

# Understanding the Basics of Web Marketing

By BNET Editorial

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Internet marketing is about giving—rather than getting—attention; and anyone working online should think about harnessing this potent tool, given what it can do for a business. A complement to traditional marketing, Internet marketing supports and enhances a company's overall message by providing comprehensive information about a particular product or service, as well as answers to consumers' questions. Internet marketing also exploits the Web's networking capabilities by leveraging online community activities, links, affiliate marketing, viral marketing, e-mail marketing, and loyalty programs. In considering Internet marketing, keep a few key points in mind:

- Visitors coming to a Web site are already aware of the brand. They want information.
- Use Internet technology to understand your customers' needs so you can offer them just the right information and products.
- Remember that the Internet empowers consumers, and dissatisfied ones may use its networking capabilities to undermine your brand.

## What You Need to Know

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### What kinds of products and services sell best on the Internet?

Internet marketing is best suited for products and services that:

- *require lots of sales information.* Travel and books, for example, are ideal for the Internet. Travel is a very information-intensive service. People want times, prices, and information about destinations. Book sales are strongly influenced by reviews, other readers' opinions, tables of contents, summaries and sample chapters.
- *people feel strongly about.* People form quick opinions about media like movies and books. Fans network with each other in online communities to discuss their favorite artists. Much of the huge success of *The Blair Witch Project* was attributed to fans getting together online and promoting it with enthusiastic reviews and dialogue.
- *are bought by Internet aficionados and web surfers.* Although this audience has broadened, it is still generally the domain of the well-educated and upscale, plus those working in technology and academia.

## Does online advertising work?

Yes, but in its own way. As a pure branding tool, online advertising can't deliver the same impact as, say, television or magazines, given its bandwidth restrictions. Studies indicate most consumers avoid interactive ads because they simply take too much time to download.

However, the real power of online advertising is not mass appeal but, rather, its ability to reach niche markets and precisely target the right consumer with just the right product or service. Contextual advertising services like Google AdWords and Yahoo! Search Marketing allow even the smallest advertisers to direct their messages with a laser-like focus, instead of a more traditional scattergun approach. Opt-in e-mail-based marketing—which enables consumers to request information about a certain product or service—is another advertising tactic that enjoys documents success online.

## What to Do

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### Recognize that Internet Marketing Is Part of an Overall Strategy

The objective of Internet marketing should be its integration with an overall marketing strategy so that it supports and is supported by other marketing activities. But, that's not to say Internet marketing doesn't have its own unique characteristics. Internet marketing is not about a big idea, compelling graphics, and a killer catch phrase. Those are the marketing tactics that bring consumers to the Web site with their interest and questions to ask. Internet marketing answers those questions with the comprehensive information that a high-quality Web site should provide. Remember: If people have read the snazzy sales brochure offline, they're not coming to the Web site to read it again!

### Build More Exact Profiles of your Consumers

Internet marketing is most effective once it focuses on getting to know the consumer better. Its objective is to understand exact needs so that precisely the right products and services can be offered to prospective buyers at precisely the right time in precisely the right way. The strength of the Internet is also its weakness, however. While people want information, they also suffer from massive information overload. The Internet marketer who can bring to time-starved consumers only the information they need is much more likely to succeed. Find Web sites and e-mail databases that attract the *exact* type of consumer you to reach. Analyze statistics generated from consumers' visiting your Web site and act accordingly on the key trends these statistics reveal. More sophisticated Web sites enable you to customize consumers' experiences with personalization systems and present uniquely and finely targeted information and products to each visitor.

## **Use E-mail Marketing**

Since the Web was launched, perceptive marketers have stressed that every Web site should have an e-mail marketing strategy. Consider: While consumers must actively decide to visit a Web site, e-mail lets them join a database and regularly receive information about products, services, and offers that the sending organization has available. The key to e-mail marketing success is:

- finding those who want such e-mail alerts and newsletters sent regularly, and
- convincing them to provide their e-mail addresses.

Of course, the critical prerequisite is supplying quality information they'll want to sign up to receive.

## **Tap Into the Internet's Potent Networking Ability**

Think of the Internet as a community, one that offers a tremendously powerful means for uniting people with organizations. Linking is one of the simplest yet most effective Internet marketing devices there is and the foundation for affiliate marketing efforts by the likes of Amazon.com and e-bay. Linking is like embedded word of mouth. If another Web site links to yours, it is essentially recommending you to its own visitors. So-called "viral marketing" arises from this network; groups of consumers—which can swell into veritable hordes—create a buzz about a product or service by e-mailing friends and/or creating their own Web sites. Consumers gain power from Internet networking that they before enjoyed—and quite willing to wield, too: There are hundreds, if not thousands, of Web sites and activist groups established by disgruntled consumers whose abiding objective is attacking particular organizations.

