



Internet Marketing

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Introduction

Recent studies indicate that 62% of Western Canadian small businesses are marketing their products and services online through Internet tools, such as websites, search engine optimization, banner advertising, and email marketing. Internet marketing can be a time and cost-saving supplement to your overall marketing strategy.

The influence of the Internet on the business of marketing is growing significantly each year, as more small businesses go online.

Imagine being able to tap into the global marketplace from the convenience of your home office. Imagine reaching a much wider audience, quickly measuring the results of your marketing efforts, and having the ability to readily and cost-effectively adapt to changes in the marketplace, all with the click of a mouse. The Internet now makes this possible. And, as more small businesses go online, the Internet's influence on marketing grows significantly each year. In 2005, Internet sales revenues are likely to surpass USD \$133 billion worldwide.

This Info-Guide is designed for beginners. It will explain Internet marketing basics and introduce you to popular Internet marketing techniques. It will offer suggestions for creating a successful Internet marketing strategy and outline techniques that you can use to measure your success online. Finally, it will include additional Internet marketing resources.

What is Internet Marketing?

Internet marketing is the component of marketing that deals with the planning, pricing, promotion, and distribution of your products and services online. Good Internet marketing strategies clearly communicate a firm's unique selling proposition, or the unique collection of benefits that creates value for its customers.

Everything you do to promote your business online is Internet marketing. For example, Internet marketing strategies include (but are not limited to) website design and content, search engine optimization, directory submissions, reciprocal linking strategies, online advertising, and email marketing.

The Benefits of Internet Marketing

Here are some examples of the time and cost-saving benefits of using the Internet to market your products or services:

- The Internet is the widest channel of communication available to small businesses. It can help **level the playing field for small businesses on a limited budget** that seek to compete in large markets. No other communications medium enables you to operate a business from your home, while giving a small business the appearance of a larger, more established operation.
- Marketing your product or service online offers the opportunity for **increased communication with your target market** through techniques such as interactive websites, email newsletters, online surveys and forms, blogs, and discussion groups. The Internet allows you to collect immediate feedback from your client base with little out-of-pocket expense.
- Print marketing materials and advertising strategies can be expensive to produce and traditionally have a short shelf life. **Internet marketing techniques** such as websites, banner ads and email newsletters, can be produced at a reasonable cost, can contain more timely information than print brochures, and **can be immediately and cost-effectively updated as your business changes**.

Finding success online is no different from finding it offline. Choosing the right product or service and designing an appropriate online and offline marketing mix are key to successful Internet marketing.

Three Steps to Success

Successful marketing on the Internet is not just about advertising your website in Google or buying banner ads on other websites. Without a quality product or service and a well developed website, a banner ad, for example, would do you little good.

To succeed online, you must develop a comprehensive plan that includes the following:

1. A solid business model and great products or services
2. An effectively designed website with sales as an objective
3. An online marketing strategy that suits your audience and fits your budget

Beware of get rich quick schemes!

The Internet is not the “pot of gold at the end of the rainbow.” It takes time, dedication and skills to be successful online. Without a solid business model, the skill set to effectively market and sell your product or service online, and a carefully planned marketing strategy, you will have little chance of succeeding online.

Aspects of Internet Marketing

No matter what your business, Internet marketing should form part of your marketing mix – how large a part will depend on your particular needs and budget. The tools you use to develop your online presence and drive traffic to your website will also depend on your particular business and target market demographics.

Internet marketing is a fast-changing industry that readily adapts to improvements in technology. Therefore, there are always new marketing tools available to small businesses (too many to list here). Below, we’ll briefly explain the most common techniques used by beginners. Once you’ve learned the basics, we suggest that you consult a professional to assess your business needs and take your strategy to the next level.

Website Development & Search Engine Optimization (SEO)

Designing and building a website is only one aspect of bringing your business online. With billions of websites on the Internet, it’s just as important that you ensure people can find your website. And, since most website traffic still comes from search engines and directories – 98% of Internet users claim they use search

engines regularly – you may want to focus your initial web marketing efforts on search engine optimization.

Search engines such as Google and Yahoo index billions of web pages and rank them according to complex algorithms that assess a page's accessibility, its relevance based on specific search terms or keywords, and importance indicated by the number of sites that link to it.

Search engine optimization (SEO) refers to the work that is done to a website to ensure it gets noticed and ranked highly by search engines. Ideally, you want to strive for a top ten ranking, because studies have shown that most search engine users don't scroll past the first page of results.

