



UNIT-1

What is Internet Marketing

Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ Determine how your Internet marketing strategy fits with your overall marketing plan

Unit 1

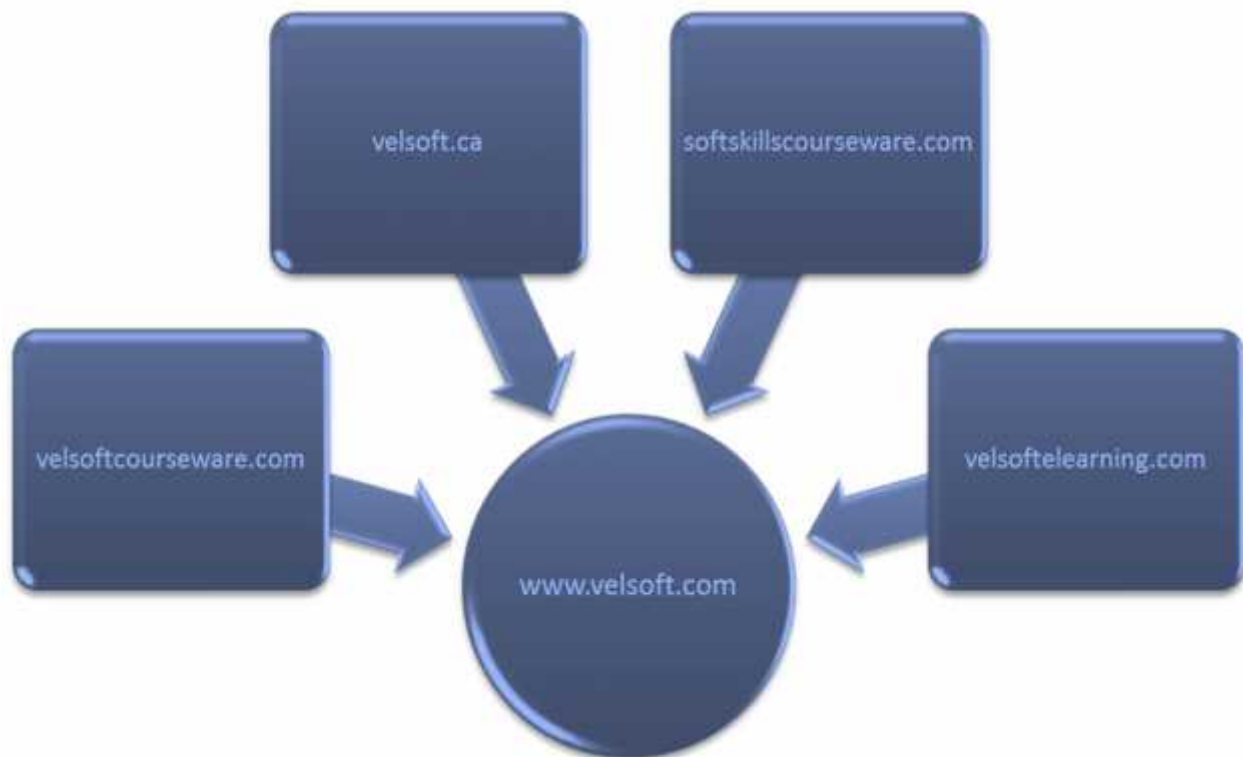
What is Internet Marketing

Internet marketing is just what it sounds like: using the Internet to leverage your marketing strategy so that your company flourishes. Marketing strictly by the Internet is not the goal, so you will see that we refer to an Internet marketing strategy as an element of your overall marketing strategy.

If you are going to have an Internet marketing strategy, you need to be ready to establish (or if you already have one, expand) your digital presence and reach. In this course, we will sometimes refer to your **website**. Since you may have several sites that are related to one company or one individual, we sometimes also refer to a **hub site**. Your hub site is your main web site, to which any others are linked.

Sample Site Structure

Here is an example of Velsoft's different sites, which are built around the hub site www.velsoft.com.



Test your Knowledge

What is the hub site for your company?

What other sites does your company own/use (sub-domains, blogs, social networking sites, etc.)?

Popular Strategies

There are some preferred and effective strategies that companies use when it comes to Internet marketing. You may find that only some of them fit with your overall marketing strategy, but we recommend that you consider each of them. Your goal is to use the strategies which best connect you to your customers and prospects, and also fit into your overall marketing strategy.

