



Electronic Retailing Association
Leaders in Direct-to-Consumer Commerce

e-News Weekly

July 17, 2008



What's in a Name?

A couple of weeks ago, I was in Italy to deliver a presentation on "The State of the Electronic Retailing Industry in the USA."

The presentation was simple enough: I discussed growth trends; market size; predictions, etc. In order to prepare for the presentation, I utilized some of the research commissioned by ERA (via Forrester, Jupiter, and Winterberry, etc.), as well as some research developed by investment banks and other trade associations. There is no shortage of facts, figures, and predictions on the size and growth of our industry. So what's the problem?

In a nutshell, it is virtually impossible to find data that matches up, coordinates, and that can be validated by other research. I found recent "industry revenue" estimates that are literally billions of dollars apart. After further digging, I've concluded that the problem isn't with the research methodologies, or the groups performing the research, but rather with the fact that everyone seems to have a different name for our industry (or industries) and for what is included in the different categories. And while ERA and other groups have historically used external research to quantify our industry, I would submit that in order to grasp and measure it, we need agreement on basic definitions and terms. In fact, ERA needs to lead the discussion.

Of course, we should probably start with defining the term "Electronic Retailing" (which is not to be confused with the business of selling electronics equipment). ERA, The Electronic Retailing Association, informally defines it broadly as selling products or services via any electronic means, including the Internet, television, radio, or mobile devices. We look at web sites such as Amazon.com, Buy.com, and eBay as "e-retailing" or "e-tailing" sites, and consider QVC, HSN, and a myriad of DRTV marketers to fall within the Electronic Retailing industry. If we are in agreement on this definition, then we should spread the word to marketers and researchers alike.

Not so fast. Before we do that, we should probably agree on a definition for the terms "Electronic Commerce" or "e-Commerce." We often look at e-commerce as any on-line transaction of buying and selling goods or services where business is done via Electronic Data Interchange (EDI) and referring to the general exchange of goods and services via the Internet. Some see it as a generic term denoting business done over the web. But how do these uses of the term jibe with our definition of "Electronic Retailing?" Where do we draw the line?

As another example of confusion, we find that in the United States, the term "Home Shopping" is generally used to refer to live, 24-hour-per-day television networks such as HSN, QVC, Shop NBC, etc. In Europe, however, the term "Home Shopping" is commonly used more broadly to refer to the Electronic Retailing industry at large, including any business that sells goods

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Upcoming ERA Events



July 17, 2008
ERA's
Webinar

Series - Recession-Proof Your Business
2:00 - 2:30 p.m. EDT

Sept. 21-23, 2008
ERA's 18th Annual Convention
Paris Hotel
Las Vegas, NV



directly to the consumer's home via television or the Internet. This disparity in definitions makes it difficult to accurately compare the size of the two markets.

Finally, we generally use the term "Direct Response" to mean an advertising technique that urges the audience to respond in a particular manner, usually to buy a product or service, and provides that audience with the means to do so. DRTV started by directing consumers to an 800 number and now also offers a website. Online, Direct Response usually refers to selling directly to consumers via website, using pay per click or some other measurable media. But, have you noticed that virtually all TV commercials now include a web address and that almost all online advertising is generally measurable? Is it all Direct Response?

I'll spare you the debate over the definition of "Interactive Marketing." You get my point: Are we e-commerce, electronic retailing, e-tailing, home shopping, DRTV, or interactive marketers? Maybe we are all of them. But in order for us to quantify our growth, measure the power and size of our industry, we need to get a handle on what we call ourselves -- and more important, define what others call us.

In order to harmonize the research, data, and benchmarking, and to offer consumers, practitioners, and regulatory agencies a better grasp of what and who makes up "Direct to Consumer" commerce, ERA will undertake an initiative to standardize the terms that we all use to describe ourselves on a daily basis. And who better to ask for help on the definitions than the marketers themselves? So as ERA starts the hard work of harmonization, please let us know if you would like to help.

Thanks,

Edwin Garrubbo

CEO Creative Commerce, LLC
Chairman, Electronic Retailing Association
www.retailing.org

Don't Miss Your Backstage Pass!

ERA Leadership Dinner at the Annual Convention

September 21

House of Blues Foundation Room, Las Vegas

ERA's Annual Leadership dinner will be held at the House of Blues Foundation Room atop the Mandalay Bay this year. This is an extremely rare opportunity to spend an evening with industry leaders in a very exclusive establishment. With incredible views of the entire Las Vegas strip and food, drinks, and live music, this will be a very popular event. Unfortunately, there are only 200





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seats available for this incredible opportunity and invitations are going out very soon. To find out how you can be on the list, contact Tomiyo Turner at tturner@retailing.org or 703.908.1022

by our past, would like to Greg Renker, Goldstein, Dan Danielson, Jeff Knowles, Rick Petry, ERA Chair Ed Garrubbo, and incoming ERA Chair Nathan Fagre.