Keep in mind, SEO is not an exact science, and as such, SEO specialists often use slightly different methods. That said, generally, SEO includes:

- Building a website using “search engine friendly” coding techniques that minimize the use of Flash and frames
- Researching appropriate search terms – called “keywords” or “keyword phrases” – that fit the target market
- Incorporating keyword-rich content into a website's domain name, meta tags, title tags, alt tags, headings and overall content, and ensuring that content is updated regularly.
- Submitting the website address to search engines
- Developing a reciprocal linking strategy with other websites to grow quality inbound links to the site

Submitting your Site to Search Engines and Directories

The question is often asked: Do I have to submit my site to engines/directories for the search engines to find me? The answer is, yes and no. Some engines will find and list your site on their own, some require you to register, and others offer a combination of both. Further, some registration procedures are free and some require that you pay to be listed.

In short, there are two kinds of search engines out there.

Tip: SEO specialists claim that if you are listed with directories, then crawler-based search engines are more likely to find your site and add it to their listings for free.

1. **Crawler-based search engines**, like Google, are those that use automated, computer generated indexing systems. These engines use software to “crawl” your website, index relevant content and keywords, and follow links. The software will look for patterns or repetition in your content in order to determine the website’s purpose. These engines do not require you to do anything other than upload your “optimized” website to the Internet and wait for them to find it. Since it may take a few months for the engines to crawl your site naturally, however, they also offer you the opportunity to submit your URL (website address) in the hope of being ranked more quickly. Failing that, you can always purchase paid placement in some engines such as Google and Overture.
2. **Human-powered directories**, like Yahoo’s Directory, are those that use humans to index website listings. These engines are actually called directories and require you to submit your URL and wait for the directory editors to assess and index your site based on perceived relevancy. Sometimes this procedure is free, and sometimes you have to pay a fee for the privilege of being reviewed.

Here is a list of the most popular search engines and directories you’ll want to consider:

- Google – www.google.ca or www.google.com
- Yahoo – www.yahoo.ca or www.yahoo.com
- MSN – www.msn.com
- Teoma – www.teoma.com
- Overture – www.overture.com
- Open Directory – <http://dmoz.org/>
- AltaVista – www.altavista.com
- Inktomi – www.inktomi.com

Growing Inbound Links

It should be emphasized that the more quality inbound links your website has, the more likely it is to be deemed “important” by the search engines. Therefore, a good SEO package includes the development of a quality linking strategy. This is a technique that connects your website to other relevant websites, through the placement of text-based links.

To begin, consider linking with complementary businesses and industry associations. This is as easy as sending out a personalized email requesting a link on another website. Keep in mind, particularly for those just starting out, linking strategies are usually reciprocal. So, be prepared to offer a link on your own site in exchange for the link you hope to receive.

To learn more about SEO, linking strategies and submitting your site to search engines, visit www.searchenginewatch.com.

Online Advertising Models

In addition to optimizing your website and increasing your site traffic through search engines, consider advertising on third-party websites and in search engines using a combination of banner advertisements and text links.

- **Graphical banner advertisements, pop-ups and text based ads** are online ads that are placed on third-party websites that link back to your website. The ads are designed to encourage users to click through to your site to learn more and, ultimately, to buy. These ads can be set up for a fee – pay-per-click, pay-per-lead, pay-per-sale – or they can be part of a reciprocal ad exchange with an online “partner,” where you place your partner’s ad on your website in exchange for your partner doing the same.
- **Paid advertising in search engines.** Above, we mentioned briefly that some search engines offer marketers the opportunity to buy guaranteed search engine listings through the purchase of keywords. Google, for example, has a paid solution called Adwords – think of it as pay-per-click advertising in its simplest form. Google allows advertisers to bid for

“sponsored links” – paid listings across the top and down the right side of Google's search results – on a per-bid basis. As an advertiser, you decide what keywords you want to “bid” on, how much you are willing to pay per click back to your website, and how much you are willing to pay in total per day – USD \$1? \$10? More? Less? It's completely up to you.

Paid search engine listings are a quick, cost-effective way to get your site into search engines, without the wait associated with “natural” ranking.

Publishing on Third-Party Websites

Another, often overlooked, but cost-saving method of marketing your business online is by publishing editorials in third-party e-zines, e-newsletters and on information-based websites. Just as editorials in offline media can help position you as an expert in your field and drive readers to your website, providing articles written (or ghost-written) by you to targeted online media can also drive traffic to your website, often with no out-of-pocket expense. Just remember to include a short biography that outlines what you do and a link to your website at the bottom of each article you publish.

Permission Marketing Using Email

Permission-based email marketing can be a low-cost and very effective component of your web marketing strategy. It can help to build a relationship between your business and target market, and can drive traffic back to your website. Email marketing can consist of direct email blasts and sales letters, personalized auto-responders, and/or email newsletters.

