

Comedydriving.com¹ - Online Defensive Driving: A Teaching Case

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ABSTRACT

This case highlights the impact of the Internet on the practice of Marketing. Because the Internet and its technologies have given rise to several of non-traditional products, the business approach to marketing issues for web-based products are often questioned. This case illustrates the merits of utilizing traditional strategic marketing tools in charting successful courses of action. For example, the importance of a SWOT analysis in analyzing an ebusiness' marketing mix – product, price, place and promotion, is emphasized. The case is recommended for either senior- level or graduate-level marketing course work.

Keywords: eBusiness, Online defensive driving, Marketing strategy, SWOT analysis, Marketing mix

GROWTH OF eBUSINESSES

The Internet offers a variety of opportunities for entrepreneurs. Indeed, a growing number of goods and services have been created that otherwise would not be available without the Internet and its related technologies. These products often “defy” the traditional notion of products and/or businesses that proliferate most of our business textbooks. Despite the dot-com bust, Web 2.0 has revived the ebusiness platform. Business lessons have been learned for the new generation of web-based ventures. An example of this type of business venture is that of an online defensive driving course.

DEFENSIVE DRIVING COURSES

According to the National Safety Council, defensive driving courses is a form of training that goes beyond learning the basics of driving as well as the rules of the road. These courses are intended to reduce the risk of driving by anticipating dangerous situations, despite adverse conditions or the mistakes of others. Defensive driving courses are often recommended by insurance companies to help reduce insurance rates (typically by at least 10%) as well as to dismiss some traffic violations.

ONLINE DEFENSIVE DRIVING – Comedydriving.com

In the past, most defensive driving courses were offered in a traditional face-to-face classroom setting. However, the interactive nature of the Internet has created a unique way of offering these courses – online.

Comedydriving.com is a newly created online defensive driving business. The course is set-up using comedy and humor. As a result, students have found the course to be more than just informational, it is also quite funny.

Comedydriving is a relatively user-friendly website. Students with basic knowledge of the Internet will be comfortable with the presentation of the course. It is also priced reasonably at \$25.00. Once the course has been completed, drivers are mailed within 24-hours a certificate indicating their successful completion of the course.

¹ This case utilizes the actual ebusiness domain name and website - Comedydriving.com. However, the name of the founder has been disguised. Facts in this case have been printed with permission.

Anyone can sign up for an online driving course. However this site is designed for dismissing tickets in the state of Texas only. While it is only approved for ticket dismissal in Texas - other states may accept the course at their discretion. Likewise, other insurance agents in other states may accept the course for a reduction in insurance rates.

Comedydriving.com started operating during the first quarter of 2008. Its owner, John Bucks, was initially spending about \$5000 per month for pay-per-click services with Google. It was generating about double what had been invested. Currently, John is spending about \$10,000 in search engine money which creates about double that in total income generated from Search Engines, Direct Traffic and Referring sites. The pay-per-click average cost is about \$2.25. John set his high bid at \$3.00 so Google will not allow him to pay more than \$3.00 dollars per click. John has done some research and to be on top of the search list consistently - the maximum bid needs to be up to \$9.00 per click. As a result, comedydriving.com is generally in the 3-5 position.

For the first 100 defensive driving students that have completed the course, exit surveys showed that 96 said they would take the course again with Comedydriving.com; 3 did not like the course because they were using dial-up and the flash and videos came across choppy; and 1 did not appreciate the humor. Based on the same survey, 63 customers utilized the search engine Google to find the course online and 15 found the course from other search engines - in which no money was invested, and 22 found the course from other non-Internet marketing/advertising.

How customers find Comedydriving.com?

Search Engines 4,803 (58.82%)
Direct Traffic 1,810 (22.17%)
Referring Sites 1,552 (19.01%)

Site Usage:

8,165 Visits
31,523 Page views
3.86 Pages/Visit
43.29% Bounce Rate
00:04:39 Avg. Time on Site before signing up

According to Texas state law – John cannot have advertisements when the students get “inside” the course (i.e., once they start taking the course). However, John is thinking about getting advertisements on the front pages before the students get inside the course. This is what the competition is currently doing. Some of the companies John is considering advertising with are: insurance agencies, car dealerships, car accessories, and radar detectors.

Almost a year into the introduction of Comedydriving.com, John is faced with re-examining his strategic courses of action. In devising his new strategy, John will need to tackle several issues. What is the off-line and on-line competitive environment of Comedydriving.com? Who is Comedydriving.com’s target market and how can he effectively reach them? What are the current and anticipated trends facing the driving education industry, including both off-line and online?

Case Objectives and Use:

Comedydriving.com – An Online Defensive Driving Course

Intended Courses:

Senior-level marketing strategy course
Graduate-level marketing management course

Objectives:

This case was developed to provide students with an understanding and application of:

- 1) The role of the Internet within the context of the marketing function in an organization;
- 2) The process involved in understanding consumers and target marketing;
- 3) The importance of coordinating the different elements of the marketing mix within the unique framework of eCommerce;
- 4) The concepts relating to product differentiation, position and competitive advantage; and,
- 5) To effectively produce and present a successful marketing strategy as it applies to ebusinesses.

Audience:

Students are invited to visit the Comedydriving.com website. This case is appropriate for senior marketing and graduate marketing and/or business students. At these levels, students have been sufficiently exposed to the traditional marketing concepts and therefore should be able to effectively integrate these concepts within the context of an ebusiness. More importantly, this case provides a good foundation for the elements involved in the planning of an effective ebusiness marketing strategy.

