

An overview of Internet Marketing

[Recent research](#) shows that 45% of small businesses believe the Internet will be an important tool in helping them survive and prosper during the recession with one in five believing it will be the most important tool in helping small businesses beat the recession.



The survey of companies with 10 – 250 staff shows small businesses see the Internet as crucial to boosting their profiles and unlocking new revenue opportunities.

For example, 74% of small businesses will use the web to grow their company profile with 52% claiming that the web would put them on a level playing field with bigger companies.

When it comes to creating new opportunities 46% are looking to create new products and services on the web and over 58% are looking to use the web to expand into new markets at home and overseas.

This being the case SMEs must learn how to use and budget for Internet Marketing much more effectively as previous research has shown that for SMEs:

- The average age of a website is four years
- 23% of websites have not been updated since launch
- 38% had no budget at all for website updates
- For those with budget annual spend was around £250
- 25% of companies had no way of tracking their site
- Only 8% had an ECommerce element to their sites

What is Internet Marketing?

Internet Marketing, i-marketing, web marketing, online marketing, e-marketing, all refer to the same thing - the marketing of products or services on the web and via electronic customer relationship management (ECRM) using creative design and development, search engine optimization (SEO), pay per click (PPC), viral marketing, e-mail marketing and social marketing.

Internet Marketing is used in e-commerce, publishing, lead generation websites and affiliate marketing because it is cheap when compared to most traditional advertising. You can reach a much wider and yet more targeted audience for a small fraction of traditional advertising budgets. Additionally it allows potential customers to research and purchase products and services at their convenience and with minimal 'push' 24 – 7 – 365.

As well as all these advantages Internet Marketing can be tracked, measured and tested because it normally requires people to click on an advertisement or visit a website and perform a targeted action. It's less common for this to be done in more traditional forms of marketing.

What can Internet Marketing do?

Internet Marketing can do any and all of the following:



- Get your website, products and services found from the 325 million searches done every day
- Communicate a company's message about itself, its products, or its services online
- Research the demographics, preferences and needs of existing and potential customers
- Sell goods, services or advertising
- Recruit staff

If you have a website you are, even if you don't know it or don't do it very well, involved in Internet Marketing.

A website can inform existing and potential customers of the features and benefits of your products and/or services and they are a great way to establish your business identity but if it can't be found.....that's where Internet Marketing comes in. The results can speak for themselves. The image below gives a snapshot of actual results from a client (anonymised and used with their permission):

Channel	# of prospects %total	# of contracts %total	Convert Rate	#Months to Contract	#Months to Failure	Gross Income %total	Sales Costs %total	Net Income %total	Net Inc per Contract %avg
Website	24%	20%	29%	1.7	2.7	29%	19%	31%	151%
A	11%	14%	38%	1.9	3.0	25%	4%	30%	221%
B	18%	19%	31%	2.8	6.5	15%	6%	18%	95%
C	8%	10%	50%	2.9	3.5	12%	21%	10%	98%
D	23%	27%	46%	3.8	3.6	12%	26%	9%	31%
E	11%	7%	21%	3.3	4.5	7%	4%	8%	116%
Other	7%	3%	20%	2.0	5.0	0%	21%	-5%	-141%

The place to start is Search Engine Marketing (SEM) or marketing a website online via search engines either by improving the site's natural (organic) ranking through search engine optimization (SEO), buying pay-per-click (PPC) ads or purchasing pay-for-inclusion (PFI) listings in website directories, which are similar to offline yellow page listings.

SEO

Search Engine Optimisation (SEO) is a process (N.B. not an event) by which websites are 'tuned' to make them rank higher in natural search engine results listings.

An effective SEO strategy starts with the thorough research and analysis of a website, its market and its competition. Using the data generated by the research, targeted changes are made to the website and a network of high quality inbound links (also called backlinks or external links) is established via tactics such as;

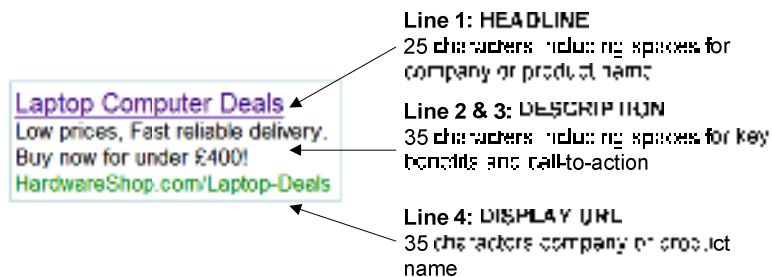
- Free Directory submissions
- Paid Directory submissions
- Relevant comments in forums and blogs
- Tagging and social bookmarking
- Article syndication
- Online Press Releases
- Reciprocal Links / Link Exchanges

Following content optimisation and link building, the effectiveness of the website's SEO is monitored with the use of website analytics software, such as Google Analytics which helps define the future direction of the SEO.

