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**“THE MILLENNIUM TIME BOMB: HOW TO
LEVERAGE THE INTERNET TO SHORTEN
THE SALES CYCLE?”**

STUDENT NAME:

NAJAM LATIF

ROLL # 046

MBA 2K1 (A)

ABSTRACT

The thesis report explores four main different aspects that need to be considered in order to leverage the internet to shorten the sales cycle:

- 1.** Understanding the buying process of target audience as a new method for sales prospecting.
- 2.** Developing a method for implementing an internet marketing strategy that maps to effective campaigns.
- 3.** Focusing the message to the audience to increase conversion on the web site.
- 4.** Tracking, analyzing and improving campaigns and measuring against sales pipeline return on investment (ROI).

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EXECUTIVE SUMMARY

The thesis report explores the integrated buying process and how sellers can leverage the integration of online and offline marketing for effective sales prospecting. It begins by comparing traditional marketing activities with internet performance marketing and how buyers respond to them. The principals and objectives are very similar in the offline and online world. However, the ability to capture information about web visitors allows studying the buying process more closely in order to fine-tune online marketing activities to achieve sales objectives. Actual activity patterns, conversion behavior and direct feedback can provide valuable data for improving the sales and marketing strategies. The thesis report illustrates how to create an effective internet marketing strategy for converting the browser to buyer. A superior strategy begins with excellent planning. In this report I have used a step-by-step example for developing a marketing campaign. The report describes in detailed ways, how to focus a message for a variety of online marketing activities in order to drive traffic that meets conversion objectives. Actual examples have been provided to illustrate the application of these best practices. This document introduces the concept of “focalization”. A focused message, to a target audience, offering what they want, through a medium they respond to, that supports and accelerates the sales cycle. In order to leverage the internet to increase the sales pipeline four different aspects have been considered in this report; understanding the buying process of target audience as a new method for sales prospecting, developing a method for implementing an internet marketing strategy that maps to effective campaigns, focusing the message to the audience to increase conversion on the web site, tracking, analyzing and improving campaigns and measuring against sales pipeline return on investment (ROI). The internet performance marketing process and techniques enable companies to exercise a degree of control over their marketing and sales process never before possible. Whatever the future holds, it’s clear that the internet is a cost-effective way to interact and build mutually beneficial and dramatically profitable relationship with customers. Through the intelligent use of e-commerce, companies can build customer loyalty and ultimately achieve the ROI they seek.

CHAPTER # 1

INTRODUCTION

1.1 Topic selected:

The topic selected for the thesis study is **‘The Millennium Time Bomb: How to leverage the Internet to shorten the Sales Cycle?’**

1.2 Introduction to Internet Marketing:

Many people seem to be searching for the definition of internet marketing. Go to your favorite search engine site and search for: define internet marketing. Today, I searched Google, because I was curious to study both the normal results and paid placements ads. What type of impression do you get at this first look? The top search results are the industry veterans who have long established themselves during the early “gold rush e-commerce” days of the internet. They deserve that spot in their dedication for building up the internet marketing industry. But, look at the paid placement ads and there seems to be a different story being told.

Do you notice that the majority of ads associated with ‘internet marketing’ are focused on helping web sites get more “hits” or traffic? Is bringing in web traffic what defines successful internet marketing? While traffic is indeed the lifeblood of any web site, this is only the beginning phase of internet marketing. I analyzed a cross-section of selected companies to define successful internet marketing from their viewpoint. It varies accordingly to the type of business they are in, business to consumer (B-to-C) or business to business (B-to-B). Interestingly, I have inferred that they share many common concerns, which basically are only different in how they prioritize the challenges.

For example, having lots of web traffic and good search engine ranking is a priority for many of the business to consumer clients, while generating awareness and interest is a bigger concern for a business to business company since business is not closed on the web site. In either case, both types of clients admit it isn’t the amount of traffic that really concerns them; it’s converting a visitor to a sale or qualified lead. A very fundamental follow-up question presents itself: Do you believe your web site speaks to your ideal

customer or prospect? In many cases, the responses are mixed results. Graphics and navigation aside, many companies expressed frustration that their web site was not providing enough sales conversion or drawing enough of the right prospects.

I analyzed some companies what types of web draws they were using to generate traffic to their site. Creating a web draw is very much like what many marketing departments have done in the past to generate trade show traffic. Typical draws at trade shows are handing out brochures, giving away T-shirts, demo a product, free sample, or even a theater style presentation. Developing good web draw materials is the separation point between companies who understand the real potential of internet marketing and those who are just simply handing out brochures at the edges of the trade show floors. In this area, traditional offline marketing and internet marketing share a common purpose and benefit of increased awareness.

How internet marketing has affected the companies traditional marketing efforts. Some companies indicated that when they roll out any new offline marketing effort, the campaign must incorporate the internet as part of the plan. For example, when they send out a direct mail piece promoting a trial use for a new software product, they assigned a unique URL in order to track the success of the business reply card. This is offline marketing integrated with online marketing.

The goals of internet marketing and traditional marketing are the same. Ultimately, the common purpose is to increase awareness and influence new customers. Internet marketing has its own unique advantages for tracking and measuring every dollar spent on campaigns. You also have the advantage of studying the behavior of your visitors and making critical changes in your campaigns and your site to effect to reach your business goals.

Understanding and applying accountability is the new challenge in internet marketing for classic marketing people. Some marketing professionals will also have to create closer ties to their sales process, a task the marketing department formerly didn't have to, or wasn't able to perform. The choices in tools used to measure and track a successful campaign are many and have a range of implementation prices and effectiveness.

In conclusion, the definition of internet marketing is a mix of internet related activities that target the right audience directly or indirectly. Internet marketing activities can

include opt-in email campaigns, web casts, portal site media and newsletter sponsorships, and search engine optimization and marketing. Internet marketing is not limited to the web and should be integrated with your offline marketing if that's an effective way to reach your target audience. All activities will extend downstream processes into sales force automation systems whether they are simple low-cost client software or sophisticated customer relationship management (CRM) systems.

1.3 Objectives:

In order to leverage the internet to increase the sales pipeline there are four different aspects that need to be considered:

- 1.** Understanding the buying process of target audience as a method for sales prospecting
- 2.** Developing a method for implementing an internet marketing strategy that maps to effective campaigns
- 3.** Focusing the message to the audience to increase conversion on the web site
- 4.** Tracking, analyzing and improving campaigns and measuring against sales pipeline return on investment (ROI).

a) All four aspects overlap and relate to each other. The thesis report would explore the integrated buying process and how sellers can leverage the integration of online and offline marketing for effective sales prospecting. It begins by comparing traditional marketing activities with internet performance marketing and how buyers respond to them. The principals and objectives are very similar in the offline and online world. However, the ability to capture information about web visitors allows studying the buying process more closely in order to fine-tune online marketing activities to achieve sales objectives. Actual activity patterns, conversion behavior and direct feedback can provide valuable data for improving the sales and marketing strategies.

b) The thesis report would illustrate how to create an effective internet marketing strategy for converting the browser to buyer. A superior strategy begins with excellent planning. In this report I would be using a step-by-step example for developing a marketing campaign.

c) The report would describe in detailed ways, how to focus a message for a variety of online marketing activities in order to drive traffic that meets conversion objectives.

Actual examples would be provided to illustrate the application of these best practices. This document would introduce the concept of “focalization”. A focused message, to a target audience, offering what they want, through a medium they respond to, that supports and accelerates the sales cycle.

1.4 Methodology:

The methodology includes:

- Internet surfing.
- Magazines & newspaper articles.

CHAPTER # 2

LITERATURE REVIEW

2.1 The Bridge between Sales and Marketing:

In an ideal commerce world, marketing provides handcrafted messages that clearly define the product or service to be sold, which quickly resonates with a potential buyer and is converted into a lead that is handed over to sales to close the business. The reality is in “real life”, this scenario rarely works this way.

Marketing creates unclear messages or ambiguous definitions of their own products or services. Customers incorrectly or even falsely specify what it is they are looking for. And sales personnel prefer to close business with existing customers and avoid spending too much time educating a new prospect, or if they do new account prospecting, they are likely to develop their own messages, independent from marketing.

Historically, the problem lies with marketing not understanding first hand the selling process that sales is working by, and sales not feeding back exactly what the customer is looking for. It's not that either group is not doing their job, but the sheer volume and lack of timeliness of information are preventing a good exchange of ideas. By the time you finally figured out the right formula to fit your customer needs, the market landscape most likely will change.

The sales response to get useful and timely marketing messages for the selling process is to start implementing a new technique called consultative selling. In short, ask the potential customer what is bothering them, listen to their problem, and begin to summarize a solution for them. If their needs align to your offerings you can then begin educating them about your company's products or services as part of that solution. So where does marketing fit in this picture?

Smart marketing organizations are working closely with sales at this stage in the selling process to interject marketing messages that are customer problem/solution centric into a customized customer proposal. The key benefit is delivering a more consistent message when it matters. Working as a team to close the business is an effective way to tighten the gap between marketing and sales, but this is a time consuming and non-scaling process

for many growing or larger business operations. Some may wonder if there is a technology solution waiting as the answer.

In the later part of the 1990's large information technology investments were made to address this problem in the area of Customer Relationship Management (CRM) and Sales Force Automation (SFA) tools. New monolithic vendors grew almost overnight (like Siebel or Salesforce.com) and more established ones expanded product lines (like Oracle or Microsoft) with technology to bridge the marketing-to-sales gap. These costly deployments sometimes require years to roll out and often highlight ineffective or broken sales processes. It is becoming evident that technology alone will not resolve the exchange of information between marketing and sales. These technologies often focus on what the customer has done, not what they are planning to do. Also a final piece of technology for the sales department that is not fully exploited yet as a source for market research into what a potential customer is considering is the company's web site.

Enter the internet as a new marketing and sales research tool and sales lead generator. Slowly companies are moving beyond a simple brochure-ware function of their web site and beginning to design-in a selling process. This involves providing some starting points in identifying customer problem statements that they can associate with. Next, they start educating them about the causes of the problems with more in-depth materials such as white papers, web casts or on-line training events before they start "selling" their own solutions. Along the way they are tracking the prospect to gauge their actual interest and uncover the status of the project. For example, "are you ready to purchase a XYZ type of solution in the next six months" are questions they ask at the registration of a web cast.

This polling or surveying of the prospects as they explore your web site also starts to create the impression you are trying to better understand their needs (which you are!) Each of these stages is what we call a "trigger point", where it's still too early to declare it a real sales lead but there is real, measurable active interest. This is still one technology area where the tools provided today are very much lacking. There are plenty of rich reporting and analysis tools to measure web site traffic and trends that provide great market research for the marketing department. But the gathering of this information on an individual web visitor and creating a "lead package" for a sales person to follow up is still

an underdeveloped resource. Until that time, the bridge between sales and marketing most likely will remain open as we let the large boats of information overflow pass.

2.2 The Four P's of Internet Marketing:

When given the task of introducing a product to market there are simple objectives to focus on called the “Four Ps of Marketing”, which help define your marketing strategy: product, place, promotion and price? What is the product you intend market? Where is the place it will be sold? How will you implement the promotion of the product/service? And finally, what is the price including the cost of marketing and sales?

These are still relevant and important questions to address when marketing a product or service today, but does the internet require another dimension to consider? When leveraging the internet for your business is it just another channel to transact commerce or a medium to promote or advertise your business? Do certain aspects of your product require an internet presence for particular features to work? Can you reduce the cost of doing business and offer better pricing through self-service customer portals? I believe the internet does affect these four basic Ps objectives and adds a set of its own four correspondent objectives that extends beyond these basic four.

We call these the 4Cs of internet marketing. Reduced to the most basic objectives of an internet business, they also help define a web site's primary purpose. They are: content, commerce, customer care, and converting to leads. Let's look at each of these individually and how they extend the original four Ps.

Many of today's products are not functionally simple, and when combined with other associated technologies or services, they are often complex to become a complete solution. Even consumer products often require a brand or mark to help influence the buying process going beyond the basic product features. They too must conform or adapt to an operating environment that shapes perceptions about their value to a consumer. Buy a can of tuna and be assured it is “dolphin safe” to influence an environmentally conscious shopper that taste is not the only criteria when selecting the right product.

Content extends to Product:

In the first internet marketing 4C, content is an extension of product. Some obvious examples of internet businesses that created unique content as the actual product are web

sites like Wall Street Journal's wsj.com where current newspaper or internet only subscribers (for a small fee) can customized news alerts according to their own specific interest. The not so obvious cases are when software vendors provide additional support or advice via their web site. Adobe offers forums and exchanges to its customers, which contain tips and techniques on how to better use their products. This provides an additional edge when marketing the product or service if you can provide relevant content for free or fee to prospective customers. Would your product or service be enhanced by content that helps support your company as an industry thought leader or good citizen?

Commerce is the Place to Shop:

The internet is and always will be a virtual place. It may reflect the physical world with "shopping malls" and storefronts, but its mere existence still requires people and traditional support mechanisms in order to operate. It is a separate place or state that has its own set of protocols and rules for communications, but will remain within the constraints of a physical world.

E-commerce centric internet businesses like Amazon are a prime example of commerce, the second C in our internet marketing 4C's. Transacting business solely or partly via the internet offers customers the convenience to shop and order on-line at their schedule, and even business-to-business high technology companies such as Cisco have incorporated commerce successfully in fulfilling customer orders. When deciding if your web site warrants a commerce function the type of products you sell shouldn't decide it, but instead if having a place your customers can access 24 hours a day, 7 days a week would be viewed as a service bonus.

Customer Care will affect Price:

Managing personal and business information is becoming more challenging as time constraints shorten individuals' days. Quick and multiple ways to access account details is also becoming a requirement in an information rich environment. The old adage that "time is money" has a new characteristic in the hyper-productive orientated business world and that is "saving time is priceless". In establishing what the market will bear for the price of a product or service, another dimension to the pricing formula is the cost of doing business with a customer.

The more direct support, a higher pricing model will be required. Can your web site offer self-service customer care to help reduce the product prices? In this third C of the internet marketing 4Cs, providing superior customer care can reduce costs and allow improved pricing dynamics. Providing customer account status and records via the web site can reduce calls to support personnel and in the example of on-line banking is viewed as a customer benefit in managing their accounts at their own discretion. From access to secured account records to support forums or on-line training is your internet business providing customer care to help manage pricing constraints or extended service?

Converting leads is the next level of Promotion:

As large and expansive as the internet is its simply amazing one-on-one relationships can still be developed. The sheer number of people and businesses connected to the internet is staggering and its growth in adoption is unmatched as a new communication medium. Radio and television don't even come close in terms of years it has taken the internet to reach such a mass audience. But is the internet just another promotion channel similar to print ads or television? It may share some commonalities, but has one unique attribute – interactivity. While other mediums all talk to the customer, the internet enables dialog with a customer.

As you promote your product or service when a connection is made the internet allows you to interact with that prospective customer and convert them to a lead. In the last of the internet marketing 4Cs, converting leads is about turning passive awareness into active interest. Using a variety of web draw mechanisms such as advertising or search engine marketing, a lead conversion is about filtering through the web traffic to help qualify and identify those visitors who are the right prospects that have aligned themselves to your offerings. Does your web presence allow for interactive dialog with its visitors and help qualify themselves to your offerings?

A well-rounded internet business will have aspects of all four of the Cs, but should focus on one or two as their primary business purpose. Balance is necessary, while having a targeted objective will help design your long-term strategy. Do you have a plan A or B that supports your internet marketing 4Cs?

2.3 How to use web site to establish a dialog and create a trust relationship with prospects?

First and foremost, people buy from people they like and trust. They like people who give them the information they need; aren't "pushy"; and are easy to do business with. They trust people who do what they say they will do; have solved similar problems for companies like them; are open in their dealings; and have a well-documented privacy policy and strictly adhere to it.

So how do you translate this environment to your web site? Somehow you have to project your friendly face to greet them and the power of interactive question and answer dialog to the web. Text and graphics are your only tools. The very first thing to consider is what happens when a visitor "lands" on the page most relevant to their needs. Normally, people consider this the home page, but for web sites that have been indexed completely by the search engines this is not something you can predict. So be sure to design a web site that plans for multiple entry points.

One of the most common traps companies must avoid is leading with a "killer" greeting, likely created as a flash introduction. We all have seen it. Watch these flashing text and animated graphics run across the screen and sometimes even voice over or music along side. Of course there is often an "escape" key you can enter to exit the forced introduction, which now defeats the purpose of having the introduction in the first place. Marketing is about controlling the message to an audience and often companies that believe too much in this insist on investing in this misguided effort.

This is not to say dump the flash presentations or give up on trying funneling the communications down a pre-determined path. They can play an important role in presenting your company's offerings. Without a doubt there is nothing that can compete with a compelling presentation that sets the stage for you. But consider an important design principle. Let buyers discover the solution to their problem at their own speed. The discovery process fosters a sense of confidence, which helps keep you in alignment with the customer. As they discover that your product or service is a potential solution to their problem, they will self-qualify and represent a highly qualified prospect.

The discovery process is even more important in the age of internet shopping. When a prospective customer has entered a question at the search engine site looking for more

information about a solution to their problem or feature to a product offering, they are expecting an answer. If your web site offers answers to a potential customer's problem, don't create barriers to these answers. Treat these answers as web draws offering a buyer real value that they would gladly exchange contact information, such as email address, in return. Once contact information has been given, appropriate and highly relevant information will be provided on an ongoing basis. Buyers will begin to expect and look forward to receiving useful information from you and will feel very comfortable moving from an electronic relationship to a personal relationship.

Once you have created this first level of trust you can then follow-up with either traditional marketing reach methods such as phone calls, or actual visits. If that is "pushing" the relationship too quickly, rely on less direct methods, such as personal email messages, newsletters or even web posting common exchanges. The most important aspect is remaining focused on the service or how you can solve their problem. Translate this concern via your web site and follow-up with real examples before expecting the opportunity to win their business.

