



# Chapter 26

## *Interactive marketing communications*

For many organisations the use of digital, interactive marketing communications has become an important channel to reach and communicate effectively with specific audiences. The ability to target individuals, often unreachable through conventional approaches, with messages and media that are related to their needs, to personalise communications, to encourage interactivity and to reflect their lifestyle and communication needs has become a critical aspect of contemporary marketing communications.

### *Aims and learning objectives*

The aims of this chapter are to explore the essential characteristics associated with interactive marketing communications and to understand the key tools and applications used by organisations in order that they communicate effectively in a digital environment.

The learning objectives of this chapter are to:

1. appraise the nature and characteristics of interactive marketing communications;
2. describe the primary techniques and issues relating to online advertising;
3. consider some of the issues relating to the way in which each of the tools of the communications mix can be used interactively;
4. explain the key features associated with mobile communications;
5. evaluate search engine marketing and distinguish the main features of both pay-per-click and search engine optimisation;
6. discuss the features of email marketing communications for both customer acquisition and retention;
7. evaluate the role of electronic word-of-mouth communications, and consider applications such as viral marketing communications, podcasting, RSS feeds and web logs;
8. identify the characteristics of online communities and consider how social networks and affiliate marketing can be used to develop marketing communications opportunities.

For an applied interpretation see Nicola Robinsonova's MiniCase entitled *How Learnit uses Web 2.0 to engage audiences* at the end of this chapter.

## Introduction

The title of this chapter is *interactive* marketing communications. The use of the word interactive is important as it denotes the key characteristic of this form of marketing communications. It is key because it signifies the functionality that is available, namely the ability of all participants in a communication network to respond to messages, often in real time. This is not a feature of most offline marketing communications such as radio or billboards and posters. It is also key because it indicates that this type of communication environment is open, that is, more democratic than conventional marketing communications. The latter tend to be one-sided and driven primarily by organisations and the satisfaction of their more overt needs. The word interactive suggests that all parties to a communication event are enabled to communicate. Finally, the word interactive is used to cover a wide spectrum of electronic environments, one that is not limited or defined by the Internet. For example, mobile communications do not operate online, yet can be used to reach people digitally wherever they are and engage them interactively.

Back in 1995, Deighton and Grayson speculated correctly about the impact of the move towards digital-based marketing communications and how electronic dialogue would make marketing communications more conversational. Well, the movement has gained considerable impetus and is now a central marketing communications activity for many organisations. Before examining the elements of interactive marketing communications it is necessary to determine what interactive marketing communications is thought to be. Two researchers based in Zagreb, Vlastic and Kesic (2007) review different interpretations and at a simple level suggest it is about the interchanging roles of senders and receivers within a communication event. However, this view casts little light on the depth and significance of the topic. They cite Hoey (1998) who among others, sees it as direct communication without time–space constraints. Some authors stress the measurability element (Morowitz and Schmittlein, 1998) and others focus on the communication and information control perspective (Liu and Shrum, 2005; Lockenby, 2005) and the influence the communication bestows on parties to the communication process. Vlastic and Kesic (2007: 111) deduce that interactivity brings benefits concerning ‘convenience, diversity, relationship and intellectual challenges alongside the very important aspect of control of communication and relationships’.

The movement is now a central marketing communications activity for many organisations.

Interactivity brings benefits concerning ‘convenience, diversity, relationship and intellectual challenges alongside the very important aspect of control of communication and relationships’.

Considering these perspectives, it can be concluded that interactive marketing communications concerns the process whereby organisations attempt to engage individuals with messages that are delivered through electronic channels, and which offer all parties the opportunity to respond. Interaction can occur through the same or different media as the original message, but the purpose is to build and sustain relationships that are based on mutual satisfaction achieved through the exchange of information, goods or services that are of value to those involved.

Perhaps the strongest characteristic of interactive marketing communications is that it enables communications to move from one-way and two-way models to one that is literally ‘interactive’. Interactivity normally precedes the establishment of dialogue between participants in the communication process. This in turn enables all participants to contribute to the content that is used in the communication process. This is referred to as user-generated-content, as demonstrated by people uploading videos to YouTube or even emailing comments to television news programmes. This symbolises a shift in the way in which marketing communications has developed, especially in the online environment. So, when the maintenance of ‘relationships’ is a central marketing activity it is possible to conclude that interactive marketing communications has an important role to play.

When the Internet began to be developed commercially in the early 1990s, organisations attempted to use the traditional offline promotional tools and processes in the new online context. This was understandable, as it was all that was known at the time. However, lessons were quickly learned, as it soon became apparent that marketing communications worked differently in an electronic environment. It was also realised that it was necessary to integrate offline communications with the online version in order to maximise returns. In this chapter consideration is given first to the way in which the communication tools can be used online and interactively. This is followed by an examination of particular aspects of interactive marketing communications. These include mobile, search, email, viral and community aspects of marketing communication in a digital environment.

## Interactive online advertising

Online advertising expenditure is growing.

Online advertising expenditure is growing. It is growing faster than any other sector in the marketing communications industry. It was worth more than £2 billion in 2006 (IAB) a rise of 42 per cent on the previous year and the expectation is that it will continue to grow at a rate of around 30 per cent. In 2006, television advertising revenue fell by over 4 per cent, reflecting current perspectives on the value of these two media.

Advertising, and indeed all digital promotional activity, needs to be planned and managed in just the same way as traditional media. Setting suitable goals is part of this process and Cartellieri *et al.* (1997), consultants with McKinsey, provide a useful set of objectives in this context:

- *delivering content*: click-through to a corporate site that provides more detailed information (e.g. health advice at [www.nhsdirect.co.uk/](http://www.nhsdirect.co.uk/));
- *enabling transactions*: a direct response that leads to a sale (e.g. air travel at [www.easyjet.com/](http://www.easyjet.com/));
- *shaping attitudes*: development of brand awareness such as product launches (e.g. <http://www.hillaryclinton.com/?splash=1>);
- *soliciting response*: encouraging interaction with new visitors (e.g. [www.towards-sustainability.co.uk/](http://www.towards-sustainability.co.uk/)).
- *improving retention*: reminding visitors and seekers of the organisation and developing reputation and loyalty (e.g. [www.ferrymiles.com/](http://www.ferrymiles.com/)).

First, it is necessary to consider the scope of interactive online advertising, or what Goldsmith and Lafferty (2002), two marketing professors based in Florida, refer to as Internet advertising. Two different issues can be identified. One concerns all offline media that is used to drive traffic to an interactive site. The second concerns advertising material that only appears in an online environment. Both need to be used together in an integrated manner if a web site is to be successful, as they are complementary forms of advertising.

Traffic needs to be directed from other sites.

Interactive online advertising is not confined to an organisation's web site. Traffic needs to be directed from other sites (where target customers are thought to visit), to the destination or advertiser's home page. To achieve this, these advertisements need to be placed on other suitable web sites where it is thought the target audience is most likely (or known) to visit. For example, links from Harry Potter pages to Warner Bros. Therefore, advertisements are bought and placed on other web sites and, through careful analysis, it is possible to place the ads on sites where it is thought that members of the target market will pass and be prompted to click the banner and be taken to the advertiser's own corporate or microsite.

Just like offline ads, interactive online ads are used to achieve one of two main tasks:

- to create brand awareness and make a favourable impression such that the reader develops a positive image of the brand;
- to maintain brand awareness and to provoke the reader to behave in particular ways. This is direct response advertising, and it is used to provide readers with a call-to-action. This may be in the form of a click-through to the advertiser's destination site or to a purchase or phone call.

The vast majority of interactive online ads are direct response, making use of the interactive capacity to provide immediate measurement of the success or otherwise of each campaign. For many brands, offline communications are used to create brand images while online ads are used to generate the call-to-action.

The most common form of ads are referred to as banner ads (see below), but as technology and marketing knowledge has improved, so more sophisticated versions of the banner ad have evolved. Some of these are outlined below.

## Banner ads

These are the dominant form of paid-for interactive online communications. Fifty-five per cent of all web ads are banner ads, which are responsible for 96 per cent of all Internet ad awareness. Although effective as a stand-alone ad, banner ads are linked through to an advertiser's chosen destination and therefore can act as a gateway to other web sites. Banner ads are linked to keywords submitted by a searcher into a search engine. The ad should therefore be strategically positioned to catch the optimum, or even greatest, traffic flow. Certain product groups, such as computer-related products represent 56 per cent of all banner ads, whereas financial products account for only 7 per cent. Therefore banners are said to signpost, whereas media-rich content provides action. These allow for a depth of material and even ecommerce transactions.

Banners are said to signpost, whereas media-rich content provides action.

Instead of transferring visitors to an orthodox web site, banner ads can also be used to transfer visitors to a games or a competition site. These games provide entertainment, seek to develop user involvement and can act as an incentive to return to the site at a later date. In addition, data about the user can be captured in order to refine future marketing offers. These ads can be saved for later use and are, therefore, more adaptable and convenient than interstitial ads (ones that pop up as users move between web sites) and cannot be controlled by the user (see p. 776). Banner ads can also be used to transfer users to an interactive microsite.

The aim of banner ads is to attract attention and stimulate interest, but the problem is that click-through rates are very low, at just 0.18 per cent (Mathews, 2007). This leads to the question of whether banner ads are worthwhile. Briggs and Hollis (1997) wrote a seminal paper on the topic in which they reported their finding that click-through rates are determined by five main factors (see Table 26.1).

The aim of banner ads is to attract attention and stimulate interest.

**Table 26.1** Determinants for click-through

Source of predisposition	Factor
Audience-related	Innate tendency to click through
Audience-related	Immediate relevance of product
Audience-related	Pre-existing source appeal (product or organisation)
Advertising-related	Immediate relevance of the message
Advertising-related	Level of curiosity generated by the banner

Source: Briggs and Hollis (1997). Used with kind permission from WARC.

An interesting outcome from Briggs' and Hollis' work was that banner ads were regarded as an important and effective form of online communication. Making allowances for the scope of their research, click-through was seen as unnecessary for the development of brand awareness and even the development of brand attitudes. Click-through rates can be improved when online ads are integrated with a sales promotion device that is designed to reward the behaviour. Special offers, competitions and other incentives can increase rates by as much as 10 per cent. However, it should always be remembered that incentives cost money, and these costs should be considered when analysing the overall return from a banner-based campaign. Another way of improving click-through is to consider not only the design and attractiveness of the ad, but also its placement and timing. This is because audience volumes and composition vary throughout any month or day period (Chaffey *et al.*, 2006).

Since the leading work of Briggs and Hollis, banners have declined in importance to the extent that they are not well regarded, either by customers or clients. However, they continued to be used with many incorporating Flash, rich media, multipurpose units and skyscrapers (very tall banner ads) as these formats generate better recall scores than the standard banner.

### Pop-ups

Also known as transitional online ads, pop-ups appear in separate browser windows, when web pages are being loaded or closed. Technically, *interstitials* appear during web page loading and *superstitials* appear during closing (Gay *et al.*, 2007). Originally they are intended to appear as a relief to the boredom that can set in when downloading files took a long time. In that sense, they were regarded as supportive communications. However, as broadband speeds and computer technology has accelerated, so the 'waiting' times experienced by users have been minimised, to the extent that pop-ups are now generally regarded as an intrusive pain.

### Microsites

Microsites are much less expensive to set up than a traditional site.

This type of site is normally product- or promotion-specific, and is often run as a joint promotion with other advertisers. Creating a separate site avoids the difficulty of directing traffic to either of the joint partners' sites. Microsites are much less expensive to set up than a traditional site and are particularly adept at building awareness as click-throughs to microsites are higher than through just banners.

### Rich media ads

The essential difference between regular and rich media banner ads is that the latter allow for significantly more detailed and enhanced messages to be accessed by the target audience. Rich media ads closely resemble offline ads and this helps to move online ads from a largely informational perspective to one that is much more emotional. This suggests that rich media are more likely to deliver stronger branding messages than in the past, which of course would negate the behavioural advantage inherent in this interactive environment.

Media-rich banner ads are highly effective, if only because the medium is said to be the message.

Streaming video and other more visitor-engaging material, such as Flash and Shockwave, provide depth and interest for users. It is accepted that media-rich banner ads are highly effective, if only because the medium is said to be the message.