If you have the budget and don't have the time, you can certainly hire a freelancer or a firm to conceptualize, develop and publish your email messages for you. Although, for many small businesses, the costs associated with fully managed solutions are simply too high. The advantage to email marketing is that you can choose a do-it-yourself option, where you do all of the work, or part of it yourself, saving hundreds, even thousands of dollars.

Self-Publishing Using Low-Cost Internet Tools

There are a number of very easy to use self-publishing solutions available to small businesses. The costs of these tools are low – from USD \$20 per month and up – and they are usually offered at a monthly or per-1000 email rate.

The solutions are hosted entirely online, allowing you access from any computer connected to the Internet. Further, they are designed for small business owners with little technical knowledge. At a minimum, they offer a database, where you can house and manage your email addresses, a selection of HTML templates for your email messages, the ability to import your own templates, plain-text options, testing functions, and added extras such as customizable auto-responders and forward-to-a-friend and unsubscribe features.

You may even find an email publishing tool designed specifically for your industry. For example, the real estate industry has a number of do-it-yourself and fully managed email newsletter solutions available, some of which even include “canned” articles that users can choose to include in their own newsletter.

Here are some popular self-publishing solutions to consider:

- Constant Contact – www.constantcontact.com
- MyMailOut.com – www.mymailout.com
- Topica – www.topica.com
- Microsoft – www.microsoft.com/smallbusiness

The Problem with Spam

It must also be noted that more and more email marketers are struggling with spam filters, which are designed to protect email users from unscrupulous and unsolicited advertising. The problem arises when spam filters do such a good job that they succeed in filtering out legitimate marketing messages that email recipients have requested to receive.

Unfortunately, as spam proliferates, as it undoubtedly will, the filters will only become better, causing email marketers to scramble to devise new ways to get their messages out to the public.

Ensuring High Delivery Rates

The easiest way to ensure that your emails will be delivered is to get permission from your client base to market to them through email. Getting permission is critical, particularly since new privacy legislation was introduced in 2004, which regulates how businesses collect, store and use their customers' personal information. This includes email addresses.

Tip: Ask your client base to put your email address on their "allowed" emails list, to ensure your messages bypass any spam filters they may have installed.

Getting permission may mean asking in advance if you can send emails for a specific purpose, and requesting that your email address be flagged as legitimate in the recipient's list to ensure your messages bypass any filters s/he may have installed.

Currently, it also seems that HTML emails are becoming caught in spam filters more readily than plain-text emails. This may mean that a simple, plain-text email containing a link to an online message is the most effective method for getting your message out. Alternatively, you can test your email messages for deliverability using software such as SpamCheck (<http://spamcheck.sitesell.com>) which checks your emails' subject lines and body copy for filter triggers.

To learn more about email marketing visit www.emailsherpa.com.

Business Blogs

A blog or weblog is simply a web page that scrolls chronologically like a journal and contains links to other websites of interest. Blogs, as creative online journals, have been used by technical specialists for a number of years, but business blogs, or b-blogs are just now making inroads into the mainstream. As an alternative, low-cost (or even free) means of electronic communication, blogs can make up a significant part of your overall marketing strategy. Although b-blogs carry an inherent marketing focus not found in creative weblogs, their casual structure provides the opportunity to connect with readers on a more immediate and personal level than traditional websites and newsletters allow.

Since blogs are generally “do-it-yourself” solutions, they can simplify and speed up the online publishing process, allowing users to disseminate information in the most timely manner available.

Here is a list of websites where you can learn more about blogging:

- www.blogger.com
- www.bloglines.com
- www.spaces.msn.com

Affiliate/Referral Programs

Affiliate programs, also known as **referral programs** or **partnership programs**, involve the use of affiliates to help market a website's products and services in return for a payment for each sale, lead, action, or visitor generated. Amazon.com has created one of the most sophisticated and successful affiliate programs on the Internet – a program that has no doubt contributed to their high level of brand recognition online, and the significant traffic and resulting revenue their site generates.

Costs

The costs to implement Internet marketing strategies can vary widely in the industry. They depend on the particular technique you choose, and the professional you choose to implement it. With a little reading, and a basic understanding of websites and the Internet, you may be able to implement some of these techniques on your own. Or, you may find a freelance marketer or web designer/developer who can implement some of the techniques mentioned above for \$25 to \$75 per hour, with approximately ten hours required to start.

Alternatively, you may find Internet marketing firms that charge “project rates” rates from \$2,500 to \$25,000. Therefore, it's very important to shop around. Also, keep in mind that most Internet marketing techniques require ongoing maintenance and these costs should be addressed in your marketing budget.

