



An introduction to online marketing
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Introduction

Online marketing, discussed throughout the course of this paper, refers to the utilization of the Internet and email as marketing tools. As with all marketing, online marketing can be used to address a number of different business objectives.

It's now widely accepted that the Internet has achieved a state of mass adoption. Online marketing has quietly stepped out of the experimental stage and onto the forefront of the minds of marketers everywhere. For almost any common interest imaginable, significant numbers of like-minded individuals from around the world have gathered together online into vertically focused communities. Tapping into these interest specific communities is easier than you might think. The significant promise of precision-targeted marketing on the Internet is now readily available.

Because it appears complicated and is somewhat misunderstood, online marketing has historically been superficially stereotyped as having just one purpose or another. It's human nature to try to take something that is complex and then simplify it in one's mind by making gross generalizations. While this can be useful in many situations, in the world of online marketing, doing so means you're leaving a lot on the table. Two such tendencies for companies marketing online so far has been to consider online marketing either purely a direct response medium or as just another form of print ad that's a little smaller. Reminiscent of when the new marketing medium of television was considered just like a radio spot with a talking head, both these simplifications miss the mark by a long shot.

The power of the Internet and email as marketing tools is threefold: it is interactive, it has dramatically reduced the cost of communication, and it has significantly increased the speed of communication. Online marketing not only can target a much larger and more relevant audience, but it can do it faster and more cost effectively. Additionally, the interactive nature of the Internet presents endless opportunities of which the potential of many is still not fully understood. It's a chaotic, and thus opportune, time in the world of online marketing. Bold, calculated online marketing moves today can unseat market share leaders and/or create sustainable competitive advantages. It's essential to consider how your company is leveraging the three assets of online marketing in every one of your marketing objectives.

In a period of five years during the 1950's, Procter & Gamble increased the share of its marketing budget spent on TV from 5% to 50%. The rest is history. History has a habit of repeating itself.

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The Imperfect World of Quantifying Website Traffic

Hits - Why “Hits” are worthless to everyone but the technical people.

In lay terms, a Hit occurs when a web user requests a file, not a web page, but a single file. Most web pages are comprised of several files, perhaps one file for one section of the text, another file for a logo graphic, another file for an ad banner at the top of the page, another file for a little animated graphic, etc. Some more complicated web pages contain dozens of files and some simple web pages only contain a single file. The implication of this reality is that it's meaningless to compare the number of hits one website records to the number of hits another website records. It's literally like comparing apples and oranges. If someone is discussing a website's traffic in terms of hits, it's safe to assume that either they don't know what they're talking about or they think that you don't know what they're talking about.

Page Views - The industry standard measure of site traffic is called “Page views”

When comparing the relative traffic of one website to another, the most unadulterated metric that you are going to find is called a page view. In advertising circles, the term page view is often used interchangeably with the term impression. In general terms, a page view occurs when a web user requests a single web page from a website server. Due to what's called browser caching, not all page views (as defined above) are recorded by a website's traffic software. Browser caching is when a web user goes back to a web page that they've already visited and their computer doesn't need to ask the web server to resend the page because a copy of that page was temporarily saved in the browser cache the first time it was requested by the web user. The result of browser caching is that web site statistics you always hear people quote in terms of page views are always an underestimation of the actual page views that a website generates. The good news is that this underestimation applies to every website in roughly the same proportion, so it's still a useful metric for comparison.

As of 6/1/2003, AuntMinnie.com serves ~3,500,000 page views per month

Unique Users - The term “Unique users” is an estimation of a website's reach

The term unique users is meant to describe the number of unique web surfers that visit a site during a given time period. Exactly how this unique user number is measured varies from site to site, and thus it's difficult to use it as a meaningful comparative metric. Some sites calculate unique users based on unique IP addresses (a number the internet service provider assigns a user when they log on to the Internet), which is confounded in two ways: 1) the fact that lots and lots of web surfer's use shared pools of IP addresses, as is the case with AOL users, and 2) the fact that web surfers frequently share computers (e.g. at universities, libraries, hospitals, and other institutions). Other sites that require registration often use the number of unique registered users who log in over a period of time. To make it a little more confusing, other sites use a combination of these two measurements. Without going into any more complicated details, all you really need to know is that in order to compare two site's unique users, you need to take into account each site's means of measurement.

User Sessions - In comparative radio terms, a “User session” would be equivalent to how long a person listens to one radio station until they decide to listen to another station.

The term user session is intended to characterize the idea of one individual’s surfing session at a single website. A more technical definition for a user session is a related sequence of page views at a particular website. The idea being that if web user A views one or more web pages from a website, then that’s considered a user session... if, and only if, a certain amount of time (the industry standard is 30 minutes) has lapsed since web user A last visited that same site. The whole point here is that if web user A was just at the same site 10 or 20 minutes ago, then the current visit is still considered part of the last user session. Appropriately, user sessions are sometimes also referred to as “visits”.

As of 6/1/2003, AuntMinnie.com experiences ~315,000 user sessions per month

Repeat Visitors - The importance of “User sessions” divided by “Unique users”

For potential advertisers, a website’s number of hourly/daily/weekly/monthly user sessions really only conveys useful information when examined in conjunction with the number of unique users during the same time period. A site that has 500 unique users and 15,000 user sessions during a given month (the average user comes to the site 30 times per month) is a far different advertising opportunity than another site that also has 500 unique users, but records only 700 user sessions per month (the average user comes to the site 1.4 times per month). User sessions are a critical component in determining a sites ability to deliver frequency for an advertiser’s message.

As of 6/1/2003, ~38,000 unique users visit AuntMinnie each month

Stickiness - The term “Stickiness” describes a website’s ability to keep a web surfers attention

Sticky website content tends to hold a web surfers attention for a longer period of time than non-sticky content. Every web user, at some point, has innocently started clicking around on a certain website, looked up an hour later, and realized that they were still on the same site. That’s website stickiness. Even a site that only holds a web users attention for two minutes can be considered sticky if the same user consistently goes back every few days for another two-minute session. A website’s degree of stickiness is relevant to advertisers that are looking to get a certain amount of impression frequency for their ads. More importantly, sticky content also implies popular or well-liked content that likely adds to the effectiveness of advertising associated with that content.

As of 6/1/2003, the average user visits AuntMinnie 8.24 times per month

Page Views per Session - The importance of “Page views” divided by “User sessions”

Page views per hour/day/week/month give a good deal of information about a site’s overall traffic all by themselves, however viewing them in conjunction with the number of user sessions during the same time period gives a much better picture. This metric allows potential advertisers to discern the stickiness of a site. A site that

records 125,000 user sessions and 500,000 page views during a given month (the average session is 4 page views) is a much different advertising opportunity than another site that also records 500,000 page views, but only records 25,000 user sessions (the average session is 20 page views). Which one is better really depends on your advertising objectives. Taking a good look at the number of unique users for this same time period will paint the rest of the picture by giving you an idea of each sites repeat traffic tendencies.

As of 6/1/2003, the average AuntMinnie visitor views 12.1 pages per visit

Dwell Time - The distinction between “Dwell time” and “Page views per Session”

Dwell time is the length of time that elapses from the first moment a web user enters a particular website until the time that user leaves that website. Average dwell time is a comparable measure to page views per session, except that dwell time is measured in time and page views per session are measured in, well, a count of page views. Both are a measure of the degree a site engages a typical user in a single sitting. The noteworthy distinction is that these two measurements do not always correlate in proportion with one another when you compare different sites. One site that averages 10 page views per session may have an average dwell time of only 3 minutes, while another site that also averages 10 page views per session may have an outstanding dwell time of 30 minutes. Obviously, if you were buying on a CPM basis, you would probably get more bang for your buck by going with the latter site.

As of 6/1/2003, the average user dwell time per visit is 8.9 minutes

Registered Users - Take a site’s count of “Registered Users” with a grain of salt

A website’s registered user count can be about as misleading as a magazine’s circulation. Just because someone registered, for free, to use a site at one time doesn’t mean they come back on a regular basis, or ever for that matter. Additionally, some people, for one reason or another such as a forgotten password, may register several different times and are thus counted in the total registered user count multiple times. Note that some sites, usually sites that have something to gain by it, parse their list on a regular basis to keep it realistic (i.e. HotMail cancels your email account if it becomes inactive for a period of 60 days). Other sites have less incentive, and so they probably don’t worry too much about the viability of their count. Nothing new here as we’ve all received five or six copies of the same free trade magazines for everyone at the office... and they all promptly go right in the garbage. Fortunately, as almost everything on the web is measurable, the better number a marketer should look at to estimate reach is unique users who visited during a specified time period, like say a month. Just remember the limitations discussed in the unique users section above.

As of 6/1/2003, AuntMinnie has ~110,000 registered users (active within last 12 months)

Online Advertising Lingo

Portals, Search Engines, and Directories

Portal - A web portal is a website where a significant number of web surfers go to find a broad array of resources or services in one spot. A web portal serving a specific audience is called a vertical portal.

Search Engine - A search engine is a collection of web servers that index web pages, store those findings, and display the results of those findings to web surfers who utilize the search engine for a particular query.

Directory - A directory is similar to a search engine except that web pages are indexed manually by real people, and thus usually involve an editorial categorization process.

The terms directory, search engine, and portal are often times inappropriately used to refer to what some people believe to be the same thing because popular sites like Yahoo and AOL encompass a mix of these services. Nonetheless, they are all distinctly different. Yahoo started as a directory and this is still one of its big traffic draws, but Yahoo also has a search engine feature (currently powered by Google) and a number of other features that combine to make it a portal. Google is strictly a search engine. The Open Directory (www.dmoz.com) is strictly a directory.

Hyperlinked Ad

A hyperlinked ad, when clicked on, will take a user to a destination specified by the advertiser.

Banners and Buttons

A banner is the industry standard term for a graphical ad of a certain size. While there are technically four different standard size banners (see Standard Ad Sizes below), the majority found on the Internet are 468 horizontal pixels by 60 vertical pixels, or more commonly referred to as a 468x60 banner. The other typical characteristic of a banner, while not compulsory, is that it is hyperlinked to a destination specified by the advertiser. A button is identical to a banner except that it's simply smaller. Technically, there are also four different standard button sizes.

Standard Ad Sizes

- 468x60 pixels - Full Banner
- 392x72 pixels - Full Banner with Vertical Navigation Bar
- 234x60 pixels - Half Banner
- 120x240 pixels - Vertical Banner
- 125x125 pixels - Square Button
- 120x90 pixels - Button #1
- 120x60 pixels - Button #2
- 88x31 pixels - Micro Button

Interactive Marketing Units

Seven new standard ad sizes termed Interactive Marketing Units (or IMU's) were released a few years ago to allow publishers to offer advertisers the flexibility to incorporate more interactivity and creativity into online graphical ad placements.