2.4 Search Engine Marketing:

Search engine marketing is the most powerful online customer acquisition strategy available to marketers today. This fact is recognized by more and more businesses that are diverting funds from online banner advertising into search engine marketing because of the better return on investment it delivers. Search engine marketing fits within the promotional mix of a marketing plan and is all about using internet search engines and directories to deliver targeted traffic to web sites. It's proven and it works. Other terms you'll frequently hear used for search engine marketing are search engine optimization (SEO), "search engine positioning" and "search engine placement". Whilst these are valid terms, search engine marketing has become increasingly complex and sophisticated. Today it involves much more than simply optimizing page code. Apart from search engine optimization, other key aspects of search engine marketing are the design and management of link building and pay-per-click campaigns (PPC).

This is why the term "search engine marketing" has been coined. It encompasses all promotional activities involving search engines and-not just search engine optimization. But semantics aside, the reality is that many people use all these terms interchangeably. Search engine marketing isn't just about getting high rankings in the search engines. Yes, high rankings in search engines are essential so your site can be found. But search engine rankings by themselves are not the end goal. They're simply a necessary step to achieving it. High rankings in search engines are worthless unless they deliver traffic. In this regard search engine rankings are like newspaper advertisements or billboards, their success is not measured by how many there are, but by the responses they generate. Search engine marketing is not simply about driving increased traffic to your website from search engines.

It's relatively easy to get vast amounts of traffic to a website, but if traffic just clicks in and clicks out again what's the point? In other words focus should be on traffic quality not just quantity. When done properly, search engine marketing delivers quality targeted traffic to a website.

Achieving good rankings in key search engines is not an easy task, particularly for competitive search phrases. It requires a lot of time, effort and specialist knowledge to do it successfully. For this reason and/or ignorance of its benefits, many website owners do not implement strategies to achieve good search engine positioning. Here are compelling reasons why you should include search engine marketing in your online marketing mix and the very real competitive advantage it can give your business.

1. Numerous surveys have shown that search engines and directories are the most popular method used to find websites. More than 80% of internet users rely on search engines & directories as their preferred method for locating websites.

2. The majority of web users search the web every day (57%). The only thing done online more often than using search engines is checking email - 81% check email every day.

- 3 There are more than 320 million searches are made through search engines and directories each day. Google alone had over 55 billion searches during 2002. The exponential growth of the web means there are now billions of web pages and consequently this has increased people reliance on search engines as a way of locating information online.

4. Traffic search engines and directories deliver to websites is highly qualified because users are actively searching for the information. This is the major difference to traffic delivered by banner advertising.

5. There are 5 – 6 times more online purchases made from traffic delivered by search engines compared to banner advertising. The cost for online marketing campaigns using search engines is significantly lower than that for banner advertising. Not only are search engines highly efficient online marketing tools, they're also cost efficient.

6. Given this, it's not surprising that 66% of web marketers rated search engine marketing as the top method for driving traffic to their web sites. Second was email marketing (54%).

7. A report by Forrester Research stated "search engines reach valuable, motivated, and ready customers. To capitalize on search as a marketing tool, marketers should shift acquisition email and ad dollars to search."

And finally here is a very compelling reason to include search engine marketing from your online marketing mix.

8. CyberAtlas Research found that nearly 46% of marketers surveyed allocate less than 0.5% of their annual marketing budgets on search engine optimization (SEO) services but only 10 percent spend more than 25% of their marketing budgets on increasing their visibility on the web.

In other words, search engines may be the top method for finding sites on the web, but only a small percentage of businesses have dedicated a portion of their marketing budget for building cohesive search engine strategies. This gap between recognition of the benefits of search engine marketing and actually doing it is your opportunity. By exploiting it you can give your business a competitive advantage.

➤ **Budgeting for Search Engine Marketing:**

One often-overlooked aspect of search engine optimization is preparing a budget that matches the objectives. There are plenty of sales pitches that promise spending little money to get big results, which can provide both valuable and questionable services. I am not going to challenge or question these programs, but recommend planning before spending. Having a budget guideline for search engine marketing will help avoid costs creeping and stay focused on matching objectives to results.

Why the top ten search engine web sites? The potential audiences from the top ten search engine sites should be the foundation of your search engine marketing program. They represent the largest and broadest base coverage of search users. Of course the results you get from some sites will be better suited for your company demographics than others. This represents the classic shotgun marketing approach of targeting the biggest audience. This doesn't mean ignore the many other market specific or smaller search or directory sites that support your business market, for most likely they may be the ones who bring in the best quality leads. Search engine marketing should be a way of life for your normal business operations, so create a separate line item in your company's budget plans.

These guidelines are a starting point for companies who are new to planning process of making search engine marketing a standard tool in their company. The number of products or services you are marketing will of course affect the amount of money spent. Having more multiple search keywords you are marketing to could double the necessary budget or have little effect. Creating a hard science in this budgeting area will remain a challenge.

➤ **Future Directions of Search Engine Advertising:**

Recently some dramatic changes have occurred with the major search engine sites, proving that they are obtaining big business status. Yahoo! completed round two of their major acquisition strategy with the proposed merger of Overture the paid listing kingpin. This followed the purchase of the Intomki, a search site that sells their listing to other search sites. As the number two search site on the internet, this is a strong indication that Yahoo! is now equally concerned about delivering relevant search results for their advertisers and not just site visitors. This will be great news for businesses looking to advertise with Yahoo!,

Before these aggressive acquisitions by Yahoo!, they seemed content to get their search functions from a key competitor Google and being in the number two position. For many businesses wanting to ensure high rankings with Yahoo! this relationship made them irrelevant. Your search engine rankings in Google would be the same in Yahoo! Very few searchers use the Yahoo! directories crafted by humans and are instead using the "Search the Web" callout box located at the top of the page, which is actually getting the search results straight from Google. This supports an internet truth that when people are

searching for information on the web they want to find it fast and return the most relevant listings to their search request. So to maintain being useful for search users Yahoo! had to do something to challenge Google.

This explains the Intomki purchase, which builds its search directory by using a search crawler method of indexing the web similar to Google and a paid inclusion method that insures your site is listed within 48 hours. In time, most likely Intomki's search engine will replace the dependency on Google, it just doesn't make sense that they would continue to use it. Although Intomki does not have name brand awareness for delivering excellent search results like Google, it is well tested in popular sites such as MSN. Yahoo! is taking more control of their search business and challenging the number one position is a positive step for them.

The next important piece of this strategy is how the search sites make money, and that is collecting pay-per-click fees on search results from advertisers. Yahoo! is already using Overture's sponsored and paid ranking in their search results today, so initially this will not have any direct effect on the web site once the merger is completed. The big impact will be felt on the bottom line of Yahoo! by being able to leverage the Overture network partners that they feed the sponsored ads to. This is a rather large and well-organized network that many businesses are very pleased with the results. This allows Yahoo! to respond to a recent enhancement by Google's AdSense program that allows any content rich site to incorporate Google ads into their web site and revenue share. A very attractive advertising option for companies to reach sites outside of Google or the Yahoo! web sites for expanding their reach.

These purchases by Yahoo! allow them to compete on a more even playing field with Google, but do they give them any unique edge? Today the answer is no, but we predict that Yahoo! may begin to capitalize on some of their inherent strengths and offer something Google can't, the human touch. Yahoo! began its search days by using human editors to review, categorize and post every web site submission that was sent into them. This quickly became a daunting task to ensure up-to-date listing information and quality information. Of course listing mistakes were made, but in collecting a \$299 listing fee you did have some recourse to modify or correct the listing. Human editing of web site

listing will always have a natural advantage over Google's reliance on placing sites in the right category by a machine. It still takes a human to understand the way a human thinks. Even Google realizes this distinction and relies on the DMOZ.org or the open directory effort for support in the ranking and categorizing of web sites. The biggest drawback of this DMOZ dependency is this human edited directory is run entirely by volunteers. You don't get any dependable support from them and many sections of the directory don't even have an assigned individual. If you site is listed improperly or looking to be listed, getting no response or a six-month wait is often the norm. So what do you expect from something that is free?

Any business that takes search engine marketing seriously, would expect the same from the search sites. If Yahoo! were to capitalize on this human review of sites and provide the same level of service they do today we believe they will be the preferred choice by businesses. The market dynamics of the search engines sites today and in the future will remain dependent on advertising dollars from a business. Keep them happy and the dollars will keep flowing in. Frustrate or disappoint them and you know what they will do next.

One development that is sure to happen from recent Yahoo! moves is increased competition between them and Google. And that is always a positive sign for the industry, but what about the third player in the area, Microsoft? MSN search holds a position behind Yahoo! as the most popular search tool and Microsoft recently is waking up to the Google challenge. The competition from Microsoft here could be both positive and negative. Today the MSN search site relies mostly on outside technology to provide search results from Inktomi and Overture for sponsored ads. But recently they have been developing their own search site that crawls the internet to index web sites in response to Google. Tapping into the extensive Microsoft research and development resources could bring forth interesting new developments in search technology challenging an area Google is well known for. That's the good news, but there could be some concerns.

Microsoft competes to win and when they see big money potential in industry like search engine marketing, watch out. If Microsoft becomes too aggressive in wanting to dominate, they could integrate search features into the operating system creating a unique advantage over Google and Yahoo! As Google has proven with its simple interface, when

computer users are searching for web sites the quicker the better. Integrating a web search as a base function of the operating system would benefit computer users, but limit choice in the long-term for the industry.

The future of search engine marketing is looking positive. Expect to see the search sites provide more responsive services to businesses advertisers, and more advancement in search technology. The big three of search sites, Google, Yahoo! and MSN search will most likely consolidate their position as the first entry portal for search users and offer extensive partner networks to the benefit of the industry.

➤ **What's Rank Got to Do with It?**

In the world of search engine optimization (SEO), the focus is getting the top ranking position in the results index for a search phrase related to your product or service at web sites like Yahoo!, Google, or MSN. This top position is important because typically the most determined searcher for your products or services will spend time looking beyond the first 30 search results. Getting rank in this coveted top spot is what search engine optimization is all about. But just how much should you be concerned about ranking and integrating this effort with your branding message?

The short answer is: a lot. In all of the over-hyped prospects of the internet, this is one opportunity still open for exploiting. Obtaining a high-ranking position in search engine sites will increase your web traffic and even sales. Real stories are commonplace and often attributed to the early excitement of joining in the dot.com boom of becoming an overnight e-commerce success. What is often overlooked with all this attention regarding search engine ranking is how it relates to a company's brand strategy.

The effort it takes to develop search engine ranking is similar to building a brand identity. In fact, they have many similar traits. They both require an investment in time to develop, advertising costs to promote, and share the same objective as an influencing tool in the buying process. The key difference is the direction of the message. Instead of you promoting your brand outwards, the reverse happens in search engine ranking where your target market is projecting back a generic brand message.

Let's use an everyday example to illustrate this concept in practice. I'm shopping for a high end espresso machine, one that grinds steams and cleans itself. I have an idea of the

features I'm looking for, along with some bias against general consumer machines from Braun. So how do I find the right fit for me? Fire up the web browser and connect to my favorite search engine (Google for me) and enter a search phrase, "high-end espresso machines".

The technical reason these entries are at the top is because they repeat those three words often. Side note, when you drop the word "high-end" to simplify the search phrase, a new set of results appears. Without "high-end" the search relevancy is based only on espresso and machine. The intense competition for this top spot means the search engine sites have to incorporate more advanced algorithms aside from counting keywords. They employ another technique called link popularity, which counts the number of relevant links pointing to your site. Well-established firms, with a recognized brand, and lots of web site referrals enjoy high link popularity. This improves their rank position. Notice a pattern here: the two efforts begin to contribute to each other.

Where there is sensible integration there is also diverging directions. Typical brand messages are broadcasted in a one-to-many format and target a projected demographic market. In the internet marketing world, developing a brand identity is more of a one-on-one effort. By including the word "high-end" to the espresso machine search phrase, I've sent out a message "who is the best at high-end espresso machines?" Consider this as my reverse brand message back to the manufacturers and sellers.

How should you begin integrating your internet marketing strategies with your brand identity efforts? Research and understand the search keywords that will support your brand strategy. Think of these search keywords as the reverse brand message that is coming from your target market. Everyday, millions of these phrases proliferate the search engines. Studying the frequency of these phrases helps determine the creation of a new brand strategy.

Next, be sure you are leveraging these search keywords to support or develop your brand message after they arrive at your web site. Returning to our previous example, once I've landed at an appealing web site selling espresso machines, how are they influencing me with their brand identity? Is there a unique name or service that stands out? Is there a section of your web site supporting your brand identity? The "About Us" or company section of a web site is a great location for a brand message. Even better, make sure your

brand messages across the web site link back to this brand identity section for consistent messaging.

One of the most important aspects about linking your brand identity with search engine ranking is to be wary about becoming obsessed with getting rank without purpose. In the search engine optimization consulting services marketplace there are many firms who will succeed in giving you a high ranking. Before engaging them, ask yourself if these search phrases really support your brand image? What evidence proves it before you invest in those keywords? Once you have achieved a high-ranking position, will it bring in the targeted audience the brand message is best fit for? The real measure of success is not just visitors at your web site, but conversions to sales or more qualified prospects. Conversions are the real measure of how successfully you communicated your brand message to the target audience. If they click but don't convert, then you either have the wrong message or the wrong target audience.

On a final thought, branding both in the online and offline worlds requires equal strategic thinking and investment. The online world offers an extra benefit for quickly tuning a brand message by closely monitoring the results.

2.5 Email Marketing:

Email has been called the “killer app” of the internet. It is without doubt one of, if not the, most powerful online marketing tools available to you. Its appeal lies in the fact that it is exceedingly cost effective, has immediacy, can be personalized for one-to-one communication, is readily measured, and allows marketers to execute online promotions with unparalleled precision. It is also the most misused online marketing tool.

The proper use of email as a marketing tool is when it is done on an opt-in basis. In other words people specifically give you permission to send them email messages (this is why it's also called permission marketing). The power is in the hands of the message audience who retain the right to opt out anytime they wish. With opt-in email marketing you deliver your message to the appropriate target audience and so can generate good quality traffic to your web site. High response rates are typically generated because you are sending targeted messages to people who specifically want to know more about your products/services, making them more responsive to your message.

These are a great way of staying in contact with clients by providing news and information they are interested in. Usually the newsletter contains enough information in its own right to be of use and features appropriate links back to your web site for more in depth information. Traffic generated by email marketing to web sites can either be new traffic visiting for the first time or repeat traffic brought back to the site. In other words email marketing can be used as both a traffic acquisition strategy and also a traffic retention strategy. It is more suited to the latter and an excellent way for maintaining and building relationships with existing customers. Email marketing is an online marketing tool most business should be using and can be done in-house. However email marketing campaigns will require more time and planning to execute and manage than you probably think. This is why many marketers choose to use the experience and expertise of specialist email campaign management agencies. Developing a suitable email marketing strategy for your business and choosing the most appropriate solution from a range of vendors can be confusing. Different solutions suit different businesses.

2.6 Ten ways to use Internet marketing as a Business Intelligence Tool to Build Marketing Strategy:

In the "Good Old Days" marketing departments had the luxury of detailed research, testing, surveying and analysis prior to developing and launching products and services. Those days are long gone. The rates of change in the competitive landscape, rapidly changing technology and globalization of markets have forced companies to change their go-to-market approach. Emphasis is now placed on speed and customer-centric iteration. Some companies waste a lot of time and valuable resources with a "ready-shoot-aim" approach. Fortunately, there is a better way to closely coordinate strategy and tactics to optimize results. Internet marketing provides a way for companies to do primary research in real-time and let the market vote with their mouse for the best targeting, positioning, messaging, offer and even the best sales model to use to address a given market with your product or service.

Following are ten ways to use the internet with readily available tools and techniques to build an effective marketing strategy.

Research on-line articles and analyst reports for market sizing - In the past, paying for secondary research was a significant line item in the marketing budget. Today, whatever doesn't directly contribute to the bottom line is considered a luxury. Use search engines and industry portals to search for data on market size, trends, and issues. Consultants and analysts often provide abstracts of research or are quoted in the press, while papers and presentations from industry conferences and academic symposiums are often published online. A quick search and documented follow-up will unearth a wealth of data from a variety of sources at no cost to you.

Community and portal analysis to estimate market maturity - During your research, make note of industry portals and communities, which are online gathering places of interest to your prospects, partners and competitors. If you are in a mature market, there will be a large number of well developed online resources. Even for new products and services, there is a lot to learn about key industry influencers, buying language/process and barriers to market entry.

Key word analysis to gauge market demand - How many people are looking for information about the product or service you will launch, based on the number of search engine queries? Is the trend increasing? What words do buyers use to describe what they are looking for? This valuable information will help you structure your messages to meet the buyers' "sweet spot."

Key word analysis to measure competition - When executing a search, how many competitors appear in search results? Which ones are active in online communities? If there are few competitors, is it because you made a poor choice of key words? Or is the market immature and wide-open to your entry?

Market entry cost estimate based on paid-placement analysis - What is the price of top paid search engine listings? How many companies have paid listings? Who is buying their way to the top of various search engines for keywords important to you? How much would you have to pay to get high visibility? The cost of paid-placements is a good indicator of the how much it will cost to do one-to-one branding.

Competitive business model analysis - Analyze competitors' web sites for partner and customer listings to gauge market penetration and determine channel strategy. View backward/inbound links to measure the link-popularity challenge, as to learn more about

their channel strategy. A large quantity of inbound links helps build traffic and increases search engine visibility.

Competitive market share - Based on assessment of competitive web site effectiveness and market sizing, estimate market share and penetration rate. Key word search trend analysis will also indicate rate of market growth. The combination of buyer demand and competitive presence is invaluable to estimating market entry costs.

Business potential - Analysis of preceding factors will help you to estimate market demand and growth, as well as help estimate cost and resource required to take market share from competitors. Most importantly, it will uncover market segments not addressed by your competitors that present an opportunity for high efficiency revenue growth.

Direct email to test messages and validate demand - Once you have scoped the market opportunity and made preliminary decisions about buying language and process, it is time to do real-time test marketing. Structure a direct email subject, message and offer that appears to meet buying criteria you have uncovered in your research. Do short-run testing and measure effectiveness. Change each element (subject, message, and offer) to measure effectiveness and discover the right combination to get the best rate of click-through from email to your web site.