Web Design and Development

Your business is going to be reflected in your website, so it needs to look good. Your website needs to be a comprehensive and engaging demonstration of what you do with and for your customers. It is no longer enough to have a brochure style website (which just lists your products and services with a few pictures).

In 2007, I met a business owner who said that she budgeted \$10,000 a year for her website, which supported her two-million dollar a year company. This gave me a lot to think about, because on scale \$10,000 for a couple of million dollars in revenue doesn't seem to be too much. How much should a business budget for a website? The answer depends on what you want to do.

There are plenty of templates available to get you started if you want to create your own website. Some small businesses manage to start with a tiny presence and a free page on a site like Facebook or Etsy. However, if you plan for your company to grow and be taken as a serious member of the business marketplace, consider what your web presence will be, how much you will spend on it, and what you want to accomplish. Bigger isn't always better, but content is most important. Unless you are putting good content on your site, don't bother with a website at all.

Affiliate Programs

With affiliate programs, you can use your web presence to recruit others to sell your products, or you can sell products for other companies from your website. This approach can be helpful if you do not have a lot of products to offer of your own, or if there are complementary products out there that can help you get started.

As an example, if you write a blog and include posts about great books that you have read, you could set up affiliate links to a bookseller, where you get a portion of sales (a commission) that come from people who click on the ad on your blog.

If you have plenty of products available and you want people to sell them for you, then you can set yourself up where you act like the book wholesaler in the example above, and people who sell for you receive a portion of every sale that originates from their web links, while you get to keep the profits from the overall sale.

E-mail Marketing

You can create a list of subscribers and create an e-mail that goes out periodically and engages readers. There are lots of services you can use (both paid and free) to help you get your messages out in an appealing format that can be read on computers, tablets, smart phones, and so on. Make sure you check the rules (often called **terms of service**) about e-mail marketing, since the law in many places now states that you cannot just send these messages to whomever you want. (Typically, you need people's permission to add them to your mail out lists.) We'll get into more detail about e-mail marketing in Session Five.

Using Social Media

Social media is an effective and growing resource that allows you to connect with your consumers. Whether you use one site or many, if the people you want to connect with are on social media, you probably need to be there too. Social media sites like LinkedIn, Facebook, and Twitter are almost essential for companies with lots of consumers using those sites, but the return you get depends on your business. Niche businesses may be better off using niche social networking sites.

Social media marketing takes a lot of very skilled work and patience in order for you to see a return on your investment, but it is an effective way to connect to lots of people.

Search Engine Optimization (SEO)

There is now a whole industry called SEO (which stands for Search Engine Optimization) that helps you get strong rankings in major search engines. This helps people to find you easily and for you to engage with them. We use SEO to understand what our consumers want, how they look for it online (through analyzing what search terms and patterns of usage they use), and then we design our digital spaces so that they can find us easily. We'll discuss SEO in more detail in Session Six.

Creating an Internet Marketing Plan

Leveraging What You Already Have The Role of Internet Marketing

To be successful, you should set up an Internet marketing plan that supplements your overall marketing strategy and complements your social marketing strategy. With this in mind, let's review some marketing basics. Remember that any marketing plan will undergo plenty of revisions until you get it to a point where you are satisfied that all stages are working effectively.

Given the fluidity of the Internet, you may be making more changes than ever. This can be frustrating for people who are not used to working in such a changeable state. It will help you tremendously if you work with marketing professionals who are good at what they do and have a clearly demonstrated track record.

The Marketing Cycle

Marketing uses the steps illustrated below. Your Internet marketing strategy will draw from the information in the first three steps, and then become part of step four (creating a marketing plan).



Making Our Way through the Marketing Process

Stage One: Consumer and Market Analysis

In stage one, consumer and market analysis, you are conducting research about your consumer and what they need. You have to be honest and look at their needs, which might be in direct contrast to what you

think of as your ideal consumer. Since we are looking at Internet marketing, it makes sense to connect to your consumers through an Internet pathway to find out what you need to know.

Your goal is to identify groups of people (called **segments**) who have related or similar needs so that your marketing dollars can be directly pointed at them. There are several questions to ask here:

- What do they need?
- Who is buying our product? Who is using our product?
- How can I leverage segmentation? Once you know which segment of the marketplace is interested in your products, how will you make the most of their interest in buying from you? Will you offer supplementary services or products? How will connecting to them via the Internet help to spread your digital reach and increase the influence you have over their decisions?
- What is the buying process? It generally follows the steps below:



Stage Two: Analyzing the Competition and Yourself

You need to take an honest look at your operation in order to create a plan that helps you to exceed the competition. We can camouflage all kinds of things in an analysis, so be honest and protect the viability of your business.