Interactive Marketing Units

- 300x250 pixels - Medium Rectangle
- 250x250 pixels - Square Pop-up (Utilizes Java)
- 240x400 pixels - Vertical Rectangle
- 336x280 pixels - Large Rectangle
- 180x150 pixels - Rectangle
- 160x600 pixels - Wide Skyscraper
- 120x600 pixels - Skyscraper

Other, non-standard large format ads have been popping up ever since. The prevailing wisdom with graphical ads seems to be the bigger the better.

Graphical file formats for Banner Ads

For marketing people, unless you're a web designer or some kind of web graphics person, you really only need to know three things about banner ads file formats:

- 1) If someone refers to something called a "GIF" or something called a "JPEG", they are talking about a type of graphical file. Websites that allow advertisements usually require banners to be submitted in one of two file types, a GIF or a JPEG.
- 2) Websites usually require that the ad graphic's file size be smaller than a certain file size. 12KB, or 12 kilobytes, is a standard maximum acceptable file size for 468x60 standard banners.
- 3) The last critical parameter that an advertiser should ask about when buying an ad is whether or not the website allows rich media formats including: animated GIFs, Java, Flash, audio, video, etc.

Don't worry, being able to decipher all these parameters is not important, but you should ask for the specifications upfront and pass this information to the person creating your banner ads. Like always, measure twice and cut once.

Impressions

In advertising circles, the term impression is often used interchangeably with the term page view. In general terms, an impression occurs when a web user requests a single web page from a website server and the advertiser's advertisement is displayed somewhere in the web surfer's browser. Note that a recorded impression says nothing about an ad being viewed by a web surfer. Whether or not the advertisement impression is actually viewed by the web surfer depends on a number of factors, some of which are somewhat uncontrollable, including:

- 1) If the web surfer's browser is graphics enabled – the vast majority are, but some aren't.
- 2) What the web surfer's monitor resolution is – a small resolution monitor means less of the page is viewable at one time.
- 3) Where the ad is on the web page – If your ad is at the bottom of the page or more than 640 pixels to the right, then a user with a really old or small

resolution monitor may have to actively scroll before they even have the possibility of viewing your ad. All else being equal, ads “above the fold” (a term borrowed from the newspaper industry that on the web means the immediately viewable area of a web page on most monitors, typically the top right 800x600 pixel region and sometimes only the top right 640x480 pixel region on really low resolution monitors) have a better chance of being seen.

- 4) If the ad loads into the browser before the web surfer clicks to another page.
- 5) If the web user even notices the ad – there could be an entire book theorizing about which ads get noticed more than others, and for the most part, the jury is still out because the web is such a new and evolving medium. One safe assumption is that the location of an ad is generally more important than the creative of an ad.

Run of Site

The phrase run of site refers to an ad placement where impressions are rotated throughout all the pages of a given website, in contrast to a placement where impressions only occur on specific pages or sections within that website. On a website whose users represent a broad demographic, a run of site ad for a product targeting a specific segment of that audience tends to have a lot of wasted impressions. Of course, the CPM rate usually reflects this. The more targeted a website’s audience becomes, the less of a problem run of site wasted impressions become. Once again, the CPM usually reflects this. Surprising to some, the more targeted approach isn’t always the most cost effective. It’s worth it to do the math. Additionally, many web publishers offer a run of site placement purchased by the month, similar to how print advertising sells in trade journals.

“Click-thru” and “Click-thru Rate (CTR)”

The term click-thru is describing the event that occurs when a web surfer clicks on a hyperlinked advertisement and is taken to a different place than where they currently are on the web. A common phrase referenced to in the advertising world is the ‘click-thru rate’ or CTR, which is the number of click-thrus an ad receives divided by the number of impressions that same ad gets. The click-thru rate is quantified as a percentage (i.e. of the 30,000 impressions served, our banner generated 150 click-thrus, so our CTR is 0.5%).

The fact that Internet advertising allows advertisers an unparalleled ability to track actionable items resulting from their advertising coupled with the fact that the CTR is easy to calculate and easy to conceptualize, means advertisers have not surprisingly become obsessively focused on their CTR. It’s common for an advertiser to follow the reasoning that if I paid \$10,000 for an online ad on a particular site and received 500 click-thrus, then I’m paying \$20 per click-thru, which may or may not sound expensive, depending on your business. So a misguided advertiser’s take away is that click-thrus cost \$20 for placements on that site. That’s a gross generalization that will lead to bad decisions. No one can argue that CTR is a valuable metric in determining the relative success of creative and the appropriateness of the placement for any given campaign, but it is important to understand that it is only one of the many gauges of a campaign’s success. Additionally, there are many factors that go into the CTR, many that advertisers themselves largely control.

To illustrate the many factors involved with CTR, consider an advertiser that approaches a company publishing an email newsletter to 40,000 local business leaders twice a month, of which 50% of them typically open the newsletter. The advertiser wants to advertise in the newsletter, so they ask to place their logo in the newsletter and have it hyperlink back to the advertiser's website. The two parties agree to a price of \$6000 for a 3 month placement.

After one month, the advertiser calls to complain that they're only got 20 click-thrus, which they feel is a pathetically low CTR of 0.05%, and furthermore they claim they're getting ripped off because it essentially cost them \$100 per click. The publisher says they weren't aware that the focus of the campaign was to drive traffic to the advertiser's site. They suggest a few alternative strategies to try to improve the click thru: 1) put an ad with a "Click here" call to action, not just a logo which readers may not even be aware is clickable, 2) move the ad into the direct eye path of the reader (which will cost another \$1000/mo), and 3) create a compelling reason for readers to click-thru. Perhaps offer a free whitepaper, a coupon, a free consultation, etc. The advertiser doesn't want to spend any more money, nor spend any time putting together a whitepaper, so they opt for adding a "Click here" call to action.

After another month, the advertiser calls back excited about how they got 100 click-thrus that month, or a much better CTR of 0.25%, but they still think the advertising is on the expensive side at \$20 per click. The publisher explains to the advertiser that the reason it still seems expensive is twofold: 1) your CTR is still not as good as it could be because the advertiser has not presented the reader with any compelling reason to click-thru, and 2) you didn't factor in the branding effect of 40,000 views your ad and logo, many of which will likely generate business down the road just like traditional print, TV, and radio branding ads do. The publisher suggests if the advertiser is really just concerned with click-thrus and it's CTR, it's imperative to move the ad to a higher natural click-thru rate area (in the direct eye path of the reader), AND to leverage your ad placement investment by creating a compelling reason to click-thru. The publisher recommends the advertiser take a moment to consider the real goal of their campaign. If it's branding, maybe the advertiser is getting the most bang for their buck right now. If it's click-thrus, then take the suggestions above. The advertiser, focused squarely on getting a good CTR and driving click-thrus, decides to spend \$1200 to outsource the writing of a whitepaper right away, plus spends another \$1000 to move the ad into a better spot on the page.

A month later, the advertiser calls back wanting to renew, but wants to let the publisher know that he's a little disgruntled that it took him two months before getting the results he wanted. He got 600 click-thrus this past month (a 1.5% CTR), only \$5 per click, compared to only 120 the first two months combined (a 0.15% CTR). The publisher explains that the branding effect was comparable all three months, and probably a bit better the first two months so the advertiser should factor that in as well. Additionally, he comments that if the CTR and click-thru focus was conveyed upfront, action could have been taken earlier, but that the publisher couldn't read the advertiser's mind. Then the publisher suggests that if the advertiser wants to even further improve their CTR and click-thrus, if they act fast, they could secure the only other two competing ad spots in the newsletter, and effectively have exclusive sponsorship of the newsletter. The publisher explains that typically about 4% of readers click-thru onto one of the 3 ads in a newsletter. By

buying all three spots, the advertiser's aggregate CTR would likely approach that 4% number. The publisher also advises the advertiser to offer a new and different compelling reason to click-thru next month to get the best CTR and number of click-thrus.

This example above details many of the factors that can impact any ad campaigns CTR. Nonetheless, remember that the CTR and number of click-thrus may not even be your campaign's primary goal. Figure your goal out first and go from there.

CPM (Cost per 1000 Impressions)

CPM is the industry standard ad pricing model whereby the advertiser is charged a flat-rate cost per one thousand impressions, or page views, of an advertisement placement on a particular website. For example, at a \$30 CPM rate, it would cost \$1500 to purchase a 50,000-impression placement. In general, the more targeted a website's audience, the higher CPM rate they charge. CPM rates are all over the board, from less than a \$2 CPM on broad, unfocused websites, to more than a couple hundred dollar CPM on focused web sites or further targeted sub-sections of sites. Keep in mind that on many web properties, a good portion of available website impressions go left unsold, so openness to negotiations based on volume are commonplace.

CPA (Cost per Action)

CPA, also called "Cost per Action", is an ad pricing model whereby the advertiser is charged a flat-rate cost each time a web surfer clicks on a hyperlinked ad (text or image) and performs an action specified by the advertiser. Some "Actions" typical of the CPA pricing model are: filling out a form, registering for a service, filling out a survey, or completing a purchase. An example of a CPA ad placement could be when an advertiser agrees to pay \$2 per user registration action that originates from another website. Defining what constitutes that the action was "originated" on another site is decided upfront by both parties. Some CPA deals specify that the "action" has to occur immediately following the click-thru. Others specify that the "action" just has to occur sometime before the user leaves the website that they clicked-thru to. Still others designate a certain number of "return days" the action has to be completed by for the CPA fee to be owed. There can be any number of different specifications built into a CPA deal. A couple of things to note about CPA deals are that: 1) tracking can be problematic, and 2) they are almost impossible to find on any premium web real estate. See our Ad Pricing Model Comparison section (page 24) to see the pros and cons of making CPA placements.

CPC (Cost per Click)

CPC, also called "Cost per click", is the industry standard cost per action ad pricing model whereby the advertiser is charged a flat-rate cost each time a user clicks on an ad. This ad can be text or an image such as a banner. By clicking the ad, the web surfer is taken to a destination specified by the advertiser.

CPM in Contrast to a CPC Pricing Model

The noteworthy distinction between a CPC and a CPM model is that with a CPC model, the impressions are free. The advertiser only pays when a web surfer clicks

on their ad. On the other side of the coin, when paying according to a CPM model, click-thru's are "free". The advertiser only pays by the impression regardless if every impression generates a click-thru or not one single impression generates a click-thru.

Interstitial

Like the infamous advertisements for popcorn stitched into a movie reel at the theaters, an interstitial on the web refers to an ad placement that gets inserted somewhere, usually in between the content that people are looking at. There really isn't a consistent functional use of the term interstitial and so it largely depends who you're talking to. The most common usage of the term interstitial refers to an ad that is presented to the web surfer while they are waiting for the next web page to load into their browser. Interstitials are really not all that common on the web.

Pop-ups and Pop-unders

Considered quite annoying by many web surfers, pop-ups and pop-unders employ a web-intercept method of deployment. When you take a pre-defined action on a website, even just arriving at it, one or more small browsers open up either in front of your current browser window partially obscuring your view, or hidden behind your current browser window waiting for you until you close or minimize your current browser window. Like spam email, web users have developed a low tolerance for, and sometimes even a hostile disposition towards, pop-up and pop-under ads, so be aware of the potential negative branding effects of utilizing these types of ads.