Your web site as a virtual survey/testing mechanism - Your web site content must quickly prove your credibility and build interest and present an offer valued by prospects. To tune and optimize your web site you will be testing effectiveness of three things: the message for each market sub-segment, web site content effectiveness, and conversion rate from looker to buyer. Develop three or four web pages with alternative messaging. Land the prospect on differently worded content pages and measure message effectiveness. Which content makes them go further into your web site? Which doesn't? Finally, test different offers to understand what target buyer's value. Rotate inbound access from paid placement search engine ads and direct email to your marketing database and measure conversion results. The market will tell you quickly which messages resonate and which are duds.

2.7 Yes, You May Sell Me Something Today:

In a world where at every turn there is a sign or person trying to market an item to you, the challenge is ever harder to sell your message. No one is in a constant buying mode, and more and more people resent being sold something. The most obvious sign of this is the recent movement to ban telemarketing to homes in the US if residents sign-up on a “don’t call me list”. The sign-up rate at some states is higher than predicted and although the Direct Marketing Association is pleading their case in the court of law to preserve household telemarketing, popular resentment in answering phone calls at odd hours for unwanted products or services is a tough opposing force to stop.

If or when the telemarketing practice becomes limited or simply eliminated as a business to consumer marketing tool, what will fill the void as a reach vehicle to increase awareness of your offerings? Effective telemarketing campaigns generate interest for an item the prospect was previously unaware of. A successful strategy is executed when you time the calls for the most logical stage they are ready to purchase, based on targeted demographics. Either way telemarketing, direct mail and spam email always have the reputation of being intrusive marketing or selling something unwanted. So what is a better way to introduce a prospect with your message? Ask their permission.

If you were walking down a crowded street and a person stops you to ask for directions to the nearest Italian restaurant and you were an owner of a French restaurant what would you say? Yes, there is one just right around the corner, or no there is only a French restaurant just up the street. Answer only yes and you lose the chance of acquiring a new customer, or saying no could get you caught in a lie if they walk just a bit further. Or instead, you could answer their request and then ask their permission to market to them. For example, “Yes, there is an okay Italian restaurant right around the corner, but if you are looking for a really great French meal I could tell you about one that is just as close.” After you received their permission to present your sales pitch the tasks of handling objections becomes less difficult because you overcame the first challenge of getting them to say yes to being marketed too.

So what does permission based marketing have to do with internet marketing? A lot! As telemarketing loses its effectiveness, using search engines as a replacement tool will only increase in popularity. Search sites are like a crowded city street where thousands of

people are asking for directions. They are looking to find both places and products they already know and researching the offerings they don't know about. These web searchers are the prospect looking for an Italian restaurant, and you are the French restaurant owner. So how can you leverage the search engines as your permission based marketing tool?

First, address their question with a direct and straight to the point answer. Review your search keyword logs of your web site. When a search is being made to a particular feature or attribute of your product does the web page it lands on answer the question? If the majorities don't, then it is time to rework the web copy. Next, are there related search terms that you could intercept to present an alternative offering? If you have competition there are sure to be ways to divert search traffic to your site. And what is the most effective strategy to execute this, while still following internet marketing best practices?

Paid placement or pay-per-click for top ranking is a one way to reach similar target markets. As in the above example, you could launch a Google Ad word campaign for your French restaurant that appears when someone searches for "Italian restaurant." Much like doing a normal marketing campaign, present a compelling example of why the prospect should consider an alternative. Focus your normal search engine optimization efforts around the core business you have and use the paid placement tools of Google Ad words or Overture to highlight special benefits or options.

If you are a business that has engaged telemarketing in the past with some success, you don't need to give up on it yet. Leverage the search engines as a method to create that first level of awareness and when you get them to your site ask permission to market to them further. Once you have them saying yes to that first request, it's then the right time to place a telemarketing call as a fulfillment mechanism. By granting permission, they will actually expect and appreciate the telephone follow-up, rather than dread or avoid it altogether.

2.8 Content that converts is King:

When people think about search engine marketing they think it's all about high rankings and how to achieve them. If getting top rank is all they believe and the only things they talk about then buyer beware! A side industry has been created by SEO (Search Engine Optimization) consultants offering insight and tips in getting a target keyword to rank top in the search engine sites. Should you hire a company that only understands search engine optimization? Absolutely not and here are the reasons why.

Yes, it is important to achieve high rankings for your target keywords in search engines. However, getting visitors to your site is only half the challenge. How will they convert to sales or qualified leads? Let's be honest. The actual technique for achieving high ranking positions in search engines is quite simple and, in general, the rules of the game are straightforward. This means your content will be the best competitive strategy in an on-line world. You've heard the phrase "Content is king". When it pertains to search engine marketing, this is very critical. However, there is an important balance here in developing content for visitors that converts to sales, and not content just for spiders.

The challenge in developing your web site content is to balance the information visitors need to make a buying decision along with designing a search engine friendly site with keyword rich copy. To achieve these goals, you need marketing expertise that includes an understanding of search engines, as well as web site development skills. Search engine optimization is a skill; marketing is an expertise. If you have experience optimizing web site copy for search engines and visitors, then you know that it's all about content that sells - not just content that ranks.

Who cares if you get a high volume of traffic if you don't get any conversion? How do you design and write for both? What if you go to all the time consuming effort of optimizing for the wrong keywords that don't convert? What if you choose the right keywords, but the landing page content doesn't convert? How will you even know whether the keywords or the landing pages have a problem converting? These are the questions you need to ask the person you are engaging to optimize your web site.

➤ Content that Converts to Sales: A Success Story:

A consumer software company selling five core products has two web sites that receive over 6,000 visitors and 25,000 page views each per day. This company gives away

software that's two to three versions back on one site and up-sells to the products sold on the main site using a telephone sales force once they have the contact registration information. This process generates revenue, but telesales is expensive. In addition, national "no-call" lists are making it more challenging for call centers to generate revenue as they once did. The goal is to get the web site to sell as well as the telesales department. Previously, there was no customer relationship management process in place to follow-up with free down-loaders. The analysts surveyed the existing base to gather demographic data and develop a customer profile. Based on this data, a plan was launched to redesign and rewrite the web site content to increase sales as well as search engine positions. A customer relationship management process was developed to encourage use of the product during the 30-day software trial period. Developing an effective customer relationship management process is also part of the new strategy to increase sales growth from the existing base.

The call center does very well selling by phone, but their web pages don't convert nearly as well. Achieving high rankings for the new pages was not going to be a challenge to someone who understands the basics of search engine optimization, but in writing the copy, the priority was selling the visitor first and optimizing for spiders second. Content was developed by constantly thinking about what it would take to sell the visitor, not only please search engine spiders.

The most impressive feature of the easy-to-use desktop publishing software was how quickly you could create professional document output in minutes using the templates. The high quality outputs from the templates are the most exciting feature about using the software. Showing these templates on the web site would get visitors more excited about the product.

Visitors spend only nano seconds on a site. If they don't find what they're looking for quickly, they leave faster than you can say Google. Wow them as quickly as possible. Also, is your current content too text centric for an audience that needs to be visually stimulated? Don't forget content can also be in the form of a screenshot of the software, product tours, or even mini video or flash demonstrations. Of course these are items that will not be picked up by the search engine spiders today, but as both search engine sites

and users get more search savvy, this will change in the future. Besides, if it converts to a sale, does it really matter whether the spiders see it or not?

An important aspect of search engine marketing is thinking about the complete selling process. The sales process may begin with search engines greater than 50% of the time, with web site content in the middle, and customer relationship management at the end. Developing compelling content is the one tool a marketing department has in helping close the sale. Does your web content help sell today?

2.9 The Top Ten Internet Marketing Blunders:

Blunder #1: Using free or cheap web hosting services

Let's get one thing straight, you absolutely cannot run a business web site using a free web page such as those offered by Angelfire, Tripod, GeoCities, HyperMart, FreeYellow, etc. No matter what you may think, it just isn't going to work. As they say you get what you pay for. There is no bigger turnoff than visiting a web site that is hosted on an obviously overloaded web server. Your web site is the most important asset you have, and it must give a good first impression. Besides, nothing is really free anyway. When you get "free" web space you are normally required to show the hosting company's banners and advertisements in prime locations on your web site. This is absolutely insane if you really think about it from a business standpoint. These days you can find a good web hosting company that will provide what you need for as little as \$20 a month. Let's be real, if you aren't willing to spend \$20 a month on a good web host how serious can you be? Many good prospects are immediately turned off by this blunder. And while we're on the subject of web hosting, be sure to get your own domain name. Again, if you aren't willing to spend \$70 to claim your stake on the web ... what are your potential customers going to think? Take your business seriously, or you will ultimately fail.

Blunder #2: Destroying your site with graphics, java, music, etc.

This has got to be the second most offensive internet marketing blunder. If you are running a business online, your web sites most important job is to sell your products and services. Anything that detracts from this should be avoided like the plague. Unless you are a graphic designer, graphics that take forever to load are not going to sell anything.

And neither is java that crashes your visitor's browser. Same thing for any but the most popular plug-ins. Sound or music clips on your web site? Heck no!

Unless you are selling CDs, sound does not belong on a web site -- not yet anyway. Sure you can argue this, but the bottom line is that it can cause your visitors problems. Fancy graphics, java, plug-ins, sound files, etc. do nothing but make your pages take forever to load. Don't take it from us, just look at any of the top 100 sites on the web. Heck, look at Yahoo which is undeniably the most popular web site on the internet. When was the last time you saw fancy java apps, needed a plug-in, or heard music coming from Yahoo's web site?

Blunder #3: Not asking for, and acting on, visitor feedback.

One thing that many people seem to forget is that it's the prospect that has to like what they see and not much else matters. You will be literally amazed at the valuable feedback you will receive if you just ask for it. Remember that your prospects are the ones buying your products and services, and despite what you may think, the way they perceive your site and your business is what counts.

Blunder #4: Wasting valuable time on unproductive activities.

As an internet marketer your most valuable asset is time. And yes, time is more valuable than money so spend yours wisely. Because your time is a limited resource, you will need to learn to prioritize. There are certain things that are more important than others.

For example, consider the amount of time you spend on various promotion and marketing activities. Do you actually know which is most productive for you? If you don't you're wasting precious time. Test all of your advertising and spend your time appropriately.

Search engines are another example. One of the biggest myths that are circulating the web marketing community is that getting a top ten listing will make you an overnight success. Don't believe the hype, and don't waste your time trying to get there.

One of the most important things you can ever do is to automate as much of your day-to-day activities as possible. This includes order fulfillment as well. To succeed online in a big way, you will need to spend most of your time advertising and marketing your business.

Blunder #5: Not managing email communications efficiently.

Your email communication with prospects and customers will make or break you. Since most of the times you will never get a chance to impress them in person, you really need to learn how to use email to your advantage. Much of it is common sense actually.

Get yourself a good email program, learn how to use it, and spell-check all of your correspondence. You know what they say; you only get one chance to make a first impression.

Blunder #6: Failing to create and build an opt-in mailing list

Red flag! Alert! Serious blunder! If you do not have a mailing list to keep in touch with your prospects and customers, you are literally throwing money down the drain. If you get nothing else out of this issue, trust us when we say that you need one badly. People buy things they want from people they know and trust. And there's no better way to get people to trust you than to show them that you are good at what you do. Starting an email newsletter will allow you to keep in touch with your audience and do just that.

With it you can keep them informed of site updates and new products. You'll never have to worry about them forgetting you because your name will always be in front of them. You can even sell advertising. But most importantly, you will build trust and relationships. Think about it. If you wanted to become a real estate investor, would you purchase a home-study course from a door-to-door salesman or someone who had been sending you a free newsletter for the past year? Starting an opt-in newsletter should be a top priority.

Blunder #7: Ruining your reputation via inappropriate advertising.

A list of internet marketing blunders which didn't include spamming just wouldn't be complete. Despite what you may have heard, there is no better way to run your online business into the ground than the act of sending unsolicited email. It is the ultimate blunder.

The same thing goes for posting ads in Usenet newsgroups where they don't belong. Why hassle with the negative effects of these questionable methods when there are so many ways to advertise online? Forget morality issues, it just makes no business sense.

The most important asset you have as an internet marketer is your reputation. And spamming is about the fastest way possible to ruin it, short of blatantly ripping people

off. If you have any intentions of being around to realize long-term profits, please don't spam.

Blunder #8: Forgetting that marketing is the key to your success.

Even if you have the greatest product in the world you will never sell anything if you don't tell anyone about it. Without advertising there will be no prospects, and without prospects there will be no sales. It sounds like common sense, but it's also a common blunder. You only have to do two things to be successful in business, and you only need to do one of them on a regular basis. Can you guess what it is? If yours online endeavors are not as successful as you'd like them to be, do yourself a big favor and return to the basics. First of all, you need to develop a profitable business model. Until it has been proven that you have a viable product or service and a method of selling it that turns a profit, anything else is premature. Do not waste time and money promoting a dud, testing is critical. Once you have determined that your business model is sound you should concentrate most of your efforts on promoting it. If you make \$10 per sale, you simply need to find 100,000 customers to make a million dollars. Marketing is the lifeblood of your business.

Blunder #9: Thinking you're going to get-rich-quick online.

Here's another blunder that isn't exactly limited to the internet, but it is just as dangerous as the others. If we had to pick just one, this would probably be the number one cause of failure both online and in the real world. Making money is easy, but you must work for it. A successful online business isn't built overnight; it is the result of many late nights. If anyone says that they can teach you to make a substantial amount of money without hard work, run as far away as you possibly can. And be sure to bring your checkbook with you. The get-rich-quick mentality seems to be quite popular online. But the truth is, there really isn't a way for the average person to do so. And getting caught up in the hype is only going to delay true success. Save yourself lots of grief by accepting the fact that there is no free lunch.

Blunder #10: Not understanding the real power of the internet.

The internet is a communications tool. It was created for this purpose, and you'll get the most out of it if you use it as such. There has never been an easier or more cost-effective

way for a business to reach its target audience, and there never will be. So take full advantage of it.

Use the power of the internet to reach millions of customers all over the world. And then use it to provide them with the sort of customer service that was impossible without it. Use the internet to gather information, research the competition, and network with others. There is a goldmine of information and resources floating around in cyberspace, but you have to know where to find it all. Learn how to use the search engines to easily find almost anything you need and your productivity will skyrocket. This tip alone is invaluable. In a nutshell, use the internet to communicate more effectively. Don't forget that business is about people, and that the internet is nothing more than a great way to interact with them. Don't hide behind it, get involved and witness the way it changes the world firsthand.

CHAPTER # 3

CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

Retaining your customers is a critical factor in being successful. It is much more expensive to get a new customer than it is to retain an existing customer. Customer retention requires that you have a more personal relationship with your customers and provide multiple methods of communication. Many people in your organization have contact with your customers: sales people, customer support reps, consultants, management, and, sometimes, developers. Customer relationship management enables you to provide information about all these relationships and contacts with each customer. The methodology requires creation of an enterprise-wide database containing all information about your customer. This enables all individuals who have contact with the customer to know everything that is taking place with the customer.

3.1 What Does CRM Require?

As mentioned above, customer relationship management requires a central enterprise wide database that is used by all members of the organization. The first relationship generally occurs during the sales and marketing cycle when the "customer" is first a "prospect". During the sales process, all information gathered about the prospect site and their personnel is recorded in the database. Once the prospect becomes a customer, sales will most likely still retain a relationship with the customer. In addition, customer support, professional services, development, and management play important roles in providing service and maintaining a good relationship with the customer.

Every conversation, visit, or correspondence with a customer should be recorded in this database. You need to track the individuals as your customer, the products which the customer has purchased, what has been shipped to the customer, maintenance contracts or service level agreements as well as all work or support provided to your customer.

If all relationships and contacts are maintained in this database, any person who is speaking with the customer will have access to all this information. Not only does this

improve the ability to provide superior service, but each customer feels like they are important to you which results in higher customer satisfaction.

3.2 What are the Components and who are the Users of a CRM System?

Marketing needs to analyze previous marketing campaigns to determine where marketing money should be spent. They should be able to identify the type, size, etc. of their ideal prospect.

Sales Force Automation (SFA) is crucial for your telesales and/or outside sales force to automate their sales effort. This should include tracking a history of each sales opportunity and the ability to set ticklers, do forecasting, track the competition and all other available information about the prospect.

Once the prospect becomes a customer you need to record the products purchased, quantities, maintenance contracts, and/or service level agreements. You will also need to track the products that have been shipped to the customer. This might include the version/release for software products and the serial numbers for hardware products.

Customer support comes into the picture to provide service for the customer in answering questions, resolving bugs, and tracking enhancement requests. During this process, the support rep should be notified if the customer's maintenance contract has expired. They also need to be aware of all other open issues for this customer. Professional services maintain a relationship with the customer to provide implementation services, training, custom modifications, or other consulting services. All this information should be recorded in the database to provide a complete picture of all contacts and services provided to the customer.

Management must be able to review and monitor the services and interactions with customers. An automated escalation or notification system should warn management if response times or other time commitments are not being met.

3.3 Building ROI in CRM:

In another time, in a place far away, marketing was known to say things like: “My gut feeling is that we’re not getting enough customer mindshare. Let’s put \$10 million into a branding campaign and see what happens.” But that was another time and another place.

In today's marketplace, characterized by tight budgets, an uncertain economy and fierce competition, enterprises want assurance that for every dollar spent, they will realize a significant return on investment (ROI). This is particularly true for the burgeoning field of customer relationship management (CRM). "For CRM to realize its full potential there has to be a close working relationship between IT and marketing". "In today's environment, it's impossible to separate marketing initiatives and the technology infrastructure that supports them whether it's launching a new call center operation, building a customer database for direct mail campaign management, or integrating online and offline data to provide a comprehensive view of the customer." "It is observed with Fortune 1000 clients that marketing departments have always been responsible for program ROI and are now becoming increasingly accountable for infrastructure ROI, which includes the IT resources required to support a set of marketing programs. Marketing's goal may be to reduce costs through marketing automation, to increase revenues and build market share, or to spend existing marketing dollars more efficiently. But each of these initiatives depends upon an infrastructure to be deployed by IT, so IT must be very involved in developing business cases and conducting ROI analysis."