The main search engines are constantly refining how they perform, making it vital for SEO to remain adaptable and keep abreast of changes that could affect the ranking of the website.

PPC

Pay per Click means you advertise within the sponsored listings of a search engine or a partner site by paying either each time your ad is clicked (PPC) or less commonly, when your ad is displayed (CPM) or when a phone contact is generated which is 'Pay per Call'. Note that paying a search engine for an advert will not affect your rankings in their main listings. It will only ensure you get an advert similar to the one below.



The diagram shows a PPC ad structure with four lines. Line 1 is the headline 'Laptop Computer Deals'. Line 2 and 3 are the description 'Low prices, Fast reliable delivery. Buy now for under £400!'. Line 4 is the display URL 'HardwareShop.com/Laptop-Deals'. Arrows point from the text labels to the corresponding lines in the ad.

Line 1: HEADLINE
25 characters including spaces for company or product name

Line 2 & 3: DESCRIPTION
35 characters including spaces for key benefits and call-to-action

Line 4: DISPLAY URL
35 characters company or product name

Expenditure on PPC is much higher than that on SEO. e-consultancy estimates that it accounts for about 84% of search marketing spend in the UK.

Many organizations adopt a strategy focusing on PPC since it is more controllable, and immediate results are possible. But, in the long-term, organic listings will probably deliver a higher volume of visitors at a lower cost per click. There is real competition in PPC these days and click costs have increased in many sectors. Your ability to generate ROI depends on how well you convert traffic to long-term customers.

Viral marketing

We touched on this in [The Best Virals and Viral Marketing](#). Viral marketing is more than a "recommend a friend" it has 4 elements:

- The medium which encapsulates the idea
- Compelling, if not it will never be viral
- An online experience to further spread the idea
- An environment in which the idea can replicate and spread



As viral guru Seth Godin says:

"For an idea to spread, it needs to be sent and received.

No one 'sends' an idea unless:

- a. they understand it
- b. they want it to spread
- c. they believe that spreading it will enhance their power (reputation, income, friendships) or their peace of mind
- d. the effort necessary to send the idea is less than the benefits

No one 'gets' an idea unless:

- a. the first impression demands further investigation
- b. they already understand the foundation ideas necessary to get the new idea
- c. they trust or respect the sender enough to invest the time

..... Pictures and short jokes spread faster online because the investment necessary to figure out if they're worth spreading is so tiny."

Email marketing

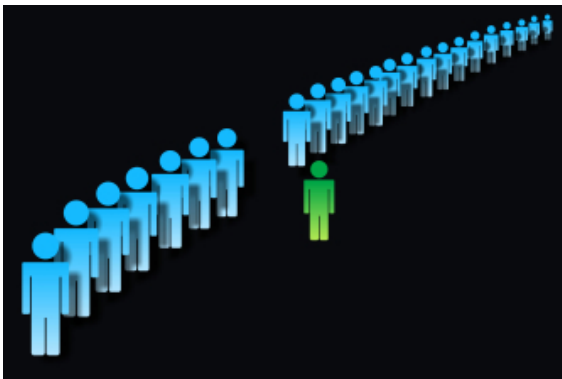
Email marketing data offers incredible segmentation power and the ability to take advantage of small audience segments that might otherwise be financially or technically difficult to reach.

Email addresses of customers and prospective customers may be collected. Various methods are used, such as the regular distribution of newsletters or mass mailing of offers related to the company's product or services. Email marketing is essentially the online equivalent of direct mail marketing and you can use it to:

- Build up understanding. Success is getting in the prospects mind, not just their inbox.
- Increase repeat visits
- Incentivise purchases
- Develop the relationship with a planned set of objectives

Social marketing

Social marketing is very much a part of the web today. Internet Marketing used to be Google searches now people think in terms of blogs and social networks too. It is harder to reach your target customer today.



In a rapidly evolving and advertising-saturated environment, customers have learned more than ever to tune you out, so you have to put yourself where they can comfortably find you – inbound not outbound.

Social media is different to marketing in traditional channels mainly because it is conversational. Traditional marketing interrupts and talks at you. In social media you are talking with your customers and potential customers and they talk back.

In social marketing, you are not in control even if you want to be. Social marketing is about people who share a common interest, who care so much about a topic that they will spend their free time online talking about it, sharing it, tagging it etc. They are not there to listen to sales pitches or be talked down too. The objective is to become a member of the community. Only then can the goal of selling something work and the right approach is to add value, becoming a thought leader and thus be on the buying list when the time is right.