Some questions you must ask include:

- What are your advantages?
- What are your core competencies (the things you do well)?
- What are your weaknesses?
- Where are your shortcomings?
- What can you do to capitalize on your strengths?
- What can you do to exploit the competitions weaknesses and shortcomings?

Stage Three: Analyzing Distribution Channels

There are plenty of options for getting your product to your customer. Deciding which ones to use will have an impact on pricing, profit margins, servicing, and timing. There are plenty of options available, and in choosing yours you may need to consider what your goals are and how many layers of people are involved.

In a product that is typically used by an individual purchasing in a retail store, the product can go from your production facility to a wholesaler, and then to smaller distributors to be sold to a retailer. Each step in the process has to produce a profit, just as it does when you sell a service. In a complex system, you may be surprised at how many people are involved. The flow below is common:



At each step on the chain, the participant does something that adds value to the product (packages, labels, or advertising, for example) and earns a profit.

Stage Four: Creating a Marketing Plan

Your market research gets applied in a marketing plan based on the five P's of marketing:

- Product (what it is and what it does)
- Price
- Place (Are you selling wholesale, retail, through a franchise, online, or from the back of your car?)
- Promotion (The way you present what you are selling and your public relations campaign)
- Packaging

Stages Five and Six: Implement, Evaluate, Review, and Revise

Once you have decided what you are doing and take action, you'll start to evaluate results, make revisions as needed, and keep going. Remember that marketing is a cyclical process. At any time in the cycle, you may need to return to an earlier stage to fix some kind of problem. If you are in the midst of pricing and realize that the product is not going to be affordable for your market segment, you'll have to step back and adjust. On the other hand, if you realize that your product is pre-selling in better volume than you ever imagined, you'll need to make sure that production can keep up with the demand.

Extending Your Influence

Sharing Messages

Marketing has changed over the years, becoming committed to and focusing on **influence** much more so than about messages that reflect an approach to direct advertising. A part of this subtle difference is a change from messages that say "This is why you should buy from me," to messages that say, "This is how we help people who have needs just like you do. Look at how your neighbor/best friend/favorite uncle uses what we have."

Consider what your products and services are. Position your messages to **tell a story** about who uses your product and how it helps. Stop yourself from just explaining features and benefits.

Marketing over the Internet, and through social media in particular, allows us to connect and share stories much more easily than print media used to. If you think of this in terms of influence rather than selling, you can start to consider how you can share what your company does, what it stands for within the context of a community, and how to present yourself.

The **community** is a big part of marketing and social networking today. You can create connections to your community and influence their decisions without having to sell directly. Sponsoring a team, helping out a charity, or offering people information instead of commercial advertising all help to create an atmosphere of influence. These approaches reflect the successes of **relationship building and consultative selling** rather than direct sales.

With the lowering costs of producing **videos**, we can quickly put together a video that has real people who have used our real products talking about how they benefitted. Even better than testimonials, you can show (rather than tell) people using and benefitting from your products or services. If you think back to the marketing cycle and the research you have done about what your consumers need, you can also create instructional videos, informational pieces, and more that have some benefit to the viewer.

The video does not have to be directly about your products or services because you are creating them based on the ideas of influence and creating community. You could create parody pieces, interviews with interesting people, or share a piece about a project you learned from. The options are numerous, and really only limited by your own imagination and budget.

As Seth Godin has said in several of his books, what we really need is to **be remarkable**. So go ahead and get away from your ordinary way of doing business, step out of the proverbial cubicles and boxes, and entertain something different. Get your message out by daring to do it differently than everyone else, including yourself.

Test your Knowledge

Within your industry, what evidence do you see of organizations spreading influence?

Does your organization influence or sell today?

Come up with six ideas where you can influence your consumers rather than rely on direct selling. (You can get help from people in your group.)

Making it Real

You have created six ideas where you can influence your consumers and prospects. Starting with your favorite idea on the list, draft a brief plan for implementation. Work through the list in order as time allows.

Idea One

Idea Two

Idea Three

Idea Four

Idea Five

Idea Six

Further Reading:

- ✓ *Internet Marketing: a practical approach, By Alan Charlesworth, 2011*
- ✓ *Internet Marketing: Strategy, Implementation And Practice, By Chaffey, 2008*