"In order to accurately estimate infrastructure ROI, both marketing and IT have to understand the capabilities of their current CRM infrastructure and the business requirements that are driving the need for future infrastructure investments." As marketing and IT begin to synchronize their efforts, there are many hidden pockets of value to unearth. "For instance," "many organizations have not coordinated their existing systems and valuable customer data. Customers' addresses and credit card numbers may be on your web server or in the billing system, while your analytic system has product preferences. And your call center stores their contact history and the last four things they complained about." Deciding which customer data is relevant and then making that data accessible to marketing in a consolidated fashion for segment analysis may result in the performance improvement of existing campaigns. Delivering outstanding ROI on CRM initiatives is about being smart on infrastructure choices.

3.4 Calculating ROI:

ROI goals must include quantifiable calculations covering both sides of the equation: financial benefits (revenue and cost reduction) and the capital and expense infrastructure costs. The two sides of the equation are linked using traditional investment analysis techniques, including NPV—Net Present Value to understand the present value of future cash flows; IRR—Internal Rate of Return to understand whether an investment reaches a corporate hurdle rate; and Break-Even Models to define the necessary performance characteristics of the financial benefits. Non quantifiable benefits —increasing customer loyalty, targeting a new sector or penetrating a distribution channel are harder to calculate but can be equally important. The ROI model takes into account revenue and variable cost drivers as well as general overhead expense. For example, a company may decide to focus on revenue uplift by creating a cross-sell campaign for a certain customer segment. Choosing a new channel, such as e-mail, impacts both the cost of executing the campaign and the expected conversion rate. For instance, while e-mail response rates have dropped dramatically, targeted campaigns to loyal customers can lead to surprising results. Of course, the company must also consider general overhead expenses such as: data integration and management costs; campaign management systems and ongoing support; and the cost of new servers and supporting network bandwidth. In fact, every line on the ROI model must be justified by the company’s own experience as well as third party research into historical data. If the data is not available, relevant industry metrics from credible market research houses can fill in the gaps. The best ROI cases forecast several scenarios that are realistic and achievable.

3.5 Succeeding at CRM:

“Today, the difference between winning and losing customers often hinges on a company’s ability to implement a successful CRM infrastructure. This is not always easy. Suppose you decide to launch several simultaneous efforts such as the upgrade of your web content system to provide personalization functionality; the integration of outbound e-mail capabilities into your campaign management system; or the implementation of a new call center application. Determining each project’s incremental contribution to your overall ROI requires rigorous modeling prior to implementation.” Companies are

developing an evolving set of best practices that help them accurately measure ROI before committing substantial marketing and IT resources. Having a clear picture of the most probable outcomes of your company's new CRM initiatives can make all the difference to the long term bottom line.

CHAPTER # 4

UNDERSTANDING THE BUYING PROCESS OF TARGET AUDIENCE AS A NEW METHOD FOR SALES PROSPECTING

4.1 Internet Buying and Selling Process:

➤ Fill the Prospecting Pipeline:

A major issue facing corporations with complex products is how to fill the pipeline with a sufficient quantity of suspects/prospects to meet revenue objectives. The historical relationship between marketing and sales has been that marketing creates awareness and interest and sales handles all the personal relationship aspects from education through creating preference, purchase and assuring loyalty. This division of labor is ineffective in today's economy. Buyers have changed the way they buy, and sellers have to change the way they sell. Traditional marketing relies on methods such as print advertising, trade shows, seminars, direct mail. The typical sales cycle includes cold-calls by sales or telemarketing reps and many customer meetings with multiple demonstrations and presentations. Sales opportunities seldom get to the pipeline or forecast, but once they are there, they never seem to close. This is due to sales being afraid to walk away from an opportunity, because there are none behind it in the lead-funnel and prospecting via cold-call or follow-up of unqualified leads from traditional marketing is tedious. Many sales reps would choose to continue working a low-level prospect that will talk to them, but never make a decision, over prospecting. Marketing turns the lead over to sales during the interest phase and sales follows through after that. There are two problems here. First, the marketing cycle is long and expensive and second, the sales cycle is long and expensive. In addition, there are few meaningful metrics that enable tracking of progress, documenting effectiveness and predicting future results.

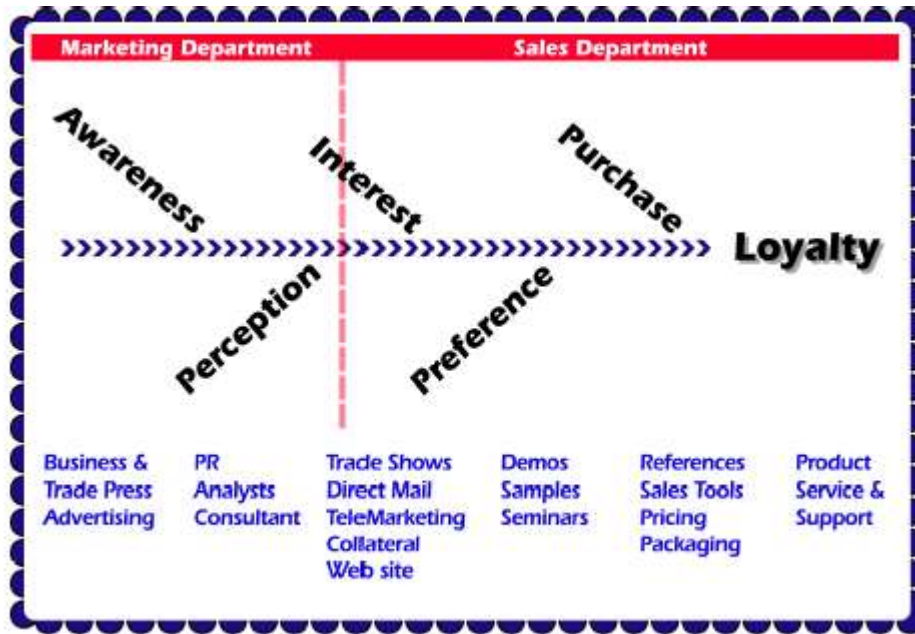


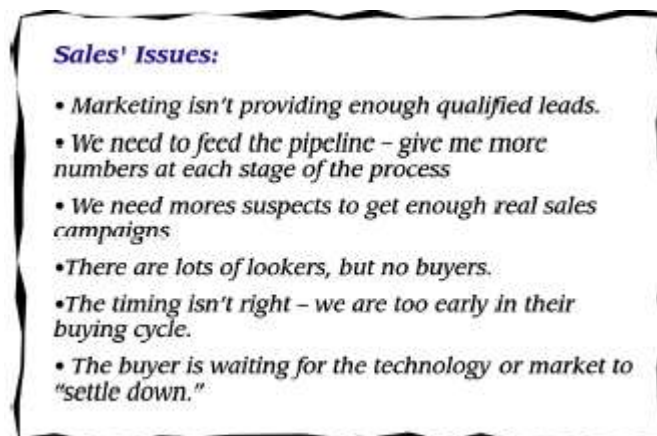
Illustration 1: Traditional Marketing & Sales Cycle

➤ **Traditional Marketing Cycle:**

Although the traditional marketing cycle is most active only during awareness and perception phases, it still can be long in terms of duration. Traditional marketing spent a lot of time in research and planning, because a mistake has a long recovery period. For instance, if you go to a trade show and deliver a confusing message, or get surprised by a competitor delivering a strong message to the target audience, the next time you may be able to recover and deliver a revised message is at the next trade show. That could be months or even a year away. The same holds true with direct mail and advertising, only the scale of time for recovery is somewhat less 3 or 4 months for ads and 3 or 4 weeks for direct mail. In the mean time, the money spent delivering an ineffective message is lost. In addition to being long, the marketing cycle is expensive. Marketing often gets blamed because it is almost impossible to directly link results to money spent. Traditional marketing also is imprecise. Most of “ad-voice” is delivered to an irrelevant audience. Most direct mail is discarded without being read. Most trade show leads are not really leads, but at best are contacts to be further cultivated, and at worst are just people who wanted a t-shirt, a job or to sell you something or even competitors “bird-dogging” your efforts. Telemarketing often is more effective, but extremely expensive in terms of cost per lead. It also isn’t very scalable. Good telemarketing talent is scarce, expensive and

burns out quickly. Turning up intensity to launch a new product or fuel sales growth is not practical. The biggest deficiency of traditional marketing is the reliance on long-term and imprecise metrics and “soft benefits” to establish the value of marketing. This is because traditional marketing lacks tracking ability. Where did the lead come from? What was the entry point? What did they do next? How much did it cost? When and why did they buy? This is one of the big issues some companies try to address with customer relationship management (CRM). The problem with that is that the medicine often kills the patient. There are often simple, but effective ways of achieving relevant metrics and precise tracking that both complement and feed CRM, or are easily implemented with more cost effective tools than CRM, such as Sales Force Automation (SFA) products.

➤ **Traditional Sales Cycle:**



At some point during the interest phase, marketing turns the lead over to sales. It is often up to sales to educate and qualify the prospect to the point of determining fit for the solution. For complex products the education process to achieve preference can be very long and expensive. Multiple onsite visits, frequently with skilled pre-sales engineers and elaborate demo scenarios, are often needed to help prove to the prospects that your product will solve their problem. Meetings are held with various stakeholders in the decision process: financial buyer, technical buyer, legal/administrative buyer, operations buyer, etc. All participating buyers need to be satisfied that the choice of your product is the right choice based on their unique criteria. Managing the expectations and education of the various buyers is time-consuming. Even when there is a good fit between the

buyers' needs and your product, it can be frustrating to the sales force and a productivity drain for your company.

4.2 Internet Performance Marketing:

What if there were better ways to educate and qualify buyers? What if buyers were to ask for and find the information needed to discover how your product or service meets their needs? What if you only needed to involve a sales rep when someone wanted to buy your product? This has been considered a best practice in the business to consumer world, and now is achievable in business to business, as well, through the techniques of internet performance marketing. It is true that the internet enables you to reach more people with less cost than previously possible with traditional marketing techniques. Increasing the numbers is only a small part of the answer. In reality, more and better leads are needed, along with a better process to qualify the leads. This is the goal of internet performance marketing.

Internet performance marketing accelerates the marketing/sales cycle increases the quantity of contacts, and most importantly, it increases the number of *qualified* contacts. The result is quicker time to revenue, and lower cost per lead. A critical by-product of internet performance marketing is greatly increased efficiency of marketing and sales resources, through rapid and effective development of marketing and sales strategies based on factual information from real buyers. Less money is spent to get more awareness and more contacts. Less time is spent dealing with unqualified suspects. Less time is spent on unproductive marketing events and activities. Less time and money is spent planning strategies that don't work. "Soft benefits" of traditional marketing give way to internet performance marketing metrics. Results are predictable and can be tuned to fit with other resource constraints, such as sales coverage or technical resources. Measurable results also mean that marketing ROI can be calculated and marketing activities can be optimized to focus on the most efficient means of achieving marketing objectives.

➤ Marketing Strategies:

The marketing strategies of most companies have evolved from personal experiences and preferences of the executives who establish the culture and direction of the company. It is

an amalgam of what they learned in business school tempered by real-world experience. *“Conventional wisdom says do this. We did “this” and it worked, but when we did “that” it didn’t, so we do more of “this” and less of “that.” Our competitors are doing “this” and it seems to work, so let’s do “this.”*

That’s fine when dealing with strategies evolving at traditional marketing time-scales. If your competitors all agree to work in terms of months and years and if your investors are willing to wait years for a return on their investment, you can continue to work that way. That is fantasy. The real world is fast, flexible and ever changing. Internet performance marketing thrives in this environment. Time scales of hours and days require rapid prototyping, adjustment and optimization based on real results from real buyers. It is also a great research tool to test viability of market sub segments prior to making strategic investments in manpower, facilities and communication.

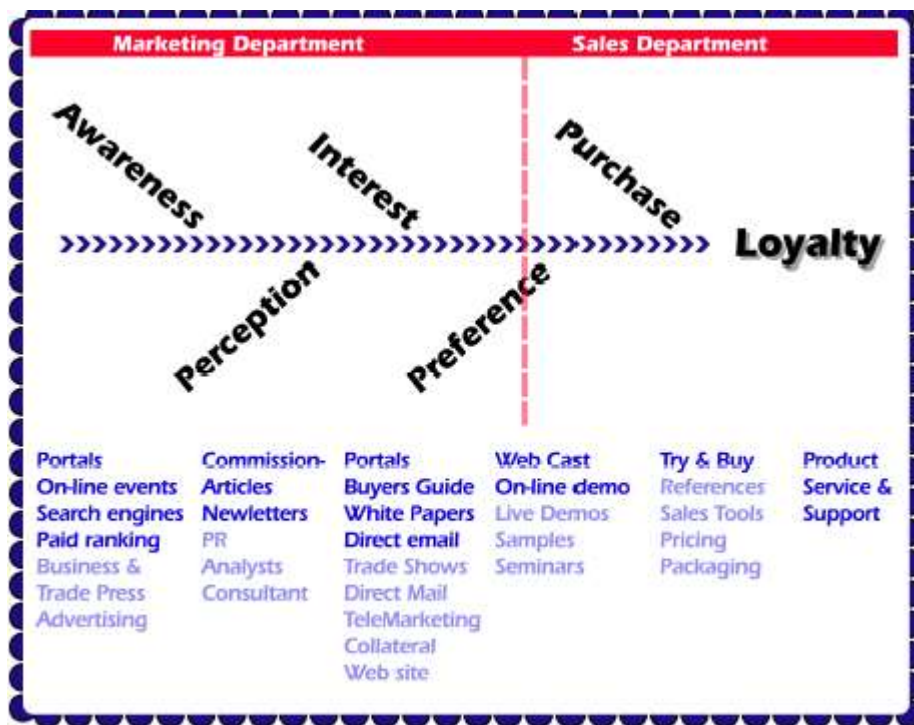


Illustration 2: Marketing & Sales Cycle with Integrated Internet Marketing

➤ **Real-Time Market Research Example:**

Take the example of a company that sells information security software. They sell to IT departments of large enterprises. They believe that the government could offer an opportunity for increased business. To enter this market using traditional marketing

techniques, they would first check with industry research firms for market sizing information, market taxonomy and initial segmentation; do some primary research with mail or telephone surveys; commission focus groups with various demographic mix; create a business plan with all the input; get budget approval; hire one or more subject matter experts; complete a competitive analysis; develop preliminary pricing and promotion plan; develop sales tools; hire or retrain the sales force; create a communications program with personal relation, print ads, trade shows, telemarketing blitz; and finally many months later, get the first feedback from the “Real-world” of buyers in the market. With internet performance marketing, within a few hours or a couple days they assess market size via analysis of key word search traffic on the major search engines, sample listings in key directories, identify the key healthcare portals, test effectiveness of competitive sites, identify most effective paid placement and targeted promotional opportunities. Competitive positioning is immediately evident based on search engine position, link popularity, directory and portal pervasiveness and paid placement positioning. A preliminary plan is then implemented and tuned daily for a week or two. Based on actual results, decisions are made as to additional investments required. The strategy is formulated, tested and validated before any real strategic actions are taken. The strategy is built on a solid factual foundation, rather than folklore and feelings. This is particularly important in B2B sales of complex products and services. A strategic mistake can set you back months in the market and cost you in terms of lost sales revenue, market share and even company valuation.

4.3 Integration with the Sales Strategy:

➤ Integration with Sales:

The sales strategy benefits equally with the marketing strategy from the implementation of internet performance marketing techniques, because it enables your sales strategy to match how buyers want to buy. Once you identify the real buyer, how they buy, what key words bring them to your web site, which web draws convert lookers to buyers, and what information on your site has value to buyers, you have all the tools necessary to quickly evolve your sales strategy. Hiring decisions for sales reps can be focused based on vertical market or technology requirements expressed by real buyers. Market entry

decisions, business development deployment, communications and personal relationship plans all are focused and effective, because they are based on real buying information, rather than opinions based on out-dated information and partial facts.

Telemarketing and first-call scripts include the key words that buyers use to express their needs. Sales collateral is electronic and easily modified to reflect changing market conditions and also contains the key words buyers use to find solutions to their problems. Materials that have proven effective as web draws are often effective as support for sales campaigns. Pre-sales technical resources are deployed based on needs of real buyers. And probably most importantly, much of the education and qualification of the prospect is done on-line, thus freeing up the sales rep to deal only with an educated, qualified buyer. This effectively reduces the sales cycle and significantly improves sales productivity. Shortening the sales cycle is such an important benefit that many companies have this as their primary objective for implementing internet performance marketing. Because you can track the precise source of a contact that converts to a lead and results in a sale, at any point in time you have key metrics available upon which to base management decisions.

- If I invest X in marketing this quarter, I will need to hire and train N sales and pre-sales support people to satisfy demand.
- Conversely, if I see web traffic and conversions decline I can project the impact on future revenue. I can analyze the decline and based on the cause, I can either increase marketing investment or plan to re-deploy sales resources.

In either case, I have a faster assessment of market conditions, which cuts down on surprises and increases the degree of predictability.

4.4 Closed-loop Marketing and Sales Processes:

Closing the loop between marketing and sales is now possible with internet performance marketing techniques. With lead-tracking techniques well-defined and sales force automation (SFA) systems the norm, there is no excuse for not being able to track every deal from first contact, through conversion to prospect, to pipeline, to forecast, to sale. Research has shown that as many as 75% of all sales leads are not followed-up by the sales force. Implementation of lead tracking not only increases the percentage of follow-up, it is also a sales management tool that can be used to plan for sales compensation,

sales force expansion and identification of skills deficiency and training opportunities. If a rep has trouble moving a prospect through the pipeline, metrics are a key to diagnosing the problem and initiating corrective action, such as additional training, coaching specific skills or revision of the qualification process.