Text Ads

The term text ad is a broadly reaching term that refers to any ad that isn't a banner or a button. There is no standard size or length for text ads. They come in all shapes and sizes depending on what site it is being placed on. Sometimes text ads even incorporate a graphic of some sort along with the text. The primary distinction between a banner or button and a text ad is that a text ad isn't one solid graphic file. A banner or a button often contains text, but that text is part of a solid graphic file that someone created with an image editor. A text file just slaps regular old text and perhaps a picture into a space on a web page. Usually, the advertiser has less say in the layout of text ads versus banner or button ads. While utilized much less because there isn't an established set of standard parameters, it is important to note that, all else being equal, text ads are widely considered to be much more effective than banner ads.

Product Placements & Directory Placements

As time goes by, the web is slowly self-organizing in better and more specific communities. Within many of these communities, numerous topic-specific directories, buyer's guides, and product reviews are developing. The all-encompassing Yellow Pages have been put to rest and replaced by far more powerful information resources. The net effect of this is that the historical search costs related to researching and identifying purchases have been dramatically reduced. Buyer's today are empowered. When they want to research a purchase decision, they are turning to the web and seeking out the information they need to make their decision. Additionally, even existing customers are less locked-in to the products and services they are currently using because the once-substantial search cost to find an alternative has all but disappeared.

Producers of goods and services who historically have relied heavily on marketing with a “where can I find my prospective customers” approach, now need to adapt to relying more heavily on a “where can my customers find my products and services” approach. Similar to how consumer goods companies can sink or swim based on the effectiveness of their distribution strategy, today all companies must develop and deploy an information distribution strategy. Quite simply, companies need to make it as easy as possible for information on their products and their company to be found. Find out where your customers are going, and optimize your presence there. The good news is that getting product placements and listings in directories is extremely cost effective, and often times even free. While this marketing front is still in its infancy, early adapting companies can seize huge advantage by outmaneuvering their competitors, and in places, locking up prime, exclusive product placements.

Site or Section Sponsorships

A site or section sponsorship is an ad pricing model whereby the advertiser is charged a flat-rate fee based on the length of time an ad placement resides on a web page or group of web pages, rather than on some type of non-temporal performance measure such as number of impressions (CPM), number of click-thrus (CPC), or number of other actions (CPA). A sponsorship placement is typically priced per week or per month. The most highly desired ad space on the Internet is usually only offered according to a sponsorship pricing model. One of the most attractive features of many Internet content sponsorships is the ability to lock up a popular advertising content channel exclusively. In addition to the various tangible advertising effects, exclusive sponsorships can also be used as a formidable block of a competitor’s advertising options.

An often overlooked benefit of site and section sponsorships is that they are essentially highly-targeted venue sponsorships, no different than traditional venue or event sponsorships. This exemplifies the primary difference between site and section sponsorships, and immediate response-oriented web advertising such as banner ads and text ads. Site and section sponsorships are branding machines, with the ability to razor-target affinity groups.

Jump Page or Splash Page

It is becoming more and more common for advertisers to set up a special landing page specifically for users who click on a certain hyperlinked ad. Each different ad may have a different jump page. The default landing page that many advertisers have historically used is the company website’s homepage. Often times, for companies with less than top notch websites, bringing a user to a poorly designed homepage actually does more harm than good and sometimes the user can’t even find what caused him/her to click on the hyperlinked ad in the first place. Not immediately showing the user exactly what they clicked thru for is a waste of everyone’s time and effort, the advertiser as well as the web surfer.

Spam or Spam-Email

Spam is simply unsolicited email. It’s no mystery that email has made mass communication extremely cost efficient. For direct marketers, email has been kind of like the golden goose. All of the sudden, it was cheap and easy for a marketer to

blast a message to a rented list of emails. Unfortunately, it was just as cheap and easy for everyone else, so we experienced a classic tragedy of the commons. It didn't take email users long to grow tired of sorting through a bunch of spam-emails to find their important emails. The result is that email users have developed a very low tolerance for, and sometimes even a hostile disposition towards, unsolicited email. Ironically, people tend to have a much higher tolerance for junk mail, a much more environmentally offensive direct marketing practice, than spam. In any event, it's wise to be sensitive to the negative branding effects that can accompany unsolicited direct email campaigns.

Email Newsletter Sponsorships

An email newsletter sponsorship is an ad-pricing model whereby the advertiser is charged a flat-rate fee based on the number of email newsletters distributed during a single issue of a newsletter. Depending on the format of the email newsletter, plain text or HTML, an email newsletter ad can take a number of different forms. Plain text email newsletters allow for text-based ads only. HTML email newsletters typically allow for banner ads or a combination of both text and graphical ads. Targeted email newsletter ads are powerful marketing tools that allow an advertiser to target reach and frequency objectives in a short period of time with tremendous accuracy. Because it's standard practice for newsletter recipients to actively elect to receive newsletters, email newsletter sponsorships have the advantage over direct email solicitations that they don't have the potential to be construed as spam.

When researching an email newsletter sponsorship, be sure to inquire about the open-rate (what percentage of emails sent are typically opened) so you can accurately calculate your reach.

As Internet usage matures, many web publishing businesses are finding that users prefer to receive content (via email, then linking thru to the website for more details on topics of interest) rather than retrieve content (via directly surfing websites). What was once largely considered a website-centric content model is now becoming more and more email-centric. Advertisers should consider both onsite advertising and newsletter advertising.

Email Lists – Opt-in, Double Opt-in and Opt-out

Advertisers send various types of email to customers and clients including: promotional email, email newsletters, and periodic email announcements. Sometimes the recipient requests the email, and other times unsolicited email just appears in their inbox. The web marketing terms "Opt-in", "Double Opt-in", and "Opt-out" describe how an email list creator goes about compiling their list. Here are the different methods in order of the list quality they provide, from highest to lowest.

- Double Opt-in – Recipients that have actively requested to be sent email are not considered to be list subscribers until they reply to an initial email that asks if they "really meant to subscribe to this list". Often times, list compilers utilize this double opt-in format to assure that a correct email address was given.
- Opt-in – Recipients have to actively request to be sent email correspondences. Sometimes this is by checking a box on a web form. Sometimes it's by failing to uncheck a box on a web form. Different web sites

build their lists in different ways and the quality of the list usually corresponds.

- Opt-out – Recipient emails are compiled by one form or another and automatically considered to be list subscribers until they specifically request to be taken off the list. This isn't necessarily as inauspicious as it sounds. While a few unscrupulous spam email companies do attempt to blast email messages to the masses without any consideration of relevance, the majority of opt-out email recipients are selected for a list because they performed some action that suggests they might have some interest. Still, lists compiled in this fashion are usually the lowest in quality when compared to opt-in or double opt-in lists.

Necessities for every Company with a Website

Publishing your Company Contact Information

Unless your company is some kind of garage shop operation, it is imperative that potential customers or partners be able to find contact information on your website. If you opt for just slapping up a web form instead of listing phone numbers, email addresses, physical addressees for each different department, you run the risk of conveying the message, "We'll get back to you on that when we feel like getting back to you" – which no customer ever wants to hear.

One simple method that even the small of companies can use to show potential customers or partners that you're there to help is by putting in a \$99/mo LivePerson (www.liveperson.com) button on every page of your site. The instant chat functionality of a LivePerson button is what ZD Net calls, "One of the biggest boosts to Web site interactivity you'll ever come across." Any visitor to your site can simply click on the LivePerson button and instant message with the designated operator(s) of the button at your company. If your designated operator(s) is away from their desk or away for the day, the visitor is prompted to send an email. If you're a small company without a designated customer service person, you can set it up to rotate the duty among everybody.

Lastly, and perhaps most often overlooked, is the abundant opportunity to publish your company contact information everywhere you can on the web. The idea is to make it as easy as possible for prospective customers to initiate contact with your company. Getting links back to your website is great, but getting your phone number, email addresses, and a description of services published on another website or in a newsletter is almost as good. The more points of introduction, the better, and many of these can be created without cost.

Directory Strategy

One of the fundamental changes that the web has brought about is that it has empowered people. No longer are people limited to spoon-feed information. The web has empowered them to find it for themselves. The major directory strategy component of online marketing is all about making it easier for prospective customers to find your website and your products and services.

Getting listed in the Major Directories

Getting listed in the major web directories is a much safer bet than getting listed by the major crawler-based search engines because there are real people involved. If you're a believer in picking the low hanging fruit first, this is where you should start.

There are two major directories to which every site should be submitted: Yahoo (\$299/yr fee), and The Open Directory (www.dmoz.com), which is free. Each directory's submission guidelines are unique, so you need to manually take the time to figure them out. It's well worth your trouble. If your time is valuable, consider paying the \$79 for a subscription to the Search Engine Watch (www.searchenginewatch.com), which comprehensively covers submission strategies for the major directories as well as the major search engines.

Getting listed in Specific Directories

For any topic of interest, there are numerous topic-specific directories. The major directories do a good job of categorizing the whole Internet, but they fall far short of being able to provide the level of detail and comprehensiveness that the 1000s of expertly moderated, smaller topic-specific directories can provide. In fact, as higher and higher quality versions of these topic-specific directories surface, the search path of many web surfers becomes two-tiered; the first level is using the major search engines and directories to find the best of breed sites for any topic, the second level is using the directory resources of these best of breed sites to quickly drill down to editorial and community recommended resources.

Obviously, these directories are unique to each topic and research will need to be done to identify the relevant ones for your company and your products and services. Keep in mind that these are not only website directories, but company directories (with or without websites), product directories, and service directories.

Three things that you need to do for every (Major or specific) directory submission is:

- 1) Ferret out which category (or categories) in the directory is most appropriate for your site.
- 2) Make sure your site doesn't have any pages "under construction," as directory editors will usually not give consideration to sites that appear to be incomplete.
- 3) Provide a concise description of your site and leave out all the propaganda.

Search Engine Strategy

Volumes could be written on this topic. Keeping up with how search engines work and more importantly how to get listed prominently in them is a very complicated and dynamic topic. Dramatic changes occur from year to year.

In the early days of the web, aside from directories, it was all about spider-based search engines that based relevance on site content and Meta tags. Altavista-like engines were the most important engines, and page optimization was the way to achieve high rankings. Then paid per click search engines such as GoTo secured syndication deals with all the major portals and thus enabled sites to buy their way to the top, which can still be done, but it's getting much more expensive. Almost simultaneously, link-analysis search engines such as Google showed up and quickly sidelined the old Altavista-types engines (Note: Altavista has changed and is more link-analysis based like Google today). With link-analysis engines, it's more important who and how many sites link to your site rather than how you've optimized your page. In other words, today it's much harder to fake it. The best way to get listed highly in the search engines is to have compelling content, make sure it's visible to the engines (Dynamically generated pages can create problems), and focus on building inbound links.