Case Synopsis:

Comedydriving.com – An Online Defensive Driving Course

Comedydriving.com is an actual business that offers an online defensive driving course in the state of Texas. Instructors should encourage students to visit the website. This ebusiness is only a couple of years old (inception was in 2007 and started operating shortly thereafter) but have been doing quite well. Drivers enroll with Comedydriving to help dismiss traffic violations and/or get to receive insurance discounts.

As the domain name suggests, Comedydriving presents the driving course with humor and comedy. Exit interviews with students taking the course indicate that the comedy theme seem to be a huge factor in making the course more appealing. The course costs \$25 and upon completion, students are mailed their certificate within 24 hours.

Discussion Questions and Answers:

Comedydriving.com

- 1) Based on the information provided, outline the elements of the marketing mix.

Product – online defensive driving in the state of Texas

Price - \$25.00

Place - Web-based

Promotion - Search engine like Google.

- 2) Evaluate the elements of the marketing mix.

The marketing mix concept otherwise known as the 4P's was developed as a means of ensuring that companies can have the proper mix of strategies to fit a specific target market. The 4 P's or the marketing mix are: product, promotion, place and price. With online companies, such as Comedydriving.com, these elements run together. Comedydriving.com has a great idea for a product, one that breaks the monotony of a product that is often something that customers are forced to have to use. Customers do not necessarily care where they take defensive driving, as long as it is affordable and convenient with their schedule. This makes the marketing mix very important for Comedydriving.com, as they will have to work even harder to make customers aware of their differentiated product and want to take their course.

- 3) Conduct a competitive and industry analysis for Comedydriving.com.

To effectively address this question, students are urged to conduct a SWOT analysis – strengths, weaknesses, opportunities and threats. However, to effectively conduct this analysis, both online and off-line environments have to be considered.

- 4) Identify the selling points of Comedydriving.com.

Comedydriving.com's primary target market is drivers who have received traffic or speeding tickets and are seeking a dismissal. To appeal to this market, Comedydriving.com has developed a couple of key selling points – the convenience in taking the course online; the use of online animation as well as humor; and the ease in taking the course. Taking any course online is definitely more convenient than having to sit in a classroom somewhere. The use animation with humor as their method of instruction is also a plus. The idea behind the use of animation is to present defensive driving in an entertaining way to keep customers interested in the information presented. Highlighted at the very beginning of the Comedydriving.com website are samples of animated course materials that customers will be watching when they sign up for a class. This is important because potential customers get a chance to see what this company is about and a chance for Comedydriving.com to market their distinct brand of driving safety. Comedydriving.com states that there is no reading required and there are no final exams. This is an important appeal for customers wanting to quickly and painlessly complete a defensive driving class and expedite the ticket dismissal process.

- 5) Apply the process of segmentation and provide a profile of the consumer most likely to purchase this product.

The concepts of differentiation and positioning will be important in providing an accurate profile of Comedydriving.com's customers.

- 6) How can Comedydriving reach the consumer described in question #5?

Comedydriving.com appears to be using two great optimization techniques for its paid search ad campaign: "flighting" and geo-targeting. Flighting (and/or day-parting) happens when a company is not consistently ranked high by a search engine. Typically, companies would want to be ranked during "peak" search times. Comedydriving.com is currently doing this. Flighting is a cost-effective means increase visibility when the target is actually search for a defensive driving course. Geo-targeting is a strategy that allows marketers to select the region or city of its target market. Comedydriving.com is effectively using this strategy since the site is only viable in the state of Texas. Comedydefensivedriving.com has creating ad copy in their listing that references "Texas."

- 7) What strategic courses of action can you recommend to enhance Comedydriving.com's success?

There are a number of suggestions that may improve Comedydriving.com's chances of future success. One of the areas that this company should focus on is increasing its customer base. Locally, the state of Texas has a large Spanish speaking population. According to the U. S. Census Bureau, half of the nation's Hispanic population lives in either California or Texas. Currently, there is only a handful of driving safety businesses that offer online Spanish-approved courses. By offering Spanish language online courses, there should be an increase in the number of customers taking advantage of online courses.

Another suggestion to increase Comedydriving.com's customer base is to be approved and offer online courses in other states. Some of their competitors currently offer online defensive driving classes in other states, like Florida and California (I Drive Safely.com, 2008).

A suggestion to increase the placement of ComedyDriving.com is through cross-selling or by having strategic partners. One partnership that could benefit both parties involved, would be to create a cross promotion with attorneys that specialize in traffic offenses (DMV.ORG, 2008). Potential customers accessing these websites

would find advertisements and links for defensive driving classes and attorneys specializing in driving related misconduct.

AUTHOR INFORMATION

Dr. Alma Mintu-Wimsatt is a professor of marketing at TX A & M University- Commerce. She received her Ph.D. from the University of Kentucky. Her areas of research interest are cross-cultural negotiations, buyer-seller interaction and teaching pedagogy focusing on technology mediated learning. Her research works have been published in *Management Science*, *Journal of the Academy of Marketing Science*, *Thunderbird International Business Review*, *Journal of Personal Selling and Sales Management*, *International Journal of Research in Marketing*, *European Journal of Marketing*, *Journal of Business and Industrial Marketing*, and *Marketing Education Review*, to name a few.

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