Online Marketing

What once was a world of computers talking to other computers has evolved into a vast network of people, communications, and devices including video, text messaging, cell phones, and PDAs such as iPhones and BlackBerries. And the opportunities for targeting consumers with marketing messages have become as vast.

E-marketing—also known as Internet marketing, i-marketing, Web marketing, and online marketing—is now the fastest-growing marketing communications area and likely to be the dominant marketing medium in the near future.

As a matter of fact, companies are statistically increasing their online marketing budgets each year to meet the growing demand for online connections and contact with businesses. And it isn't just teenagers with iPods and an online-only mentality. The Internet is mainstream and is often the first preferred point of contact for research, comparison shopping, information, and peer reviews.

The term *e-marketing* is fading as online tactics are simply being thought of as "marketing," pure and simple.

This chapter was coauthored with veteran Web marketer Sandra Bradley.

Be User-Centric

Being *user-centric* means looking at your business from your customers' perspectives and understanding what questions they want answered and what tasks they want to accomplish. It is the actionable and interactive part of the medium that builds this kind of relationship. Why should I do business with you? How can I find the right partner for my business? What size does this come in? Does this product fit others that I own? If businesses can understand the needs of their current and potential customers online and effectively meet them, then they will be highly successful.

It is the understanding of the user that is truly the driver for the kind of tactic (whether online or not) to use to communicate with that user. It is easy to get distracted with new technologies. For example, I hear companies saying, "I need a Facebook page and a Twitter feed and I need them right away!" Just because Oprah now has both doesn't mean these are right for you. Instead, companies should do research on customers to see how many of them are on Facebook and Twitter and use it regularly. They should think strategically about what tactics will work best for their customers. One size does not fit all: the tactics should be based on market, type of business, and tasks to accomplish.

KEY TERMS

Twitter A free social networking service that enables users to communicate through *tweets*. Those are text messages of up to 140 characters in length that a user posts to his or her profile page, from which they are sent to any user who's subscribed to receive them.

Facebook A free-access social networking Web site that is privately owned and operated by Facebook, Inc. Users can join networks of users organized by city, workplace, school, and region.

Use the Advantages of the Medium
Low Cost, Highly Targeted, Global, Interactive

The Web is different in what it can offer over other media. The Internet has brought many unique benefits to marketing, one of which being lower costs for the distribution of information and media to a global market. The interactive nature of Internet marketing, in terms of both provid-

ing instant response and eliciting responses, also makes the medium highly effective, as does the ability to target users based on behavior, history, interests, and geography.

Internet marketing also refers to the placement of media along different stages of the customer engagement cycle (as described in Chapter 5) through search engine marketing (SEM), search engine optimization (SEO), banner ads on specific Web sites, e-mail marketing, and Web 2.0 strategies.

> ## WHAT IS WEB 2.0?
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> **TOOLS**
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> The terms *Web 2.0*, *social media*, and *user-generated content* are all used interchangeably. Web 2.0 is the "second generation" of Web development, facilitating communication, secure information sharing, and collaboration.
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> Sites such as Wikipedia, LinkedIn, and Facebook are community-built. Other Web 2.0 content includes blogs, comments on news sites, and product reviews.
>
> In short, if Web 1.0 is about commerce, then Web 2.0 is about people.

As mentioned in Chapter 5, Internet presence is often the first point of contact. Rather than just a Web site destination, company presence on the Web is ubiquitous—in online news channels, YouTube videos, blogs, Flickr images, Facebook pages, and other social networking venues. Managing a brand online is much more complex than ever before.

For example, one toy company I worked with was preparing to discontinue one of its most popular products. Rather than announcing its intent to discontinue, which could potentially ire loyal followers, the company leaked the news to influential bloggers and into related social networks. The result was a subtly PR-driven approach using its evangelists to carry the message that minimized backlash.

As mentioned in Chapter 5, the Internet has made it possible for even the smallest companies to market globally. It has opened the door for products that appeal to tiny percentages of the global population.

One billion-dollar company that has long dominated a particular segment of business-to-business products found that it was being long-tailed out of competition product by product by small specialists that could compete aggressively on price. These tiny players were riding on the long tail of the big company's comet. Competitors it had never considered suddenly aggregated into a competitive threat.

Micro-Marketing

Companies are finding it increasingly difficult to reach their target prospects. As mentioned in Chapter 5, it's no longer enough to blast out a mass message or build a brand in the historical way. Relationships have become ever more important, as has the concept of niche marketing. Users can choose where they go and what they see, what products they interact with, and by whom they want to be contacted. In fact, they are often the ones to initiate a contact, whether through search engines, direct load, or referral.