As mentioned above, search engine technology constantly changes. Your marketing department can save some time by buying a subscription to the Search Engine Watch (www.searchenginewatch.com). Additionally, depending on your marketing budget, it may be well worth it to consider outsourcing the arduous Search Engine Marketing (SEM) process to a professional search engine marketing company. Be warned that the search engine optimization industry is a little bit like the Wild West.

Anybody with a computer and Internet access can call themselves a search engine marketing company, and this is often the case. Choose wisely. It's probably best to ask someone you trust who has dealt with this before.

Keep in mind that getting well indexed by the search engines is a long term marketing approach. Don't expect to see results happen overnight, and maybe not even for several months. Nonetheless, financially, it's well worth the trouble.

If you're just looking to submit your site as is, here are the basics. You need to submit the URL for one or more of your web pages to the following search engines:

1. **Google** (<http://www.google.com/addurl.html>) – Submit only your homepage. Free submission.
2. **Inktomi** – (http://www.inktomi.com/products/web_search/submit.html) - \$39/yr per URL.
3. **All the Web** – (http://www.alltheweb.com/add_url.php) - \$35 for express submission.
4. **Teoma** – use AskJeeves (<http://ask.inedhits.com/>) - \$30 for express submission
5. **Altavista** – (<http://addurl.altavista.com/addurl/new>) - \$39 for express submission.

Keyword Buys on Search Engines

If you want to assure your company gets a prominent presence on the major search engines, you're best bet is to buy banner ads or text links that are targeted to particular keywords. Almost all search engines allow advertisers to purchase targeted keywords or phrases. By purchasing the keyword phrase "Medical Imaging" at Yahoo, your banner will come up every time a web user searches for the term "Medical Imaging" on Yahoo. Some search engines offer text links and some even allow you to purchase a good position in the actual search results. Even though these buys are well targeted for the most part, the effectiveness and pricing can vary dramatically from one search engine to the next. Like every other online media placement, picking sites and web pages with the right kind of traffic is more important than picking sites with the most traffic. Not only search engines sell keywords. It is becoming more and more common to see vertical portals that sell banners and text links targeted to keywords.

Building Links

Outside of online ad placements that are purchased for the sole purpose of branding, a large component of every paid web marketing initiative is related to building inbound links to a website, a splash page advertisement, or some type of commerce application. Paying for inclusion in a directory, paying a search engine optimization company to optimize your pages to get better results in the search engines, or buying a banner ad or text link on a site or in a newsletter are all just a form of building links. Often times, this is the central focus of a company's entire web marketing strategy.

Nonetheless, for the most part, putting a concerted effort into cultivating the vast amount of quality free inbound links available to a website is usually an afterthought for most websites. On the face of it, this appears totally absurd that companies would opt to go with the most expensive end of a link building campaign first, but this is typically how it happens. A good link building strategy is not something that

you can just throw money at. It requires someone to roll up his or her sleeves and put in a good deal of time and effort. Unfortunately, for many companies, when the marketing department is faced with 200 hours of concentrated effort versus a \$20,000 ad placement, they go with the ad placement every time. What's worse is that the ad placement, while probably just as essential of a marketing component, isn't going to have but a fraction of the long-term effect that a good group of well-placed links will have. Do your company a favor and bring in an Intern for \$10 and hour to do it the right way.

There are two tactical objectives that every link building strategy should have:

Objective #1 - Get links on relevant sites that will drive traffic directly to your site.

Objective #2 - Maximize the sheer number of relevant, quality sites that have a link to your site on the first or second level of their web site structure, so that you achieve a high ranking on the various search engines that index pages according to link popularity.

Objective #1

The first step is to get listed in the top directories namely: Yahoo and The Open Directory (www.dmoz.com). The next step is to scour the web to find all of the related web guides, portals, and link lists that are relevant to your product or service offerings. These are typically free listings or only require a nominal fee. Often times you can update or add your company listing by simply filling out a form. You would be amazed how many companies don't even bother with this step on the most popular sites in their industry. It's astonishing. They are usually giving out free, quality listings and still they have a difficult time getting any companies to give them the time of day. Even if you can't get a link back to your website, you may still be able to get your company name and contact info listed. Spend an hour or two doing a good job on this and then take your whole company's staff on a weeklong vacation on some tropical island with all the money you just saved by getting free advertising.

The next step is making your site worthy of being linked to. While your industry web guides, portals, and link lists may be more than willing to give you a free link, the other 99% of sites that are somewhat related to your line of products or services won't be so motivated. It is impossible to overcome the reality that the less useful your website's content is, the less likely it is that other sites will give you a link. Asking, however politely, for a link will not get you very far. Perhaps you will get a link on some buried "Links" page, but this isn't the kind of link that will address objective #1. The key to getting links is to add valuable content and reference sources to your site that are specific to your products and services. Get creative here. It may be difficult, time consuming, or require a sizeable cash outlay, but it is marketing dollars well spent. Think of this process as building a big magnet. If you do a good enough job here, the links will create themselves.

Lastly, keep in mind that a few good links will always be more effective than a bunch of relatively worthless links in reaching objective #1. Quality, not quantity is the objective here.

Objective #2

Search engines are continually trying to improve the means by which they index web pages so as to provide more relevant search results for their users. As a result, the number of relevant links each website has pointing to it is becoming more and more of a factor in determining a site's search result positioning. Newly launched web sites have a bit of a hill to climb before they even have a chance to compete with sites that have accumulated a number of links over the years.

Keep in mind that all inbound links are not scored equally. In general terms, the more relevant the linking site is to the term searched on, the more weight it carries with the search engines. Also, links that reside beyond the 2nd level (one click from the homepage) in a site's page structure are not usually given consideration by most search engines. And lastly, links in newsletters, while they may be extremely beneficial all by themselves, are not counted in the search engine game.

If you've spent significant time addressing objective #1 above, all that remains is to do is play the numbers game by seizing every opportunity to get 1st and 2nd level links on a substantial number of relevant sites, even if they won't bring you much traffic directly. There's really nothing to lose.

Paid Advertising

Online Versus Offline Advertising Budget

This really is the question of the day. What percentage of the marketing budget should be spent in online marketing channels? Obviously, it depends! It depends on what you sell, and whom you are trying to sell it to.

To make a sound decision, you first need to get the best answers you can find to these seven questions:

- 1) What percentage of your target audience is online?
- 2) Do your customers look online when making a decision to buy the types of products or services that you sell? Do you expect this to change in the near future?
- 3) What percentage of your sales is currently generated online?
- 4) How effective are the offline marketing channels available to your company at reaching the bulk of your target audience?
- 5) How effective are the online marketing channels available to your company at reaching the bulk of your target audience?
- 6) Which marketing channels, offline or online, have proven to be most cost effective in the past? (If you don't have a good answer to this question or to question #5 above, you're not entirely alone. Nonetheless, you're still making important decisions based on partial information. It's probably worth it to do a little test, measure, and refine exercise.)
- 7) Where are your competitors spending their advertising budgets? Does this present any strategic opportunities?

Once you've got your best answers to these seven questions on the table, then you are prepared to make the best decision you can. Before making this decision, you may want to heed two more suggestions:

- 1) **DON'T** use your historical offline/online allocation as a starting point to determine what an appropriate future allocation should be, unless you can think of a good reason as to why it should have any bearing. Media channels have changed, as have the way in which people access information.
- 2) **DON'T** let an arbitrary budgeting cycle paralyze your company's ability to act appropriately.

Banner Advertising

When you ask most people about marketing on the web, they usually assume you are speaking about banner advertising. While banner ads are really only one small aspect of the much broader online marketing picture, they are one of the only truly standardized ad vehicles that you are likely to run across. Most media owners, at a minimum, offer some form of 468x60 pixel banner ad placements according to one of the four ad pricing models: CPM, Sponsorship, CPC, or CPA (see the "Online Advertising Lingo" section for descriptions of these pricing models). Because banners ad placements are everywhere, it means that:

- 1) Comparison shopping different media channels is much easier with banner ads than with other advertising formats
- 2) An advertiser can utilize one piece of creative for placements in many different online media channels
- 3) Web users immediately recognize them as ad placements and thus tend to tune them out unless they are genuinely interested in the advertisers associated with a particular site.

The overwhelming majority of banner ads are sold on a CPM basis. CPM rates vary dramatically from site to site, and depending on the type of audience and the degree of targeting that is afforded, an advertiser can pay as little as a \$2-\$3 CPM rate all the way up to a \$150 or higher CPM rate. Going with the cheaper rate is not always better. On the web, a placement on a site with highly targeted, quality traffic is usually more responsive than one on a site with less targeted traffic. What constitutes a good deal really depends on your available alternatives.

Another common question in regard to banner ad placements is "What is the typical click-thru rate?" The layman's answer is that the average click-thru rate is between 0.25% and 0.5% for a somewhat targeted banner ad. Without targeting, you're probably lucky to get a 0.25% click-thru rate. Of course, the success of any single banner ad campaign is affected by a number of different elements, which include:

- **Relevancy** of message to the audience
- **Positioning** of banner ad on the page
- **Creative** elements such as color, copy, animation, etc.
- **Competing Ads** - Number of other ads occupying same web page

For an example of an award winning and likely very effective banner ad, go to:
<http://www.freestyleinteractive.com/clients/hp/butterfly/index468.html>

Text Ads

Text ads are becoming more and more popular as the effectiveness of standard 468x60 banner ads continue to slide. See the "Online Advertising Lingo" section (page 12) for a description of a text ad. Text ads can be found on both websites and in topical newsletters.

The current thinking in the online advertising industry is that, over time, consistent exposure to traditional banner ads of similar size and shape will effectively train web users to block out banner ads. Additionally, the current line of thinking is also of the belief that the overabundance of information available to people on the web has altered the way in which many time strapped web users read. Scanning a page's text

is becoming more and more commonplace. For these reasons, with all else being equal, text ads are widely considered to be more noticeable than banner ads.

To an extent, longer text ads are thought to be more effective than shorter text ads. Current thinking is that six to nine lines of 60-character text lines plus a URL is optimal.

Site & Section Sponsorships

The online marketing realm is ideally suited for site sponsorships simply because people come to web sites on their own accord. Web content is not being broadcasted to people or forced on them in any way. If they're interested in a certain topic, they actively seek out the content they want, from where they want, and then leave when they want. It's entirely up to the user. The effect of this is that an advertiser can bank on the fact that a site's audience has an affinity for the underlying site content where their advertising will be placed.

Branding aficionados will be hard pressed to find a more suitable medium to achieve their branding objectives than the web. If you're looking to positively reinforce your message in a non-commercial way by tying your message to a specific venue, it's likely that there are several content rich websites devoted to a part, if not all, of your target audience. Even better, these web sites are usually provided free to the user, so they have already generated a tremendous amount of goodwill. Whether your tactical branding strategy is to simply create awareness, enhance message association, or to effect purchase intentions, sponsorships of site content that is popular to your target audience is a powerful branding tool that, depending on your market, is probably widely available... at least for now.