### Online video

One area that is expected to grow quickly in the next few years is online video advertising. To date, there have been a number of technical issues that have impeded its use, but the growth in broadband connections enabling users to download the data required to view online video,

and the increasing use of TiVo and devices that let users fast-forward through television commercials, are encouraging the development of online video advertising.

Online video ads can be used in a number of different ways apart from simply showing ads at the beginning or end of programmes. Online video content normally plays in an un-stoppable loop, so the ads are unavoidable. In addition, advertisers will be able to place ads within video streams, another reason preventing users from avoiding them. Also, video ads can be embedded within web pages and online articles, relating closely to the site content. To date, many online ads are directly derived from television ads, but the 30-second format is not appropriate for the online environment. This means specific content for online ads needs to be developed. See the *Guardian* film site for some examples of this ([www.http://film.guardian.co.uk/Featurepages/](http://film.guardian.co.uk/Featurepages/)).

It was mentioned earlier that there have been some difficulties associated with the development of online video advertising. One of these concerns the difficulties controlling online content. There is a risk that ads can show up on pages that include content with which they may not want to be associated. For example, in August 2007 some major brands, including Virgin Media, AA, Vodafone and Direct Line all withdrew their advertising from Facebook. Their actions were a response to their ads being positioned next to communications for the British National Party (BNP), the controversial, far right political party. Their withdrawal represented a response to the lack of control that brands have in certain online environments when buying space through media-buying agencies. In this particular instance, Facebook reacted swiftly by introducing a blocking process that enables advertisers to opt out of different parts of the site (Davidson, 2007a). In much the same way, advertisers do not want to be associated with illegally uploaded, copyrighted content, often a problem on some user-generated-content sites.

The development of video advertising has also been frustrated by the difficulties associated with searching online video. Video-search engines currently index content through the use of 'tags', which are supplied by content producers or users. However, this tagging process is not always used properly and some tags are too general to attach appropriate advertising (Holahan, 2006).

One technical development reported by a commercial journalist concerns a video-search feature that allows advertisers to append messages to particular points within videos (Holahan, 2007). So, as an example, users on a La Liga football web site will, at some point in the future, be able to search for videos of particular players performing certain shots, tricks, celebrations, tackles or scoring goals. Advertisers could pay to be linked with particular players, teams or actions, and their ads would play at certain points when the video is requested.

## *Interactive online sales promotions*

Sales promotions play just the same marketing communications role online as they do offline, namely to provoke a behavioural response. Indeed, sales promotions are so good at provoking responses they can be up to five times more effective than direct mail. Using sales promotions online enables the interactive functionality of the web to be developed and this is important when attempting to engage customers with a brand for the first time. Some would argue that a more appropriate term for this activity is interactive sales promotions. This is because this tool can be used in a mobile arena and is not restricted to an online context.

Using sales promotions online enables the interactive functionality of the web to be developed.

The main aims of using interactive sales promotion are first, that they can either attract or retain customers, and second, that they provide interest and involvement with the brand by encouraging interaction and return visits. In reality, sampling, free gifts, e-coupons, price deals and competitions are the main incentives used interactively.

Organisations use incentive-based interactive promotions because they are capable of delivering two main sources of value. First, they engage customers, providing them with a reason to stay on a site or return to it more frequently than they might otherwise have done. Second, because interactive promotions require customers to opt-in and give permission they deliver huge amounts of pertinent data about customers, potential customers and the market, without too much effort on the behalf of the customer or the organisation.

Online sales promotions are generally less expensive than hard-copy versions, but to date web-based sales promotions have not been used extensively to develop brand differentiation or add value. The issue here is that sales promotions are normally used to bring forward future sales, to provide a reason to buy now. On the Internet this motivation does not exist in the same way, and for many people the only reason to use the Internet is to find information and to compare prices. However, digital media are being used increasingly to deliver sales promotion activities. Indeed, there has been a decline in the use of traditional, on-pack promotions (Barrand, 2004) and a significant growth in the use of SMS, email and the Internet as means of delivering interactive sales promotions (see Chapter 22). If traditional forms of sales promotion might be in need of innovation, the use of the Internet to deliver risk-free sampling and trial opportunities, involving trivia games, interactive loyalty programs, instant-win gratification experiences, plus other opportunities to earn points and prizes, reflects an industry determined to adapt and reinvent itself.

## ViewPoint 26.1

### Interactive promotional teeth?

In September 2006, an innovative campaign was launched to help promote Colgate's Oral Health Month. The campaign used interactive mobiles and red button ads on Channel 4 and E4 to involve consumers. The red button ads linked through to a Colgate microsite and the linear ads invited people to text 'Smile' to 80889.

Both the mechanic and message 'Colgate would love you to reply with pictures of your smile to 07738 000222 to win a day for two at a health spa', were developed specifically to build closer relationships with consumers, and were based on the principle of incorporating user-generated-content. The best pictures were published on the 'Your smile on TV' section of the microsite every couple of days.

The microsite played an important part in the campaign, not just as a destination site for traffic driven from other parts of the web, but also in giving viewers information about brushing and tips on how to maintain healthy teeth.

Source: Farey-Jones (2006).

### Question

To what extent might online sales promotions only attract price hunters and discount seekers?

### Task

Choose another toothpaste brand and find out if they run an online sales promotion.

Sampling can be an important stage in customer relationship development and in certain markets the Internet enables this admirably. For example, music and software can be downloaded for trial purposes, while services such as photo processing can be tested risk-free through introductory offers. Another area experiencing growth is the rather oddly termed 'e-coupons'. Downloaded coupons can be redeemed online using a code at checkout, or printed off and used offline in-store.

## Interactive online direct marketing

Direct marketing is a primary online communications tool because it can be used interactively to generate both transactional- and relational-based responses within a target audience. Direct marketing activities are often used to integrate a range of activities, but when used to lead campaigns, either offline or online, they should be based on database technologies that target the right audience, shape the creative, are deliverable through appropriate channels and can measure responses.

Interactive direct marketing underpins the majority of communication activities in the online environment. There are some branding-based communications, but the majority of activity is wrapped up as direct marketing, whether that be in the form of direct response advertising (e.g. banners or rich media), sales promotion (e-coupons or sampling) or public relations (e.g. sponsorship, blogs and podcasts).

Offline direct marketing is used to drive traffic to a web site. This might be undertaken by branding or by providing incentives. For example, many insurance companies use direct response television ads to inform consumers of their low cost/high value insurance deals to be found at their web site. Originally, advertising was the primary offline tool used to drive traffic. Following the reassessment and consolidation of dot-com growth at the beginning of 2000, direct marketing (and direct mail in particular) became the key primary traffic generator. It does this in one of two main ways: the first is to launch a teaser campaign appealing to people's innate curiosity or, second, the direct mail piece is part of a sales promotion campaign in which the promise of a reward lures people to a web site.

The most obvious form of online direct marketing is email and a close application, viral marketing, both of which are discussed later in this chapter. Direct marketing used to revolve around direct mail and telemarketing with a view to acquiring new, 'cold' customers. Now direct marketing is used to converge different media in order to convert warm prospects. See Viewpoint 26.2 for an example of how this works.

Interactive direct marketing underpins the majority of communication activities in the online environment.

### ViewPoint 26.2

#### Man. Utd play the direct card

In an attempt to improve the volume and speed of season ticket renewals, Manchester United used a combination of offline and online direct marketing activities. They sent a personalised direct mail CD card to season ticket holders just after the end of the season. The card delivered an enormous call-to-action in the form of United-branded downloads, video clips including a specially recorded message from the club manager Alex Ferguson, and ticket holder information. The card also enabled a click-through to the club's web site, which achieved a response rate of over 40 per cent. This made the whole process of ticket renewal easy for customers and for those who renewed by a specific date, there was a prize draw contest.

The average play time per card was 10–15 minutes and 43 per cent of those who clicked onto the web site clicked to the ticket area on manutd.com. Click-throughs were experienced from 36 different countries and 259 cities worldwide. The net result was that the season tickets sold out in weeks rather than months and the scheme saved money because the whole process was automated. What does this demonstrate? Well, the campaign was interactive and was based on the convergence of several media formats, not just one. It was designed to meet the perceived needs of the target audience who were 'hot' prospects and already engaged with the brand. The campaign was personalised and sought to convert rather than acquire customers.

Source: Media Week (2007).





**Exhibit 26.1** Manchester United CD Card  
Courtesy of Manchester Utd Ltd.

**Question**

What do you believe was the prime motivation for Man. Utd to adopt this approach. Drive cash flow or further engage season ticket holders?

**Task**

Make a list of some other ways a sports brand might use a CD card.

*Interactive online public relations*

The use of interactive online public relations, and extranets in particular, is an increasingly important part of an organisation’s marketing communications. Online public relations is concerned with maximising opportunities to present the organisation (and its products and services) in a positive manner. The goal is to create ‘mentions’ in both traditional media and online on other web sites, which is important for establishing links and achieving higher search engine rankings (see p. 782).

Developments in digital media have been instrumental in assisting public relations move from a predominantly one-way model of communication to an interactive model. In 2001, Hurme suggested that public relations practitioners can be divided into two broad groups: those that predominantly use traditional media and those that adopt online communications. Since that article was written, an increasing number of practitioners have moved over to online communications, but the realisation of the potential to develop true dialogue with stakeholders remains unfilled in many cases. Therefore, opportunities for interactivity and dialogue have increased even if web sites are not being designed to fulfil this requirement completely.

Developments in digital media have been instrumental in assisting public relations move from a predominantly one-way model of communication to an interactive model.

Web site hosts are able to sell advertising space and they also have opportunities to engage with public relations activities. This might lead to the conclusion that owners of web sites have evolved into surrogate media owners, in the sense that they are free to publish content without recourse to the origin of the material. The problem is that the content they present (on their own behalf) has not been influenced by an independent third party, such as an opinion former, and may be no more than brochureware. However, the role is more complex than this, because web sites can now fulfil the role of fax machines. Previously, press releases were faxed to designated journalists. Now press releases are posted on the web site and emailed as attached files to specified individuals on mailing lists so that those interested can view the files (at their discretion and initiative) and then choose to enter into an interaction or even dialogue, in order to expand on the information provided. See the Nokia press release centre at <http://www.nokia.com/A4126602>.

An associated activity concerns the distribution of e-newsletters and white papers. In many ways e-newsletters and white papers are a natural extension of email communications. The differences concern content and goals. Email communications are sales-driven with product-related content. Newsletters and white papers are reputation-driven with a diverse range of content concerning organisational and/or technical-related material. These communications can be an essential part of the 'stickiness' that good web sites seek to develop. Recipients who find these communications of value either anticipate their release or return to the host's web site to search in archived files for past copies and items of interest.

Other forms of public relations are more easily observable. Statements concerning an organisation's position on an issue of public interest, corporate social responsibility or environmental matters can be published, while investor relations and public affairs issues are easily accommodated. Sponsorship activities are an important part of interactive online marketing communications, whether they be in the form a partnership deal or direct sponsorship of a social networking site. Web sites can also play an important role in terms of crisis management. In the event of an organisational crisis or disaster, up-to-date information can be posted quickly, either providing pertinent information or directing visitors to offline information and associated facilities.

## *Interactive online personal selling*

Face-to-face personal communications are, by definition, always interactive. However, the online application for the purposes of buying and selling remains the one part of the mix that cannot be addressed. Video conferencing does provide this facility but costs and logistics limit the practical application of this tool to conferencing and non-sales meetings. Although the Skype telephone software enables people to talk over the Internet using their PCs free of charge, using next-generation peer-to-peer software, the online environment is an impersonal medium and, as such, does not allow for direct personal communication.

The recognition of this limitation should direct management attention to the use of the Internet as a complementary role within the promotional mix. However, it has been determined that the Internet can impact upon sales performance indirectly through sales management activities (Avlonitis and Karayanni, 2000). They demonstrate how managing and analysing data can refine segmentation and customer classification schemes, allowing sales people to spend more time on core activities.

## *Search engine marketing*

Web sites need visitors and the higher the number of visitors the more effective the web site is likely to be. Many people know of a particular site and simply type in the address or use a bookmark to access it. However, it is estimated that nearly 80 per cent of people (Haig, 2001) arrive at sites following a search using particular key words and phrases to search for products, services, entertainment and the information they need. They do this through search engines and the results of each search are displayed in rank order. It is understandable therefore, that those ranked highest in the results lists are visited more often than those in lower positions.

