

# DIRECTORS' BRIEFING



The Chartered  
Institute of Marketing  
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## 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 get your products known and win new customers at home and around the world.

This briefing covers:

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

### 1 The business advantage

The basic toolkit for Internet marketing includes email, the World Wide Web and the online discussion groups known as newsgroups.

Once set up, your marketing systems can be inexpensive to keep running.

**A** **Email** offers an effective and flexible tool for low-budget marketing.

- ◆ If you know where to find them, you can reach customers anywhere with your marketing material, 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.
- ◆ You can react to sales enquiries and provide product details fast, using manual or automated systems (see **5B**).

◆ Email provides instant, simultaneous distribution of press releases to the media.

**B** The **World Wide Web** can help you promote products, and launch new ones.

- ◆ 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 the best channel ever for customer feedback.
- ◆ You can add quality to customer service by providing tips, answers to FAQs (frequently asked questions), background information and direct links to other sites.

**C** Joining in relevant **newsgroup** discussions creates opportunities for marketing and business intelligence activity.

#### FURTHER HELP

There are other Directors' Briefing titles that can help you. These briefings are referred to in the text by name and by the code given to each briefing. For example, the IT briefings have the codes IT 1, IT 2, etc.

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the services available to you.

- ◆ 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.
- ◆ 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

- A** Launch a **website** to promote your company and its products (see **Your website strategy**, IT 17, and **Designing your website**, IT 21).
- ◆ Make your site an information resource visitors will value — even if they are not yet your customers.  
Make the information easy to find.
  - ◆ Create a website that involves visitors and encourages them to return.  
Invite feedback with questionnaires, offers of emailed bulletins and email reply links.
  - ◆ Change and update your pages frequently to keep the look and the content fresh.
- B** Consider using **web advertising** to attract visitors.
- ◆ The most cost-effective pricing method for buying web advertising is a rate based on the number of people who click on the ad and follow the link to your site — known as a 'click-through rate'.
  - ◆ As a new advertiser, you are more likely to be offered space on a less favourable 'per impression' basis.  
This means you are charged for the number of people who glimpse your ad, rather than the number who respond to it.  
Make sure all your traditional advertising (eg brochures) includes your web address. Use different page addresses to track the response from different campaigns.
- C** Collect email addresses for customers and other contacts and keep them informed through email **newsletters**.
- ◆ 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.

- D** Target new customers through **email lists**.
- ◆ Take every legitimate opportunity you can find to build your own list.  
Always try to capture email addresses from visitors to your website and from people enquiring about your products.
  - ◆ When renting email lists, only ever use lists where people have specifically agreed to receive unsolicited email ads about a certain topic. These are called 'opt-in lists'.
  - ◆ Rent lists of potential customers from a reputable broker.

Email works best in focused campaigns. Use targeted lists to reach niche markets, but be aware that a list you compile is likely to be the most powerful list of all.

- E** Gain press publicity for your activities by sending out email **press releases** (see **Effective PR**, MA 11).
- ◆ Email makes it quick and cheap to prepare and send your own releases.  
For most small firms, the aim is simply coverage in a couple of key trade journals or a few local papers, so there is no need to contact hundreds of editors.
  - ◆ Many journalists, especially in high-tech fields, now prefer emailed press releases.  
Send plain text only, with no attachments.
  - ◆ For more ambitious campaigns, online PR agencies can provide low-cost targeted lists of journalists in your product area.
- F** Raise your company's profile with niche audiences by answering specialist questions in **newsgroup** discussions (see **Finding information on the Internet**, IT 13).
- ◆ Visit [www.google.co.uk](http://www.google.co.uk) and click on 'Groups' to find relevant newsgroups.
  - ◆ Give helpful, practical, unbiased answers, without blatantly plugging your product.
  - ◆ Make sure newsgroup messages you post have a signature section with the company name and your web address. This should be your only overt promotional tool.

## 3 How much will it cost?

Marketing on the Internet need not be a costly business. 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.

- A** You will need to allow for **set-up** costs to purchase suitable computer hardware and

"Online shops meet the growing demand for out-of-hours, after-work shopping. There is one climbing and camping business that claims a third of its orders come in between 10pm and 7am."

*Anthony Fisher,  
Traderwebs*

"Advertising in e-zines (email newsletters) is usually cheaper and can be more effective than banner advertising, especially for niche markets."

*Veronica Yuill,  
Archetype Information  
Technology*

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software and to register an Internet domain name (see **Your website strategy**, IT 17).

- ◆ 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 £20 for two years. Shop around for the best deal (see **Going online**, IT 14).
- ◆ Specialist software to manage email and newsletter postings costs £50 to £100.

