

# CIMG Programme Pathway 5 Professional Postgraduate Diploma in Marketing

**Advanced Digital Marketing (PGM 504)**

**JUNE 2023**

**DURATION: 3 HOURS**

The examination comprises of two parts:

**Part A - a compulsory case study, worth 40 marks**

**Part B - answer any three questions, worth 60 marks in total**

## **PART A**

### **CASE STUDY - COMPULSORY**

#### **NO PAIN, NO GAIN'S SPORTING GOODS: TAKING CONTROL OF ITS E-COMMERCE OPERATIONS**

Founded in 1948 by No Pain, No Gain's Sporting Goods has grown from a small local business selling fishing and camping supplies into a Club 100 business with stores throughout Ghana. The company sells athletic apparel, outerwear, sportswear, a variety of shoes, fitness equipment, and outdoor equipment. No Pain, No Gain prides itself on combining small-business customer service with big-box retailer selection and values and routinely outperforms competitors in customer service metrics such as phone and e-mail response time and delivery speed.

Unlike some of its competitors, No Pain, No Gain was quick to embrace the online channel and has maintained very strong e-commerce sales relative to its competitors in the sporting goods industry. No Pain, No Gain's increased its e-commerce revenue by 40% from 2010 to 2015, whereas its competitors' revenues increased by only 20% over that span. For most of that period, No Pain, No Gain relied on external vendors for its IT and e-commerce needs. DigiSank)fa handled No Pain, No Gain's back-end fulfilment processes and most aspects of their e-commerce presence for approximately 10 successful years. However, by 2015, No Pain, No Gain had grown to a size where its agreement with DigiSank)fa was costing the company significant revenue. As No Pain, No Gain's e-commerce sales continued to grow, its deal with eBay was costing it more and more money.

Facing pressure to slow down physical growth and reduce the high cost of maintaining physical real estate, and sensing the trend towards e-commerce at the expense of in-store sales, No Pain, No Gain made the difficult decision and formulated a plan to take over its e-commerce operations. The company's rapidly increasing online sales gave No Pain, No Gain both the incentive and the budget to undertake the transition. The CEO, Ibrahim Fuseini, explained that the money the company was going to recoup from no longer paying transaction commissions to DigiSank)fa would pay for the temporary increase in expenditure required to build and maintain an e-commerce infrastructure.

Having control of its e-commerce operations allows No Pain, No Gain to provide better support for unique omnichannel features, such as shipping online orders from physical No Pain No Gain stores. To that end, No Pain, No Gain has also begun to convert its stores into distribution centers as well as traditional retail showrooms. This will increase efficiency and improve delivery times, turning its perceived weakness of excessive brick-and-mortar infrastructure into a strength. Approximately 80% of No Pain, No Gain's e-commerce orders are shipped within the geographical area of a physical store.

Furthermore, No Pain, No Gain leveraged mobile platforms to drive brand loyalty and engage customers. They used beacons in stores to provide personalized deals to customers through their smartphones and integrated their mobile app with fitness trackers to reward physical activity.

The process wasn't without risk. Installing a completely new e-commerce platform is no easy task. It involves integrating legacy systems and new systems without losing access to information, hiring a slew of new employees to manage the system, and avoiding implementation delays, cost overruns, outages, and other delays.

In 2019, No Pain, No Gain focused on finishing the transition to in-house software for all its e-commerce platforms, which No Pain, No Gain's management believes has given it a significant strategic advantage. It launched a new search engine that improved page load times for search results on both its desktop and mobile platforms. It also launched new software for inventory tracking, which enables it to list products online within 30 minutes of a major event, instead of the three-to-five days it previously required. Future plans include overhauling how products are displayed and how to search, checkout, and shipping estimates work on its website, and re-platforming its mobile and tablet sites.

### **Question One**

- a. Why did No Pain, No Gain decide to leave DigiSank)fa and take over its e-commerce operations? Provide four (4) reasons.
- b. Discuss four (4) benefits of eCommerce websites that No Pain, No Gain will stand to gain.
- c. Identify and explain four (4) technical and four (4) non-technical challenges in No Pain No Gain's case study.

**(40 Marks)**

## **PART B - ANSWER THREE (3) QUESTIONS ONLY FROM THIS SECTION**

### **Question Two**

As the eCommerce Manager at your company, you have been assigned by the CEO to create a report on eCommerce that will assist employees in understanding the concept. This report is essential as your firm seeks to build an e-commerce platform in the next six (6) months. In the report;

- a. Define the concept of eCommerce and describe its evolution over time.
- b. Discuss four (4) types of eCommerce.

**(20 Marks)**

### **Question Three**

Revenue in the eCommerce market is projected to reach US\$4.11tn in 2023. Revenue is expected to show an annual growth rate of 11.51%, resulting in a projected market volume of US\$6.35tn by 2027 (Statista, 2023). As the eCommerce and Integration Lead of your company, your task is to;

- a. Discuss four (4) main features of eCommerce platforms with practical examples to your team.
- b. Evaluate the three (3) drivers of eCommerce in relationship to how your firm can benefit from the projected market value by 2027.

**(20 Marks)**

### **Question Four**

“The industry’s best eCommerce designs are those that attract potential customers, provide premium user experience, and communicate brand value.” Based on this statement, discuss six (6) design considerations when implementing an e-commerce site.

**(20 Marks)**

### **Question Five**

“Whether you are a social media manager, a digital experience manager, or a digital marketing analyst in your industry, a convertible website is crucial to the digital success of your firm”. Based on this statement,

- a. Define a website, and explain three (3) advantages of a website.
- b. Outline and explain the main steps involved in the building of a user-friendly website for your firm to attain a competitive advantage.

**(20 Marks)**

### **Question Six**

During a recent urgent consultancy meeting, the Chief Marketing Office (CMO) of your client expressed satisfaction with the improved customer experience of their online store. However, she also raised concerns about a recent security breach on customer data, which resulted in a decline in customer trust and sales.

As a consultant specialising in digital marketing, you are tasked to discuss six (6) factors your client should consider in choosing a secured website host.

**(20 Marks)**