There are two main search engine marketing techniques; search engine optimisation (SEO) and pay-per-click (PPC).

Therefore, from a marketing perspective it is important to undertake marketing activities to attain the highest possible ranking position, and this is referred to as search engine marketing (SEM). There are two main search engine marketing techniques; search engine optimisation (SEO) and pay-per-click (PPC) with the latter outweighing the former quite substantially (Jarboe, 2005).

### Search engine optimisation

Search engine optimisation (SEO), or as it used to be referred, organic search, is a process used to get a high ranking position on major search engines and directories. To achieve top-ranking positions, or least a first page listing, involves designing web pages and creating links with other quality web sites, so that search engines can match closely a searcher's key words/phrases with the content of registered web pages.

Each search engine, such as Google, MSN Search and Yahoo, uses an algorithm to compare the content of relevant site pages with the key words/phrases used to initiate the search. Search engines use robotic electronic spiders to crawl around registered sites and from this compile an index of the words they find, placed there by the designer of each web site. When a search is activated, it is the database housing these keyword/phrases that is searched, not the millions of world wide web pages.

In order to get a high ranking it is important for a site to be registered, which is normally achieved by adding the URL of a site directly into a search engine. Some sites are automatically registered if there are links with another company that is already registered. Once registered, a high ranking is best achieved by attaining a match between the search words/phrases entered by the searcher and the words/phrases on the pages stored in the index. Achieving a good

Through web analytics, the study of web site visitors', behaviour, it is possible to analyse the search terms used by current visitors.

match can be helped by understanding, if not anticipating the words and phrases that are likely to be used by individual searchers. Through web analytics, the study of web site visitors' behaviour, it is possible to analyse the search terms used by current visitors. This can also help improve the matching process, however, there are some fundamental activities that can influence ranking positions.

The first important factor is referred to as 'keyphrase density', which refers to the number of times a key phrase is repeated in the text of a web page. The next concerns the number of

## ViewPoint 26.3

### Searching for quality chocolat

Luxury chocolate retailer Hotel Chocolat began as a mail-order business. However, the company's marketing strategy involved the development of a multichannel approach. This was realised through the launch of an online store and then through the opening of various offline stores.

The design and opening of its online store required that the company consider its search engine marketing and in particular SEO. In order to determine the key search words and phrases that customers for high quality chocolates would use, rather than just chocolate, they used a mind mapping process. Phrases such as 'Gifts for Christmas' and 'Gifts for Valentines' emerged, complementing their peak sales periods.

The company has bought a cocoa plantation in the West Indies and both text and video content was added to the site. This material was reflected in the site's tags so that a range of related ethical key phrases was built into its SEO work and Hotel Chocolat's search ratings improved.

#### Question

Why do people search for chocolate . . . don't we know where to buy our preferred chocolate?

#### Task

Choose a product category you are interested in and list some of the keywords that should assist SEO.

inbound links from what are regarded as good-quality sites. The greater the number of quality links, the higher the ranking is likely to be. Two further factors that affect a page's ranking concern the use of tags. The use of keywords in the *title tag* of a web page and the *meta tags*, which signify the content and describe what searchers will find when they click on the site, are embedded by web page designers and read by some search engine spiders. When key words and phrases used by searchers match those in these tags, it is likely that the site will have a higher ranking. For example, the airline easyJet, who sell more than 98 per cent of its seats via the [www.easyjet.com](http://www.easyjet.com) web site, use search engine optimisation to drive traffic to its web sites across Europe. It is vital that easyJet appears when the search phrases associated with the discount airlines business are used.

### Pay-per-click searches

Pay-per-click (PPC) is similar to display advertising found in offline print formats. Ads are displayed when particular search terms are entered into the search engine. These ads appear on the right-hand side of the results page and are often referred to as sponsored links. However, unlike offline display ads, where a fee is payable in order for the ad to be printed, here a fee is only payable once the display ad is clicked, and the searcher is taken through to the company's web page. See Exhibit 26.2 for an example of these sponsored links displayed as a result of the keyphrase 'cheap airline tickets' input to Google.

It is important for organisations to maintain high visibility, especially in competitive markets, and they cannot rely on their search engine optimisation skills alone. PPC is a paid search list and once again, position in the listings (on the right-hand side of the page) is important. The position in the list is determined mainly through a bidding process. Each organisation bids an amount they are willing to pay for each searcher's click, against a particular key word or phrase. Unsurprisingly, the higher the bid the higher the position on the page. To place these bids, brokers (or PPC ad networks) are used and their role is to determine what a competitive cost per click should be for their client. They achieve this through market research to determine probable conversion rates, and from this deduce what

Each organisation bids an amount they are willing to pay for each searcher's click, against a particular key word or phrase.

The screenshot shows a Google search results page for the query "cheap airline tickets". The search bar at the top contains the text "cheap airline tickets" and the search button is labeled "Search". Below the search bar, the results are categorized into "Sponsored Links" and "Organic Results".

**Sponsored Links:**

- Cheap Air Line Tickets** (www.Cheapflights.co.uk): Find the lowest airfares to 100s of places with one simple search!
- Cheap Air Line Tickets** (Opodo.co.uk/Flights): We compare the best airlines to find you a **cheap airline** ticket
- Cheap Airline Tickets** (www.Travelsupermarket.com/Tickets): Comparing Prices from 40+ Providers & Flying to Over 1000 Destinations!
- Cheap Air Line Tickets** (www.statravel.co.uk): Discounted airfares on flights worldwide. Book now at STA Travel.
- ebookers' Cheap Tickets** (www.ebookers.com/shop/airsearch): 35000 Daily Flights, 750 Cities & 363 Airlines. Book to save online!
- KLM Royal Dutch Airlines** (www.klm.com): Book one of our many return tickets and enjoy our comfortable flights!
- Cheap Airline Tickets** (www.travelocity.co.uk): Save money on flights worldwide today - hello world
- Find Cheap Flight Tickets** (Travelzoo.co.uk/Cheap\_Flights): 2 Million user ratings help you to find the cheapest flight tickets
- Low Cost Airline** (www.spanair.com): Check flights, fares & schedules. It's just the perfect way to fly!
- Cheap Airline Tickets** (www.expedia.co.uk): Search over 500 airlines online. Book your perfect flight & save now
- Cheap Airline Tickets** (www.travelbag.co.uk/Airline-Tickets): Book airlines tickets with world class airlines from Travelbag.

**Organic Results:**

- Flights - cheap flights, airline tickets and charter flights from...** (www.lastminute.com/site/travel/flights/ - 58k - Cached - Similar pages): Huge selection of cheap flights and airline tickets. Compare our cheap flights and save! Make lastminute.com the place to shop for all of your flight ...
- ebookers - Cheap Flights, Hotels, Car Hire & Holiday Packages** (www.ebookers.com/ - 54k - Cached - Similar pages): www.ebookers.com is a leading pan-European online cheap flights booking and hotel ... in the mid and long-haul travel arena offering cheap airline tickets, ...
- Buying Cheap Airline Tickets** (www.uk-air.net/tickets.htm - 37k - Cached - Similar pages): Buying Cheap Airline Tickets. horizontal rule. ONLINE CONSOLIDATORS | ONLINE TRAVEL SITES | LOW COST AIRLINES | CHARTER FLIGHTS ...
- Cheap flights and airline tickets** (www.cheepflights.com/ - 15k - Cached - Similar pages): Cheap flights and airline tickets at a price that is hard to beat. Search for the cheapest flight tickets and airline tickets online.
- Cheap Flights | Find The Cheapest Flights In The UK - Kelkoo** (travel.kelkoo.co.uk/c-172201-flights.html - 37k - Cached - Similar pages): To find cheap flights and airline tickets for holiday and business travel from the UK (inc. Heathrow airport) use the search form below ...
- Cheap Flights, Airline Tickets, Cheap Airfare & Discount Travel ...** (www.kayak.co.uk/ - 41k - Cached - Similar pages): Find and book cheap airline tickets, hotel rooms and rental cars with Kayak.com. Search hundreds of travel sites, compare results, and buy direct.
- Cheap Airline Tickets, Budget Airline Flights and Discount Airfares** (www.cheaperairlineticket.co.uk/ - 25k - Cached - Similar pages): Cheap Flight and Discount airline ticket Finders - Cheaper Airline Ticket (UK). Save on flights from UK Airports.

### Exhibit 26.2

Google™ search engine results for Keyphrase 'cheap airline tickets'. Google is a trademark of Google Inc.

the purchase and lifetime value of customers are likely to be. Consideration needs to be given to the quality of the landing page to which searchers are taken (not the home page), and whether the call-to-action is sufficiently strong.

The cost of each click normally starts at \$0.20 or 10p and can reach several dollars, euros or pounds depending on the item and its competitive context. In many sectors, bidding for a paid listing has become a serious competitive activity. For example, a competitor who bids \$0.05 more than the current top-ranked company, will assume top position and the previous incumbent then gets relegated in the rankings. Their response might be to increase their bid and so a 'bidding war' might emerge and the cost per click might rise to a point that is not economic for either party. One of Yahoo!'s search marketing strengths is that they guarantee that advertisers will not pay a penny more than the advertiser immediately below them (Gay *et al.*, 2007). This means that if two advertisers use bid management software, set the desired ranking to number 1 and set a bid price maximum of \$0.40, even though they might both start with a click cost of \$0.25 and \$0.27 respectively, the software will ensure that the maximum bid of \$0.40 will be achieved quite quickly.

Bidding is just one part of the arithmetic associated with PPC. What is actually at stake is the cost for *converting* a searcher who is interested enough to click on a site, into a paying customer. The cost per customer acquisition (CPA) will vary for a range of reasons but the main one relates to how specific the keywords/phrases are. General search terms such as 'mobile phones' will attract a large number of responses and subsequent clicks and so the cost per click will be generally low. However, searches on '3G' or specific brands such as *Samsung*, *Motorola* or *Nokia* will produce a lower number of clicks, but in competitive markets each click will indicate higher levels of interest and hence be of increased financial potential. As a result, the fee

or cost per click will be correspondingly higher. According to Chaffey *et al.* (2006), two generic marketing strategies can be identified in PPC search engine advertising. The first, a premium strategy, involves bidding high amounts on popular keywords in order to generate high volumes of traffic to a web site. The requirement is that the web site has a sufficiently strong call-to-action to achieve suitable conversion rates. A low-cost strategy focuses on keywords and phrases that are not commonly used and hence do not attract high bids. As the traffic generated is lower (than the premium strategy) it is necessary to use a number of these less popular terms to generate sufficient web site visitors.

Search engine marketing is important if only because of the relative ineffectiveness of other online marketing activities. The goal of SEM is to drive traffic to web sites, and ranking on the search-results page is achieved in two fundamentally different ways. In SEO ranking searches are based on content while the PPC approach relies entirely on price as a ranking mechanism. Of these two main approaches, research indicates that the PPC model attracts far more investment (by advertisers) than the SEO model. This indicates that paid ads or sponsored links have low credibility and do not carry high levels of trust. Added to this is the overwhelming research that shows that SEO is more effective in terms of recall and driving site traffic (Jansen and Molina, 2006).

In SEO ranking searches are based on content while the PPC approach relies entirely on price as a ranking mechanism.

So, as Sen (2005) pondered, why is it that advertisers do not invest more in SEO? The answer to this rests partly with the costs associated with SEO. Optimising a site to meet search needs is fine, but optimisation has to take place for each different search engine and the needs of each search engine are different. It is here that costs escalate and the returns diminish in comparison to the performance of PPC. As Sen indicates, SEM is not the dominant form of online marketing communication and the reason for this lies within the searcher's online buying and search characteristics. He suggests SEM would not be useful when a high ranking is probable and the site would become part of the searcher's consideration set. This could occur when there are few relevant web sites associated with the search terms used, as a result of which a searcher has the opportunity to visit each listed site that is returned.