ERA's Leadership Dinner is sponsored current, and future chairpersons and we thank them for their continued support: Jeff Giordano, Jack Kirby, Linda

The Leadership Dinner kicks off a whole slate of events at the ERA Annual Convention that you will not want to miss convention so [register for the ERA Annual Convention online today.](#)

Retailers Rock with ERA!

Registration questions? Contact [Jodi LeBlanc](#) at 703.908.1029

For sponsorship and exhibiting opportunities, visit <http://www.retailing.org/> or contact [Karla Kelly](#) at 703.908.1026

This week on *Electronic Retailer's Blog*

Inventions: Direct Response hits waiting to happen? Have you seen the ERA minute? - DRTV spots need to be tweaked before moving online! Party pictures on Facebook: The young professional Facebook paradox. Rick Petry needs a hip replacement! A French Court erects new barriers to e-commerce with the eBay debacle.

Join the discussion today at www.electronicretailerblog.com. We dare you!

July 17 Webinar: Recession-Proof Your Business

July 17, 2:30 – 3:00 pm EST

The impact of a slow-down is already apparent – delayed project start dates, slower paying customers, and a discounting of prices by your competitors.

Businesses are beginning the process of “downsizing” their revenue expectations. But, is that the right approach? In reality, there are 10 activities that a business owner can implement today that will immediately increase their revenues, decrease their operational costs and boost corporate profitability. Explore these tips for optimizing your business operations.

Speakers: **Brad Dawson**, Managing Director, LTV Dynamics

Moderator: **Ed Garrubbo**, CEO Creative Commerce, ERA Board Chair

ERA Members: Free

Nonmembers: \$99

[Register here.](#)

SAVE THE DATE! ERA's August 21 Webinar: **“The Business of Climate Change”** 2:30-3:30 PM Eastern Time with Steve Nober of Ecobrand Marketing Services.

One Small Step for Net Neutrality



Last week FCC Chairman Martin announced that Comcast’s practice of decreasing the speed of heavy Internet users’ access violated FCC principles. The final vote on this proposed order is expected to occur in a few weeks. Chairman Martin is likely to garner sufficient support. The proposed order would prevent service providers from arbitrarily slowing access to certain bandwidth consuming applications and would require better disclosure of network management practices. Comcast has already agreed not to slow peer-to-peer traffic on BitTorrent and Chairman Martin did not recommend a fine, so the actual effect on Comcast will be limited.

Still, it shows that the partisan divide that sometimes plagues the Net Neutrality debate is being eroded by mounting evidence that Net Neutrality benefits consumers. Of course, this is far from a complete victory. Chairman Martin’s proposals could do more to protect consumers from tiered-service agreements that stifle the development of Internet applications. The FCC could also do more to deter such conduct in the future. We must continue to work so that this small step in the right direction is only the first of many.

Tomiyo Turner
ERA Government Affairs

Industry News

[CHANNELSTRENDS](#) [BUSINESSINDUSTRY](#) [GOVERNMENT AFFAIRS](#)

CHANNELS



[Cumulative Value of Multi-Platform Advertising](#)

A recent report from Integrated Media Measurement, Inc. (IMMI), based on data from 3000 panelists in six major markets, finds that though multi-platform advertising increases reach over individual platform advertising, the effect is not simply additive.

Center for Media Research



[Do's and Don'ts of Online Video Advertising](#)

Online video used to be defined by outrageous footage aimed at filling the idle time of 21-year-old males. It was raw, it was compelling, but it was definitely not the vehicle of choice for well-established brands trying to deliver their messages to a relevant, engaged audience.

Advertising Age



[Mobile Co. Avot: Consumers Interested In Mobile](#)

Eureka! A mobile company has released a study that shows that consumers are interested in mobile video. Avot Media, a developer of real-time streaming and personalization video to mobile delivery systems, said that its mobile video user survey "revealed that mobile video is in demand by a variety of users."

Adotas

TRENDS



[The Truth About Black America](#)

"Myth Buster." It rolled off my tongue unrehearsed and unplanned while presenting a sampling of findings and insights from the Black America Today study commissioned by Radio One (the largest U.S. radio broadcasting company targeting Black Americans) and conducted by Yankelovich.

Advertising Age



[Study: 'Green' Products Leave Consumers Puzzled](#)

"Here's the big ah-ha!," said Suzanne Shelton, CEO of Shelton Group, a Knoxville, Tenn.-based ad agency that specializes in energy efficiency and sustainability. "If you were an alien and you landed on the planet in April of this year, you would think that the 'green' market was pretty mature because you'd be hearing about it everywhere—every newspaper, every TV show you turn on somebody is talking about being green. But this is not a mature market."