Due to the ubiquitous nature of the web, certain 'best of breed' content tends to have a monopolistic pull on certain specific audiences. This spells opportunity for any company in a competitive environment where several competitors are targeting the same specific niche audience. Whichever company occupies the 'best of breed' content sponsorship in their market niche effectively locks their competitors out of that placement. A first right of refusal on that 'best of breed' content sponsorship is a valuable asset which creates a substantial competitive advantage over existing competitors and erects a barrier to entry for any potential newcomers. Location, location, location - if you can't build a magnetic web space for your target audience, own the best one out there. Hesitation here could mean that your company ends up getting locked out by one of your competitors.

Since sponsorships tend to be premium priced placements that run for a longer duration of time than other forms of online advertising, they usually constitute a more substantial financial commitment on the part of the advertiser. Media owners are well aware of this, and thus a greater deal of customization is usually expected on sponsorship campaigns. It's essential for an advertiser to take full advantage of this willingness to customize because sponsorships hold much more value if they are distinctly different, in the eyes of a web site visitor, than the rest of the site's standard advertising formats such as banner or button ads. In short, the advertiser's message should be integrated naturally with the content and there should be no doubt which company underwrites the content.

Email Newsletter Sponsorships

While similar in many ways, newsletter sponsorships have some advantages as well as some disadvantages over site or section sponsorships.

Newsletter sponsorships are more comparable to ads in a weekly or monthly trade journal, except for one rather distinguishing factor – you can tell who opens an email newsletter, and thus who is exposed to the advertiser’s message. In one form or another, each recipient opted to receive a series of email newsletters (just like an offline journal) at some time in the past. Site sponsorships, in contrast, are more comparable to event or venue sponsorship where the audience actively comes to a certain location. Thus, site sponsorships probably have a more captive, and receptive, audience. Nonetheless, if an advertiser is interested in achieving immediate reach and calculated frequency, then email sponsorships are unparalleled marketing vehicles.

Email newsletters come in many different formats (plain text, HTML, and potentially even rich media) and the sponsorship representation within those formats also varies from one to the next. Therefore, it’s often problematic to compare one email newsletter placement opportunity to another. Unfortunately, price and audience demographics don’t usually give the whole story.

The cost of sponsoring a newsletter distribution varies dramatically according primarily to demographic targeting. The cost of advertising in a newsletter is usually based on a cost per email sent which can be expressed as a cost per email or a CPM rate (i.e. \$0.10 per email sent which can also be stated as a \$100 CPM). Often times, newsletters are offered on a per-distribution pricing scheme that is updated every so often to reflect the changes in circulation. The majority of email newsletter sponsorships fall somewhere in the range of a \$20 CPM rate up to a \$100 CPM rate. If you want to be the exclusive sponsor, you can expect to pay a premium on these rates. Additionally, if you are trying to buy a sponsorship of an exclusive list of fortune 1000 CEO’s, you might be charged \$2 or \$3 per email which translates into a several thousand dollar CPM rate. Depending on your business objectives, this may or may not be a terrific bargain.

Rented Email Lists

In contrast to a paid sponsorship of an email newsletter where the advertiser’s presence is that of the underwriter, paying for a rented email list means the advertiser message is the whole email. It’s the online application of the traditional direct marketing practice of renting a mailing list. The advertiser is not given the email addresses for future use, but rather they are only allowed one distribution where the media owner maintains possession of the actual list. Rented email lists have a couple huge added benefits over traditional rented mailing lists – the advertiser knows who actually opens the email plus the recipient has the ability to carry out a direct response such as clicking through to a splash page for some desired result.

While rented email lists don’t hold the intrinsic value that comes from tying your message to popular content, they do have one big advantage over email newsletter sponsorships – they typically generate a higher direct response rate. Whereas an email newsletter sponsorship will usually generate a click-thru rate between 0.5% and 5.0%, a compelling direct email advertisement can generate a click-thru rate as high as 10% or sometimes even slightly higher. Of course, you’ll usually have to pay

a much higher cost per email or CPM rate for a rented list. CPM rates for rented email lists are all over the board depending on the degree of targeting afforded, but the majority of lists are usually sold in the \$100 to \$200 CPM range.

The advertiser's primary consideration when renting an email list should be the quality of the list. Send you message to a haphazardly collected list and your message could be construed as unsolicited spam email. Always ask how the list was compiled. See the section on "Email lists - Opt-in, Double Opt-in or Opt-out" (page 13) for an explanation of the different email recipient collection methods.

Another important element in the effectiveness of a direct email campaign is the type of email that gets sent. In general, plain text emails don't generate as good of a response as HTML emails, and rich media emails get the best response rates. If you're going to spend the money on a direct email, it might be well worth it to look into investing some of the budget with a rich media email creative company.

Paid Product Placements & Directory Placements

Paid product placements and directory placements are becoming more and more common as advertising on the web matures. In contrast to many interruption-based paid advertising options on the web, paid product placements and directory placements represent advertising that is the content users are looking for. As with the most effective marketing, it's less about distracting your prospective customers and more about making it easy for them to find the information they want.

When accessing product placements and directory placements, keep in mind how metrics vary across different paid advertising platforms, especially when you contrast interruption-based advertising with ads-as-content type placements. Take unique user sessions for instance. 10,000 unique user sessions during a month on c|net's digital camera category likely means nearly 10,000 prospective customers were researching a purchase, while 10,000 user sessions on "Outdoor Photography's" homepage (<http://www.outdoorphotographer.com/>) means 10,000 people likely came to read the latest photography articles. Which paid advertising placement is more valuable to a camera manufacturer: 1) The top banner ad on outdoor photographer's homepage (even at 100,000 user sessions), or 2) the top product listing in c|net's digital camera product category?

Ad Pricing Model Comparison

In general terms, CPA and CPC pricing models are more attractive to advertisers who aren't concerned with exclusivity or having a presence on the websites that offer the best (most responsive) media. If you're just looking to get traffic, any traffic, to your website, and you can find a CPC or CPA pricing model on a good media channel for your market niche, than this is probably your best bet. No big surprise here - you usually get what you pay for. Since media owners set their own pricing models, the premium media that is most responsive tends to be sold according to a sponsorship or CPM model. It's simply supply and demand. Given the ubiquitous nature of the web, like-minded users tend to gravitate towards a few select sites for each specific purpose. Because of this, advertisers can effectively put a strangle hold on their competitors advertising efforts in the one or two key websites for your niche by securing a few well-placed exclusive placements. These exclusive placements typically sell on a sponsorship or CPM pricing model.

Comparison Chart for the Different Ad Pricing Models				
	Sponsorship	CPM	CPC	CPA
Availability	High	Extremely high	Very low	Extremely low
Availability of premium web real estate being sold according to this pricing model	Best spots are usually reserved for sponsorship	Banners can be found everywhere but the most coveted spots	Very rare	Non-existent
Targeted	Almost always	Sometimes	Highly	As good as it gets
Branding potential	Extremely effective	Effective if delivered to targeted audience	Not usually as it's almost impossible to find targeted CPC banner placements	Rarely - CPA placements are usually only found with affiliate deals
Which party bears the risk	Advertiser - high risk, high reward	Advertiser - low risk if branding is goal, higher if click-thru is goal	Media owner	Media owner - high risk, little reward
Entry fee - Minimum cost to make a placement	Expensive	Moderate	Low	Extremely low
Potential risk for fraudulent charges	None	Minimal	High	Very high
Cost effectiveness if driving click-thru is your goal	Not really	Moderate	High	Extremely high
Degree of ability to quantify success with stats	Low	Moderate, but not if branding is being measured	High	Extremely high
Degree of ability to compare viable advertising alternatives	Low	Extremely high	Low	Low

Leveraging the True Power of the Internet

Permission Marketing

Seth Godin coined the term "Permission marketing" in the late 1990's. The concept of permission marketing is centered on the idea that in order for marketing to be effective, it needs to be both anticipated and relevant. In other words, unless consumers expressly ask to be exposed to your company's marketing messages, you're usually wasting your time by marketing to them because they won't register your message. While this has become more and more true over the last fifty years, two very powerful marketing realities that have surfaced in the last few decades have made it truer than ever. These are:

1. Consumers are becoming more and more overloaded with unsolicited marketing messages every day. The clutter has become so bad that some argue that consumers are experiencing information overload. The cost effectiveness of direct email marketing (no need to even buy stamps) is accelerating this trend at an even faster pace. As a result, a good portion of traditional advertising, or what Seth Godin calls "Interruption Marketing", is systematically becoming less and less effective.
2. Due primarily to the connectivity provided by the Internet, consumer access to all forms of information has dramatically increased. Consumers are no longer at an information disadvantage when buying products or services. Today's Internet powered consumers can effortlessly find all the available alternative product or service choices and comparison shop, often times, with the help of other consumer or professional opinions. Knowledge is power, and the power has slid down the supply chain over the past few decades from manufacturer to distributor to consumer. Today, consumers call the shots.

According to Seth Godin, the recommended course of action that marketers should take in response to these realities is to focus more on permission marketing. Ensure that your marketing correspondences are relevant, anticipated and desired.

The whole key to permission marketing is that the audience you market to can't be strangers. After all, how can a company possibly direct a relevant and anticipated marketing message to a group of unknown consumers? They can't. So the first step in any permission marketing campaign is to collect information that can be used in that campaign. Ironically, unless you've already got the necessary information you need for all the consumers you're targeting, you usually have to resort to "Interruption Marketing". Make no mistake, permission marketing is by no means a replacement to traditional "Interruption Marketing", rather, it's just powerful supplemental marketing technique.

The interactive capability of Internet advertising has really unlocked the promise of large-scale permission marketing initiatives. You can't collect information by placing an ad on TV, radio, or in print because there's no frictionless means for the audience to respond. Internet advertising is another story. Every ad has the potential to direct people to a form where information can be collected, or the information collection mechanism can even be encased within the ad. All that's left is to compel the ad

viewers to provide the necessary information and their express permission to send future correspondences.

The bread and butter of permission marketing is convincing members of your target market to give you their unequivocal "permission" to send them marketing messages. The only way consumers will likely give permission is if something of sufficient perceived value is in it for them. Even after you get the initial permission, you can lose it at any moment if you abuse the relationship. Permission marketing is a journey, not a destination. The more value you provide to the consumer over time, the stronger your bond of trust grows and the more open the consumer becomes to your marketing suggestions.

Some popular methods of launching permission marketing campaign on the Internet include:

1. Offering an entry into a contest or sweepstakes in exchange for contact information and permission to send future marketing correspondences on a particular topic.
2. Offering a free email newsletter on a topic of interest in exchange for permission to include messages from sponsors in the emails.
3. Offering a free white paper or e-book on a topic of interest in exchange for contact information and permission to send future marketing correspondences on a particular topic.
4. Offering a convenient service such as reminders of birthdays and other special dates in exchange for permission to include messages from sponsors in the reminders.
5. Offering email updates on deals or sales on items of interest in exchange for contact information and permission to notify the consumer when these sales or deals occur.