The second reason is associated with a searcher's level of search intensity. This is linked to the opportunity cost of time, perceived price dispersion, the anticipated savings arising from the search, consumer characteristics (e.g. search skills, experience) and the importance or value of the product or information sought (Sen, 2005; Zhang *et al.*, 2007). So, a low opportunity cost, high levels of perceived price dispersion or when an expensive product is to be purchased will result in high search intensity and a site will be uncovered regardless of position in the search-results page. In this circumstance SEM is not likely to provide a suitable return on investment. However, when intensity is low, typified by a purchase that can be made from a number of different sites, such as a music CD or book purchase, a high ranking is important and so investment in SEM is advisable.

The second reason is associated with a searcher's level of search intensity.

## Email marketing

There are two key characteristics associated with email communications. First, it can be directed at clearly defined target groups and individuals. Second, email messages can be personalised and refined to meet the needs of individuals. In this sense email is the antithesis of broadcast communications, which are scattered among a mass audience and lack any sense of individualisation, let alone provide an opportunity for recipients to respond. In addition, email can be used with varying levels of frequency and intensity, which is important when building awareness, reinforcing messages or when attempting to persuade someone into a trial or purchase.

**Table 26.2** Three measures of email campaign success

Email measure	Explanation
Delivery rate	This concerns the deliverability of email messages and is a measure of the number of messages that fail to be delivered. This may be because the email address is no longer valid or has been bounced through a spam filter.
Open rate	This is an attempt to measure the number of messages that are opened and is often based on the number of downloaded images. This measure is not entirely accurate for various reasons, including preview panes and systems that automatically block the receipt of images.
Click-through rate	This measures the percentage of email messages clicked open. It does not measure whether the messages are actually read in part or in full, or what is understood as a result of reading the email message.

Organisations need to manage two key dimensions of email communications; outbound and inbound email. Outbound email concerns messages sent by a company often as a part of a direct marketing campaign, designed to persuade recipients to visit a web site, to take a trial or make a purchase. The inbound dimension concerns the management of email communications received from customers and other stakeholders. These may have been stimulated either by an individual's use of the web site or through product experience, which often entails a complaint. Managing inbound email represents a huge opportunity not only to build email lists for use in outbound campaigns, but also to provide high levels of customer service interaction and satisfaction. If undertaken properly and promptly this can help to build trust and reputation, which in turn can stimulate word-of-mouth communication, all essential aspects of marketing communication.

In order to manage outbound email and realise its potential three key factors need to be measured. These are explained in Table 26.2.

The key attribute of email communications is that it is generally very effective at stimulating responses. Another characteristic is that it is extremely cost effective, with both the absolute and relative costs lower than other forms of communication. As mentioned earlier, email communications are easily customised, enabling tailored messages to be delivered to different segments.

The use of email to attract and retain customers has become a main feature of many organisations' marketing communications campaigns. Using appropriate email lists is a fast, efficient and effective way to communicate regularly with a market. Email-based marketing communication enables organisations to send a variety of messages concerning public relations-based announcements, newsletters and sales promotions, to distribute online catalogues and to start and manage permission-based contact lists. Many organisations build their own lists using data collected from their CRM system. By acquiring email responses and other contact mechanisms, addresses and contact details can be captured for the database and then accessed by all customer support staff. The use of email to attract and retain customers has become a main feature of many organisations' marketing communications campaigns. Indeed, email can be used to deliver messages at all points in the customer relationship lifecycle.

Many organisations build their own lists using data collected from their CRM system.

## Customer acquisition

To generate customer acquisition, email house lists of prospects are used to convert people who have come into contact with the organisation but who have yet to make a purchase. So,

people who visit a web site and who give their permission to receive email communications, will receive automated emails prompting them to trial a product or service. In this circumstance the web site will provide the information and serve to differentiate the brand, while email is used to encourage trial and purchase. Email can be used to deliver newsflashes, product offers and availability notices, newsletters, white papers, press releases and event reminders. In addition to this, acquisition can be assisted through email delivered via another company, one with which the target has a reasonable relationship. Clickable links enable potential customers to connect with the main web site and so the conversion process kicks in once again.

## Customer retention

As far as retention strategies are concerned, house lists can be used to reinforce customer relationships and so retain customers and prevent defection to a rival brand. Email messages can be used operationally to reassure customers and to build customer confidence at the order stage. For example, orders can be confirmed and updates on the delivery status can be provided. Email can also be used strategically to build and reinforce relationships. Established customers can be reached with email messages that remind them about the brand and in doing so keep it in the mind of customers. Messages about product and brand offers, company developments, personalised greetings, technical support, expiration of contracts and significant personal events are used with increasing sophistication, all designed to retain customers and to realise their potential value.

## *Short message services (SMS)*

Although different in format, short message services (SMS), or 'texting', can be regarded as an extension of email communication. SMS is a non-intrusive but timely way of delivering information and as Doyle (2003) points out, the global system for mobile communication (GSM) has become a standard protocol, so that users can send and receive information across geographic boundaries. Apart from pure text, other simple applications consist of games, email notifications and information-delivery services such as sports and stock market updates.

Organisations have been relatively slow at adopting SMS despite the low costs and high level of user control (target, content and time). It is these types of benefits that are attracting marketing professionals to consider SMS for more complex services. However, marketers also need to consider the potential concerns of consumers, most notably security and privacy. Just as with email, there is the potential for unwanted messages (i.e. spam) and Internet service providers (ISP) need to manage the increasing numbers of unsolicited messages through improved security systems as SMS becomes more widespread. Given that most consumers pay for SMS functionality, marketers should realise that invading personal privacy greatly reduces the potential value and effectiveness of SMS.

## *Word-of-mouth communication*

It was established in Chapter 2 that people use word-of-mouth recommendations to provide information and to support and reinforce their purchasing decisions. The impact of personal influences on the offline communication process can be important if communication is to be successful. Opinion leaders and formers were identified as significant personal influencers, simply because organisations target these individuals with messages knowing that they will transmit messages onwards to the organisation's target audience. The same principle is true of digital communications where the popular term 'word-of-mouse' is used to reflect personal,



electronic recommendation and endorsement. However, the role of opinion formers is much diminished in the online world, especially with the predominant 18–25-year-old user group. For them expert opinion, as represented by opinion formers, is rejected in favour of peer group recommendation. For example, [www.last.fm](http://www.last.fm), a social music platform, tracks individual music preferences based on what people play on their computers or iPods, locates individuals into

People share views, interests and favourite music and then make recommendations to others in their neighbourhood, based on shared preferences.

neighbourhoods who share similar tastes and then wait for them to interact. People share views, interests and favourite music and then make recommendations to others in their neighbourhood, based on shared preferences (Crow, 2007). Although there is a hint of social engineering, the power of peer group and opinion leader recommendation has seen this model copied by others, including book libraries.

In 2000, Malcolm Gladwell, a writer with the *New Yorker* magazine, published a book entitled *The Tipping Point*. In it he considers the power personal recommendation. He refers to the ‘tipping point’, to explain the way in which ideas, products and behaviour can spread through a population. Marketers are advised to create ‘tipping points’ such that new ideas multiply and accelerate through a population, similar to the way in which a falling domino can trigger a chain reaction. Tipping points are governed by three elements. The first concerns the initial adoption of the idea by socially connected individuals who use word-of-mouth to propagate the news. These ‘connectors’ often use blogs, podcasts and email newsletters to seed their views and opinions. A second element concerns the ‘stickiness’ of the idea or product, or the extent to which an individual feels attached to a brand. The strength of the stickiness can be influenced by many factors, ranging from the uniqueness and aesthetic of a brand through to the cost, level of personification and the expressive and functional values the brand represents (Morris and Martin, 2000). The third element concerns the context in which a communication event occurs. Viruses and diseases are most virulent when the physical context is conducive to multiplication and development. In just the same way, products and ideas are more likely to spread when the physical, mental and social contexts are receptive.

Four main aspects of electronic word-of-mouth communication are considered here: viral marketing; podcasts; web logs (or blogs); and RSS feeds.

## Viral marketing

Viral marketing involves the use of email to convey messages to a small part of a target audience where the content is sufficiently humorous, interesting or persuasive that the receiver feels emotionally compelled to send it on to a friend or acquaintance. For example, marketing journalist Davidson, reports that Triumph, the British motorcycle manufacturer, distributed a viral message based on the Triumph Rocket III, the world’s largest production motorcycle (2007b). The humorous film showed the bike being built on the production line and then being tested by factory workers. One of the scenes showed the factory workers risking their lives to test the speed of the bike’s brakes. The viral was aimed at motorcycle enthusiasts and was made available on YouTube and biker-related online communities and social networks. The goals were to show a more irreverent side of Triumph, and to raise the profile of the Rocket III while drawing attention to the bike’s key attributes, in an entertaining way (<http://www.youtube.com/watch?v=HKEuzxC4eGc>).

The term, ‘viral marketing’ was developed by a venture capital company, Draper Fisher Juvertson (Juvertson and Draper, 1997). The term was used to describe the Hotmail email service, one of the first free email address services offered to the general public and one that has grown enormously. According to Juvertson (2000: 1, 2) they defined the term simply as ‘network-enhanced word-of-mouth’. However, although the literature contains a variety of terminology used to explain what viral marketing is, for example *stealth marketing* (Kaikati and

Kaikati, 2004), *interactive marketing* (Blattberg and Deighton, 1991) and *referral marketing* (De Bruyn and Lilien, 2004), viral marketing (communications) is the term used here.

Welker (2002), from the German Institute of Information Management, was one of the first to see an analogy between this type of communication and a living biological virus. He stresses the power of the contagious nature of a virus and suggests that a 'virus replicates [itself] with geometrically increasing power, doubling with each interaction' (p. 4). Ecommerce consultant, Ralf Wilson defines viral marketing more simply as 'any strategy that encourages individuals to pass on a marketing message to others, creating the potential for exponential growth in the message's exposure and influence' (2000: 1). By understanding the properties of a biological virus, he argues that it becomes clear just how powerful, yet completely uncontrollable, this form of communication is.

It becomes clear just how powerful, yet completely uncontrollable, this form of communication is.

Porter and Golan (2006: 33) suggest that viral advertising is 'unpaid peer-to-peer communication of provocative content originating from an identified sponsor using the Internet to persuade or influence an audience to pass along the content to others'. They argue that these materials are usually seeded through the Internet, are often distributed through independent third-party sites, are usually personal, more credible than traditional advertising and humour is almost unanimously employed in executions. Kirby, a leading viral marketing consultant, agrees indicating that there are three key elements associated with viral marketing (2003):

- *content*, which he refers to as the 'viral agent' is the quality of the creative material and whether it is communicated as text, image or video;
- *seeding*, which requires identifying web sites or people to send email in order to kick start the virus;
- *tracking*, or monitoring, the impact of the virus and in doing so provide feedback and a means of assessing the return on the investment.

However, although these qualities might be present, it is necessary that receivers of viral messages are predisposed to open the message, derive value from the message and be sufficiently engaged to become a part of the virus campaign by sending it on to others.

There is no doubt that viral marketing is difficult to control and can be very unpredictable, yet despite these characteristics organisations are incorporating this approach within their marketing communications in order to reach their target audiences.

## ViewPoint 26.4

### Flying with Irn Bru's snowman

In December 2006, Irn Bru ran an animated ad based on the classic Christmas story *The Snowman*, by Raymond Briggs. The ad was screened only on Scottish television, where the drink is extremely popular, and depicted a little boy who refused to give his Irn Bru to the Snowman as they flew over the snowy Scottish landscape. It had been planned to release the ad as a viral as it was thought it would appeal to the large Irn Bru online community. However, production over ran and the ad was only finished the day before the first screening. The ad was a huge success and attracted interest from national newspapers, which led to extensive public relations and media comment.

As soon as the ad was put on YouTube a far wider audience enjoyed the short story and soon there had been over 1 million YouTube downloads. It also won awards such as the Grand Prix at the Scottish Advertising Awards.

Based on this success, the ad returned to television during Christmas 2007, but this time was screened throughout the United Kingdom, with strategic placement in cinemas. Whereas normally viral is used to leak an ad *prior* to a national launch, this 'conventional' pattern was changed as the Irn Bru Snowman went viral *after* a television launch.

Sources: Davidson (2007c); Turner (2007).



### Exhibit 26.3

Irn Bru used the Snowman animated character to reinforce its Scottish credentials and create awareness for the brand

Produced by Jayne Bevitt, directed by Robin Shaw for Sherbet.

### Question

What might have been the motivation to use animation to promote a soft drink?

