tools, customer products.

**ANS:** This question allows the answer to highlight any number of things as long as it displays a “compare and contrast” approach with traditional retail.

**Notes:** Advanced answers would note the blurring of the lines as retail locations become points for shipping and customer service.