In addition to Internet initiatives, the effectiveness of permission marketing can be leveraged by traditional offline brick-n-mortar activities. A well-known card and gift retailer did a permission marketing campaign a few years ago with limited edition Christmas ornaments. At the point of purchase, the counter person offered the customer a free service whereby the customer could receive an email notifying them when next year's collection was available. Sales skyrocketed immediately after the following year's email announcement. The marketing message was both anticipated and relevant, and so it was wildly effective. That's the power of permission marketing.

Viral Marketing

Viral marketing has been a popular buzzword in online marketing during the last couple of years. As ominous as it may sound, it really means nothing more than the online equivalent of traditional word of mouth marketing, relationship marketing, or network marketing. The big news, however, is that the connectivity provided by the web and email have fundamentally altered the ease with which like-minded individuals can communicate. Word of mouth before the Internet and email was an extremely important marketing function and companies usually exercised some deal of control over the whole process. As word of mouth morphed into word of mouse, the power of the network effect grew exponentially plus companies really lost almost all control. Nowadays, customers are becoming one of the most important marketing channels that a company has and effectively leveraging their communication networks is of paramount importance to the success of every company.

Whether or not we're aware of it, we've all experienced the power of viral marketing in one form or another. Some hallmark examples include:

- **Hotmail** – The poster child of viral marketing. A small company offers a handy free web-based email account to anyone with one small catch – every email you send will have a small tagline that reads something like “Get your own free email from Hotmail at <http://www.hotmail.com>”. Users become sales people and every communication is another pitch. In no time, they have millions of customers and Microsoft acquires Hotmail.
- **Blue Mountain Arts** – A couple which owned a small specialty greeting card company starts offering the ability for anyone to send free electronic greeting cards via email with one small catch – in order for the recipient to pick up the greeting card, they have to link back to the Blue Mountain Arts website where they realize that they too can send electronic greeting cards to anyone. Users become sales people and every communication is another pitch. In no time, they have millions of users and they think, “Hey, all this traffic is probably worth something”. It was.
- **Amazon** – While they already were a substantial web retailer, in July of 1996 Amazon decided to try their hands at affiliate marketing. While they didn't exactly pioneer affiliate marketing, they definitely were responsible for popularizing the idea. They started offering a commission system whereby any appropriate website could generate a percentage of the revenues of sales that resulted from a direct link from that site to Amazon's bookstore. Every new site that signed up became a new member of Amazon's sales force and brought all their customers with them. Amazon went from being a substantial web retailer to being THE web retailer.
- **Budweiser's Whassup Guys** – Budweiser launches a goofy ad during the Superbowl that essentially coined a new greeting. From there out, every time someone mimicked the ad, they were effectively acting as a spokespeople for the coolness of Budweiser. While this was a traditional network-marketing phenomenon, various online spin-offs surfaced. One popular variation was an emailed streaming media file of a group of grandma's doing a “Whassup” parody.

While hitting a homerun over the fence like the companies in the above examples is largely a factor of luck, every company should, consider how best to leverage the

viral marketing potential available to them. To properly identify viral marketing opportunities, you've got to know what to look for and what the critical elements of a successful viral marketing campaign are. Here are the five core components that make a product or service viral:

1. **Compelling value proposition** – Unless your service or product is compelling, it doesn't have a chance to become viral. A prerequisite in any viral marketing campaign is to create product or service that represents a compelling value proposition to the consumer. Only then can you begin to focus on the viral question of "OK, now how do I get them to recommend this to their friends and colleagues?" Hotmail and Blue Mountain Arts provided a free service that filled a need that, at the time, were also very unique services.
2. **Motivated consumers** – The principal difference between a product or service that possesses viral marketing potential and one that doesn't is that one with viral potential incorporates some form of incentive or motivation for the current user to introduce and promote the product or service to others. Effective motivators include: the desire for respect, the desire for affection, the desire for affiliation with others, the desire to be accepted, the desire to appear cool, material desires, etc. Take a quick peek at Maslow's Hierarchy of Needs if you need some more ammunition.
3. **Leverage communication networks** – Viral marketing online is so much more powerful than traditional word of mouth or network marketing primarily due to the fact that the Internet and email are extremely efficient and effective tools of communication. One to many broadcast communication has become available to anyone with a computer and an Internet connection. Any individual can now throw together a website and address the entire online world. Quality web sites focused on specific topics attract like-minded individuals from around the world and suddenly communication networks have become exceedingly more vast and, at the same time, much more relevant. Email, instant messaging, and other forms of one to one communication have also improved both the convenience and effectiveness of existing personal networks.

Successful viral marketing initiatives need to take advantage of these existing forms of communication as well as newly developing communication networks to increase a consumer's ability to introduce or promote goods and services to others.

4. **Frictionless transmission** – Once you've got a consumer using your product or service, you need to make it slam-dunk simple for them to talk it up to their network of friends and colleagues. Ideally, like in the Hotmail and Blue Mountain Arts examples above, this functionality would even be built into the whole process. By simply using either service, you are spreading the word. Not many viral campaigns are lucky enough to include this type of built in transmission process, so for most viral marketing campaigns the focus is on just making it easy. If you want people to tell others about your web site, it's a good idea to include a "Refer a friend" email forwarding web form for them to use. The easier it is to spread the word, the better.

5. **Scalability** – Viral marketing innately spreads like wild fire and the easiest way to kill a campaign is to not be prepared for the enormous amount of growth potential. Running out of product or failing to be able to support the newfound demand for a service will lead to an unfortunate backfire effect. If your campaign relies on internal sources as it grows, make sure to plan for exponential growth. If possible, it's best to design a viral marketing initiative so that it utilizes the resources of others. Amazon's affiliate program is a good example of this. Adding ten thousand affiliates in a short period of time doesn't pose a huge cash flow problem for Amazon because they only have to pay commission on monies that they've collected. On the other hand, not being able to keep up with demand could have been another issue, although I think Amazon covered them selves on that point as well. A company like Blue Mountain Arts, started with just two people, probably had to deal with some serious scalability problems in terms of server space just to keep up with their overnight growth in popularity.

The most important thing to remember when attempting to craft a viral marketing campaign is that the product or service that you are trying to promote must be absolutely compelling and unique. In other words, you can't fake it. Your best bet is to first concentrate on providing an extremely beneficial service or product. Without a rock solid value proposition, no amount of viral marketing finesse will make much of a difference.

Here's a few examples of viral marketing in action on the web to get your creative juices flowing:

- Recommend this site to a friend – www.recommend-it.com
- Email or fax this article to a friend – almost any online content site
- Photo sharing sites – www.ofoto.com
- Political causes – various case by case online grassroots movements
- Free teaser content for link backs – www.moreover.com
- Affiliate programs – www.linkshare.com
- eFax service – www.efax.com
- Instant messengers – www.odigo.com
- PDF reader – <http://www.adobe.com/products/acrobat/readstep.html>
- RealPlayer – www.real.com
- File sharing services – www.napster.com (Now forced to shut down)
- Electronic greeting cards – www.bluemountain.com
- Email post cards – www.amazingmail.com
- Email humor – the dancing baby, the whazzup grandmas, etc.
- Games – Elf bowling
- Customer complaint sites – www.planetfeedback.com

Affiliate Marketing

Affiliate marketing is the online version of a strictly commission sales force. It's a pure revenue sharing relationship whereby websites promote goods or services from another site on the come (no money upfront). If they refer a customer who turns into a sale, they get a commission of the revenues generated. If they don't generate any sales, the company selling the goods or services doesn't incur one cent of expense. Sounds like a pretty good deal for the company selling the goods and services, huh? It is, as long as you can attract a lot of quality affiliate sites.

Most old-school marketing types start salivating when they first look at affiliate marketing. It seems to be the holy grail of marketing – risk-free marketing. Who needs a marketing budget when you only have to pay commissions out of collected revenues? While this cost per action advertising model can be a very powerful component of a comprehensive online marketing strategy, it is not the singular answer to online marketing as many companies believe it to be for a couple of reasons:

1. **Making the misguided, yet often touted, marketing stance, “We only do strict revenue share (or cost per action) advertising,” means you’ve effectively eliminated consideration of any of the top, most responsive, advertising channels.** Websites that represent the highest quality marketing channels for any given good or service are usually well aware of the value they offer vendors in their industry. Thus, almost all of the quality marketing channels chose not to participate as affiliates because they know they have the privilege of being able to demand traditional advertising rates characterized by the advertiser bearing the majority of the risk. If the advertiser isn't confident enough that their business model can absorb the risk of advertising and doesn't want to pay the going rate, then the owners of the quality media channels usually won't bend over backwards to appease them.
2. **Unless affiliates realize somewhat significant compensation on a consistent basis for their participation, they will quickly lose interest and probably discontinue being an affiliate.** The untold story of the vast majority of affiliate programs is that affiliates are lucky to realize even modest revenues out of the deal. Many affiliates never even see a dime. The sites offering the affiliate program, on the other hand, can realize great gains in both advertising exposure and sales. What's more, often times, a good chunk of these sales don't occur as a direct result of the affiliate efforts (or aren't adequately tracked to determine the actual referral source), and thus don't generate a commission payment for the affiliate. Unless the following three requirements are all met, it's a safe bet that the affiliate isn't going to make much, if any, revenue from the deal:
 - **Extremely Relevant** - The products and services being offered by the affiliate program must be extremely relevant to the affiliate websites audience
 - **Extremely Well-Placed** - The affiliate banner ads or text ads must be extremely well placed on the affiliate's website to optimize the click-thru rate. Without an explicit click-thru action, there is no way to tell which web surfers came from which, if any, affiliate site. To put this in perspective, imagine your favorite trade magazine only getting paid by

it's advertisers according to the number of people who fill out and send in the reader service card AND then follow through and make a purchase right away.

- **Fair Compensation Policy** - The affiliate program must offer fair compensation to the affiliate for sales that are, in fact, a result the affiliates promotional efforts even if the sale is not made immediately following a click-thru from the affiliate site. It's impossible to account for all possible scenarios, but some affiliate programs offer affiliates compensation for indirect referrals such as when a web surfer click-thru one day and returns directly to the commerce site a week later to actually make the buy. This delayed referral credit policy is called, "Return days," which is usually tracked by cookies (a small file that is downloaded to a computer's hard-drive, usually without the user even knowing, that serves as a recognition device upon subsequent visits to a given site).

A successful affiliate program that is built to last can only be achieved if affiliates are well taken care of, or if there is a whole bunch of them and they are too desperate to care. The "too desperate to care" part isn't a joke. In fact, this is precisely why affiliate programs work so well on the Internet. Sales from affiliate marketing are estimated to represent well over 10% of Internet sales today, and many studies predict this number to grow. The obvious question that you may be asking is, "Why is this so popular if affiliates aren't making any money?" Quite simply, it is because there is a rapidly growing base of millions and millions of small website owners who feel they haven't got anything to lose by joining an affiliate program. Worst-case scenario is they don't make anything, which is exactly where they sit without joining. Best-case scenario, they make a buck or two, and a few sites do relatively well.