### Task

Make a list of four product categories. How many of the brands use animation? Are they successful?

## Widgets

A relatively recent addition to the array of interactive marketing communications media is the widget. These are stand-alone applications that enable users to interact with the owner of the widget. As Chaffey (2008) suggests, the applications can provide functionality such as a calculator or real-time information, as in travel updates or weather forecasts. Widgets sit on a desktop, are relatively cheap to develop and manage and ideally are distributed virally.

The real benefit of widgets is that they provide a way of advertising a brand.

The real benefit of widgets is that they provide a way of advertising a brand, delivering online public relations or even driving direct response sales via affiliate marketing.

Blythe (2008) sees the real potential of widgets as sponsored entities on social networking sites. To date, attempts by brands to derive commercial benefit from social networking sites have been thwarted by the prevailing network culture that is essentially one that rejects advertising and outright commercialism. Sponsored widgets might provide a means of overcoming these difficulties as widgets offer benefits that might appeal to social network users. For example, Jamiroquai use a widget that allows their fans to keep up-to-date on video releases, tour dates and tracks. Cadbury have created a game called 'Room with a Goo'. In it players are required to stop creme eggs being smashed, blended and splattered. A widget on the Bebo site enables users to destroy or rebuild others Cadbury's Creme Eggs by either hugging or karate-chopping the eggs, virtually. A whole range of widget applications can be seen at [www.directory.snipperoo.com](http://www.directory.snipperoo.com).

## Web logs

Web logs, or blogs as they are commonly known, are personal online diaries. Although personal issues are recorded and shared, a large proportion of blogs concern organisations and public issues, and they are virtually free. As Wood *et al.* (2006) conclude, blogging represents a simple, straightforward way of creating a web presence. Even if the quality and content of some blogs varies considerably, their popularity has grown enormously. The informality of blogs enables information to be communicated in a much more relaxed manner than most other forms of marketing communication. This is typified by the use of podcasting and the downloading of blogs to be ‘consumed’ at a later, more convenient time or while multi-tasking. Blogs represent user-generated-content (for more on UGC see Chapter 2) and are often a key indicator of the presence of an opinion leader or former.

Blogging represents a simple, straightforward way of creating a web presence.

Blogs can be understood using a number of criteria, other than the basic consumer or corporate demarcation. Typically, the content and the type of media are the main criteria. A blog can be categorised by its content or the general material it is concerned with. The breadth of content is only limited by the imagination, but some of the more mainstream blogs tend to cover topics such as sport, travel, music, film, fashion and politics. Blogs can also be categorised according to the type of media. For example, ‘vlogs’ contain video collections, whereas a ‘photoblog’ is a collection photos and a ‘sketchblog’ contains sketches.

Business-related or corporate blogs represent huge potential as a form of marketing communications for organisations. This is because blogs reflect the attitudes of the author, and these attitudes can influence others. As consumers write about their experiences with brands, opportunities exist for organisations to identify emerging trends, needs and preferences, and to also understand how brands are perceived. Sony used blogging as a integral part of its campaign to establish the Handycam and Cybershot brands. When shooting the ad in Miami, dubbed as ‘Sony Foam City’, Sony invited 200 visitors, mainly bloggers. Each was equipped with Sony cameras and encouraged to capture the soapy event which involved covering parts of Miami with foam. Clips of the ad and the making of the ad were then leaked onto the Internet in advance of the launch of the ad being released and in doing so created a buzz around the brands.

Organisations can set up *external* corporate blogs to communicate with customers, channel partners and other stakeholders. Cisco Systems use external blogs to provide information about company issues (Wood *et al.*, 2006) and other organisations use blogs to launch brands or attend to customer issues. The other form of corporate blog is the *internal* blog. Here the focus is on enabling employees to write about and discuss corporate policies, issues and developments. Some organisations encourage interaction between their employees and customers and the general public. Although problems can arise through inappropriate comments and observations, blogging is an informal communication device that can serve to counter the formality often associated with planned marketing communications.

Cisco Systems use external blogs to provide information about company issues.

Therefore, enabling people to blog, perhaps by creating dedicated web space, facilitates interaction and communication through people with similar interests. There is also an added attraction in that communities of bloggers can attract advertisers and form valuable revenue streams. Blogs can be used by organisations as a form of public relations in order to communicate with a range of stakeholders. For example, a blog on an intranet can be used to support internal communications, on an extranet to support distributors and on the Internet to reach consumers. In 2007, King of Shaves ([www.shave.com](http://www.shave.com)) rolled out a series of blogs in order to improve their image and offer customer service online. A series of eight blogs including a community blog, a design blog and a digital blog, were supplemented with a blog from the company founder Will King, generating news on the brand’s parent company KMI (McCormick, 2007).

One novel use of blogging concerned the Taxi Challenge campaign that was acclaimed a major success (see Viewpoint 26.5).

## Viewpoint 26.5 Travelling through Irish blogs

Tourism Ireland developed an intriguing campaign to promote Ireland as a tourist destination. The winners of a competition, Ken and Shamilla, won a 10-day trip around Ireland in a luxury taxi. Not only did they visit major tourist attractions and places of interest, they also had to complete various daily tasks for which they received £1,000 each time they were successful. Hence the name of the promotion, the Taxi Challenge.

The clever twist to the campaign was the use of a web site to which daily video reports were posted as the journey progressed. This enabled people to follow the couple's trip, keep up with their progress, adventures and success in completing the tasks. In addition, the site contained a wealth of tourist information so that people interested in visiting Ireland could access tourist information on all of the places the couple visited, see the places on video clips and download each day's fact sheets. All of this added to the web site's stickiness, engaged people and potential tourists over a period of time and provided huge interest and added value.

Source: [www.tourismirelandtaxichallenge.com](http://www.tourismirelandtaxichallenge.com).

### Question

In your opinion, what was the main reason for the success of this campaign?

### Task

Browse the web and try to find a similar competition site that involves viewers in the core activity. Once you have found one, post the details on the companion web site for this book and invite feedback.

**THE CHALLENGE** THE WINNERS THE DRIVER FOLLOW THE TRIP Tourism Ireland

Welcome to IRELAND TAXI CHALLENGE

This is the place to keep up with our intrepid competition winners Ken and Shamilla as they journey round Ireland in a luxury taxi.

**FOLLOW THE TRIP**

Accompanied by the ever reliable Paddy - chauffeur, tour guide and delicious man-about-town - the pair will be visiting the country's top tourist attractions and best kept secrets. But this is no ordinary prize holiday! The winners are being followed by a film crew every step of the way and will be posting daily video reports right here to keep you up-to-date with their progress.

And there's one more twist. Each day, the pair have to complete a task of varying degrees of difficulty. For each task successfully completed they'll receive £1,000. You can find out more about the tasks and how they get on below.

For those of you interested in a journey to Ireland your selves, there's tourist information on all of the places the couple visit and downloadable fact sheets for each day of the trip.

**NEWSLETTER** TELL A FRIEND

**COMMENTS** +100

**01/12/2005 06:00**  
It is nice to see the wonderful parts of Ireland, this was a great trip. I enjoyed you had a great time.  
Paddy  
Ireland

**25/09/2005 06:00**  
An excellent idea promoting Ireland tourism. I shall pass it on to my Tourism Ambassador and we will follow the tour with interest.  
Dr Peter Cook  
Strawberry Hill London.

**29/09/2005 06:07**  
Well done to both of you. My partner and I. None of my friends would do it with me!  
Maia Pugh  
London

## Exhibit 26.4 Taxi Challenge home page

# Podcasting

Podcasting emerged as a major new form of communication in 2005 and has grown significantly since then. This is mainly because of the huge growth in the adoption of MP3 players and the desire for fresh, up-to-date or different content.

Podcasting is a process whereby audio content is delivered over the Internet to iPods, MP3 players and computers, on demand. A podcast is a collection of files located at a feed address, which people can subscribe to by submitting the address to an aggregator. When new content becomes available it is automatically downloaded using an aggregator or feed reader which recognises feed formats such as RSS (see below).

In many ways podcasting is similar to radio broadcasts, yet there are a couple of major differences. First, the material is pre-recorded and time-shifted so that material can be listened to at a user's convenience, that is, on demand. The second difference is that listeners can take the material they have chosen to listen to, and play it at times and locations that are convenient to them. They can listen to the content as many times as they wish simply because the audio files can be retained.

Podcasting is relatively inexpensive and simple to execute. It opens up publishing to a host of new people, organisations as well as individuals, and it represents a new media channel for audio content. Users have control over what they listen to, when they listen to it and how many times they listen to the content.

Users have control over what they listen to, when they listen to it and how many times they listen to the content.

# RSS

RSS stands for 'really simple syndication' and refers to the distribution of news content on the web. Rather than trawl all relevant web pages to find new content and updates, RSS allows for specific content to be brought together and made available to an individual without their always having to return to numerous sites. Just checking the RSS feed to see whether something new has been posted online can save huge amounts of time.

Originally email was the preferred way of notifying people of breaking news and information updates. The problem with email is that not only has the user to sort out and organise the separate strands of information, they also have to contend with increasing amounts of spam and unwanted material that accompanies it. In addition, RSS feeds allow content updates to be read in a reader, not online.

From a publisher's point of view RSS feeds enable information to reach a wide audience. This is because of syndication. Once content has been created, RSS feeds allow the content to be grouped (syndicated) with web sites that publish similar content. These are referred to as aggregator web sites. Each feed consists of brief information about headlines, a summary of the content and a link to the article on the requisite web site.

From a marketing perspective RSS Feeds act as a media channel delivering a variety of information about news stories, events, headlines, project updates and even corporate information, often as press releases. This information is delivered quickly and efficiently to audiences who have signed up and effectively given express permission to be sent the information.

RSS Feeds act as a media channel delivering a variety of information about news stories, events, headlines, project updates and even corporate information, often as press releases.

## Interactive online communities

Armstrong and Hagel (1996) were two of the first researchers to propose the benefits of virtual communities. They also saw that the development of these communities is one of the key elements that differentiate interactive from traditional media. Communities of people who share a common interest(s), who interact, share information, develop understanding and build relationships all add value, in varying degrees, through their contribution to others involved with the web site. In a sense, user groups and special interest groups are similar facilities, but the key with all these variations is the opportunity to share information electronically, often in real time.

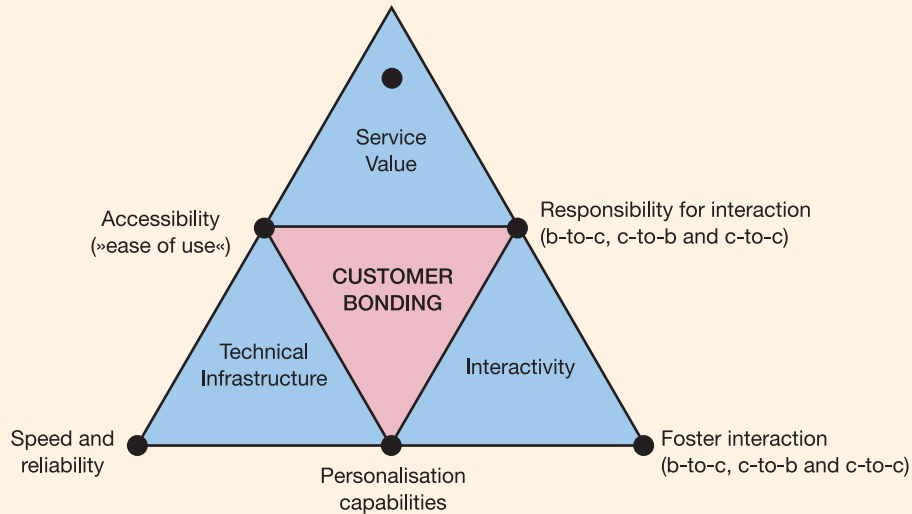
Chaffey *et al.* (2006) refer to Durlacher (1999), who argues that there are four main types of community defined by their purpose, position, interest and profession (see Table 26.3). Communities can be characterised by several determining elements. Muniz and O'Guinn (2001), assistant professors of marketing at DePaul and Temple Universities respectively when they wrote the paper, identify three core components:

- consciousness of kind: an intrinsic connection that members feel towards one another;
- the presence of shared rituals and traditions that perpetuate the community's history, culture and consciousness;
- a sense of moral responsibility, duty or obligation to the community as a whole and its individual members.