CHAPTER # 5

PLANNING AN INTERNET MARKETING STRATEGY

5.1 Applying a Methodology:

➤ **Investing in Planning:**

Applying a methodology for developing a strategy to solve problems requires extra effort. Time constraints often tug at your sleeve to hurry up and “just implement it now”, but dedicating some off-line time to plan will make better use of resources. Although it’s important to be agile and respond to current business requirements, planning for future efforts will often reap richer rewards in increase efficiency and effectiveness. Applying a formal methodology is critical for obtaining consensus within large organizations. You may wonder if a formal methodology doesn’t just uncover the obvious. Not always, and in many cases it’s quite the opposite. Yes, it often highlights conventional wisdom, but the underlying benefit is the formal links that are created between each phase. This linking ensures that when implementing a marketing campaign over time it still relates to the original objective. So why not just take two aspirin for that headache? Because without linking back to the cause, the real problem may never be known. Documenting a methodology is best done by example. You can’t predict the final results, as it should reflect your particular situation.



Illustration 1: Phases of a Internet Marketing Strategy

➤ **Developing a Historical Account:**

Before starting the planning process or even discussing the methodology to be applied, a sensible exercise is to document where you have been. The planning process will require assumptions, predictions and even “gut instinct”, which should be captured as a use case. Pre-work in developing this historical background is a necessary task. Bring together, or briefly document current use cases of existing campaigns and the associated best practices and results that occurred. You did things this way, with these results, and why is that? Ensure contributions will be made from the most experienced and knowledgeable members of the team. Applying direct internet marketing experience, organizations establish an internet presence for creating an electronic “display window” for their company’s products or services.

Initially, it may be to increase awareness by directing customers to their web address and developing interest in their company, products and services. Quickly, they realized the benefits of selling directly to a customer through the use of electronic shopping carts that became defined as e-commerce. This heralded new promise as the most cost effective method for generating new business. But, for some business-to-business (B2B) centric companies, their e-commerce sales are considered a separate entity and not integrated with offline B2B sales organizations. Therefore, the web site is viewed as a sales tool for e-commerce. B2B companies may have a hard time envisioning how the web site will support offline direct sales. The current use case for internet marketing target customers is a mix of electronic brochures and e-commerce clients using their internet presence to sell products. The amount of web sites offering information for complex product or service offerings is getting extensive. Even entire product catalogs are available for the more business-to-consumer orientated sites. In all cases researching, conducting, transacting and performing business over the internet is a well-established practice.

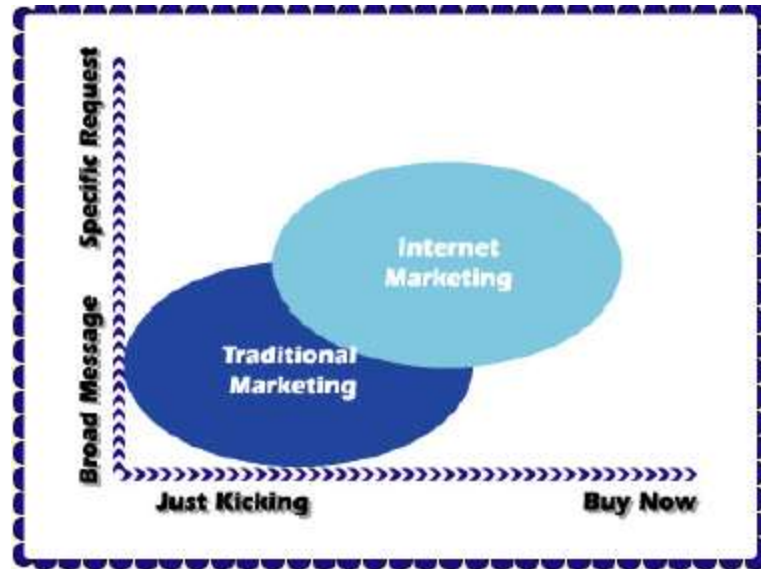


Illustration 2: Marketing Sphere of Influence

5.2 Phase 1: Converting Trend into Beliefs

The first formal step is the development of *principles* to be used as the basis of your marketing strategy. In the first phase called “Market Beliefs” we examine developing trends to establish a viewpoint of the market environment. Using the target market of any company as the example, let’s establish some basic beliefs in an internet marketing environment. The predicted use case for this phase is where web draw materials will encourage visitors (the suspect), to move through a series of steps to motivate them into qualified interest (the prospect). User behavior follows a permission-based process and their entire session is tracked through a company’s web site and even days or weeks later. Prospects will decide the right product or service for their specific needs using interactive techniques to self-qualify at determined stages. This creates a closer or more direct relationship with the future customer that focuses on *relationship marketing*. Your company’s internet presence, along with the existing sales structure and related partner web sites, all participate in the influencing process.

➤ Example Internet Marketing Beliefs:

Derived from this use case scenario there are three top market belief principles in regard to this relationship-marketing phase:

Market Belief #1: The amount of information and access points regarding your offerings will proliferate over the internet

Market Belief #2: Increasingly sophisticated demands from prospects for more product/service a detail in exchange for self-qualification information as part of the process is required in order to collect qualified leads.

Market Belief #3: Community based portal web sites that prompt the prospect to engage, interact, opt-in or become a member will influence prospects

These are sample principles. How do you develop your own principles that are appropriate for your prospects? Get members of the team in a room and use these principles as a starting point to create new ones, change, and rework or even discard existing ones. The team consists of all stakeholders in the project. Make sure everyone understands and agrees on the foundation for this effort. Discuss how your audience responds offline and how that will translate online. A sound principle is a statement based on facts or common sense truths you already know about your audience. The principle should not be worded as an objective or goal. It may even contain a bit of vision and insight. Although the principle may be supported by market data, avoid including statistical data in the statement. Provide an environment that is conducive to creative and free flowing exchange of ideas. Be sure you have included a variety of perspectives into the discussion. Invite a key partner, or even customer, top level management and implementers and of course an outside facilitator/consultant. Are there additional principles that you can establish from this relationship marketing scenario? Hopefully so, because even though the methodology follows a defined process, the results should be open-ended.

5.3 Phase 2: Define the Marketing Campaign

➤ Campaigns Link to Market Beliefs:

In this next phase we will take the market belief principle example and convert it into an action step called the market campaign phase. Let's focus on just the Market Belief #1 example of having to message in an information rich environment. We explore various options of what we can do to respond to this condition. Again, try to develop a principle

statement that focuses on the *characteristics* of the campaign and hold off on the “how to”. This will be done in the following phase. Examples are as follows:

Market Campaign #1: Develop an interactive educational portal using Internet marketing tactics for companies promoting/selling complex, high-value products and solutions online

Market Campaign #2: Connect with Internet users actively seeking information about the problems your services resolve while implementing tactics to qualify them in the process

Market Campaign #3: Work with your partners to ensure visibility through their marketing efforts and participate in sponsorships in the most strategic portal sites

Expand each of your principles with examples of supporting trends that illustrate what is happening today and capture the challenges this represents. Make sure each campaign supports at least one or more market belief. If they do not support a principle from the previous phase, either rework it so it does, or toss it out. This linking is an important check to ensure what you started out with will be carried through to the end results. It isn't required that you proceed to the next phase for each of the principles as some may never be executed, but there is value in exploring ideas that seem less feasible or interesting because they could end up better candidates to implement. The next section expands the Market Campaign #2 principle.

➤ **Example Campaign Goal: Marketing Through Search Engines:**

Search engine marketing to influence people seeking more details before the purchase:

The Internet is the ultimate information store. The amount of information being exchanged on the internet is showing no signs of abating in growth. Search engine web sites are a vital tool in helping to categorize, navigate, and display this growing information store. They also are assuming an important role as a virtual guide for a potential customer to a business.

➤ **Supporting Trends:**

Getting top rank is an important function: Companies are spending a lot of their marketing budget to improve the top ranking at search engine sites. Search engine marketing is developing as an industry in its own right because of these trends in user behavior.

✓ **Characteristics of this Trend:**

- □ Future consumers will rely and even depend on the internet as their primary information source regarding goods and services
- □ Web site search tools will assume a greater role in deciding what are relevant and legitimate web sites for a specific topic or subject
- □ Categorization of the millions of web sites will require the support of advance information searching techniques

✓ **Challenges to Watch: Advancements in Search Engine Developments require continual attention:**

Competition to be a top web property as search engine web sites is intense. These sites must constantly develop and refine their searching algorithm with current information to keep loyal users. The search results a user receives are ranked by highest importance displayed first. In the past, simple techniques of stuffing pages with hidden repeated keywords inside of the web pages would help insure a top ranking position. This is one form of search engine spam and is easily detected. Submitting too many pages in one day is also spam. Major search engine web sites are applying more artificial intelligence techniques to detect spam and some punish severely when detected. The algorithms are becoming so sophisticated that some go beyond text analysis of your web site and add in factors such as link popularity, link relativity, and how often your index is clicked on once indexed as part of your ongoing positioning. The relevancy of your site to the links coming in to your site and their popularity are calculated. In summary, search engine sites will begin to evaluate your web site's creditability as a subject matter expert as it relates to the competing pages based on the original search phrase submitted by the Internet user.

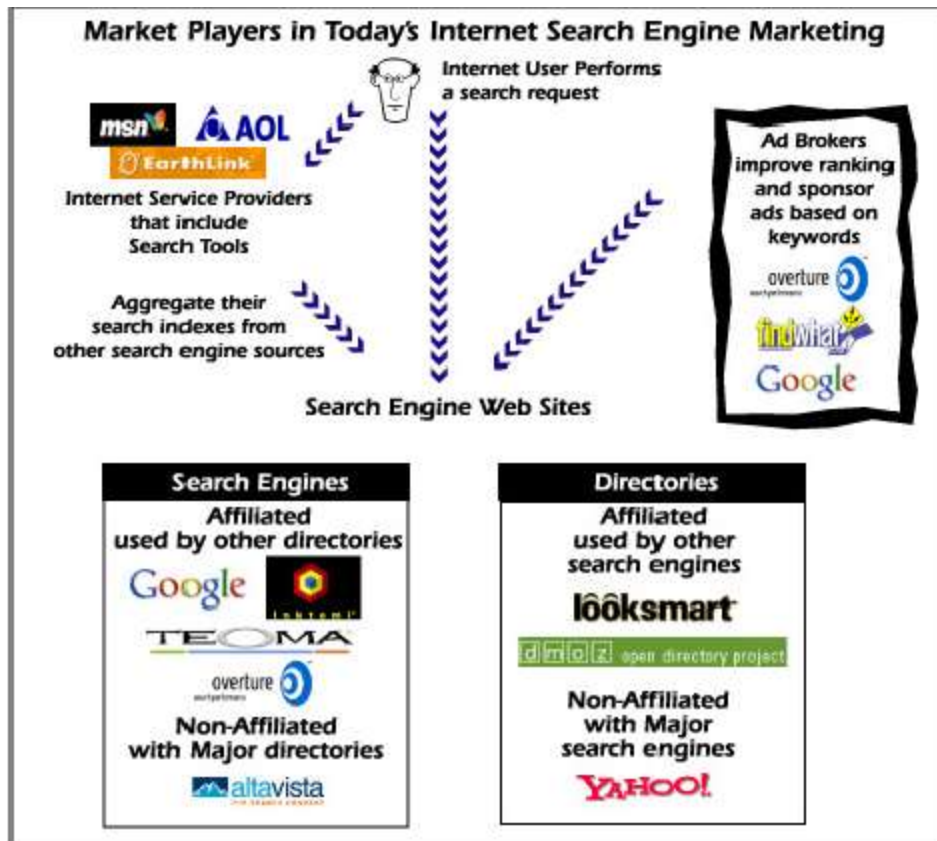


Illustration 3: Graphic Chart of the Use Case of Search Engine Marketing

Another important factor to consider is how the search engine web sites themselves will remain in business. To remain a free and creditable service within the internet community, it is often about achieving a state of balance. A search engine web site must solicit advertising or business fees from the same companies they are ranking in terms of their importance. Even within the large and vast community of the internet a positive or negative reputation can spread quickly. Google, a search engine, is a prime example of rapid acceptance of service appreciated by the internet community. In only a matter of a couple years in existence and still privately owned they became ranked in the top ten US prime web properties. What this all means for anyone wanting to pay for advertising with a search engine in such high standing must recognize and adhere to a set of operating code of ethics (often unpublished and changing) or risk being banned from listings in that search engine.

This reliance on search engine web sites presents some of the following obstacles:

- If you don't achieve a top ranking in a search result (first 30 listings) most likely you will not be visited by the majority of the potential customers and prospects
- Broad and generic company messages will not match well to a targeted and specific user inquiry
- Early purchase influencing is lost if the potential customer cannot readily access or find creditable information

5.4 Phase 3: Assembling the Necessary Tools:

Having defined a market campaign to use search engine marketing for connecting a prospect seeking the type of product/services, we move into the next phase of planning that reviews the “what with” elements. This is called the *Tool Box* phase. The first step is to assess what assets you have today to help rank in the top of search engine web sites.

➤ **Assess Your Search Engine Marketing Potential:**

Understanding your potential and the assets any organization has is always an important step in leveraging the right tools for marketing campaign. Search engine marketing enables tracking and ROI measurement. A detailed assessment that identifies measuring techniques includes research, interviewing and analysis tools to develop a thorough matrix of evaluation points.

✓ **Marketing Your Internet Presence:**

- Does it have the ability to influence the prospect as a creditable business?
- Is your product/service message optimized for search engines?
- Are you developing a market mindshare as a leader of innovative offerings through a good link popularity program?

✓ **Converting Browser to Buyer:**

- When a prospect is directed from the search engine site does your web site cater to buyer centric needs helping to educate them?
- What type of web draws will produce a unique message that brings your message to the top of index naturally?

- Does your site offer a clear benefit to a searcher for investing their time at your site?
- Have you implemented a process for self-qualification on the site?

➤ **Scorecard the Assessment:**

The results of an assessment should be captured in a benchmark report that you can use to benchmark where you are today and measure future positive (or negative) results of your efforts. Having a formal mechanism for scoring the results will improve organizational performance and help decide the most cost effective tools to be used in the next phase.



Illustration 4: Example of the Summary from a Scorecard Assessment

5.5 Phase 4: Implement the Campaign

In this last phase this is the detailed “how to” planning in implementing the campaign. Internet marketing allows great latitude in scaling the size of a campaign so before launching a major effort you could pilot a downsized version of the plan. Using quick response time and short deployment requirements of a pilot, a post plan is developed based on realistic projected best test results.

➤ **Implement with Precision:**

The experience gathered from the pilot-planning phase will increase confidence and reduce risks in the actual implementation of a campaign. Revise your assessment benchmark if necessary, before the campaign launch for this will be used in post-project analysis. Did web draw materials develop the anticipated conversion to qualified prospect or buyer as predicted? Was customer feedback registered as a positive or negative

experience? This is the phase where integrated measurement tools should be relied on heavily.

➤ **Integrate for Completeness:**

Internet marketing is not done in a vacuum. It requires integration and interdependence with many other functions within the organization. Achieving success in converting a prospect to potential buyer for complex solutions will often still require the efforts of a sales force to close the deal and continue the relationship begun through the web campaign. Is there an effective hand-off of a qualified web lead to a sales force automation program or process? Will you be able to empower the sales personnel with in-depth information as to the type of pre-activities the prospect engaged in? Integration of internet marketing with offline marketing efforts and business processes will result in a competitive advantage in a crowded market of similar offerings.

CHAPTER # 6

FOCUS THE MESSAGE FOR CONVERSION

6.1 Aligning Marketing Actions with Sales Objectives:

➤ **A Good product is not enough in an Internet Environment:**

Conducting business on the internet is similar to a medieval bazaar. The measure of presence in the market is equated to the loudness of voice and ability to move cart quickly around to be seen and heard by all who may be interested. Sharing a common virtual space doesn't support a physical office or factories, so a prospect has little indication of just how successful you are. Rich and poor vendors alike must vie to attract a buyer's attention. Even a very good product (or maybe even the best) sold by a great barker that addresses real customer needs will fade away if the sales process isn't implemented effectively. Companies selling business solutions to other businesses (defined as the business-to-business or B2B market) share in similar challenges in this general consumer internet bazaar example. They also have some additional issues to consider, such as:

- Obscure or little brand awareness of the company or offerings on the web
- Complex products and solutions sales are not closed on the website; it is still done by a direct sales force
- Complex, expensive products typically have a longer selling cycle

The principles and objectives of offline B2B marketing activities are very similar online i.e. create awareness and interest through scalable activities that educate target market to convert to sales or accelerate the sales cycle.

As an example, traditionally, hotel seminar road shows are conducted to meet the same objectives that can be achieved online through a web cast. However, a web cast requires much less internal resources, invested time and is much more cost efficient. If audience is receptive to web casts, then this is an excellent alternative for both the seller and the buyer. Internet marketing activities play an important role in creating awareness, detecting projects and speeding up sales cycle. Rapid payback is one of the key objectives.

➤ **Fewer budgets and more business:**

Today, the challenge is to generate more business with less marketing budget. The traditional marketing approach, which includes activities such as tradeshow, direct mail marketing, seminars, and telemarketing, has shown its limits. They take time to implement, success is difficult to replicate and when it is not effective in generating business, it is generally too late to launch a new campaign. Time is wasted, money is wasted and opportunities are lost.

So the question is:

- How do you align marketing investments with sales objectives?
- How to create awareness?
- How to detect real projects?
- How to speed up the sales cycle with less marketing budget?

6.2 Focalization is the Key:

Let's return to our bazaar example for a moment and visualize two virtual carts that are roaming the internet world prospecting for new customers. In one cart the barker is shouting; "Toys for Sale, toys for sale, get your great educational toys here." In the next cart a vendor is shouting; "Software for Sale, software for Sale, get your great business software here." The toy vendor has a huge potential market, while the second vendor (a B2B effort) has a more targeted audience interested in buying software. This audience will require more "focalization".



Illustration 1: Elements of a Focalization Effort

The vendor needs to focus more effort on broad awareness of the message since the internet is a vast playing field. Focus on the answers to basic buying process questions for your online audience:

- What is the problem the prospect is trying solve?
- Why do they need to solve the problem?
- Who is trying to solve the problem?
- Where will they look to solve the problem?
- When will it become a critical problem for them solve?