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

- ◆ Allow for updating your site regularly, to keep visitors coming back.
- ◆ Phone bills for your marketing team will be higher if the marketers make the most of the web, newsgroups, and mailing lists.
- ◆ Invest in training. If your employees know how to use the Internet efficiently, online

### **Tread carefully**

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

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

- ◆ Never use bulk, untargeted mass mailing lists. This is called spamming.

*The usual retaliation against spammers involves trying to crash their systems with massive broadsides of junk email.*

- ◆ When sending any commercial email message, provide an opt-out line at the bottom, so that recipients can easily remove themselves from your list.

See **Website and email law**, LA 11.

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

- ◆ Your advertising must comply with Advertising Standards Authority rules. For example, you are prohibited from making misleading claims.

**C** The use of **newsgroups** is one of the most sensitive areas of Internet marketing.

*Newsgroups are easily abused and there is a strict etiquette that rules out heavy-handed commercialism.*

- ◆ Contributions to newsgroups can help build your brands and establish your company's credibility.

*If that crosses the line into outright selling, you may be amazed at the sudden hostility of newsgroup members.*

time and other costs will fall.

Marketing on the Internet becomes expensive if you need to spend heavily on publicising your website to a wide audience.

## **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.

**A** 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](http://www.iabuk.net)) for the specifications of standard banner sizes.

Exchange schemes allow you to advertise free. In return, you display someone else's ad on your site.

**B** 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.
- ◆ Even obscure interest groups are catered for and easy to find. Some specialist sites may be glad to accept advertising.
- ◆ Web adverts are better at getting people to visit your website than print ads, partly because people can immediately click through to your site.

**C** **Brand values** must be handled with care in the new environment of the web.

- ◆ Classical brand development methods are still seen as superior to Internet branding.
- ◆ Your online brand must reflect your real brand image in design and name. Register your brand name as a domain name (see **Your website strategy**, IT 17).

**D** Traditional **direct mail** is being partly replaced by Internet delivery of mailshots and newsletters. (See **Marketing with your database**, MA 6.)

But it is still more difficult to obtain a good, precisely targeted list of email addresses

*"It's no use having a good website if no-one can find it! So to maximise the number of enquiries which come via search engines, it's vital that your site is expertly optimised to rank in the top 20 of search engine listings for appropriate keywords."*

*Brian Raynor,  
Marketing Unlimited*

*"A lot of UK companies are living dangerously as far as their potential legal liabilities are concerned. The Internet is full of pitfalls, so get advice or get sued."*

*Maitland Kalton,  
Kaltons solicitors*

than a comparable list of postal addresses.

- ◆ 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.
- ◆ Sending email is far cheaper than using the post or fax, as hundreds of messages can be sent with one phone call.
- ◆ The delivery of email is generally reliable and can often be more tightly targeted.
- ◆ Recipients will get the message at their desks and may be more inclined to open an email than a conventional mailshot.
- ◆ Automated fulfilment processes save handling time and eliminate the costs of sending catalogues and price lists (see **5B**).
- ◆ Do not use images to jazz up your emails. Many recipients will not have the software to be able to display pictures or graphics. Instead, make sure content is strong and clear.

**E** 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.
- ◆ Some businesses automatically filter out all email from unknown sources to reduce the threat of spamming or virus attacks. 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.

- A** Create **customised content** for different types of visitor to make each 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.
  - ◆ Some 'portal' sites (eg Yahoo! and MSN)

let visitors customise pages with their own choice of news and features.

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

- ◆ Ask your Internet service provider (ISP) to set up an autoresponder, which automatically sends a standard message in response to emailed enquiries.

For example, a message can acknowledge emails and assure customers their queries will be dealt with within a certain time.

Autoresponders can also send out specific information on demand, such as price lists.

- ◆ Set up different email addresses for different campaigns, to make it easy to compare responses.
- ◆ Display an individual's name as part of your email address for enquiries. 'Kelly@yourfirm.co.uk' is much more inviting than 'sales@yourfirm.co.uk'.

## 6 Measuring response

The usual test of marketing is the number of sales that result. As with any traditional marketing campaign, you need to measure and analyse customer response.

**A** The best way of checking the effectiveness of your marketing activity is to **monitor visitors** to your website.

- ◆ Use hit analysis software rather than a hit counter. Make sure your ISP maintains an access log with full visitor details.
- ◆ Use these records to identify which of your pages are the most popular, when visitors come, what countries they come from, and which sites they visited before yours.

**B** If you are pursuing exports, '**geo-targeting**' helps you analyse the location of visitors to your site.

- ◆ Once you know which countries provide significant numbers of visitors, you can adjust your site's content accordingly.

For example, you can use the visitor's own language and list any distributors you may have in that country.

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

### EXPERT CONTRIBUTORS

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### FURTHER READING

This briefing was co-written by Simon Collin, author of **Doing Business on the Internet** (£15.99, Kogan Page).

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