Within these online or virtual communities five particular characteristics can be identified. The first concerns the model of communication, which is essentially visitor-to-visitor and in some cases customer-to-customer. Second, communities create an identity that arises from each individual's involvement and sense of membership and belonging. The more frequent and intense the interaction, the stronger the identity the participants feel towards the community. Third, relationships, even close friendships develop among members, which in turn can facilitate mutual help and support. The fourth characteristic concerns the language that the community adopts. Very often specialised languages or codes of (electronic) behaviour emerge that have particular meaning to members. The fifth and final characteristic refers to the methods used to regulate and control the behaviour and operations of the community. Self-regulation is important in order to establish acceptable modes of conduct and interaction among the membership.

**Table 26.3** Four types of virtual community

Type of community	Explanation
<b>Purpose</b>	Those attempting to achieve the same goal or who are experiencing a similar process
<b>Position</b>	Those experiencing particular circumstances. These might be to do with life-stage issues (the old or the young), health issues or perhaps career development opportunities
<b>Interest</b>	Those sharing a hobby, pastime or who are passionately involved with, for example, sport, music, dance, family trees, jigsaws, gardening, film, etc.
<b>Profession</b>	Those involved with the provision of b2b services. Often created by publishers these portals provide information about jobs, company news, industry issues and trading facilities (e.g. auctions).



**Figure 26.1**

The Customer Bonding Triangle framework

Source: Szmigin and Reppel (2004). © Emerald Group Publishing Limited. All rights reserved.

The role that members assume within these communities and the degree to which they participate also varies. There are members who attend but contribute little, those who create topics, lead discussion, those who summarise and those who perform brokerage or intermediary roles among other members.

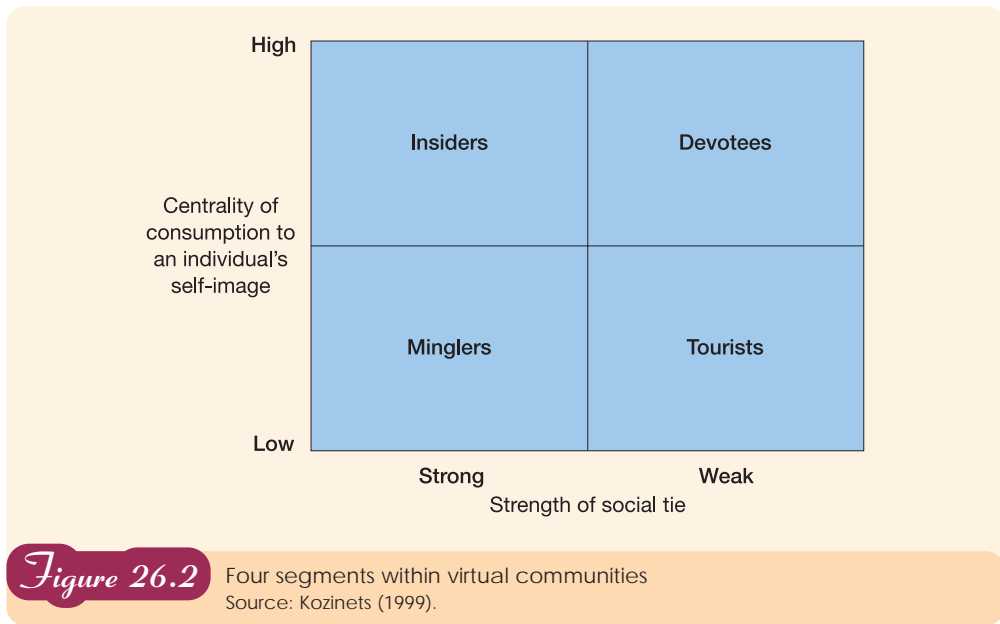
According to Jepsen (2006) the number of consumers undertaking product information search within virtual communities can be expected to develop simply because the number of experienced Internet users will grow. The provision and form of online communities will inevitably develop and frameworks will emerge in order that understanding about the way they operate (effectively) is disseminated. Szmigin and Reppel (2004) have offered their customer bonding triangle framework, which is built on interactivity, technical infrastructure and service value elements (see Figure 26.1). It is argued by the authors of this framework that it is the fit between the elements that determine the level of bonding between community members. Further work is required in this area, but this framework provides an interesting conceptualisation of the elements that characterise this relatively new relationship developing approach.

The provision and form of online communities will inevitably develop.

The knowledge held in virtual communities can be expected to be of significant value when searching for product information. Community-based information can be expected to be rich, up-to-date and dynamic, reflecting the involvement of members. In 1999, Kozinets presented four segments related to virtual communities, based around two dimensions. The first dimension relates to the extent to which the consumption activity is central to an individual's self-image. Reference is made to Chaudhuri (2000) who holds that consumers tend to be more knowledgeable about products that are important to them individually. The second dimension concerns the strength of social ties between an individual and other community members. Where tie strength is strong, so trust in the information provided by that person may be sufficient to replace offline commercial sources.

The four segments identified by Kozinets, based around these dimensions, are referred to as insiders, devotees, minglers and tourists. Insiders have strong social ties to other members of the community and consumption is central to their self-image. Devotees only have ties to the product, minglers are tied to the members and tourists do not have ties to the product or other members. Jepsen speculates that information provided by the virtual community may





be sufficiently strong for insiders that it replaces information from offline sources. This is probably not the case for any of the other three segments.

## Social networks

One particular interpretation of online communities is the relatively recent evolution and rapid development of social networks. Social networks are about people using the Internet to share lifestyle and experiences. The participants in these networks not only share information and experiences, but they can also use the interactive capacity to build new relationships. The critical aspect of social networks is that the content is user-generated and this means users own, control and develop content according to their needs, not those of a third party.

Social networks concern the Internet's ability to enable people to share experiences. Typical sites include MySpace, Bebo, YouTube and Facebook, each of which has experienced rapid growth in recent years. These sites provide certain segments of the population, mainly the 16–25-year-old group, an opportunity to use online networks to reach their friends, generate new ones and share experiences, information and insights. The activity might also be regarded as a supplement to their offline social networks. Some sites encourage ranking and rating of content that has been added to the site by others, for example Digg and Flickr. What is happening is that social networks are helping to re-engineer the way in which parts of society link together and share information (Walmsley, 2007).

The results of a European-wide study undertaken by Forrester Research reveal that there are six key characteristics that typify the dominant usage by online consumers of social media (Pinkerfield, 2007a). There are those whose core activity on these sites is to publish content (9 per cent); those who prefer to comment (18 per cent); networkers (1 per cent); those who gather information (12 per cent); people who prefer to listen and observe interaction (49 per cent); and finally a large group who ignore all these activities (41 per cent).

When these data are aggregated on a country by country basis, it is revealed that the Dutch are the most active users publishing the most blogs and web pages. The Spanish prefer to comment, while the Italians actively gather information. French users are most likely to read blogs and reviews (are listeners), while UK users prefer to visit social media sites and make comments, typical of networkers. The study found that the Germans tend to ignore most social media.

Competition among the various social networking sites has intensified, fuelled by the knowledge that users are not loyal to a single site but often have space on two or three sites simultaneously (Blakely, 2007). MySpace, owned by the News Corp, is reported to have had 6.5m unique UK visitors in May 2007, and although this represents considerably more participants than those attached to Facebook, it is the latter that has been developing rapidly in 2007. Facebook, originally the most popular site with US college students, has now been opened up globally and their rate of new registrations grew at a rate of 81 per cent during June and July 2007 whereas MySpace only grew 7 per cent (Hicks, 2007). In Britain alone, Facebook saw a 523 per cent increase in UK visitors compared to MySpace's rise of just 28 per cent in 2006 (Crow, 2007). The growth of these two main sites is partly a reflection of the relative investment made in them. MySpace has seen little investment and attracts widespread criticism, whereas Facebook is innovative and eager to meet the needs of its target audience. For example, as part of its strategic development in May 2007, Facebook allowed its users to build and install applications within the social network. The more obvious marketing strategy would have been to charge developers the opportunity to access Facebook's users. However, by opening the site up in this way, and free of charge, huge numbers of people switched to the site and within a couple of months over 1,700 new applications such as SuperPoke, which encourages users to 'slap, chest-bump or headbutt' their friends (Hicks, 2007), photo slideshows and online data storage, had been developed, integrated and accessed by site visitors (Walmsley, 2007).

Competition among the various social networking sites has intensified.

Social networking sites make money by selling advertising space. Advertisers are attracted to the large numbers of visitors frequenting these sites, and the profiles they are able to build up about the target audience. However, the relative immaturity of these sites means that some rules and codes of behaviour are evolving, the Facebook example mentioned earlier is a good example of the developing behavioural infrastructure.

The relative immaturity of the social networking arena and the way in which content is developed raises challenges about how organisations can best use marketing communications to reach their target audiences. It has been mentioned earlier that site users are less than loyal as many have own multiple sites, so the challenge is to persuade users to visit their sites as often as possible and to encourage them to attract new users. The key therefore, is to create sites that are 'sticky', that is, contain sufficient content and facilities that engage users and give them reason to stay on the site for longer periods of time and also give them reason to return on a regular basis. If this works and the number of users increases then this should attract advertisers who are willing to pay premium rates.

The key is to create sites that are 'sticky', that is, contain sufficient content and facilities that engage users and give them reason to stay on the site for longer periods of time.

However, questions then arise about the effectiveness of online ads in a social networking environment. Many users do not like brand advertising and prefer to take advice from their online peers in these communities when deciding what to buy, rather than listen to advertisers. Social networking is becoming a media channel in its own right and it is one that is reflecting the voice of consumers instead of those of brand owners.

An understanding of social media reveals that brand communications should not be invasive, intrusive or interruptive. In order to work, marketing communications need to become part of the context in which site users are interacting. Online advertising will continue to form a major revenue stream for the owners of these social networking sites, but increasingly this needs to be supplemented with the use of a mixture of sponsorship, product placement and public relations. For example, sponsored groups, such as Apple's 'Apple Students' group, with 400,000 members, have been developed (Hicks, 2007).

In April 2007 iVillage launched what was claimed to be the first UK social network designed specifically for women. The iVillage Connect platform serves a community of 3.5 million monthly women readers, enabling them to build groups for people interested in areas such as fashion, health, television soaps, motherhood and cookery. Users can create profiles, post

blogs, upload photos and invite friends and family to join (Pinkerfield, 2007b). See also Viewpoint 26.6 for two examples of the way in which brands are beginning to be involved with social networks.

## ViewPoint 26.6 Networked brands

The communications potential represented by social networking sites has started to attract some major brand manufacturers. For example, the Starburst, McDonald's, Haribo and Skittles brands have all used the Internet to reach children, especially since the regulations concerning advertising during children's television have been strengthened.

In July 2007, the owners of the Skittles confectionary brand paid a substantial six-figure sum to set up a profile on Bebo, the social networking site. The Skittles profile attracted 50,000 visitors in the first month and enlisted over 3,500 'friends'. A Bebo spokesman described these 'friends' as 'brand ambassadors', individuals who endorse a brand and speak positively about it to others.

At around the same time Canon rolled out a pan-European campaign, called 'We speak image' to encourage consumers to go online to upload fashion images that they believe represent the spirit of their nation. Canon created a branded social network to generate a community of interest around the photos. The intention was to allow consumers to view each other's photos, for them to co-create 'mood boards' and vote for their favourite image in a series of weekly competitions. The user with the most popular photo in each country won a Canon IXUS 70 digital camera.

Sources: Jones (2007); Pidd (2007).

### Question

What are the key difficulties faced by brands attempting to use social networks to reach their target markets?

### Task

Ask your networked friends what they feel about brands using social networks to reach them.

Using social networks to promote brands has to be undertaken carefully.

Using social networks to promote brands has to be undertaken carefully, mainly because users of these sites do not appreciate blatant commercial activity. As a result, organisations are experimenting with different ideas to see what does and does not work. The social networking site Bebo launched one such experiment in the summer of 2007. Called 'KateModern', this online soap opera was based on a video diary of a fictional character, an art student (Kate), and traced her lifestyle and adventures. Targeted at young teenagers, audiences could interact with the characters and even help shape the script (co-created content).

