Marketing on the Internet

Using the Internet gives you access to a number of powerful marketing techniques.

The Internet can improve the reach and cost-effectiveness of your marketing. It can help you build your company's reputation and win new customers.

This briefing covers:

- The opportunities for marketing online.
- Keeping customers and press informed.
- Generating interest and revenue through online advertising.

1   The business advantage

1.1 Email can offer an effective and flexible tool for low-budget marketing (see **2.4**).

- With the right list, you can reach customers anywhere with no delay, no print bills and no distribution costs.
- Your message can be sent to hundreds of people and companies around the world for the cost of a local phone call.
- Your email can be precisely targeted. It goes direct to a named person's desktop.
- Emailed newsletters and mailing lists can be developed to give regularly updated information and build customer loyalty.
- Automated systems can save handling time and reduce costs when reacting to sales enquiries or requests for product details.
- Email provides instant, simultaneous distribution of press releases to the media.

1.2 The **Web** can help you promote products, and launch new ones (see **2.1**).

- For a few pounds a month, your product details, catalogue and price list can be available to the world, all day, every day.
- A website, with a hotlink for email replies, provides a great channel for customer feedback.
- You can improve your customer service by providing tips, answers to frequently asked questions, background information and links to other sites.

1.2 Joining in relevant **newsgroup** discussions creates opportunities for marketing and business intelligence activity (see **2.6**).

- Exploring the universe represented by many thousands of newsgroups can help you uncover new niche markets.
- Newsgroup debates can provide openings for careful but effective PR initiatives.

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- By assessing participants' views on your industry or your products, you can pick up ideas and focus on what customers want.

2 Making it work

2.1 Launch a **website** to promote your company and its products (see Your website strategy and Designing your website).

- Make your site an information resource that visitors will value.
- Create a website that involves visitors and encourages them to return by inviting feedback through questionnaires, offers of emailed bulletins and email reply links.
- Update your site frequently to keep the look and the content fresh.

Tread carefully

If you do not know the rules and stick to them, marketing on the Internet can backfire.

A Sending **unsolicited email** to unwilling recipients can get you into serious trouble.

- Regulations require that you obtain recipients' prior consent before sending commercial emails to consumers, sole traders or unincorporated partnerships. There is an exemption from this requirement for email addresses you have obtained in the course of a sale or negotiation for a sale.
- You must also provide a clear and easy opt-out mechanism in your marketing emails so that recipients can easily remove themselves from your list.
  See Website and email law.

B When creating **web advertising**, apply the same rules and standards as you would for print media.

- Your advertising must comply with Advertising Standards Authority rules.

C The use of **newsgroups** is one of the most sensitive areas of Internet marketing. A strict newsgroup etiquette rules out heavy-handed commercialism.

- Contributions to newsgroups can help build your brands and establish your company's credibility. But if you cross the line into outright selling, you may be amazed at the sudden hostility of newsgroup members.

- Keep your website simple and easy to use. Visitors can be put off by flashy graphics, intro pages or sites that are slow to download.
- Make sure your site is search engine friendly. Search engines do not like complicated websites and you will need to ensure that the key words visitors will use to find your site are embedded in every page.

2.2 Consider using **web advertising** to attract visitors.

- Until you are directly selling through your website, a Pay-per-call solution will work best, whereby you pay only when Internet users actually call you. This will keep your costs low as you only pay for real leads.
- If you are directly selling through your website, you need as many visitors as possible. You can either employ someone to optimise your site to get a good search engine ranking or pay for prominence with a Pay-per-click campaign.
- 'Pay-per-click' advertising such as Google AdWords (www.google.co.uk) send visitors looking for your products directly to your site.
- Avoid online advertising where you pay 'per impression', such as banner ads, which are more expensive and less effective for smaller businesses.
  Make sure all your traditional advertising (eg brochures) includes your web address.

2.3 Collect email addresses for customers and other contacts and keep them informed through email **newsletters**.

- Take every legitimate opportunity to build your own list by capturing email addresses from visitors to your website and from people enquiring about your products.
- Give existing customers news of product launches, discount schemes, service improvements and technical changes.
- Keep representatives, distributors and dealers up to date with company news.
- Use announcements of special offers to keep attracting visitors back to your website.

2.4 Target new customers by renting **email lists**.

- Only use lists where people have specifically agreed to receive unsolicited email ads about a certain topic. These are called 'opt-in lists'.
- Use a reputable broker.
  Email works best in focused campaigns. Use targeted lists to reach niche markets.

➡ For information on the legal implications of marketing online, see Website and email law.

2.5 Gain press publicity for your activities by sending out email **press releases** (see **Effective PR**).

- Email makes it quick and cheap to prepare and send your own releases.
- Many journalists, especially in high-tech fields, now prefer emailed press releases.
- For more ambitious campaigns, online PR agencies can provide low-cost targeted lists of journalists in your product area.

2.6 Raise your profile with niche audiences by joining **newsgroup** discussions.

- Visit www.google.co.uk and click on 'Groups' to find relevant newsgroups.
- Give helpful, practical, unbiased answers to specialist questions, without blatantly plugging your product.
- Make sure your messages have a signature section with the company name and your web address. This should be your only overt promotional tool.
- Guerrilla marketing (asking friends to pose as satisfied customers recommending your goods or services) can be an effective way of promoting your business, but avoid breaching the strict newsgroup etiquette.