The bottom line is that, done right, affiliate marketing is a powerful means to organize small individual contributions by a large number relatively inconsequential websites to achieve an economical and effective sum marketing result. Five affiliates won't make a dent, five hundred and you'll see a significant impact, and five thousand means you've got a formidable and powerful marketing army.

While you can conceivably develop an affiliate program in-house or integrate an off the shelf solution into your site, for most sellers this is probably more work than it's worth considering there are many well refined ASP models that will do the leg work and maintenance for a set-up fee, a cut of the revenues, and usually a yearly renewal fee. Two popular affiliate program application service providers are Commission Junction (www.cj.com) and LinkShare (www.linkshare.com).

Syndication Strategies

Syndication on the web is when one web site (or source of information) provides content to another website in exchange for some form of reciprocal benefit. Sometimes this reciprocal benefit is merely a hyperlink back to the originating content site. Sometimes a logo or marketing message is tacked onto the syndicated content and it's exchanged for the residual brand marketing effect. Other times the exchange involves some form of syndication fees.

The syndication of content on the web makes sense for both content rich sites and content deficient sites primarily because, above all other purposes, customers use the web as a source of information. If a purely commercial site doesn't possess at least some form of truly useful information to their target market, then it's a constant uphill battle to attract the attention of customers. Due to the fact that creating valuable content is not cheap, many sites choose to avoid the time and money commitment involved in creating the content and just syndicate content from others. It's a straight forward build it or buy it choice. The other side of the equation is that the sites with the content want to fully realize the value of their content. For these players, syndication enables them to leverage the value of their content for branding, traffic generation or monetary purposes.

The primary marketing objective that syndication addresses is to drive traffic to a website. To achieve this, there are two means by which syndication can be used. You can either syndicate your own content in an attempt to drive traffic back to your site, or you can enhance your website and increase your site's stickiness by obtaining relevant syndicated content from other sites. Any company with a website can utilize at least one side, and perhaps both sides, of the syndication coin as an effective marketing strategy.

Syndication Strategies for Content Rich Sites

Creating content is only half the battle. Syndication provides a means to leverage that content.

Hosting content on an Internet merely makes it possible to reach. The goal should really be to make it probable that your target audience will reach it, and the only way (other than typing the known URL into a browser) for a web surfer to access your content is through a link from another source. Building these links from other sites becomes a whole lot easier if you can incorporate a compelling benefit to entice other sites to link to yours. Offering valuable syndicated content "teasers" free of charge is an effective method of building links. Some traditional forms of content syndication "teasers" are:

- Regularly updated news headlines where a user has to click thru to the content providers website for the full story (see www.moreover.com)
- Search boxes that can query some type of database from a remote site. Good examples are stock quote look-up boxes that you see on various sites, or weather forecast boxes where you're asked to put in your zip code.
- Regularly updated entertainment resources like a quote of the day, a cartoon, or a joke.

The important consideration when looking at syndicating content in this manner is whom your content presents value to and if there is enough of those types of sites to

justify your efforts. This is especially true for a syndication strategy that requires creating fresh content on a recurring basis, which can be an expensive proposition. Syndicating search boxes that query databases is a lot less labor-intensive initiative.

An alternative syndication strategy for content rich websites is one where content is exchanged for monetary compensation. This really address a financial objective rather than the marketing objective of driving traffic to a website. In this model, the entire content, not just a "teaser", is usually provided to paying sites and no link back is required.

Syndication Strategies for Content Deficient Sites

The primary motivation for utilizing syndicated content from another site is to empower users to utilize your site as a comprehensive one-stop resource for all the relevant information they desire. Many businesses shy away from this type of linking to other websites because they feel it undermines the whole point of putting up a web site – to attract people. The thinking is, "If I link out to another site, I've lost the user I spent so much time and effort attracting". Surprisingly, this narrow-minded, short-term thinking view of the web is an extremely prevalent line of thinking. The reality is that if a website is worth visiting at all, it's worth visiting more than once. You may lose the user for the moment, but they will be back. After all, the whole point of search engines, the most popular Internet application after email, is to enable someone to intelligently click-thru to another site that they would rather be at than the search engine.

There are many forms of very useful content available to websites free of charge. If you want daily updated news feeds on specific topics, take a quick look at Moreover.com (www.moreover.com). In about two minutes (no joke), you can choose from hundreds of industry or interest specific news feeds, customize the look and feel to match your site, and grab the code to slap into your site. Suddenly, you're company's brochure site has a pulse and a compelling reason for visitors to return on a regular basis. Depending on your industry, there are likely many other content rich sites that offer free syndicated news headlines. It's worth looking into.

Other forms of free content such as weather, stock quote look-up boxes, search boxes that query some form of database, and entertainment features are also available. If any of these would be of interest to your site's users, take a look around and see what's available. Sometimes these services will require a nominal set-up fee. Other times, they might even pay you to add their content to your site. These payments typically come in the form of a few cents per click-thru that originates from your site.

If you are interested in sourcing content in its entirety so that your users can get all the information they need without ever leaving your site, then you're probably going to have to pay a syndication or licensing fee. There are a few syndication intermediaries that operate as market makers between sites that have content and sites that want content, and this is probably a good place to start if you're looking for a very specific form of content. You should also directly contact the leading web content providers in your industry about full content syndication. If they don't already have a standard syndication offering on the content you're looking for, they will probably do a specialized deal for the right price.

Market Research

If you don't know your target markets point of view, you do not have a legitimate foundation for any other marketing element. You can't possibly know how to market to them, how they will receive a product or service idea, or how you can improve your current offerings. Any company not doing sufficient market research is at a huge disadvantage. In the past, this disadvantage may have partially been due to a lack of financial resources. Not anymore. The Internet has leveled the playing field, and today every company should reassess their use of the powerful marketing research tools available to them.

One of the most popular business uses of the Internet is secondary market research. It has never been easier to check out your competition or target market. As the Internet matures and continues to organize into like-minded web communities, the opportunities to utilize the web for primary research are becoming more and more attractive.

The ease with which the Internet enables the collection of information has had a dramatic effect on both the speed and costs involved in many forms of market research, especially the administration of surveys. Expensive and time consuming survey administration that has traditionally been done by phone, direct mail, or face to face solicitation, can now be accomplished in much less time and at a lower expense using website and email solicitation. What historically took several weeks can now be accomplished in days or even hours.

Access to this kind of rapid, inexpensive feedback has significant implications for all businesses. Businesses that had a difficult time justifying a large cash outlay for necessary marketing research are now finding it within their budget constraints. The compressed timeframe afforded by email and Internet survey administration means that customers can now efficiently be incorporated into the decision process of your business. Have an idea? Discuss it with your internal team Monday, bounce it off your target market Tuesday, and then make a decision before the end of the week.

If you have a website with significant traffic or a large enough email list that is also representative of your target market, then administration of a survey requires very little expense thanks to inexpensive web survey application service providers like Zoomerang (www.zoomerang.com). If you don't have the necessary audience, simply approach a popular site that attracts an audience representative of your target market and ask them to handle the administration of your survey.

Some useful surveys to consider include:

- Customer satisfaction surveys
- Idea testing for potential business opportunities
- Testing the effectiveness of advertising creative before a paid placement
- Assessing the awareness, attitude, and usage of a brand or product
- Concept testing to determine product or service attributes to bundle
- Pricing sensitivity surveys for a new or existing product or service
- Product or service evaluation
- Solicitation of product or service suggestions from your target audience
- Web site evaluation
- Web site visitor profiling

Of course, survey administration is only one part of a three-part process. First, a savvy market research person needs to create unbiased questions. Without unbiased questions, the results are fairly worthless and perhaps even counterproductive. Then, once the survey results have been collected, adequate analysis needs to be done. Nonetheless, the administration component has traditionally been the most expensive and time consuming part. Not anymore.

In addition to surveys, the proliferation of topic focused web communities has also facilitated the process of recruiting participants for focus groups and other market research initiatives.

Bootstrap marketing Online

Creating an Email Discussion Group

Email discussion groups are nothing new to the online world, however, in the Internet's transition from primarily a non-commercial medium to today's commercially driven medium, they seem to have gotten somewhat lost in the shuffle. The majority of traditional companies moving onto the web have largely ignored the immense and targeted marketing power of email discussion groups.

Not to be confused with on site discussion groups or message boards where users must come to a website to read or make a post on a topic of interest to them, email discussion groups leverage the push power of email to stimulate discussions. Email discussion groups are administered by fully automated software that directs email posts from any single member to everybody else in the group. Members become a part of the circulation by sending an email to a specific subscribe email address, and they can unsubscribe at any time by sending another email to a specific unsubscribe email address. Someone who has a keen interest in the topic usually moderates posts before they are distributed to the entire group to keep out the overtly commercial messages, stimulate new discussions, and to generally keep the group on topic. Most of the time, the moderator is also the owner or creator of the email discussion group.

Subscribers can usually choose between three different message delivery methods:

1. Receive an individual email for each post by any group member
2. Receive a single daily digest email containing all the posts for that day
3. Don't receive any email, but instead read the posts at a designated website

To understand the power of these discussion lists, consider the email generated by each of the above delivery methods for a modest sized group of 500 members where, on average, 5 members (1% of the membership) make a post or a reply every day. Here's the email generated:

1. Individual email delivery – 500 members x 5 individual emails per = 2500 emails per day or 75,000 individual emails per month. Each subscriber would receive 150 emails each month, or 5 per day.
2. Daily digest – 500 members x 1 digest per day = 500 emails per day or 15,000 emails per month. Each subscriber would receive 30 emails each month.
3. No email, read on the web – This is essentially a discussion board. The subscribers would receive no emails.

Since each subscriber makes his/her own delivery choices, the reality is that the emails generated fall someone in between example #1 and #2. If it's a small list with 50 to 100 people on it, more subscribers will be willing to receive individual emails of each post. If the subscriber base is much larger, like say 1000 subscribers,

then it becomes much more compelling for users to opt for the daily digest so they don't get buried with email.

The marketing applications of email discussion groups are numerous. For many types of companies, an email discussion group can be a great deal more powerful than their website. If you were an avid long distance runner, track coach or some other influential in the running scene, which resource would you find more appealing?

1. The Adidas running shoes website (<http://www.adidas>) - a nice, but typical, brochure, product catalog, and e-commerce site.

-OR-

2. A running email discussion group on Yahoo! Groups called Running that is self described as "This is a list for runners, joggers, power walkers and serious distance and marathon competitors. Feel free to talk about ANYTHING pertaining to this topic. Tips, questions, and advice is welcome. also, your opinions on running accessories are encouraged!" View it at <http://groups.yahoo.com/group/running>.