There is no advertising on the KateModern site, simply because it was realised that it would be a turn-off for the target audience. However, companies such as Procter & Gamble (who own major brands such as Gillette, Pantene and Tampax), MSN, Orange Mobile, Paramount and Disney/Buena Vista each paid £250,000 for six months of name-checking and product placement opportunities in KateModern. For example, Buena Vista used the site to promote their film, *Hallam Foe*. This was achieved by allowing the film's star, Jamie Bell to make a cameo appearance in the KateModern drama. By allowing viewers to post messages about his involvement in the plot and to interact with his character, the goal is to attract attention and visitors, which in turn will raise the reputation of both Bebo and KateModern.

KateModern represents an opportunity to capitalise on the power word-of-mouth communications simply because if the soap is successful, people will talk. As more people are attracted to the site (and Bebo) so these larger audiences will attract commercial money and

advertisers in particular. As audiences watch Kate's videos, read her blog, post messages and pictures on her page, suggest story lines and interact with the characters so their engagement with and stickiness to the site will be prolonged (Beale, 2007).

## *Affiliate marketing*

Associated with the concepts of communities and networks, affiliate marketing has become an essential aspect of online marketing communications and ecommerce. Affiliate schemes are based on a network of web sites on which advertisements or text links are placed. Those who click on them are taken directly to the host site. If this results in a sale, only then will the affiliate receive a commission (payment for the ad). Cookies, information generated by a web server and stored in the user's computer, ready for future access ([http://www.cookiecentral.com/c\\_concept.htm](http://www.cookiecentral.com/c_concept.htm)), are used to track, monitor and record transactions and pay commission plus any agreed charges. As with many online marketing schemes, management can be undertaken in-house or outsourced. If the latter approach is adopted then many of the relationship issues discussed earlier need to be considered and managed.

Affiliate marketing has become an essential aspect of online marketing communications.

Amazon is probably one of the best examples of affiliate marketing schemes. Amazon has thousands of affiliates who all drive visitors to the Amazon web site. If a product is sold to the visitor as a result of the click-through, then the affiliate is rewarded with a commission payment. Affiliate schemes are popular because they are low-cost operations, paid on a results-only basis and generating very favourable returns on investment. Rigby, a marketing journalist, reports that the low-cost airline Flybe has an affiliate network of over 1,450 web sites, which generate 10 per cent of sales, an ROI twice that earned through direct response press activity and all at zero risk (2004).

## *Summary*

In order to help consolidate your understanding of interactive marketing communications, here are the key points summarised against each of the learning objectives:

### **1. Appraise the nature and characteristics of interactive marketing communications.**

Interactive marketing communications allows participants in the communication process to interact with one another. Rather than passive one-way communication that characterises much of offline marketing communications, interactivity is inclusive, engages audiences and can lead to dialogue and the development of meaningful relationships.

### **2. Describe the primary techniques and issues relating to interactive online advertising.**

As offline revenues from television and print advertising decline, so money is being switched into interactive budgets and online advertising. Direct response advertising is the primary approach used in this environment as advertisers seek to encourage users to click-through to destination web pages and microsites. Banner ads and sponsored link ads form the backbone of advertising in this fast-growing environment but online video advertising is set to grow.

### **3. Consider some of the issues relating to the way in which each of the tools of the communications mix can be used interactively.**

Online sales promotions, public relations and direct marketing all have key roles to play in a converging multimedia environment. Sales promotions and direct marketing provide incentives and motivation for people to become interactive and to become involved with a campaign or brand. Personal selling has the least application of all the traditional tools in an online environment.

### **4. Explain the key features associated with mobile communications.**

The key attributes of mobile communications are that it is a personal channel, one which enables direct, targeted and interactive communications, which can occur at any time and any place. SMS communications have underpinned its growth and are used not just for brand awareness-based advertising but also as an effective way of delivering sales promotions, such as announcing special offers and 'text and win' events.

### **5. Evaluate search engine marketing and distinguish the main features of both pay-per-click and search engine optimisation.**

There are two types of search engine marketing techniques: search engine optimisation (SEO) and pay-per-click (PPC). The latter outweighs the former quite substantially in terms of investment but the former is superior in terms of quality of results.

### **6. Discuss the features of email marketing communications for both customer acquisition and retention.**

Email communications can be directed at clearly defined target audiences, even individuals; they can be personalised and refined to meet the needs of individuals. In addition, email can be used with varying levels of frequency and intensity, which is important when building awareness, reinforcing messages or when attempting to persuade someone into a trial or purchase. It is a particularly useful way of provoking responses and can be used for customer acquisition and retention.

### **7. Evaluate the role of electronic word-of-mouth communications, and consider applications such as viral marketing communications, podcasting, RSS feeds and web logs.**

Word-of-mouth communications in an online environment is fast becoming a major form of communication. Viral marketing, podcasting and blogging are three key ways in which word-of-mouth is being used.

### **8. Identify the characteristics of online communities and consider how social networks and affiliate marketing can be used to develop marketing communications opportunities.**

The development of online communities of people who share a common interest(s), interact, share information, develop understanding and build relationships has been a major characteristic of what is referred to as Web 2.0. In particular, social networks such as Facebook, MySpace and Bebo have millions of registered users and present major opportunities for communicating brands. The problem, however, is that conventional offline marketing communications, and advertising in particular, do not work in these environments. Alternative, more subtle and supportive communication strategies are required, such as sponsorship, product placement and public relations.

## Review questions

1. Define interactive marketing communications and explain its key characteristics. What might go wrong with the use of interactive marketing communications?
2. Identify reasons why organisations use interactive online advertising. Name three types of online ad formats.
3. Identify the two main types of value derived by organisations when using sales promotions online.
4. To what extent is online public relations just online advertising?
5. Identify five reasons why mobile marketing communications activities have grown in recent years.
6. Explain the basic principles underpinning the way in which both search engine optimisation and pay-per-click systems operate.
7. Write a report examining the use of email as a form of marketing communications. Find examples to support the points you make.
8. Discuss the three key elements that Kirby associates with successful viral marketing.
9. Make brief notes concerning the ways in which marketing communications should be used within online communities.
10. Appraise the concept of word-of-mouth communication and consider its use within social networks.

## MiniCase

### How *Learnit* uses Web 2.0 to engage audiences

#### Nicola Robinsonova: Freelance Marketing Consultant

*Learnit* is a widget that helps people learn a foreign language. It uses the principles of the advertising industry namely 'brand exposure leads to brand recall', to teach people new vocabulary. *Learnit* works by placing a daily list of the same 10 words in many frequently visited locations around the Internet. These include blogs, banner adverts, search engines and social network sites such as Facebook, Bebo and MySpace. The *Learnit* widget can be put on a desktop or used as a screen saver.

*Learnit* can be used by both English learners and speakers. It offers 20 language pairs with more planned. *Learnit* also includes endangered languages via an integrated open source Wiki project. The *Learnit* development team consists of four people, and within two months of inception, they had a working demo with 10,000 registered users. With limited resources, an online audience and Web 2.0 functionality, their marketing communications strategy had to be strongly

online. Of the options available, they use search marketing, affiliate advertising, link strategies, blogging, social network marketing and publicity via 'expertise'. These are now considered in turn.

Web 2.0 is the collective name given to the second generation of www, both in terms of technology and design. Web 2.0 is the active use of technologies such as social networking, Wikis, blogs and crowd filtration to create web-based communities who collaborate, create and share content. Web-based marketing is both softer and harder than traditional marketing. It is softer because there is far more user interaction, and harder because the numbers talk loudly. There is immediate access to data about the effects of a marketing strategy, so it is possible to know which campaigns work and which need to be amended. It is also easier to make and track the effects of changes in strategy, in real time. For example, some companies pay to advertise on search engines. The more they pay,

the higher their ads appear on the list. However, if the Web 2.0 marketing strategy is good enough, this is not always necessary.

Search marketing is the single most important online communication strategy and content on the *Learnit* lists web site was written with an awareness of the key words people use when they are searching for information about learning a language. Key words are important, as these are what search engine spider bots look for when they crawl around the Internet assessing content. This influences the ranking of a site in any search results. Key words can be appropriately included into the text of a web site, though this is not always the case, which is why online e-books have descriptions written in a slightly odd style. These pages are the online equivalent of a man with an open suitcase standing on a street corner, shouting very loudly at passers by. What sellers are doing is maximising the number of key words in their text. Content needs to be carefully written with key words as it is easy to sound unnatural with key word over-use. This is often not a consideration for self-appointed experts selling expensive ebooks about emarketing, but most companies, including *Learnit*, will have brand values to protect, so they must integrate key words with care.

Though there are many language learners, the market of language provision is very crowded: if 'learn English', is 'googled', 24 million pages are listed. Therefore, there is a really strong need to differentiate products. One way to do this is through the name of the product itself. A unique name is a common strategy with Web 2.0 projects and the key advantage is that it is possible to track precisely any Internet activity about a site or product.

An affiliate advertising programme can be immensely effective for SMEs with small marketing budgets. Instead of being charged by page impression, advertisers can elect to pay publishers a percentage of any sale made, so there is no out-of-pocket expense for the advertiser. Publishers like to have adverts on their site that are effective and aesthetic, so *Learnit* produced a range of banner adverts in different colours and sizes. *Learnit* lists offer a commission of 15 per cent. They can offer a high commission because additional sales do not generate very much additional workload.

As well as looking at web site content in terms of key words, spider bots will follow links to and from websites. If there are many links, this may influence the search engine ranking. Used intelligently, links can enhance brand values and the visitor experience.

Many blogs encourage meaningful discussion by allowing comments and trackbacks (a link to a page which references an article), as well as link exchanges

with other like-minded bloggers. Unscrupulous e-marketers spam many different sites with irrelevant comments along with a link to their site, in order to improve their page ranking. Luckily, as the logarithms used by search engines increase in sophistication, this technique becomes less effective.

During the development phase of the *Learnit* widget, user opinions were crucial. After a single press release, a site called 'Mashable' picked up the story. The steady trickle of comments became a wash-out and they found their in-boxes full of requests for additional languages, sound and tonal markers. At the point when they became inundated with comments, so that they could not manage to write a personal reply, they added an FAQs section. These were based on common themes, and signposted users to a support forum for responses to queries.

*Learnit* then added salient market research questions in the form of a daily 10-second survey. The data gathered via the research questions and the individual comments, reinforced knowledge about the need for sound, grammar and pronunciation. The day after the 'Mashable' coverage, users were invited to vote on a list of possible features to be included in the future. The most frequently requested were sound (34 per cent) and a test function (26 per cent). It was then decided not to publicise *Learnit* lists until these features had been developed and made available.

The use of web page content that motivates people either to dwell on a site or keep returning to it is important. Sites that enable these behaviours are referred to as 'sticky' and blogging can create stickiness. The *Learnit* blog has the following characteristics: analysis of the daily market research results; media coverage; a tally of users/countries/languages/site visitors; as well as ongoing news about their progress and developments, such as new features and languages. Although content in a business blog could be very similar to a daily newsletter, successful corporate or business blogs have the following characteristics: they are slightly less formal; provide useful and interesting information for readers; the content is fresh and the delivery professional.

*Learnit* is part of UNESCO 2008, Year of Languages project. The UNESCO scheme led to the *Learnit* Wiki language project, so that volunteers who wished to add an endangered language could add the basic 1,000 word list plus sound, thereby sharing their language with a wide audience of language learners. Being involved in a Wiki project is an opportunity for any company as there are wide variety of topics on which expertise can be shared. Wiki projects will not let a business directly publicise themselves, but useful and

relevant paragraphs or pages in a Wiki site with a user name relevant to your business can be added. No advertising is permitted and any direct promotion is usually swiftly removed.

Other forms of online marketing communication using 'expertise' are also available, at little cost. These include the active use of relevant professional forums to offer help and advice. There are also outlets for articles about specialist subjects. Work is copyright-free on condition that a link to a web site is published with the text: 'find out more at [www.learnitlists.com](http://www.learnitlists.com)'. Contributions to specialist publications, such as case studies for marketing web sites are also possible. Similarly, video tutorials are becoming popular and can be used as viral marketing. For a good example, see 'top 5 ways to learn foreign languages for free online' on [youtube.com](http://youtube.com).

The development and marketing communications used by *Learnit* has been based on a range of Web 2.0 applications and facilities.