Online testing and analysis needs to be performed to understand the buying process behavior of the prospect and what they will respond to. Find out what they want and offer it to them in the simplest most focused way possible. Now you are beginning to apply focalization in your efforts. Focalization is a mix of three elements that support each other:

- **Focus** on product and customer in order to be sure a dollar spent is well spent
- Implement **scalable** operations in order to build a consistent pipeline
- **Track and improve** in order to optimize marketing investment to support goals

✓ **Focus on product and on prospect to speed up sales cycle:**

Immediately reaching the right person with the right message is a key to speed up the sales cycle and to create awareness in your target community.

Focus on product or solution value

What is your value proposition? What makes you different? What are the customer payback/benefits of your proposal? The message you give must quickly create interest

and address easily identified needs. It must be provocative to gain attention, but use relevant keywords to help people eliminate themselves if they do not need your product or service. The keywords must make an immediate connection with high-value business issues the prospect is looking to solve. Spend ample time in researching the right keywords that define both prospect business issues and your business activity and offerings and be sure to measure them against popular search engines to determine success factors.

Focus on prospect

Different people are involved in a buying process: technical team, end users, management, consultants, purchasing. They all have their own vision of their needs and/or of the project. Spending a dollar to deliver a message and trying to obtain information from somebody who is not your target is a waste of money and time. Matching the message and the medium to the specific target is critical.

- **Implement a scalable marketing mix to generate enough pipelines:**



Illustration 2: Scale Exercise

In Illustration 2, this is a simple arithmetic exercise that shows how important it is to generate enough leads to feed the pipeline. The decreasing factor depends on each market, product and type of opportunity. It will be much easier to sell an add-on to an existing customer rather than to sell a new license/product to a new customer. But in this example, if you need to sign 10 deals per month, you need to generate 300 hot leads per month! What a challenge! Quickly feeding the pipeline with enough hot leads is the challenge for a company to meet its quarterly objectives.

Unfortunately, there is a “time to execution” conflict between scalability and focus, because the selection process to focus on prospects may take a lot of time. Focus takes time to implement. Companies generally respond to this contradiction with a high marketing budget, which brings us back to the payback issue.



Illustration 3: Payback Factors

➤ **Track and Improve to drive your marketing activity:**

The answer to justification for payback is quite simple: design performance marketing within each activity. The internet allows a range of background information to be stored and retrieved for analysis that can help you determine if a marketing campaign is performing up to expectations.

A performance marketing investment must be linked directly to support sales objectives.

Driving investments means:

- Define or update objectives
- Launch campaigns
- Analyze the results by campaign

- □ Modify next actions in order to meet objectives

These process steps will assist in the implementation of a scalable operation according to your focus strategy.



Illustration 4: Performance Marketing Cycle

- **Traditional Marketing limits Performance Measurement:**

The ability to measure down to the smallest detail of traditional marketing campaigns was rarely, if ever, possible. The cost to implement such a tracking system often overshadowed the benefits of this additional insight. Here is a review of traditional marketing events and how they fail the focalization test.

Tradeshows

Tradeshow may support some sales objectives, but:

- □ they are expensive in time, resources and money
 - □ they generally happen once a year
 - □ if they fail, it is difficult to quickly find a new one to generate extra leads
- tradeshows is not flexible enough to support quarterly sales objectives.

Telemarketing

Telemarketing is a more flexible marketing approach. You can decide any start date of a campaign and you can focus the campaign on the detection of specific projects by design of the phone script. For complex products, in order to obtain good results, it is mandatory to work with high-level telemarketing resources. Unfortunately, it is quite an expensive approach to generate leads, which makes scalability impossible.

Seminars

You can schedule any date for a seminar. You can even implement a road show to cover a wide geographical area. But creating and setting up a new seminar series takes time and a lot of money. To invite people you need to design and launch a direct mail invitation and make follow-up phone calls to invite people. You're asking the audience to invest more of their time and money to participate. Because people have to physically travel, whether near or far, to attend, it is difficult to implement scalability.

Other Marketing Activities

Direct mail is expensive and time consuming. Advertising is useful to develop awareness, but not a direct contributor to generating revenue. Listings in printed buyer's guides and directories give sparse results and take staff time away from more important activities. A major drawback of traditional marketing activities is the inability to track and measure the ROI of those activities.

6.3 Internet Marketing enables Focalization:

Since the beginning of the business world, creating a predictable science of marketing activities to target the right prospect is the holy grail of B2B marketing managers. So what's new today?

➤ Internet marketing brings new lead generation tools:

The internet revolution brought three added values compared to traditional marketing approaches:

1. Increase focus by creating community around portals, newsletters and search engines
2. Facilitate scalability by addressing the world
3. Simplify tracking by logging referral and source information



Illustration 5: Transition from Awareness to Interest

Focus: One message for one target

Internet campaigns such as newsletter and white paper sponsorships email to rented lists, and direct email opt-in and opt-out can give a single, simple message focusing on product advantages that address specific business issues of the target audience.

The message can be as simple as a direct email subject and text that offers the value proposition briefly and succinctly or four lines of ad insertion sponsorship text for a newsletter. The landing page on the web site gives them the ability to get what they were told they could get easily and quickly. It is an honest message with a relevant valuable offer facilitating an exchange of something valuable between the seller and the buyer. In the internet world, the amount of information is overwhelming, so we are obliged to make a simple, single message: this synthesis is the result of the quality of your marketing approach. Since the message is short, you can easily adapt it to a special focus target such as by industry (e.g. telecommunications, financial, health care) and job title (e.g. VP Sales, Controller, Director of Network Operations, etc.)

Implement target focus

On the web you can find a lot of ways to focus on your target:

- ☐ Vertical portal addressing specific communities: vertical industry, technology, country.
- ☐ Email rented list providers' index their lists by attribute: size, industry, geography, job title

- Your own email lists are generally organized by your own specific attributes: products, country, domain of interest,

Implementing focus with internet marketing is quick and easy:

- Select a target and a value for this target
- Create a short message
- Launch an internet campaign focusing on your target
- Measure results and adjust message accordingly

Scale: the world via World Wide Web

The challenge of scalability is two-fold:

- How to reach the complete list of targets? The objective is to detect all projects at any stage!
- How to launch large campaigns in an acceptable time frame? The objective is to implement quickly scalable operations.

Reaching the complete list of targets

In the B2B world, almost everybody has a browser and is using the internet to gather useful information about products and services they are searching for to solve a business problem. Or, they may be just information gathering for future reference or educational purposes.

When working in certain industries, the internet is the most used media to gather information. The most used tools used are:

- Web search engines
- Directories
- Vertical portals and newsletters
- Direct email opt-in

Launching large campaigns in an acceptable time frame

Once you have tuned the message and defined the target, you can make list selections based on criteria for newsletter or opt-in direct email lists. Until you learn how a particular audience will respond, you may want to initially send a few hundred emails at a time with a few different messages to test for conversion. If the audience responds well to the larger launch, you may market to them again. In a matter of days or a couple weeks,

you can reach more people with internet marketing than you could in a year of traditional marketing.

Track: Digital Information

The most important factor in order to make the right balance between focus and scalability is tracking.

Here are some of the types of data you can collect behind your submissions forms without soliciting the visitor for this information:

- Unique Entry Page to the site that indicates which campaign they come from
- Referring URL that indicates the search engine and what they searched for
- Referring URL also indicates which of the advertising vendor's partners is sending good traffic and conversion
- Web path info that indicates their behavior during the duration of their visit (which pages are getting the most traffic and how much time do they spend on the page)
- Personal data contact information

This is extremely valuable data that can help you determine which keywords are converting to actions on your web site. Traffic analysis will indicate which keywords refer traffic from specific search engines, but this information is not mapped to a converted new or previous lead from your web site. Knowing which partners are referring good traffic may help you decide to spend more online marketing dollars on those sites specifically since the audience has proven to be receptive to your messages.

Automatic tracking mechanisms can be implemented to capture this information. You would then feed this data into your contact database along with the other web form field data. This automatic mechanism will support and help to analyze large amounts of data due to scalability of the operation. Marketing demographics and trends analysis reporting provides the information necessary to track, measure, focalize and improve the results of your online campaigns.

Closed loop inside the quarter

While in steady-state mode, focusing, implementing scalable operations and tracking can be done with internet marketing in less than one-month cycle time frame. This supports a quarterly sales strategy.

6.4 The Three Steps of Focalization:

So now, you know you can focus your message on target prospects, implement scalable operations and track data. So what is the specific objective of this effort? For increased sales of course! Unfortunately, before reaching the sky you need to take three fundamental steps:



Illustration 6: Three Steps in Focalization Process

Get web hits

A nice hidden website is a hidden asset. Your internet presence is the starting point and critical tool that needs to be exploited.

Get leads

It is impossible to develop future contact with somebody who just came to your website if you don't design mechanisms throughout the site to solicit contact information. In addition to basic contact information, you want to give the visitor the opportunity to let you know they want more information if available than the proposed offer. This is the first step in converting visitors in the buying process and may discover background about their needs and the stage of the opportunity. If they've indicated they want more information, present them with another form asking them a few qualification criteria questions. They can choose not to complete it, but you will be surprised how many actually do. This will help you prioritize the follow-up for a successful campaign that yields an overwhelming amount of conversion.

Get business

A large quantity of leads can overwhelm sales forces that need high-level quality leads. You need to analyze the impact of your campaign on your sales pipeline to choose the best campaigns, so your marketing model is in alignment with your sales model. Analyze your follow-up process to ensure the leads don't get cold. No sense spending all the money and effort to generate leads if there aren't enough resources to follow-up or there is no clear process in place.

➤ **Speed up the three steps:**

You can implement each step by implementing filters on the results of the previous step:

- □ Leads will be a subset of hits. This subset will be selected mainly by a questionnaire on your site, selecting the prospects that best match your qualification criteria.
- □ Business will be a subset of leads. This subset will be selected by qualification actions such as: web cast, demo, trial product offer, and project questionnaire or telemarketing actions.

The success of step n+1 will depend on the success of step n and on your analysis capability to select a good subset.

The true challenge is to speed up the three implementation steps. How to do just enough to be able to get the right info in order to make the right decision?

Avoiding the two major risks during the tracking implementation

There are two major risks, which can prevent efficient tracking implementation:

Implement a giant data mining database with a lot of people working on it

- □ Too expensive, too long, too far-removed from operational needs
- Implement an inefficient tracking system with bad info and no analysis tool
- □ No pertinent tracking

Starting each step of implementation at the same time

Each step has two phases:

Infrastructure and process implementation: set up tools, process, training,

Operational phase: generate hits, leads and business.

Step 3 of the implementation phase is longer to set up than Step 2 which is longer than Step 1 because the level of complexity increases as your operation becomes more

sophisticated. So in order to synchronize each operational phase one after the other, it is important to launch the infrastructure and process implementation phase at the same time.

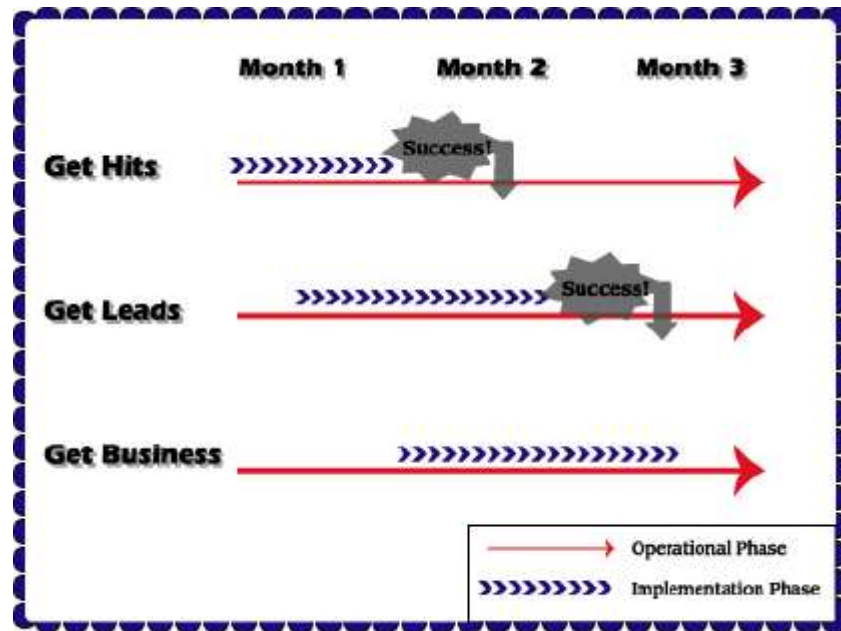


Illustration 7: Focalization Project Phases

➤ **The Challenges:**

In fact for each step you meet 3 types of challenges:

- Technical challenge: implement tools
- Process challenge: process huge amount of data
- Human challenge: teamwork with sales reps

➤ **Technical challenges:**

Get hits

The technical challenges are quite simple:

- To launch campaigns you may need to outsource this service or set up your own email engine for your own direct email campaigns.

- To track hits, you can use a site log file analysis tool service. Many advertising vendors provide click results. (If you use both, you get the benefit of check & balance to validate the data.)

Get leads

In order to get leads, you need to:

- Create specific forms on your web site to obtain information
- Set up database to store the results of the forms

Get Business

Ideally, you would use an SFA tool (Sales Force Automation) that provides marketing campaign management as well as reporting for both marketing ROI and sales pipeline measurement to limit the amount of data manipulation. Otherwise, the ROI analysis needs a technical interface between pipeline (Sales Force Automation tool) and the internet marketing database.

- **Process challenges:**

Get hits

Critical processes are:

- Quickly launch new campaigns to be able to implement a scalable operation
- Every week analyze campaign results to be able to track and improve

Get leads

New critical processes in addition to the previous are:

- Analysis and dispatch of each lead to feed pipeline
- Weekly analysis of each campaign result to improve campaign efficiency
- Ensure lead follow-up is timely and gather sales feedback to measure lead quality

Get Business

The pipeline process is the most critical one; it should give info to drive internet marketing to increase company business.

- **Human challenges:**

For each step you need to work and get help from different people in the company. It depends on you and your negotiating talent and the level of commitment of management.

Get hits

The Webmaster needs to set up tracking for your target pages

Get leads

The project/product manager needs to provide information to create web qualification questionnaires and email message content, and provide useful information to the prospect

Get business

Sales reps/sales management needs to track pipeline information

CHAPTER # 7

HOW TO MAXIMIZE ROI FROM WEB STRATEGY

For over a decade, businesses have strived to capture the seemingly unbridled revenue potential of the World Wide Web. Some have succeeded, while others have fallen short; but after the dot.com fallout, one business directive remains for B2B and B2C Company alike: Interact and transact with customers via the web or be left behind by those who do.

At its essence, the e-revolution is driven by a single, overarching goal: achieving ROI. But don't be fooled. The revenue opportunities brought by online commerce have only just begun to mature. International Data Corporation forecasts (IDC) B2C e-commerce revenues to reach an amazing \$228 billion in 2004; and on the B2B side, e-marketer reports that e-commerce will hit a whopping \$823 billion this year alone. Prompted by such numbers, leading executives must ask themselves one key question: Does my Web strategy position my company to maximize the revenue potential brought by e-commerce?

When companies integrate their web strategies into their larger customer-based programs by aligning touch points, collecting customer data, and allowing customers to serve themselves via the web, they can build revenue, improve operating efficiency, and reduce costs. This is true for companies of all sizes, across verticals, and for any business model looking to keep pace with the emergent customer-centric economy. A sound web strategy can level the playing field between competitors by allowing sales to take place globally, 24 hours a day, seven days a week; and it can serve as the backbone for creating loyal one-to-one relationships with customers. It would help decision makers identify ways to

reduce cost, improve customer satisfaction, and build market share and share of customer through a focused web strategy.

7.1 Tracking and Measuring Integrated Marketing Campaigns:

Marketing ROI is often likened to Military Intelligence or the latest Business Ethics. Talking about each word as a singular concept makes sense, but when facing each in the same phrase it sounds like a contradiction. This is not to say marketing people cannot produce real results. As a matter of fact, they often have visible proof of their efforts, as in a new print ad, direct mail piece or even the slick television ad. Visible proof of effort doesn't equate to results. Visible proof doesn't protect them from the often asked question; "and so what sales did this help produce". I've heard this question myself many times coming from sales persons as it gets closer to the end of the quarter and they are saying it with a tone of frustration as they are trying to meet their numbers.

It's rather black and white for a sales person to measure ROI: meet their budget and the company will keep investing in their employment. Measuring ROI in a selling process may not actually be that simple, but a closed sale is a clear indication of success. Many marketing people feel threatened by the need to "justify their existence" with factual results. They shouldn't. In fact, the ability to track, measure, to improve and prove the value of marketing is probably one of the biggest benefits of internet marketing. The integration with internet marketing offers a new potential and means to track a campaign from interest to final sale.

It is understood by many companies that an internet based campaign has the ability to record many useful details about their web site activity; in fact, it can often be too much information. The daunting task of not knowing how to begin and with what tools has left some companies in a state of doing nothing. Be cautioned! This could be a grave mistake. Some would say, "Our web site is enjoying a booming business, so why worry?" If you don't know why you are succeeding, how will you know what to change when your results take a nosedive?

I observed a company that had 95% of its sales coming in over the internet and quickly went from boom to bust in a matter of just two months. After analyzing the situation (i.e. was this happening in general to their industry, competitors, or was there changes in

buying behaviors?) I had little to suggest in the way of fixes since the client didn't even have the basics of search engine ranking reports to review. Since they didn't keep track of where the majority of their traffic was coming from, it was impossible to even guess if changes in search engine methods was adversely affecting them. The only option for them was a quick fix launching of a paid placement program to get them back on top, which is an expensive, short-term solution at best.

The obvious key to measuring marketing ROI is first of course to create a foundation for tracking. Buying processes progress through typical stages, so decide the amount of minimum information you plan to track and measure before selecting the type of tool to use. Your ROI objectives will vary at each of these stages:

Interest Stage: What are Visitors looking at on your web site?

Awareness Stage: Who is bringing in the Right Traffic?

Conversion Stage: Are they willing to buy?

Handoff Stage: When Selling is Still a Requirement.

Although many of the tools and techniques are still in the early phases, the opportunity is here today to develop a real marketing ROI environment. By simple planning and some process design, you can build a mechanism to track and measure your marketing campaigns. Then you'll be in a position to bargain for increases to your budget, getting that quarterly bonus or keeping the sales team off your back.