BrandWeek



[Internet Ad Growth Percentage High, But Traditional Ad Dollars Higher](#)

The IDC Digital Marketplace Model and Forecast shows total worldwide Internet advertising to be \$65.2 billion in 2008, growing to \$106.6 billion in 2011.

Center for Media Research

BUSINESS



[Why Your Digital Reputation Is Important](#)

If you look up the word “reputation” in the dictionary you will see the following definition; the estimation in which a person or thing is held up. Having a good personal reputation is a goal which we all strive to achieve and is also a direct reflection on us as individuals.

Adotas



[Glamour Shots: Inspiring Inventory with Free Image Editors](#)

For small e-tailers, particularly those on a tight budget, purchasing image-editing software (also called graphics programs) can be expensive. Here we take a look at five programs that you can use to spice up your product images — completely free.

Adotas

INDUSTRY



[Amazon Plans an Online Store for Movies and TV Shows](#)

In a significant step toward vanquishing the local video store and keeping couch potatoes planted firmly in front of their televisions and computers, Amazon.com will introduce a new online store of TV shows and movies on Thursday, called Amazon Video on Demand.

New York Times



[Netflix Takes Center Stage on Xbox](#)

Microsoft made a splash at the E3 Media & Business Summit with its announcement of a partnership with Netflix that permits users to watch movies and TV shows using an Xbox 360 console. The companies plan to offer a library of more than 10,000 films and shows.

Tech News World



[Ebay prevails in suit over fake Tiffany goods](#)

EBay Inc. scored an important victory in court Monday, as a federal judge said companies such as jeweler Tiffany & Co. are responsible for policing their trademarks online, not auction platforms like eBay.

detNews.com

GOVERNMENT AFFAIRS



[GOP should get serious about cyberspace](#)

It's time for Republicans to get serious about the online revolution before it's too late. While the Democrats keep extending their political reach into cyberspace, too many in our party keep pretending the Internet will go away.

Like a predator approaching an ostrich with its head in the sand, the Internet will not disappear. In fact, the Internet is quickly consuming many aspects of our lives, including how we engage with the political world. To ensure our party's future, Republicans must

start to navigate this intersection of technology and politics as deftly as the Democrats have.

Politico.com



Comcast loses: FCC head slams company's P2P filtering

Remember how Comcast this week told us that 1) the FCC's "Internet policy statement" (PDF) had no legal force and 2) that the agency might not have the authority to enact such rules even if it wanted to? Those theories will soon be put to the test, as Republican FCC Chairman Kevin Martin now says he wants to rule against Comcast in the dispute over the company's P2P upload throttling. Score one huge, precedent-setting win for net neutrality backers.

Ars Technica



Congress Steps Up Questions On Google, Yahoo Ad Alliance

Google's proposed search advertising partnership with Yahoo, already the subject of much scrutiny, faced additional examination on Capitol Hill yesterday during separate House and Senate hearings on Internet competition.

WashingtonPost.com

Member Press Releases

- [Hawthorne Direct Announces Promotion of Brandy Septer to Senior Media Account Coordinator \(PDF\)](#)
- [Jorge Hané's Reduspray rolls out in Latin America with flaming colors](#)

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Classified Ads [Advertise in ERA's E-News Weekly](#)

PER INQUIRY RADIO, TV, PRINT AND INTERNET CLIENTS NEEDED.

William Sullivan Advertising, specialist in per inquiry / remnant radio, TV, print and Internet advertising is looking for more clients to place per inquiry with us across the country. Presently we have over 50 satisfied clients using our per inquiry radio, TV, print and Internet service paying a specific price per lead. Feel free to read some of Bill's articles on DR Radio which had been published in Electronic Retailer Magazine http://www.williamsullivanadvertising.com/articles_0607.html. We are looking for more clients to place advertising in our per Inquiry program. We have a proven model for over 22 years making direct response advertising work for our large and expanding list of clients. For samples of our radio commercials please visit <http://www.williamsullivanadvertising.com/samples.html>. Our present client categories start from Natural Cures book to acne products to stress and anxiety relief programs to inventions companies to hair replacement and much more. We are dedicated to expanding our clients business and you can be a part of our growth.

Contact Bill Sullivan at 973-379-8555 or email bill@williamsullivanadvertising.com.



Submissions

Are you an ERA member? As a membership benefit, you can submit press releases, company/personnel announcements and calendar items to be published in the E-News Weekly. Please contact Peter Howson, phowson@retailing.org.

Advertising Opportunities

If you are interested in advertising, please contact Peter Howson, phowson@retailing.org.

[Please follow this link to opt out of ERA mailings.](#)

Electronic Retailing Association

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Contact us: Monday ♦ Friday 8:30 am – 5:00 pm ET

[Learn more about the Electronic Retailing Association.](#)



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