A Conversation Medium

As mentioned in Chapter 5, top online tactics for businesses are banner ads on specific Web sites, search engine marketing, search engine optimization, and e-mail marketing, all resting on a bed of social networking and based on relationships between and among trusted people. Companies need to understand the potential of these tactics and the concept of one-to-one marketing online space. Above all, the Web can create a place to begin a conversation with a prospect or customer. The relationship built over time is what pays long-term dividends.

The era of one-way communications has given way to a desire to maintain ongoing conversations between companies and their customers. There are great opportunities for companies to listen in, learn, and respond to their customer's needs and to become an everyday part of the fabric of their lives.

Banner Ads

Banner ads are display advertising on specific sites and are typically sold by CPM (cost per thousand views). There are some known problems with banner advertising: While an ad may load, the user may not actually see it, because the page is cluttered, because of its place on the page, or because the user is not interested.

It is difficult to measure direct ROI other than by calculating *click-throughs* on the ad. Many users actively avoid looking at advertising placed in social networking and other spaces.

Click-through What happens when a user clicks on a link in a Web page or e-mail and is sent to a Web page. Click-throughs are used as a measure of effectiveness. The *click-through rate* is calculated by dividing the number of clicks by the number of impressions (e.g., times a banner ad is displayed or number of e-mails sent). **KEY TERMS**

Widget A piece of code that can be inserted in a site in order to do something, to add content that is not static. For example, a weather-tracking widget may display the temperature and other information inline in a site, or a widget of a featured product could enable users to buy from that site.

It is becoming more common to use video or insert *widgets* into display ads to allow for enhanced engagement and real-time interactions. These kinds of ads are more effective than simple graphic banner ads.

Keys to success with banner advertising:

1. Ensure the ad is "above the fold" on the site, placed for better visibility and interaction.
2. Match the content of the ad to actual content placement if possible. For example, if the ad is displayed on a weather page, using an environmental reference will be effective.
3. Always use some kind of actionable message. "Buy now," "Sign up," "Free trial," and "Enter now" are all good actionable ideas.
4. Bigger is better. Use larger formats or interruptive formats (such as drag downs, expand/collapse, or pop over windows) to dominate a cluttered environment.

To make managing many media efficient, there are also tools that can be used to drive social media content into ads. For example, a tool called Shoutlet (*www.shoutlet.com*) is used by some companies to tag social media content, upload You-Tube videos, and publish the same video content into banner space on sites where units have been purchased.

Above the fold The portion of a Web page that visitors can see without scrolling. The size of this **KEY TERM** area varies according to the users' screen size and browser settings. This term comes from newspaper jargon, where it refers to the top half of a page, visible when a folded newspaper is lying face up or displayed. The rest of the page—the part that you have to scroll to see—is known as *below the fold*.

Search Engine Marketing (SEM)

Search engines are one of the most common ways for people to find information and products. Google is the number-one search engine, and (surprisingly) YouTube is currently the number-two search engine, due to a growing use of video for demonstration, communication, and marketing. It is because of this that search marketing or pay-per-click advertising is appealing for businesses. You can quickly present a message when a user is actively seeking your product or service.

Companies now have interesting opportunities to educate. Witness the Auto Credit Express® video on how to buy a car if you have bad credit and the hairstyle tips and curly hairstyle techniques from TRESemmé. These are good examples of wrapping a brand around helpful content without direct selling.

Search engine advertising is appealing because the cost is based on a specific action, or click, which means that a user has actually seen the ad and chosen to interact with it. It is easy to set up a Google AdWords account to create text ads that will display at the top of the page and in the right column alongside relevant keywords in its search. There is also a content-targeted option that displays ads alongside relevant content on news sites, affiliate sites, blogs, and the like.

The placement of the ads is a combination of the amount bid by competitors and the *quality score*. "Quality Score," according to Google, "is a dynamic variable assigned to each of your keywords. It's calculated using a variety of factors and measures how relevant your keyword is to your ad group and to a user's search query." The quality score is a rating of the success of that particular ad; an ad with a higher score is given precedence over other ads. This helps search engines understand what is working and whether the ad is relevant.

Search advertising is immediate, actionable, and effective. And it is highly accountable, with direct metrics that can work toward successful integration of search advertising into campaigns.

Search Engine Optimization (SEO)

Search engine optimization is the process of improving the volume and/or quality of traffic coming to a Web page from *organic* or *natural*

MISTAKES WITH PAID SEARCH

CAUTION

These are some mistakes to avoid with paid search:

- *Not matching ads to keywords.* Use keywords in the headline or body copy.
- *Not matching landing pages to the ad.* Ensure that the ad leads to a page that deals directly with the advertisement or promotion, not just to a generic site page or home page.
- *Not being competitive enough.* A placement of position 1–3 (in the right column of search results) is critical to garner sufficient return on investment.