7.2 Laying the foundation (customer cornerstone):

E-commerce isn't simply the creation of a retail storefront that enables consumers to buy products from the comfort of their homes. While this is important, effective e-commerce also entails the ordering of products via a mobile device, or enabling businesses to build virtual procurement departments. Most of all, it involves building direct relationships with your customers, whether they are individuals or other businesses. E-commerce is neither distinct from, nor equivalent to, Customer Relationship Management (CRM).

However, it plays a vital role in any well-executed, customer-based strategy. The key steps: integrating a results-driven web strategy into your larger multi-channel platform, collecting actionable customer data, disseminating that data to vital employees, and leveraging the customer-driven intelligence for maximum return.

7.3 Know the customer base:

An indispensable element of any customer-focused strategy – whether online or offline – is to know your customer base. Like most businesses, the chances are good that as much as 80 percent of your company’s revenues come from just 20 percent of your customers. Do you know who these customers are? Can you recognize when one of your Most Valuable Customers (MVC) visits your site? More importantly, does your current web strategy maximize share-of wallet opportunities with this critical group? A comprehensive web technology backed by a sound, customer-focused strategy can help you get there. But identification is just the first step. From there, it’s about strengthening relationships with these customers in order to build loyalty and boost revenues. One important element is being able to treat MVCs differently when they visit your web site. These include basic steps of only asking customers once for information, recognizing them upon their return to the site, and offering personalized greetings, all the way to the more complicated collaborative filtering tactics and matching engines that provide targeted content and marketing offers based on MVC purchase history and expressed interests.

7.4 Integration is a key:

ROI driven web solutions also require companies to link what is happening online with their back-end systems e.g. data mining, analytics, and strategy formulation in order to recognize customers, interact with them, and leverage profitable relationships. To successfully acquire and retain customers and turn visitors into buyers and buyers into repeat buyers firms must collect customer data, mine that data, and truly customize the client experience. This is a multi-channel effort with the internet as the cornerstone. By integrating and properly disseminating this data to stakeholders across the enterprise, companies can achieve a 360-degree view of customers and present a unified face to the customer. ROI driven web solutions require linking online systems with back-end efforts e.g. data mining, analytics, and strategy to grow profitable relationships.

But achieving this can be difficult, and a number of firms have yet to arrive. The situation of many e-tailors and other firms’ e-commerce efforts can be likened to a game of

“broken” telephone. At each step from the customer order to fulfillment, the information is repeated and recorded again, and breakdowns can occur. Here’s how it might work: the customer places an order; then someone from order processing inputs the information into the system, and yet another generates the bill and ships the order. The result: different departments house different customer data, and vital nuggets can be and often are lost.

But with an integrated system, the order made on the web site automatically flows through to accounting, billing, and shipping. Ultimately, a step-by-step process can be rolled out to all channels and customer touch points, with the web as the centerpiece. It goes both ways

To achieve maximum efficiency, the information flow must be bi-directional. A customer order should link directly into the accounting system, but information from the back office should also populate the web site in real time. The result: empowered and increasingly entangled customers able to track inventory availability, order and shipping status, past orders, and price changes. By the end of 2002, more than 600 million people worldwide have spent more than \$1 trillion online.

Anyone who has ever placed an online order only to receive an email 24 hours later saying the product is out of stock knows how frustrating imperfect information can be. Rather than customers choosing an alternative product immediately, the delay cost them valuable time and may drive them elsewhere to make the purchase. The result is incremental revenue opportunities left on the table and un-captured. Smart organizations can effectively avoid this scenario by reducing the number of abandoned shopping carts, responding to customer inquiries and complaints in a timely fashion, and integrating actionable data across the enterprise to key stakeholders and customer facing employees. To get there, a multi-functional web technology is an indispensable building block. Success relies on leveraging that customer data and seamlessly integrating it across touch points to gain immediate ROI as well as identify and create additional revenue opportunities with existing customers and prospects.

7.5 Leveraging the Web:

So far, we have seen why the e-channel is becoming a preferred interaction tool on both the B2B and B2C sides. Moreover, recent research illustrates that the opportunities to maximize ROI via customer-savvy Web strategies are just beginning to take full shape. So what does the seamless integration of online efforts into a larger business model look like? What can back-end and front-end functionality do for a typical B2C or B2B firm looking to grow its e-presence? The following case study shows how a company can use e-commerce to customize for its best customers, thereby increasing customer loyalty and spending. We'll also see how intelligent use of the e-channel can help firms create effective relationships with their customers while at the same time driving ROI through reduced costs and increased sales.

7.6 RepairClinic.com:

➤ **Integrating Virtual Repairs:**

Most people don't think of appliance repair when they think of the web. Typically, they pour over the local yellow pages and schedule a day off work whenever their dishwasher or dryer breaks down. However, Chris Hall of RepairClinic.com isn't "most people." Having operated his own appliance repair company, he knew there were thousands of people who would prefer to fix their appliances themselves if only they knew where to obtain the necessary parts along with some targeted advice on how to do it. Hall wanted to offer do-it-yourselfers, "a complete resource across the nation – from rural farms to Manhattan skyscrapers." Hall turned to the internet to achieve his goal, because, in his words, "you just can't do that any, other way." Today, RepairClinic.com sells appliance parts and associated accessories (like oven thermometers and fine laundry bags) and offers comprehensive repair advice to customers; and it's all built on seamless, web based integration.

➤ **Working with the customer:**

Hall recognized early on that many people would prefer to do their own repairs but are limited, or intimidated, by inexperience. "Often they could do it all themselves, but they lacked some tiny piece of knowledge," says Hall. Based upon this identifiable customer need, the company has used its site as an information portal, offering free advice such as repair instructions to both aspiring and seasoned do-it-yourselfers. Research has helped

the company understand how customers want to interact with the site. In addition to being able to search by model and part number, customers can search by product description. As Hall puts it, when someone walks into a bricks and mortar parts store, they usually arrive with the part and say “I want one of these.” RepairClinic.com tries to recreate that experience online. It has photographed over 23,000 individual appliance parts. So a customer using the part detective feature on the site can search by description and compare the picture to the actual part in her hand. It’s a smart way to bring the face-to-face, offline customer experience to the e-world and build stronger customer relationships at the same time. Hall agrees that integration with the back office is crucial for customer satisfaction. Through inventory management and integration, customers can determine whether the part is in stock and exactly when they will receive it. In addition, pricing changes or model compatibility information can be communicated quickly, which means customers are always up to date everywhere on the site.

➤ **Customizing for valuable client groups:**

Currently, the company is working to learn more about its customer base. In the future, it will be able to customize services specifically for particular client needs. For example, it knows that approximately 40 percent of its customer base is female. This confirms the American Hardware Manufacturers Association findings that women make up nearly 38 percent of all do-it-yourself hardware purchasers. Hall knows that matching demographic trends with the individual preferences of his customer base is a key to maximizing each interaction and building loyalty and revenue via the World Wide Web.

While RepairClinic.com was designed with the appliance owner in mind, the company noticed that certain customers were using the site heavily. It has discovered that small appliance repair businesses, institutions like hospitals and day cares, apartment maintenance people, dry cleaners and others have also recognized the benefit of online access to parts from a wide variety of manufacturers. The firm recognized that these customers were placing multiple orders, and hence represents a significant volume of business per customer.

To better serve this MVC segment, RepairClinic.com created Small Business Advantage. In addition to all the consumer services, businesses can log on and benefit from best customer, preferential pricing (15 percent off). In addition, now that this group can easily

be identified, it can be targeted for promotions or offered specialized content based on their purchase history or expressed needs. By identifying this high value customer segment and treating them differently, RepairClinic.com makes them feel special and understood all of which translates into improved ROI.

➤ **Firing on all cylinders:**

E-commerce is a natural fit for the appliance repair parts business. After all, appliances don't always break down conveniently between 9 and 5, Monday to Friday. RepairClinic.com's 24-7 functionality has become a valuable asset for those who don't relish waiting for a repair person to show up. The site receives around 10,000 unique visitors per day and between 3 and 5 percent of them or 300 and 500 visitors are converted into buyers. This impressive conversion rate is fueled by using the e-channel to build customer relationships while seamlessly integrating its e-storefront with its massive inventory. The end result, happily reports Hall, is that RepairClinic.com will be profitable this year.

The future looks bright for the multi-functional pure play. The do-it-yourself consumer market is rapidly growing with major home improvement retailers reporting substantial sales growth. Judging by its customers' response, RepairClinic.com will continue to be a popular stop for avid do-it-yourselfers. "We have thousands of those [positive customer testimonials]," says Hall. "Many people say 'Please don't ever go away'!" Fortunately, the Microsoft Business Solutions application, notes Hall, is "not limited in size and is very scalable."

7.7 Recommendations for achieving ROI from web strategy:

1. Remember for, not just about, your customers:

Save your customers' time by remembering passwords and shopping lists when they return to your site, and they will keep coming back.

2. Identify best customers and customize for them:

Track a customer's purchase history in order to identify your Most Valuable Customers (MCV). Then show your MVCs they're appreciated by customizing products and services tailored to their needs whenever they return to your site.

3. Encourage B2B customers to view your company as an extension of their own businesses:

Offer procurement capabilities and the ability to link directly to your key customers' internal systems.

4. Select customizable applications:

Anticipate your future needs and select solutions that can be integrated with other software to augment the customer experience.

5. Provide customers choice:

Not all customers will prefer one channel. Make it possible for them to interact with your company in different ways. Ensure that there is integration between these channels.

6. Free up your sales and service staff wherever possible:

Review the tasks your current front-line personnel perform today. Figure out which customers could serve themselves since, in many cases, they prefer to.

7. Get it right with one group at a time:

Focus on one client group and perfect your offering before moving to another.

8. Treat the Web as a channel, not as a stand-alone business:

Customers view your company as one entity; and so should you. Present different pricing and products by channel only as part of a strategy, not by accident.

9. Make integration two-way:

Use the fact that your systems are integrated to allow customers real-time access to shipping information and order tracking. They'll thank you for it, and you will save on service costs.

10. Recreate the best of bricks and mortar:

Recognize what customers like about the offline experience and try to emulate it online.

11. Avoid opportunity for error:

Ensure there is no duplication of data entry. In doing so, you will save money and avoid costly errors.

12. Account for growth and scalability:

While the number of transactions may be small today, select a system that can cope with the increased volume of the future.

CHAPTER # 8

MAXIMIZING THE ADOPTION OF SALES FORCE AUTOMATION TO SHORTEN SALES CYCLE

Given the constant pressure to shorten sales cycles, boost win rates, and achieve higher revenue goals, increasing numbers of organizations are implementing sales force automation (SFA) solutions. These solutions enable sales departments to create an enterprise-wide collaboration platform that links all members of the sales team, providing field and telesales representatives with fast and easy access to the specific set of information they need to optimize their individual performance. To fully realize the benefits of an SFA solution, however, organizations must ensure that it is well accepted by the entire sales force not an easy task given the individualistic nature of many sales representatives. If the wrong SFA solution is chosen, or if the implementation of the solution is poorly managed, sales representatives may view it as “Big Brother” a system that limits their flexibility and productivity and does little to help them close more business.

8.1 Communicate a “Three-Way Value Proposition”:

Before rolling out an SFA solution, organizations need to clearly articulate a “three-way value proposition.” This means communicating how the solution will deliver value from three distinct perspectives from the perspective of the individual sales representative, from the perspective of the customer, and from the perspective of sales management.

Field representatives need to be convinced that the solution will help them close more sales and improve their relationships with customers. Sales management needs to see that the SFA solution will streamline many of their job tasks (for example, sales reporting) and lead to stronger performance for the sales organization as a whole. And finally, both groups need to understand the ways in which the SFA solution will deliver benefits to customers' benefits such as more accurate orders and invoices, greater responsiveness from the sales organization, and more consistent service across channels.

	Sales Representative	Sales Management	Customer Experience
Efficiency	Immediate Access to All Customer, Product, and Competitive Information	Increased "Face Time," Increased Revenues, and Decreased Costs of Sales	Improved Sales Responsiveness
Effectiveness	Automated Configuration and Quote Generation	Decreased Order Rework Costs	Perfect Orders and Invoices
Teamwork	Single Platform to Manage All Members of the "Virtual" Sales Team	Increase Visibility into Sales Force Performance	Consistent Experience across All Sales Channels

Figure 1: When implementing an SFA solution, companies need to articulate a "three-way value proposition"—that is, they must communicate how the SFA system will deliver value to individual sales representatives, to customers, and to sales management.

8.2 Actively Solicit Input from Representatives:

During the process of selecting and implementing an SFA solution, organizations need to actively solicit input from the field. Too often, SFA implementations are driven by an organization's IT group, with little involvement from the people who will actually use the system. Representatives, better than anyone, know where the sales organization is experiencing pain and should therefore be involved in all phases of the SFA implementation. Organizations should also ensure that they involve the right representatives in the SFA selection and implementation process. Many companies simply assume that they should create an SFA task force composed of star performers. The problem with this approach is that average representatives not the top representatives—are the ones who stand to benefit most from the SFA solution. If a company only solicits input from the star performers, it may implement a solution that is

ideal for the “A” players but fails to address the needs of the “B” and “C” players. The net result will be poor user adoption and a weaker-than-expected return on investment.

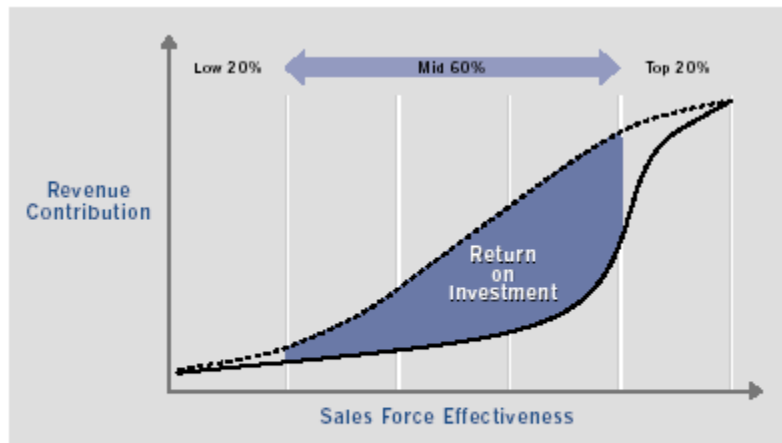


Figure 2: The greatest return on an SFA investment comes from making the middle 60 percent of the sales force more productive. Therefore, management should actively solicit input from average performers—not just top performers—during the process of selecting and implementing an SFA solution.

8.3 Focus on Effectiveness, Not Control:

Sales representatives need to be convinced that the SFA solution is being implemented to help them, not to monitor their performance. If they do not believe that the tool will make their lives easier, they simply will not use it. To increase the probability that representatives will view the SFA solution as an asset, organizations should ensure the application selected a) consolidates information from multiple data sources; b) minimizes the amount of time representatives need to spend on non customer facing activities (for example, sales reporting); c) makes representatives more effective in front of customers; and d) enables representatives to perform essential tasks while on the road.

8.4 Give to Get:

Optimizing utilization of the SFA solution over time requires that sales representatives never view the solution as a burden. To this end, representatives should only be asked to maintain information in the system that will be leveraged by the organization to provide a “service” that is of value to the representatives. For example, if the company asks sales representatives to enter detailed contact information, then the company should be sure this information is easily available to the sales representatives when they need it; for field

sales representatives, this may mean offering wireless access devices. The company may also use the detailed contact information to run tailored direct mail campaigns in each representative's territory.

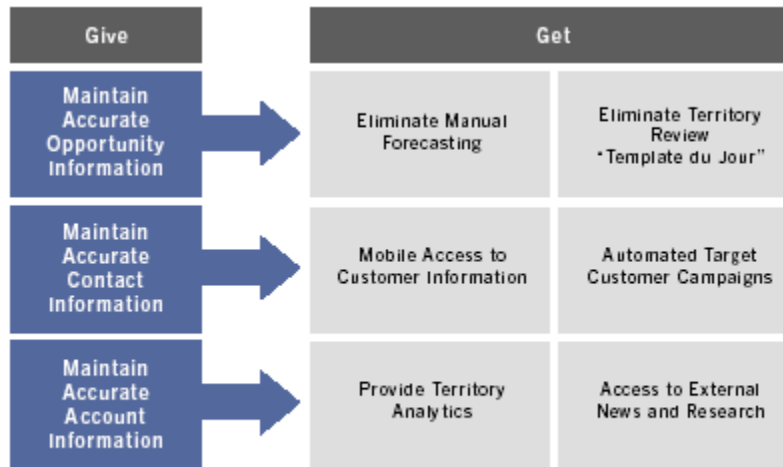


Figure 3: Only ask sales representatives to maintain information that will be leveraged by the organization to provide a "service" that is of value to the representatives.

Additionally, if the company asks representatives to maintain detailed opportunity data in the SFA system, the company should implement forecasting functionality that enables representatives to automatically "roll up" a sales forecast using that data. Often, companies implement an SFA system for opportunity management but continue asking their representatives to generate their sales forecasts using Excel spreadsheets or other manual methods. This creates extra work for representatives and ultimately has a negative impact on usage of the SFA system.

8.5 Executives Must Fully Adopt the SFA System:

Another key factor in ensuring widespread and long-term acceptance of the SFA solution is complete executive adoption. Unless the sales force sees that executives are also using the SFA solution, they are likely to view the system with skepticism. More than just indicating their support for the solution, senior management needs to use it on a daily basis to manage the business, relying on it for everything from forecasting and territory reviews to managing opportunities. Executives should strive to make the SFA system the primary means by which the organization communicates about sales opportunities; the system should become as integral to business operations as the telephone, voicemail, and email.

8.6 Implement Balanced Measurement Programs:

Most sales organizations measure representatives and pay commissions on the basis of revenue attainment alone. To maximize adoption of the SFA solution, organizations should also measure representatives on the extent to which they actively use the SFA system. Specifically, representatives should be measured in two key areas:

- 1) Pipeline coverage (that is, the number of opportunities a representative has in the system at any given time, by sales stage) and
- 2) Forecast accuracy.