## **Make Your Advertising Highly Focused for the Medium**

Not being a physical store leaves any Web site facing a constant challenge to achieve and maintain awareness among its target market. Traditional print and direct mail advertising are key tools in meeting this challenge, but so, too, are specific online marketing strategies. Registering with a commercial search engine is an obvious one. This is no simple, one-time task, but an ongoing activity because the rules search engines use to classify sites change constantly. Banner ads can be effective, if properly targeted. Banner ad design needs to exploit the unique characteristics of the medium and not simply rely on traditional advertising principles. A specialist agency can suggest suitable creative approaches. Getting other Web sites to link can be very effective, too, but it is a slow process that requires time to deliver its rewards. E-mail signatures can also promote a Web site effectively.

## **Use the Internet for Affiliate Marketing and Loyalty Programs**

There is no better example of the success of affiliate marketing than Amazon.com. Literally hundreds of thousands of Web sites offer books and other products to their visitors using Amazon's affiliate program. It's a classic "win-win" collaboration: A given Web site offers an extra service that is easy to establish and delivers a certain amount of revenue. The affiliate sponsor opens up a new sales channel every time another Web site links to it.

However, like all marketing techniques, it's not some magic formula for guaranteed success. It needs proper thought and planning (and professional application).

Loyalty programs can flourish on the Internet although they have been over-hyped. Successfully managing loyalty programs depend on the use of customer databases and on effectively tracking customer purchasing behaviors. The Internet facilitates such activities and can be a medium that operates a top-notch loyalty program. More critical to success, though, is structuring the program's incentives.

## **Build Loyalty With Online Communities**

Using Web logs ( or, simply "blogs"), chat, discussion boards, and e-mail directories to bring people together allows you to have valuable conversations with customers—to hear what they want, don't want, and to enhance brand loyalty. Online communities also can be good routes for unique and cost-effective content. However, communities don't work in all situations and if not properly managed can quickly lose momentum.

## **Don't Forget the "Old" Marketing Tricks**

Discounts, competitions, and free offers work as well online as they do offline. While perhaps too much has been offered free on the Internet in order to build business, these traditional marketing techniques, properly used, can be effective on Web sites.

## **What to Avoid**

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### **Your Site Is Flashy For Its Own Sake**

Although the Internet has been around since 1996, it is amazing that there are still a few marketers who think of it as TV on a computer screen. Web visitors don't really care about the graphics; they just want the information. Splash screens, audio, video and flashy animations should be kept to an

absolute minimum—and, even at that, they should always serve a real purpose. If not, such eye candy is a waste of time and money.

## **You Don't Create a Deep Customer Database**

Attracting people to a Web site without strongly encouraging them to join some sort of a database is a serious mistake. Studies indicate that many consumers will visit a Web site but once, then rarely return—if ever. It's vital to get them into a database to establish ongoing communications.

## **You Focus on Visitor *Numbers*, Not Visitor *Quality***

In the early years of the Web there was a frantic rush to build visitor traffic to a site, without any real focus on considerations like revenue per visitor, or percentage of visitors who joined databases. In turn, acquisition costs for visitors were quite high; and when large numbers of visitors did not translate into large numbers of valuable customers, the business model for many Web sites collapsed with a thud. Don't make the same mistake. You're far better off with, say, 200 visitors who become customers than 20,000 visitors who don't.

## **You Focus Only on a Site's Purchasing Activity**

There is a need to understand how a Web site contributes to the overall purchasing process. For example, a great many people visit car Web sites before they make a purchase—but precious few will ever buy a car online. The key is to forget about gauging a site's value by raw visitor volumes and focus on the quality of the site's target, plus the influence that the Web site and e-mail communications have on purchasing behavior.

## **Where to Learn More**

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### **Book:**

Scoble, Robert, and Shel Israel. *Naked Conversations: How Blogs are Changing the Way Businesses Talk with Customers*. New York: Wiley, 2006

## **Web Sites:**

Alexander Joseph's "Internet Marketing": [www.aj2000.com](http://www.aj2000.com)

Magportal's Current Internet Marketing Articles: [www.magportal.com/c/net/mktg](http://www.magportal.com/c/net/mktg)

Web Marketing Today: [www.wilsonweb.com/research](http://www.wilsonweb.com/research)

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