LANDING PAGE

TRICKS OF THE TRADE

A landing page is any page on a Web site to which users are sent. The structure, design, and copy should prompt users to take a certain action.

For example:

- Users are sent from a pay-per-click search marketing campaign (e.g., Google AdWords) to any of multiple landing pages, each specific to a search keyword.
- Users are sent from a banner ad to a landing page specific to whatever the banner is advertising.
- Users are sent from a link in a Web site or an e-mail to a landing page designed to provide information or prompt users to take some action.

searches—search results generated by Google, Yahoo! Search, or other search engines.

As mentioned earlier, Google is the leading search engine and the focus of most optimization efforts. Google search is highly targeted by keyword and uses *IP detection* to deliver relevant geographic results.

Appearing on the first page of search results is ideal. However, unlike paid searches, which allow specific placement for a fee, there is no guarantee of placement in natural searches. There are several types of factors that impact placement of sites in natural searches: popularity, content, and structure.

Search engine optimization Process of improving the volume and/or quality of traffic coming to a Web page from the results of *organic* or *natural* searches through search engines such as Google, Yahoo! Search, and Microsoft Live Search.

KEY TERM

KEY TERMS

IP detection IP stands for Internet protocol. Here it's shorthand for Internet protocol address, the numeric address of a computer on the Internet (four numbers separated by periods). These numbers are usually assigned to Internet service providers in blocks by region, so an IP address can often be used to identify the region or country from which a computer is connecting to the Internet.

Link farm A Web site or a group of Web sites that contain a large number of links, so as to raise the index ratings used by search engines.

Popularity. Google in particular relies on links to determine which sites are credible, relevant sources and which are not. Google applies a metric, *Page Rank*, which measures the overall relevancy of sites based on the links to each site. Google uses an algorithm to determine the relative value of links and weight them accordingly.

Cultivating quality links to your site from partner sites, blogs, media, and social sites, such as LinkedIn and Wikipedia, is a good practice in terms of increasing Page Rank. The key is to do this slowly and strategically and to avoid *link farms* or other low-quality services that will garner poor results.

Content. Search engines love good content and lots of it. If you use a focused set of keywords high up on the page, use the keywords many times, and emphasize landing pages, you help search engines rate each page of your Web site. Keyword position and density on the page are translated in terms of importance. Search engine optimization strategies make Web copywriting a fine balance between providing a positive user experience and providing enough content to search engines to be ranked higher in more searches.

Structure. The structure of the site, including code construction and linking, makes it easier for search engines to access content. Search engines love links, so using strong keywords in text links is a good search engine optimization practice. Avoid using technologies that get in the way of search engines, such as JavaScript, frames, and Flash (although Google can parse text files if Flash files are constructed to pull text rather than have content compiled in the Flash).

E-Mail Marketing

Even with a poor reputation due to Spam, mailbox clutter, user fatigue, and overuse, e-mail marketing remains a viable marketing tool if it is permission-based. Permission is key: purchasing lists, sending e-mails blind, or delivering any other unwelcome content simply doesn't work.

Building a strong opt-in program should be a core part of any long-term marketing program. What this means is giving users a reason for giving you their e-mail addresses and permission to market to them. The incentive can be the promise of valuable and useful content regularly or occasionally, the chance of winning a sweepstakes, an offer to provide notifications of discounts and sales, or a subscription to an e-mail newsletter, to mention a few popular examples.

The key is giving users control over how often you will communicate with them, allowing them to select relevant content, enabling them to manage the relationship, and then delivering the content that they consider relevant.

There is a growing trend of using e-mail for behavioral marketing. For example, if a visitor to a site has placed items in a shopping cart but not checked out, an e-mail might be sent to remind the visitor of the shopping cart contents or if visitors have made purchases through a site, a promotion might be sent to mention items that are similar to the items purchased.

The main point in making e-mail successful is personalization, relevance, and user control. All these create a welcome relationship over time that will bear fruit.

> ### Don't Stalk
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> Some online retailers track movements of visitors to their sites. Then they send e-mails to those visitors based on the pages visited, with a message such as "Because of your interest in YYY, we thought you'd be interested in this" and information about other products, related to YYY or not so much. This form of behavioral marketing may be seen as the cyber equivalent of a sales clerk spying on store visitors and then chasing them down the street yelling, "Hey! I noticed that you were looking at …."