In addition to driving use of the SFA system, measuring representatives in these two areas encourages appropriate business behaviors. For example, by measuring representatives on pipeline coverage, a company provides them with an incentive to continually build their pipeline rather than simply focus on closing immediate opportunities. Second, by measuring representatives on forecast accuracy, a company provides representatives with an incentive to keep the information in the SFA system up to date, which not only benefits them, but also provides management with visibility into the state of the business.

8.7 Leverage Role-Based Training and Support:

Role-based training should demonstrate, with great detail, how sales representatives can actually utilize the SFA system to meet their own sales objectives. With a role-based approach, for example, training for field sales representatives may focus on how to use the SFA system to configure quotes and manage opportunities, while training for telesales representatives may focus on how to use the system to qualify and route leads.

For maximum effectiveness and maximum buy-in by sales staff, training programs should also reflect the individual schedules of those involved. For telesales representatives, classroom training may work fine, but field sales representatives may well prefer computer based training that can be done on the road. By respecting the fact that sales representatives make their money by talking to prospects and closing deals and not by learning new applications, the management team can foster stronger relationships with sales representatives and spur their adoption of SFA and its long-term use.

Organizations should also remember that every training session whether instructor-led or web-based offers an opportunity to reiterate the “three-way value proposition” associated with SFA implementation.

8.8 Obtain Floor Leader Sponsorship:

Identifying floor leaders (sales representatives respected by their peers) can be a critical element in a strategy aimed at fostering utilization of the SFA solution throughout the enterprise. The process of recruiting floor leaders consists of five steps:

First, organizations must recruit the right people. Floor leaders should not only be trusted by their peers, but also be aware of the key issues facing the sales organization. Recruits should also demonstrate varying levels of effectiveness in other words, they should not all be “A” players. Some should be “B” and “C” players who demonstrate a strong desire to improve.

Second, management needs to articulate to the floor leaders how the SFA system will improve their effectiveness. The recruits need to be convinced that learning the new system will be well worth their time.

Third, management needs to provide training that enables the floor leaders to become power users. The goal is to make them highly proficient with the SFA system so they can help other members of the sales organization learn how to use it.

Fourth, throughout the training process, management must diligently monitor the floor leaders’ satisfaction and take immediate action to rectify any problems. Placing a high degree of focus on floor leaders’ satisfaction increases the likelihood that they will have a positive experience with the system and ultimately become SFA evangelists.

Fifth, once floor leaders start using the SFA solution in the field, management should widely publicize their successes to build momentum. A critical part of this internal publicity message should be that as more and more sales representatives’ start using the system, they can all mutually benefit from a shared pool of constantly updated information; issues resolved by one sales representative on Monday may help solve problems encountered by another sales representative on Tuesday. Without the SFA system, on the other hand, this information may not get transferred for several months, perhaps not until the sales representatives meet at the next sales meeting.

8.9 Create a “Non-retaliatory” Feedback Loop:

At all points during the SFA implementation, management should actively support a “non-retaliatory” feedback loop, whereby floor leaders, management, IT, and the sales force are encouraged to discuss issues related to the SFA system in a frank, constructive manner. The important point is to ensure that sales representatives know that management is committed to addressing any concerns and eager to take steps that will improve utilization of the solution.

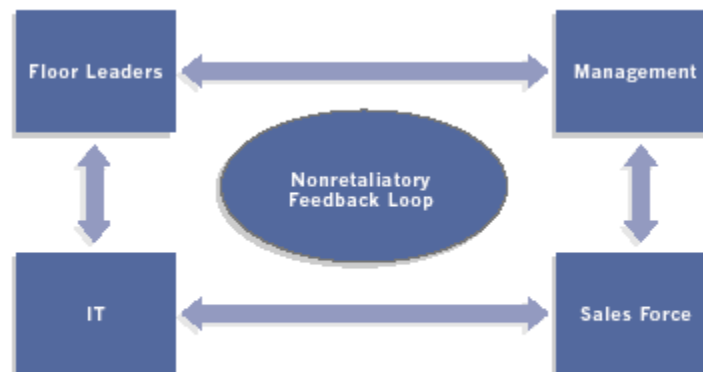


Figure 4: At all points during the SFA implementation, management should support a “nonretaliatory” feedback loop, whereby all stakeholders are encouraged to discuss issues in a frank, productive manner.

8.10 Implement Broadly before Deeply:

Finally, SFA solutions should be implemented in logical phases that sequentially address the pain points expressed in pre-implementation discussions with sales representatives. This phased implementation should be broad rather than deep, meaning that organizations should deploy limited functionality to all of the channels (field sales, telesales, partners) that support a particular type of customer (for example, global accounts) before deploying deep functionality to any single channel. This approach produces two important benefits:

- 1) Customers receive a consistent experience as they move from one channel to the next, leading to improved customer satisfaction; and
- 2) The system becomes critical to communication and collaboration across the extended sales team, leading to greater system usage and acceptance.

CHAPTER # 9

CONCLUSIONS

As the digital age continues to blossom, the World Wide Web and the business opportunities it brings will also flourish. As we have seen for savvy companies and forward thinking decision makers, successfully incorporating the e-channel into your business model has become standard operating procedure for companies of all sizes and across verticals. Moreover, integrated solutions that bring together offline and online channels and functionalities offer numerous benefits to both customers and to the company itself. In particular, they allow for:

- Seamless and integrated order processing
- Real time stock availability and pricing data
- Tracking of shipping, billing, and account status
- Time savings for clients by remembering for them
- Timely cross-sell and up-sell recommendations
- Customization for the best customers
- Seamless coordination across the entire enterprise

By offering an e-commerce experience that has these features, a company can grow and retain customers while reducing key operating costs. Building relationships with partners, suppliers, and customers across touch points is no longer on the horizon. It has arrived and the web will become the most critical interaction hub. Whatever the future holds, it's clear that the internet is a cost-effective way to interact and build mutually beneficial and dramatically profitable relationships with customers. Through the intelligent use of e-commerce, companies can build customer loyalty and ultimately achieve the ROI they seek.

The internet performance marketing process and techniques enable companies to exercise a degree of control over their marketing and sales process never before possible. Precise metrics enable ROI analysis of marketing activities and enable marketing and sales strategies to be quickly formulated and adjusted using information from real buyers in real-time. Marketing and sales is now able to be measured and predicted based on facts.

The internet is not just another marketing forum for establishing a virtual presence. It provides a platform for a campaign that you can set up, launch and improve within a fiscal quarter.

Internet marketing focalization helps you to:

- □ Focus your message to drive traffic to conversion as quickly and easily as possible
- □ Implement scalable operations to feed the pipeline to meet sales objectives
- □ Track and improve for the maximum ROI

Internet marketing moves marketing from a cost activity to a business driven activity with calculated and validated ROI. Internet marketing is evolving into the next phase of a mix of direct selling and influencing one-on-one via a broad platform approach. Successful companies will understand and establish core market principles that define the character of their marketing campaigns. These principles will carry forward into the actual implementation of various efforts and ensure a linkage back to the initial beliefs. Finally, a key competitive element is recognizing that internet marketing is not a standalone activity and should be integrated within existing business processes and information technology systems.

Organizations can overcome the common challenges related to user adoption of SFA solutions. The key is to remain relentless in asking:

- Have we talked to the sales force? Do we have a clear understanding of their needs?
- Have we communicated a value proposition from multiple perspectives?
- Are we providing services to the sales representatives that leverage all of the information we are asking them to maintain?
- Have we identified, recruited, and gained buy-in from our floor leaders?
- Do we have a balanced set of measurements that promote both appropriate business behavior and system adoption?
- Is executive management “walking the walk” through their own adoption of the system?

With a sharp focus on these issues, the e-marketing will become an integral part of the company's business operations providing a robust platform for meeting the challenges of today's constantly changing and intensely competitive marketplace.

CHAPTER # 10

A CONCEPTUAL MODEL FOR A SUCCESSFUL INTERNET MARKETING PROGRAM

An increasing number of businesses and individuals use the internet to market their products and services. However, going online does not guarantee success. In addition to following a sound business model, the e-business must follow a sound marketing strategy. The marketing and advertising capabilities of the web must be carefully analyzed and utilized accordingly. I present a conceptual model that identifies various tools and techniques for implementing a successful internet marketing program. The conceptual model includes five phases: (1) understanding the basics, (2) exploring the marketing capabilities of the web, (3) exploring the methods for promoting an e-commerce site, (4) conducting online marketing and (5) guidelines for an effective marketing program. The conceptual model if followed should significantly increase the chances of success.

Phase 1: Understanding the basics

The web offers several technologies and applications that could enhance customer service, marketing and advertising efforts with a moderate cost. Web could improve customer service by sending e-mail for order confirmation, product announcements and for order tracking. Web provides customer service through corporate web sites, integrated call centers, online help desks and online customer service.

Phase 2: Exploring the marketing capabilities of the web

Marketing is perhaps the best-suited major business function to utilize the power of the web. The web puts large and small organizations on the same footing. Regardless of its size and financial strengths, any business can sell goods and services through the web. Users have already divided themselves into interest or newsgroups complete with e-mail addresses. However, the traditional approach to marketing will not work on the web. Because of the democratic atmosphere, consumers are on the plus side of the power

balance. They can respond individually to a marketing attempt or they can spread the word to their associates. If they approve, everything is fine; however, if they disapprove, consumers have the power in this medium to wreak havoc with an ill-fated marketing attempt. Users unhappy at receiving material from catalog companies have flooded them with messages not to do it again. Marketers, therefore, should only post concise messages to applicable newsgroups that are relevant to a company's campaign. As Figure 1 shows, the web serves as a strong marketing tool for all types of organizations regardless of their size and the types of products and services that they sell. Any organization using the web can advertise all over the world and sell 7-day a week 24-hour a day.



Phase 3: Exploring the methods for promoting an e-commerce site

An e-business to be able to sell its products and services first must bring customers and visitors to its site. Regardless of the elegance and substantial investment in an e-commerce site customers and surfers do not visit the site randomly. The e-commerce site must be aggressively marketed using several techniques.

Phase 4: Conducting online marketing

To promote its products and services, an e-commerce site may use a combination of traditional and web marketing tools. Each technique has advantages and disadvantages

and may be suitable for a specific e-business. Naturally advertising methods that have the potential to reach the highest number of potential customers are more expensive.

Phase 5: Guidelines for an effective marketing program

To conclude the discussion regarding the proposed conceptual model on web marketing I offer the following suggestions that may help an e-business to put together an effective web marketing plan. If the organization already has a plan in place, these guidelines may serve as a checklist.

- 1) Define the strategic goals and objectives of the organization as it relates to web marketing. The e-business has to carefully define the types of products and services that will be sold through its site. Who are the competitors? Where are these products and services going to be sold (in local, national or international markets)? What are some of the added benefits of your products and services compared to the competition? Is it price? Customer service? Or both. These factors should be highlighted in the marketing campaign.
- 2) A line of budget must be established and the effectiveness of the marketing campaign must be measured and corrective actions must be taken if the goals are not achieved.
- 3) All suitable traditional advertising methods should aggressively be utilized to promote an e-commerce site.
- 4) Use all or a combination of web marketing tools.
- 5) Make electronic catalogs available to your customers.

Similar to traditional businesses, the ultimate goal of an e-business is to generate revenue and make a profit. It is true that the internet has improved productivity for almost all the organizations that are using it. However, the bottom line is that productivity must be converted to profitability. The fall of many “dotcom” companies in 2000 and 2001 is a clear indication of this phenomenal. The survivors are clearly those businesses that have a sound business model and are able to effectively market their products and services. The conceptual model if followed should significantly increase the chances of success for implementing an effective internet marketing program.

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Provides e-advertising report, free weekly newsletter, list of top e-business sites, new e-marketing strategies, and other online business resources.

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Provides the most recent Web marketing techniques. Teach you techniques that increases your site chance to be listed among the top 10 in various search engines and directories.

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APPENDIX

GUIDELINES FOR SUCCESSFUL WEBSITE PLANNING

Web sites do not just happen. The guidelines below give a brief overview of planning a Web site.

1. Set a goal:

Decide what you want and whether you want to sell a product or a service.

2. Target your market:

Take a close look at your prospective clients and e-marketing goals.

3. Decide on a Domain Name. (www.yourcompany.com):

The domain name is especially important when you establish your identity or business on the internet.

4. Web hosting/Internet Access:

Decide how you want your web site hosted and how you will access the internet.

5. Plan your site:

Plan how many pages you want and how will they connect with the home page.

6. Design and writing:

You must write out the content. You should put in any logo, pictures, or artwork. Consult your site planning. Write the copy and provide the associated artwork required.

7. Put your site on the Internet:

All pages should be edited and all information should be correct.

8. Register with search engines and directories:

These search engines and directories include Yahoo, Alta Vista, Excite, HotBot, and GoTo.

9. Update your site on a regular basis:

Keep your page current with new and interesting information, and you will get returning traffic to your web site.

10. Grab the attention of those web surfers and invite them into your store:

What makes your site unique? Better? Show those shoppers why it's worth their time to look around, right away at the beginning of your page. Your specialty and inventory will be your competitive edge, but why? Instead of placing your logo as the first thing on your page, how about an attention-grabbing headline instead? You only have a few seconds. Announce your strongest benefits right away.

11. Build customer confidence:

Anonymity can be a fun part of the web. As you surf, you can browse all you want, and nobody has to ever know your name. This can be a disadvantage when selling, however. Introduce yourself to your customers. Create a "Who We Are and What We Can Do for You" page, and include a photo of yourself. Here is my picture. If you're camera shy, how about a picture of your shop? You need to let people know that you are indeed a real, live, trustworthy business.

12. Use Casual Language:

When you create the text in your site, try and develop a personal, conversational style. Essentially your web page is an extension of yourself, so write like you talk. When your words are less formal, or even funny, customers relax. If you keep people at a distance, how can you expect them to hand you their money?

13. Limit the number and size of your graphics:

Surfers want to move from page to page quickly and easily. Waiting to download complicated pictures is frustrating. It's like asking a customer to wait two minutes before you take their order. Fast-loading, well-done graphics will enhance your image, but don't substitute form for substance. If it takes too long to download your pictures, you may find your customers are long gone before they develop.

14. Use short paragraphs and short words:

Announce your strongest benefits with attention-grabbing headlines. Break up long sentences into easily digested sections, including lots of bullets. Allow the reader's eyes to flow down the page. Long words and blocks of text are ineffective if no one reads them.

15. Don't underestimate the power of captions:

Studies show that if people read only one thing on a page, it will be the caption. Load them with your strongest benefits and a call to action, like "Click here to buy this gorgeous doorknob now!"

16. Make changes often:

Give your customers reason to stop in again and again. If they've already seen what you have, what's their incentive to come back? Keep your inventory up-to-date. Remember, surfers want what's new, exciting or different. You won't need to constantly redesign your entire site, but frequent updates encourage curiosity and increase traffic.

Offer FREE information, as most web users are used to getting something for nothing. Offer a weekly special discount. Furnish interesting articles, restoration tips, resources or freebies. Your customers are paying to look through your site. Give them a reason to come back. When you provide helpful ideas over time, you build customer trust.

17. Price competitively:

Your customers are looking for deals, deals they can't find anywhere else. Only you know your best price for your merchandise, but keep in mind you are competing with live auctions and antique stores. Give your customers the price incentives they need to shop in your on-line store.

18. Encourage interaction:

The one-to-one relationships which can develop through your website are invaluable. Answer all email quickly and accurately using a personal, conversational tone. Ask permission to e-mail customers when their favorite merchandise arrives. Let them view it before the rest of the world. Make sure your customers realize how important they are.

Dealers have the opportunity to "listen" to their customers like never before. Use an involvement device such as a guestbook, survey or challenge. Ask for feedback and reward it. Post responses and winners prominently. Don't overload the screen with fill-in boxes. Ask for only a little information at a time, and make it fun. This is an easy way to bring customers back, as people like to read their own work.

19. Create links:

Link to sites you and your customers will enjoy. This is how the "Net" works - network! Research your links and always contact the other webmaster for permission. Always try to get a reciprocal link.

Make sure to place your links toward the bottom of each page, so surfers read as much as possible before linking away. Design your pages so they are all linked to each other so visitors can easily see what information is available.

Encourage them to remember you with a bookmark. If you develop a complete set of links for your specialty, you can develop a reputation as a referring page, or even better, an authority resource.

20. Accept Credit cards:

Credit card purchases can significantly increase your business. Give your customers the option of buying today. Right now! Don't make them search for the checkbook, pen, stamps and envelopes. Let those impulsive surfers buy now and worry about paying later. Make sure you provide secure on-line transmission for your customers. Let them know their credit card numbers will be safe in your hands.

21. Use testimonials:

Testimonials add truth and credibility to your sales message. Offering a quote from an expert or satisfied customer will add more to your credibility than anything you can say about yourself. The more specific the testimonial, the more power it has. Give the authors full name, title and create a link whenever possible. There are two important guidelines when using testimonials:

1. You must get permission from the author.
2. No making them up. They must be real.

22. Offer a money-back guarantee:

Appeal to the security needs of your customers. After all, you are asking them to send money for something they haven't seen to someone they've never met. Make it clear if they're not satisfied, they can get their money back with no problem.

You can protect yourself by mentioning a time limit. Also, indicate the merchandise must be returned in the same condition in which it was sent. Develop your own system, but always keep your customer's concerns in mind.

23. Gain exposure with online auctions:

Placing a sampling of your inventory up for auction can create great exposure for your store. Auctions are fun. They offer you an opportunity to sell slower moving items and allow your customers to get great deals. Direct bidders back to your store for similar items.

24. Put the word out:

Spread the word about your site everywhere. List your site in every directory you can find. Here are a lot. Go out and announce your store is open for business. Join some specialized web rings. Mention new inventory or offer price discounts. Submit articles about your specialty to internet magazines, discussion lists and newsletters, always including links to your site.

25. Location, Location, Location:

Much like the real estate game, where you place your website is very important. Visibility is your key to success. Even the most creative sites are doomed if no one sees them. I suggest you reserve your own domain to allow you the freedom to design your site any way you would like.