The Importance of Offline Marketing to Drive Traffic Online

Never underestimate the value of using low-cost, offline marketing techniques to encourage people to visit your website. Ensure your website address is clearly listed on all of your marketing materials – that is, your business card, brochure, published articles, print advertisements, sandwich boards, your vehicle (if you use it for business), and so on. And, don't be afraid to get creative with your offline marketing strategies. Imaginative promotional techniques can be low-cost, yet attention getting ways to drive traffic to your website.

Examples

Here are some examples of low-cost offline marketing techniques that can drive traffic to a website:

1. A tree topping company uses a sandwich board on site which says: Arborists working above. Ever wonder how we top the trees without killing them... or you? Our methods are safe and environmentally friendly. Visit our website to learn more.
2. A retail beachwear company offers a free pair of brightly colored flip-flops with every purchase over \$100 during the month of December. The sole of the flip-flops are printed with the company's name and website address.
3. A baking company includes a coupon in each \$30 tin of cookies for 10% off a future purchase and directs readers to their new online menu.

Getting Started: Developing a Plan

Marketing on the Internet doesn't consist of cookie-cutter strategies that work for everyone. For that reason, planning is an essential step in being successful online. Careful planning and monitoring will enable you to develop a strategy that fits your needs and budget, maps your progress, measures your return on investment (ROI), mitigates risk, and adapts as required.

When developing your plan, you'll want to consider the following important aspects:

- **Your buyers.** Who are they? What activities do they do online? Identifying your audience and their needs enables you to determine how best you can reach them online, thereby getting the most for your marketing dollar.
- **Your budget.** How much should you spend and, more importantly, how much do you have to spend? The amount you budget towards Internet marketing will depend on how integral the Internet is to your business success. Prioritize your needs based on your budget, projecting into the future and growing your plan as your revenues grow.
- **Your ability to support and maintain your plan.** Consider only implementing strategies you can handle. It is possible to do more damage than good to your business if you implement techniques for which you do not have the business processes or budget in place to support.

The Importance of Measurement

Any professional marketer will tell you that it's not worth going to the effort of implementing an Internet marketing strategy (which is going to cost you time and money), without also implementing a system to track your progress and determine what is working for your particular business. By tracking each strategy you implement, you will be able to measure your return on investment (ROI) and determine whether or not the strategy is effective.

What is ROI? Consider the following example: Let's say you invest \$500 in an online advertising campaign that generates \$1,500 in revenues. Your profit (sales minus expenses), or ROI, is \$1000 or 200%.

Here's an easy way to track targeted campaigns. First, purchase a good statistics package to measure your website traffic. The statistics generated should tell you where your website visitors are coming from, where they are going, how long they are staying, and from which part of your site they are leaving. Then, use dedicated

promotional codes for different campaigns that you test so that you can follow which campaigns are drawing customers to your site.

You may want to measure your progress weekly, monthly and yearly to determine whether you are achieving your objectives and meeting the targets you have set for your business.

Here are some popular website analytics and statistic packages you may want to consider using:

- WebTrends – www.webtrends.com
- DeepMetrix – www.livestats.com
- Web Position – www.webpositiongold.com
- WebSideStory – www.websidestory.com

Internet Marketing Plan Checklist

Your completed Internet marketing strategy should address:

- ✓ What Internet marketing techniques you will use
- ✓ How you will implement each technique
- ✓ What kinds of resources you will require
- ✓ How long you anticipate testing each technique
- ✓ What you hope to achieve
- ✓ How you will mitigate problems that may arise
- ✓ How you will evaluate your progress and measure success

For more information on measuring your marketing strategies, visit www.marketingsherpa.com.

Resources

Now that you've learned the basics of Internet marketing, here are some sources that will provide you with more details on specific online marketing techniques and on Internet marketing plan development.

- Web Marketing Today – www.wilsonweb.com
- eMarketer – www.emarketer.com
- Marketing Sherpa – www.marketingsherpa.com
- Canadian Marketing Association – www.the-cma.org
- International Internet Marketing Association – www.iimaonline.org

For a glossary of commonly used Internet marketing terms try:

- www.whatis.com (look under the topic "Internet")
- www.marketingterms.com

Contact Us

The Alberta E-Future Centre, a service initiative of The Business Link, is your first stop for e-business information in Alberta. We offer free, impartial, and easy-to-understand e-business advice and information for small and medium-sized businesses. Our goal is to help entrepreneurs make more informed decisions as they adapt to technological change. If you have any questions, we are only a visit, click or a call away!

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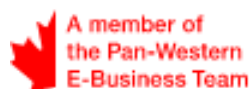
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