Social Media

Social media (or Web 2.0 or user-generated content) is really the underpinning of many of the tactics we have just discussed. Banner ads may be

MISTAKE PROOFING

CAN-SPAM RULES

Be a responsible e-mail marketer. In the United States, it is important to become familiar with CAN-SPAM regulations and abide by them. To find out about CAN-SPAM, go to *www.fcc.gov/ cgb/consumerfacts/canspam.html*.

placed on blogs or on Facebook pages, paid searches can appear on affiliate sites or around news content, and e-mail can be used to pass links virally. Many social sites have surpassed the popularity of news sites and are becoming a primary source of placement for marketing messages.

Social media have given the individual as much power as traditional media have had in the past. If one person likes a product and starts spreading the word, the result can be free publicity that reaches more people and with greater effect than thousands of dollars could buy in ads. On

SMART MANAGING

VIRAL MARKETING

"Viral," usually a scary term in the computer world, is something good in "viral marketing." It simply means spread by word of mouth, creating buzz and interest. Viral marketing uses strategies that cause people to pass along marketing messages to others. The result can be an exponential spread of the message.

the other hand, if one person hates a product or a brand, the result could do so much damage that it could take thousands of dollars and months of advertising to repair.

Recognizing that the Web has become a conversation medium, marketers are concerned not only with the conversation between themselves and their customers but also conversations among customers about their companies, listening in, and then benefiting from what they learn.

Social media have changed the game in terms of how people get their information and turned around the perception of what managing a brand means. In short, the most successful companies are the ones that allow users to manage their brands and to create their own experiences, rather than trying to create a company-driven brand perception.
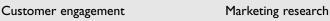
When we talk about social media, we're talking about much more than blogs: we're talking about Twitter, the large open directories such as Facebook and MySpace as well as YouTube videos, and social bookmarking on sites such as Digg.com and Delicious.com (formerly del.icio.us).

BENEFITS BEYOND MEASURE

SMART

What kind of return on investment is received in the social media space? It's difficult to measure. Consider some of these main benefits of using social media marketing:

MANAGING

Customer engagement

Marketing research

Direct customer communications

Credibility of the "crowd"

Speed of feedback/results

Reach

Learning customer preferences

Lead generation source

Low cost

Customer service

Brand building

Social bookmarking A Web site that enables Internet users to store, tag, and search through bookmarks (links to Web pages), by category, by tag, or chronologically. Users can share the bookmarks they contribute, either privately (with specified people or members of specified groups) or publicly (with anybody who accesses the Web site).

KEY TERMS

Podcast A series of digital media files, usually digital audio or video, delivered over the Internet through an *RSS feed* to subscribers, who play the files on their computers or portable digital audio players, such as the iPod.

RSS feed Delivery through any of a family of Web feed formats used to publish audio, video, news headlines, blog entries, etc., in a standardized format. RSS is generally understood as meaning "Really Simple Syndication."

This area also encompasses podcasts, RSS feeds, and widgets.

The main point is that it is the users who choose what they want to see. Digg.com is a place where people decide what the top headline of the day is based on what they want to see. RSS feeds are selected content. Twitter connects people one-to-one or one-to-many based on choice.

Online marketing is an interesting mix of global opportunity and tightly knit communities. More and more marketing messages are being filtered through peers before being considered or even seen. Leveraging these relationships in a positive way is one of the leading challenges and most important tasks for marketers.

SMART

MANAGING

FIGURING OUT SOCIAL NETWORKING

The array of social networking opportunities is dizzying, and companies often don't know where to start. Here are a few good ways to begin to make the most out of social networking:

Before doing anything, listen. Find out where your customers like to spend time and where they are open to conversing with you. Listen to the way they talk and learn the language. Social networks have cultures, and it is important to learn the tone, jargon, and overall etiquette appropriate to each network.

Be completely transparent. Never pretend to be anything other than you are. Authenticity and transparency are paramount in terms of credibility.

Offer something useful. Develop content that people will want to share or bookmark. Provide information they need or advice that can help them make decisions.

Go slowly. Focus on a few top target sites or tools and master those before branching out. Follow your customers and gravitate to where they are.

Manager's Checklist for Chapter 13

- ☑ E-marketing—also known as Internet marketing, i-marketing, Web marketing, or online marketing—is now the fastest-growing marketing communications area.

- ☑ Internet presence is often the first point of customer contact.

- ☑ Be user-centric. Look at your business from your customers' perspectives.

- ☑ The Web offers advantages over other media. The Internet is low cost, highly targeted, global, available 24/7, and interactive.

- ☑ Top online tactics for businesses are search engine marketing, search engine optimization, banner ads on specific Web sites, and e-mail marketing, all built on a foundation of relationships.

- ☑ The era of one-way communications has given way to conversations between companies and their customers. Successful companies allow users to create their own brand experiences.