## MiniCase questions

1. Identify a business or organisation whose stakeholders do not have Internet access.
2. Draft an online marketing strategy for a local not-for-profit organisation in your geographical area. Assume that the NFP has no budget, but some willing marketing student volunteers to offer their time.
3. How does your company use social networks such as LinkedIn, Facebook and MySpace?
4. Research the most important key words for your business and industry.

## References

- Armstrong, A. and Hagel III, J. (1996) The real value of on-line communities. *Harvard Business Review*, 74(3) (May/June), 134–41.
- Avlonitis, G.J. and Karayanni, D. (2000) The impact of Internet use on business-to-business marketing. *Industrial Marketing Management*, 29, 441–59.
- Barrand, D. (2004) Promoting change. *Marketing*, 6 October, 43–5.
- Beale, C. (2007) The online soap has arrived, and it's broadening advertisers' horizons. *The Independent*, 6 August 2007. Retrieved 27 August 2007 from [www.news.independent.co.uk/media/article2836676.ece](http://www.news.independent.co.uk/media/article2836676.ece).
- Blakely, R. (2007) Social network site users 'are chronically unfaithful', *Timesonline*, 25 June. Retrieved 27 July 2007 from [business.timesonline.co.uk/tol/business/industry\\_sectors/media/article1984032.ece](http://business.timesonline.co.uk/tol/business/industry_sectors/media/article1984032.ece).
- Blattberg, R.C. and Deighton, J. (1991) Interactive marketing: exploiting the age of addressability. *Sloan Management Review*, 33(1), 5–14.
- Blythe, A. (2008) How can brands exploit widgets? *Revolution*, (April), 13.
- Briggs, R. and Hollis, N. (1997) Advertising on the web: is there response before click-through? *Journal of Advertising Research*, (March/April), 33–45.
- Cartellieri, C., Parsons, A., Rao, V. and Zeisser, M. (1997) The real impact of Internet advertising. *McKinsey Quarterly*, 3, 44–63.
- Chaffey, D., Ellis-Chadwick, F., Johnston, K. and Meyer, R. (2006) *Internet Marketing*, 3rd edn. Harlow: Pearson.
- Chaffey, D. (2008) Using branded widgets, gadgets and buttons for web marketing. Retrieved 8 April 2008 from [www.davechaffey.com/Internet-Marketing/C8-Communications/E-tools/Online-PR/Using-Widgets-Marketing](http://www.davechaffey.com/Internet-Marketing/C8-Communications/E-tools/Online-PR/Using-Widgets-Marketing).
- Chaudhuri, A. (2000) A macro analysis of the relationship of product involvement and information search: the role of risk. *Journal of Marketing Theory and Practice*, 8(1), 38–52.
- Crow, D. (2007) Talking about my generation. *The Business*, 28 July, 18–20.
- Davidson, D. (2007a) Advertisers back Facebook move. *Brand Republic*, 9 August 2007. Retrieved 13 August 2007 from <http://www.brandrepublic.com/News/730452/Advertisers-back-Facebook-move/>.



- Davidson, D. (2007b) Triumph launches viral film to promote Rocket bike. *Brand Republic* 10 July 2007. Retrieved 16 August 2007 from [www.brandrepublic.com/News/669638/Triumph-launches-viral-film-promote-Rocket-bike/](http://www.brandrepublic.com/News/669638/Triumph-launches-viral-film-promote-Rocket-bike/).
- Davidson, D. (2007c) Irn-Bru enlists Snowman in animated Christmas push. 2 December 2007. Retrieved 14 January 2008 from [www.brandrepublic.com/News/](http://www.brandrepublic.com/News/).
- De Bruyn, A. and Lilien, G.L. (2004). A multi-stage model of word-of-mouth through electronic referrals. *eBusiness Research Centre Working Paper*, February.
- Deighton, J. and Grayson, K. (1995) Marketing and seduction: building exchange relationships by managing social consensus. *Journal of Consumer Research*, **21**(4), 660–76.
- Doyle, S. (2003) The big advantage of short messaging. Retrieved 16 May from [www.sas.com/news](http://www.sas.com/news).
- Durlacher (1999) UK on-line community. *Durlacher Quarterly Internet Report*, **Q3**, 7–11. London.
- Farey-Jones, D. (2006) Colgate runs 'smile to win' interactive promotion with C4. *Brand Republic*, 7 September 2006. Retrieved 16 August 2007 from [www.brandrepublic.com/News/591366/Colgate-runs-smile-win-interactive-promotion-C4/](http://www.brandrepublic.com/News/591366/Colgate-runs-smile-win-interactive-promotion-C4/).
- Gay, R., Charlesworth, A. and Esen, R. (2007) *Online Marketing: A Customer Led Approach*. Oxford: Oxford University Press.
- Gladwell, M. (2000) *The Tipping Point: How Little Things Can Make a Big Difference*. New York: Little Brown.
- Goldsmith, R.E. and Lafferty, B.A. (2002) Consumer response to web sites and their influence on advertising effectiveness. *Internet Research: Electronic Networking Applications and Policy*, **12**(4), 318–28.
- Haig, M. (2001) *The E-Marketing Handbook*. London: Kogan Page.
- Hicks, R. (2007) All About . . . Facebook. *Media Asia*, 3 August 2007. Retrieved 13 August 2007 from <http://www.brandrepublic.com/News/675228/About-Facebook/>.
- Holahan, C. (2006) Up next: online video ad boom? *Business Week*, 7 November. Retrieved 26 October 2007 from [www.businessweek.com/technology/content/nov2006/tc20061106\\_523381.htm](http://www.businessweek.com/technology/content/nov2006/tc20061106_523381.htm)
- Hoey, C. (1998) Maximizing the effectiveness of web based marketing communications. *Marketing Intelligence and Planning*, **16**(1), 31–7.
- Hurme, P. (2001) On-line PR: emerging organisational practice. *Corporate Communications: an International Journal*, **6**(2), 71–5.
- Jansen, B.J. and Molina, P.R. (2006) The effectiveness of web search engines for retrieving relevant e-commerce links. *Information Processing and Management*, **42**(4) (July), 1075–98.
- Jarboe, G. (2005) Why does search engine marketing look like a penny-farthing bicycle? *Internet Search Engine Database*, 11 January. Retrieved 27 July 2007, from [www.isedb.com/news/article/1086/](http://www.isedb.com/news/article/1086/).
- Jepsen, A.L. (2006) Information search in virtual communities: is it replacing use of offline communication? *Journal of Marketing Communications*, **12**(4) (December), 247–61.
- Jones, G. (2007) Digital: Canon set for fashion drive. *Marketing*, 2 May 2007. Retrieved 13 August 2007 from <http://www.brandrepublic.com/News/654310/Digital-Canon-set-fashion-drive/>.
- Juvertson, S. and Draper, T. (1997) *Viral marketing*. Draper Fisher Juvertson website. Retrieved 12 March 2006 from [http://www.dfj.com/cgi-bin/artman/publish/printer\\_steve\\_tim\\_may97.html](http://www.dfj.com/cgi-bin/artman/publish/printer_steve_tim_may97.html).
- Juvertson, S. (2000) *What is Viral Marketing?* Draper Fisher Juvertson website. Retrieved March 12 2006 from [http://www.dfj.com/cgi-bin/artman/publish/printer\\_steve\\_may00.shtml](http://www.dfj.com/cgi-bin/artman/publish/printer_steve_may00.shtml).
- Kaikati, A.M. and Kaikati, J.G. (2004) Stealth marketing: how to reach consumers surreptitiously. *California Management Review*, **46**(4), 6–22.
- Kirby, J. (2003) The message should be used as a means to an end, rather than just an end in itself. *VM-People*, 16 October. Retrieved 31 August 2007 from [http://www.vm-people.de/en/vmknowledge/interviews/interviews\\_detail.php?id=15](http://www.vm-people.de/en/vmknowledge/interviews/interviews_detail.php?id=15).

- Kozinets, R.V. (1999) E-tribalized marketing?: the strategic implications of virtual communities on consumption. *European Management Journal*, **17**(3), 252–64.
- Liu, Y. and Shrum, L.J. (2005) Rethinking interactivity. In *Advertising, Promotion and New Media* (eds M.R. Stafford and R.J. Faber), 103–24. New York: M.E. Sharpe.
- Lockenby, J.D. (2005) The interaction of traditional and new media. In *Advertising, Promotion and New Media* (eds M.R. Stafford and R.J. Faber), 13. New York: M.E. Sharpe.
- Mathews, K. (2007) Is branding best and are click throughs through? *Internet Advertising Bureau*. Retrieved 31 August 2007 from <http://www.iabuk.net/en/1/isbrandingbestandareclickthroughsthrough.mxs>.
- McCormick, A. (2007) Shaving brand to roll out application on Facebook, *Media Week*, 7 August 2007. Retrieved 13 August 2007 from <http://www.brandrepublic.com/News/730028/Shaving-brand-roll-application-Facebook/>.
- Media Week* (2007) Direct marketing in a digital world. *Media Week*, 31 July. Retrieved 16 August 2007 from [www.brandrepublic.com/InDepth/Analysis/674135/Direct-marketing-digital-world/](http://www.brandrepublic.com/InDepth/Analysis/674135/Direct-marketing-digital-world/).
- Morowitz, V.G. and Schmittlein, D.C. (1998) Testing new direct marketing offerings: the interplay of management judgement and statistical models. *Management Science*, **44**(5), 610–28.
- Morris, R.J. and Martin, C.L. (2000) Beane Babies: a case study in the engineering of an involvement/relationship-prone brand. *Journal of Product and Brand Management*, **9**(2), 78–98.
- Muniz Jr, A.M. and O’Guinn, T.C. (2001) Brand community. *Journal of Consumer Research*, **27**(4), 412–32.
- Pidd, H. (2007) Food manufacturers target children on internet after regulator’s TV advertising clampdown, *The Guardian*, 31 July. Retrieved 13 August from [http://www.guardian.co.uk/uk\\_news/story/0,,2138123,00.html#article\\_continue](http://www.guardian.co.uk/uk_news/story/0,,2138123,00.html#article_continue).
- Pinkerfield, H. (2007a) New social media user types unveiled. *Revolution*, 28 June 2007. Retrieved 13 August 2007 from <http://www.brandrepublic.com/News/667634/New-social-media-user-types-unveiled/>.
- Pinkerfield, H. (2007b) New women’s social network offers targeted digital marketing. *Revolution UK*, 5 April 2007. Retrieved 13 August 2007 from <http://www.brandrepublic.com/News/649065/New-womens-social-network-offers-targeted-digital-marketing/>.
- Porter, L. and Golan, G.J. (2006) From subservient chickens to brawny men: a comparison of viral advertising to television advertising. *Journal of Interactive Advertising*, **6**(2), 30–8.
- Rigby, E. (2004) E-tail affiliate marketing. *Revolution*, (October), 66–9.
- Sen, R. (2005) Optimal search engine marketing strategy. *International Journal of Electronic Commerce*, **10**(1) (Fall), 9–25.
- Szmigin, I. and Reppel, A.E. (2004) Internet community bonding: the case of macnews.de. *European Journal of Marketing*, **38**(5/6), 626–40.
- Turner, C. (2007) How Irn-Bru viral success prompted a national campaign. Retrieved 8 January 2008 from [www.utalkmarketing.com/](http://www.utalkmarketing.com/).
- Vlasic, G. and Kesic, T. (2007) Analysis of customers’ attitudes toward interactivity and relationship personalization as contemporary developments in interactive marketing communications. *Journal of Marketing Communications*, **13**(2) (June), 109–29.
- Walmsley, A. (2007) Social networks are here to stay. *Marketing*, 27 June, 15.
- Welker, C.B. (2002) The paradigm of viral communications. *Information Services and Use*, **22**, 3–8.
- Wilson, R.F. (2000) The six simple principles of viral marketing. *Web Marketing Today*, **70**, 1–3.
- Wood, W., Behling, R. and Haugen, S. (2006) Blogs and business: opportunities and headaches. *Issues in Information Systems*, **V11**(2), 312–16.
- Zhang, J., Fang, X. and Liu Sheng, R. (2007) Online consumer search depth: theories and new findings. *Journal of Management of Information Systems*, **23**(3) (Winter), 71–95.