There's no reason why Adidas couldn't create their own "Adidas Running Shoes" email discussion group, or support an existing one. The only potential problem arises if Adidas were to use its moderation power to censor the posts in its favor, or blatantly use the group to bombard the participants with advertising. Email discussion group participants aren't stupid and they can excuse themselves at any time by simply sending an email, so a company needs to be tactful if they don't want to alienate the audience. A better option might be to have a non-biased third party moderate the group while the company acts as the sponsor and provides expert contributors as a resource for questions from the group. You lose a little control here (as if you have much anyways, nowadays), but this non-biased moderation approach adds a lot of validity and thus the group will be a lot more attractive to would be participants. The important element is that your brand is wrapped around the group and that the group establishes itself as THE email discussion group for your niche market.

So, how does a company go about starting an email discussion group? There are a number of approaches you can take:

- **The free approach** – Set-up one up at one of the popular free email discussion list hosts like Yahoo! Groups (<http://www.yahooqgroups.com>) or Topica (<http://www.topica.com>). Yahoo! Groups has more bells and whistles.
- **Somewhat customized approach** - If you're looking for a more customized approach, you can find something for under a couple hundred dollars per month. A few of the many companies to consider include:
 1. BulletPass (<http://www.bulletpass.com>)
 2. Mail-List (<http://www.mail-list.com>)
- **Non-biased plus instant popularity approach** - Approach a non-biased, third party site that attracts a large number of the target audience you're looking for and ask them to set-up and moderate the email discussion group for you. If they don't already offer this service, they will surely consider it if

the price is right. This route not only gets you a administration free email discussion group, but it also assures it will instantly attract a large following. In no time, you could have your name around the hottest email discussion group in your niche. The more useful the group is for participants, the more popular it will become, so you may want to consider soliciting, or providing, some experts to answer questions from the group.

In today's world, a company's brand identity is becoming more a factor of consumer interaction than a series of company choreographed broadcasts. Companies can either choose to stick their head in the sand and ignore this or try to tame the beast. Email discussion groups are a powerful means to address this changing tide.

Publishing an Email Newsletter

In contrast to an email discussion group, which leverages the interactive nature of the Internet, an email newsletter is purely a broadcast medium. Nonetheless, they are very efficient and cost effective communication tools that open up a communication channel with potential customers. Email newsletters typically have a specific delivery schedule. They can be thought of as the online version of a daily or weekly paper, magazine, or journal.

If your company can provide content that is of interest to people, starting your own newsletter is a powerful and inexpensive broadcast marketing tool. The content you can provide may be more appealing that you think, even if it's overtly commercial. Consider offline catalogs from companies like Nordstrom. Lots of people actually look forward to receiving these strictly commercial catalogs in their mailbox every so often. Email newsletters can address similar consumer needs.

There are numerous options for handling the email management and distribution of an email newsletter. Determining the content to include and the structure for a newsletter is something every company has to figure out for itself. Here are some generally accepted guidelines and tips to keep in mind:

- HTML newsletters outperform plain-text newsletters in terms of click-thrus. The downside is that it is likely that a small percentage of your recipient list will not be able to view HTML emails because of an insufficient email client, so you will have to either create a separate plain-text version for these users or risk alienating them.
- Regularly recurring newsletters will get opened by a larger percentage of your subscriber list if the email subject line is personalized in one form or another. Something as simple as including the current date in each newsletter's subject line can increase the percentage of newsletters that get opened.
- The objective of an email newsletter can go way beyond simply broadcasting information. By incorporating a large number of relevant links into an email newsletter, you create a doorway into your site from within each recipient's mailbox.
- Integrating interactive features into an email newsletter enhances the recipient's experience. Two popular interactive features include: having a customer feedback mechanism, and including polls of interest in one issue with the results in the following issue.

Email Marketing to Existing Customers

Everything in this section is equally applicable to email marketing with rented lists except that with rented lists you're have to pay each time you use the list. Once your company has built an internal customer or prospect database, the primary marketing costs are time, not money. If you're short on money but have plenty of time, this may be good news. Bootstrapping is alive and well in the world of email marketing.

Keep in mind that high-quality email marketing is somewhat of a rarity because it's still a relatively new discipline. Everyone pretty much understands the general concept and that it has a lot of similarities to direct mail, but, for the most part, the execution leaves something to be desired. Here are six components to think about when crafting your own email marketing campaigns:

1. **Internal list development** – even if your company currently lacks the wherewithal to deploy a rock-solid email marketing campaign, it's still a good idea to start aggressively building a demographically segmented email address database of your target market. It's a simple goal. Don't overcomplicate the implementation. If you have to, cast technical elegance aside. One simple, efficient, and effective means is to walk around at a relevant tradeshow and solicit business cards. With a little sweat and tears, you can have a starter list demographically segmented by general position (executive, manager, professional, salesperson, engineer, etc.), geographic location, gender, and company.
2. **Don't be afraid of trial and error** – Because effective email marketing is largely misunderstood, half of the payoff result of an email marketing campaign is going to be lessons learned. Therefore, it's wise to take a scientific approach to every email campaign. Test something here, tweak something there, and keep track of the results. Each experiment should help to increase the effectiveness of the next campaign. Hesitating to try until you absolutely know what you're doing will only result in your company getting further and further behind the capabilities of your competition.
3. **Have a relevant landing page** – Most email marketing campaigns include a call to action that asks the recipient to click-thru to a web page for one reason or another. A surprisingly large number of campaigns have a compelling offer that, when clicked upon, takes the recipient to the company's website homepage. Unless the desired action is to just get someone to visit a website, you're wasting both the users and the advertisers time here. Create a landing page that is relevant to the call to action in the email.
4. **If you can track it, you probably should** – When sending an HTML email you can identify how many emails were actually opened by including a graphic file from a uniquely identifiable location. The number of requests for that graphic is the number of emails that were actually opened. Anyone who didn't open the email won't generate a request. Additionally, any link in an email can easily be hyperlinked to a unique URL created specifically for tracking responses associated with a particular email. Of course, this is very simplistic tracking for the do it yourself email campaign. There are numerous email marketing service providers that bundle link tracking, and other statistical measurement tools into their services.

5. **The subject line of an email is of paramount importance** – It's safe to assume that your email will be one of an increasingly overwhelming number of emails your recipient receives during a given day, so you're first hurdle is to just get them to open it. This may seem absurdly obvious, but just think about how many poorly designed commercial emails you erase everyday without opening. Then think about the last potentially catastrophic virus infested email that you willingly opened. Consider why? Your e-mail's subject must:

- Be brief
- Be relevant
- Be to the point
- Convey a benefit, not explain a feature
- Incorporate a teaser to open the associated email

6. **Leverage the signature** – From marketing prospective, the closing line, "Sincerely, XYZ Sales Team," isn't particularly useful. It's impersonal, it doesn't give contact info, it doesn't convey a benefit, and it doesn't contain a call to action. It doesn't do much of anything. It's worthwhile to take full advantage of the signature on every email, especially on a direct email marketing piece. Four critical components to include are:

- **Make it personal** – use a real person's name so the recipient knows whom to contact with any questions.
- **Include appropriate contact info** – Include an internationally recognizable phone number and an email address at a minimum. Consider using an email alias with an auto-responder to give immediate recognition of any inquiries.
- **Convey a benefit** – Reiterate to the recipient why they should care in a concise tag line.
- **Include a call to action AND a link** - Nothing new here for direct marketers, except that getting a direct response is a great deal easier with email.

Here's an example:

Best regards,

Stephan Aarstol

Phone: +1 (858) 490-1470

Email: Stephan@auntminnie.com

Don't get left behind! Read "Online Marketing Demystified"

It's free. Download at <http://www.auntminnie.com/omd.html>

Becoming an Expert on Someone Else's Site

One of the most cost effective ways to create business for your company is to have a member of your staff become a resident expert on one or more high traffic websites that attract your target audience. Accomplishing this may be easier than you think. Sites that generate a lot of traffic are always looking for a means to enrich the content they can provide to their audience. If you offer to serve as a resident expert resource to answer user questions and post periodic content on a topic that you have some experience with, they'll usually be more than happy to give you the credit. They won't let it be overtly commercial, but they will surely allow you a byline that lists your company, the line of business needs your company serves, and your position within that company. With a few hours commitment per week, or maybe only a few hours per month, a staff member of your company can become widely known as THE expert in his/her specific field in a short period of time. That's the power of the web.

Every company, including ones without a website, has employees that could be considered "experts" to a certain degree on one thing or another related to their industry. This relative expertise can be a very valuable asset that attracts business on the web if, and only if, you can draw a substantial audience representative of your target audience. Chances are that a good portion of your target audience is already on the web frequenting the major destination websites that have relevance to the industry your company is in. Your customers probably already consider you somewhat of an expert at what you do, and they probably contact you if they have a relevant question. There's no reason that you have to limit yourself to your existing customers. Offer your expertise free of charge to a high traffic site and you're reach and influence increases exponentially. So, too, will your customer base. What's better, you'll be riding on the coattails of the hefty marketing budget they spend attracting your potential customers in your target market.

A person doesn't need to have won a Nobel Prize to qualify as an expert in his/her field. Almost anyone who has been in a business long enough has some expertise. Consider approaching a content-focused website in your industry, or a site that you believe your prospective customers frequent. Offer to write a whitepaper, serve as an expert to answer user questions on a particular topic, etc. They may not necessarily be soliciting experts, but they would probably be more than happy to make this expert resource available to their user base as long as it was kept on a non-commercial, professional level.

Consultants are especially well suited to this type of endeavor. Establishing oneself as THE expert on one or more of the most popular websites in a particular industry is a compelling and influential asset to add to a resume or portfolio.

Some benefits that a potential expert can offer a portal site are to:

- Contribute a white paper
- Contribute articles on a recurring basis
- Offer to moderate a discussion board
- Offer to moderate an email discussion group
- Make yourself available by email to answer user questions
- Periodically staff a live "Ask the Expert" Q&A chat session

Since there is little reason for portal sites to have multiple experts on the same topic, there's a huge first mover advantage here. Let a competitor beat you to the punch

and it is going to be hard to supersede their position as the resident expert on that site.

Whitepapers and FAQs as Marketing Tools

Above all, the web is a source of information. If you create the best source of information on a particular topic and either slap it on the web or make it available for reprint, you'll find that other people and other websites will voluntarily promote it for you. White papers and FAQ's that comprehensively cover a topic are powerful tools to generate this type of voluntary promotion by others. Keep the self-promotion to a minimum and people will willingly promote your resource, link to it, or even reprint it in it's entirety on their websites (with the required byline credits, copyright statement, and owner's brand all over it, of course).

Try to create the best source of information on a topic of general interest and you'll probably find a lot of other people doing the same thing. If you concentrate on a more specific the topic, you are more likely to have the market cornered. There are numerous types of resources that will work here. A non-biased, comprehensive set of FAQ's designed for someone looking to make a purchase of a product or service that you offer is probably an easy one to create. Writing comprehensive educational white papers or useful tutorials are other possibilities. Whatever content you use, make sure it's useful and make sure to encourage the promotion, distribution, and exact reproduction of it by anyone and everyone.

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