3   How much will it cost?

Marketing on the Internet need not be costly. The impact you make will depend as much on the ingenuity and effort you are prepared to put in as on your budget. You will need to pay for specialist expertise to set up your site, but not for day-to-day running.

3.1 You will need to allow for **set-up** costs to purchase suitable computer hardware and software and to register an Internet domain name (see **Your website strategy**).

- Choose a domain name (web address) that echoes your brand or business name. Ideally, your address should be exactly what people would guess it was.
- Registration can cost as little as £10 for two years. Shop around for the best deal.
- Specialist software to manage email and newsletter postings costs £50 to £100.

3.2 Search engine and directory **submission** fees can add up.

- Registering with search engines is essential as they are the starting point for keyword-based information searches.
- Most search engines and directories charge for submissions.

- Make sure you have put the key words that people will use to find your site in every page of your website.
- Exchange free links with relevant non-competing websites.
  Some search engines look at the number of links there are to your site as ranking criteria during searches.
- Avoid suppliers who promise to get you a ranking in thousands of search engines. There are really only five or so worth bothering with.
- Search engines are how 80 per cent of people start looking on the Internet for a product or service, you can't underestimate their importance.

3.3 **Running** costs will usually be low.

- Allow regular updating of your website to keep visitors coming back.
- Unless you are using broadband, phone bills will be higher if employees are making the most of the web.
- Invest in training. If your employees know how to use the Internet efficiently, online time and other costs will fall.

4   Net v traditional marketing

Internet marketing has many advantages — and a few major disadvantages — compared with traditional methods. You should always use it in conjunction with your existing marketing plans and techniques.

4.1 Internet **advertising** statistics always sound impressive, but consider all the extra costs before launching an ad campaign.

- Finding the right sites and negotiating sensible prices for advertising space on them may be harder than you think.
- You will need to hire a specialist designer to produce a good banner advert within the tight technical constraints.
  Visit the Interactive Advertising Bureau's website (www.iabuk.net) for the specifications of standard banner sizes.

4.2 The Internet may provide a better way of reaching a particular **target audience** than traditional advertising or direct mail.

- Hard-to-reach niche audiences are often accessible directly through email lists, or by advertising on a specialist website.
- Web adverts are better at getting people to visit your website than print ads, partly because people can immediately click through to your site.

4.3 Brand values must be handled with care in the web environment.

- Your online brand must reflect your real brand image in design and name. Register your brand name as a domain name. See Creating a brand.

4.4 Internet delivery of **mailshots and newsletters** offers some real benefits.

- Selective lists of good quality prospects will normally be priced at about £100 per thousand names, as against, say, £150 per thousand for a good direct mail list.
- Only mail those that have specifically opted to receive marketing mailings.
- Your own customer lists are likely to be more effective than any you can buy.

    (See Marketing with your database.)

4.5 Marketing using the Internet does not guarantee low **cost**. Traditional marketing methods can be cheaper.

- Internet marketing is generally less expensive for small, niche campaigns, where traditional print and postage costs are prohibitive or lists are not available.
- Per-customer costs for Internet advertising may be as high as for print advertising.
- Internet marketing is more cost-effective for distributing information to customers and the press on a regular basis.
- Most businesses now use spam filters to automatically filter out all email from unknown sources to reduce the threat of spamming or virus attacks. It is not unusual for legitimate emails to be identified as spam and deleted. This means fewer successful deliveries and a higher net cost per customer.

5 Building a relationship

Take advantage of the Internet's interactive two-way communication channels to build responsive relationships with customers and prospects.

5.1 Create **customised web content** for each visitor to make them feel special.

- Some retail sites 'remember' a customer's preferences, greet him or her by name and offer a tailored selection of goods.
- Capture the information each visitor enters into forms on your site. If a name is given, store it so that it can be used for a personalised greeting.

5.2 Maximise the chance of your emails reaching their **intended target**.

- Use the online tools available to analyse your emails before you send them to assess the likelihood of them being identified as spam such as www.marketing-magic.biz.
- Regularly clean your list and give recipients the option to 'opt-out'. See box, page 2.

5.3 Provide mechanisms to encourage people to **respond** to your email mailshots.

- Always provide an email address in your mailings which customers can use to contact you.
- Set up an autoresponder, which automatically sends a standard message in response to emailed enquiries.
- Set up different email addresses for different campaigns, to make it easy to compare responses.
- Using an individual's name as part of your email address for enquiries is more inviting than 'sales@yourfirm.co.uk'.

6 Measuring response

The usual test of marketing is the number of sales that result. Measure and analyse customer response to your site.

6.1 Monitor the number of website visitors who **convert to customers**.

- It is relatively easy to create a large volume of traffic, but it is better to create a smaller number of relevant visitors that has a high conversion-to-sale ratio.

6.2 Track visitors to your site.

- Examine which keywords visitors use to find your site and amend your site accordingly.
- Use hit analysis software and make sure your ISP maintains an access log with full visitor details. Use these records to identify which of your pages are most popular, when and where visitors come from and which sites they visited before yours.

6.3 If you are pursuing exports, analyse the **location** of visitors to your site.

- Once you know where significant numbers of foreign visitors come from, you can adjust your site to cater for them.

    It is not always possible to tell where visitors are from, especially those using global services such as AOL.

Further help

There are other Directors' Briefing titles that can help you. These briefings are referred to in the text by name, such as Effective PR.