



Marketing on the Internet

*How the Internet can extend the reach
of business marketers*

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HOW THE INTERNET CAN EXTEND THE REACH OF BUSINESS MARKETERS

"The Internet is an exciting and informative technological innovation, it has grown exponentially and forecasts predict continued substantial growth.

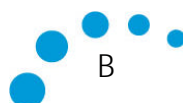
Taking advantages of the Internet as with any of your marketing activities will require that you develop a marketing plan and ask the standard planning questions.

This report is intended to focus a marketer's thoughts on the use of the Internet in their marketing endeavours and the global opportunities that now exist to be seized."

John Shenton - President - Global Millennia Marketing



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MARKETING ON THE INTERNET

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Marketing is a critical and complex business operation with the simple goal to maximize revenue and sustain operations. With such a broad goal, marketing integrates an array of business processes, technologies and strategies. The Internet is one of the many tools that can be applied to marketing. Increasingly businesses are incorporating the Internet into their business-to-business marketing strategies.

Use of the Internet as a consumer-oriented marketing tool has been common now for over five years and has become accepted as a standard marketing tool by the vast majority of businesses. Likewise, the Internet — the Internet, email, and newsgroups — are being widely used for business-to-business marketing programs.

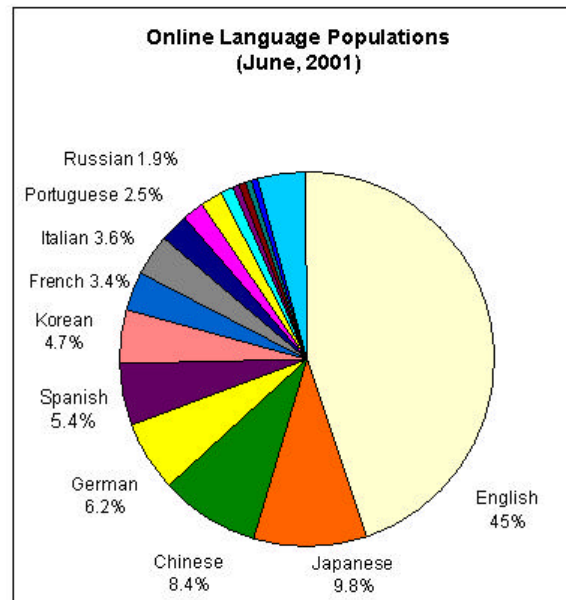
Properly understood, it can be harnessed to complement your existing marketing practices, extend operations and create new opportunities. The key to successful marketing over the Internet is applying the strengths of the medium to proven traditional marketing practices in innovative ways.

Traditionally the four Ps of marketing, Price, Product, Place, and Promotion, have been considered the cornerstones of a firm's marketing strategy. The use of the Web as a business-to-business or business-to-consumer marketing tool includes what many see as the fifth P of marketing, 'People' and fits within this traditional framework.

It is used as a promotional tool, a distribution channel, sometimes it is the product, and its use may affect price. Common marketing tactics for the Internet are shown in the Marketing Tactics chapter, and explore how the Internet extends the reach of business marketers.

Much of Internet marketing is similar to traditional marketing. Whether Internet-based or traditional, each marketing operation normally addresses what we will call the *five constants of marketing*:

People - Who are the target customers? Companies such as Neilson, Forrester and others make numerous surveys regarding user demographics constantly. The latest from Pew Research is shown on the next page.



Price - What pricing and payment policies will customers accept that yield sufficient revenues? Advances in Internet technology can help a company reduce its costs, which in turn allows it to lower its prices.

While the number of suppliers to a firm has generally been declining in recent years (as firms engage more and more in relationship marketing which often entails long-term contracts with a smaller number of suppliers), there is a trend among companies that use the Web to actually increase their number of suppliers in particular the outsourcing of a wide variety of non-core services

Product - What products meet their needs? Where service is an important component of a company's product, the Web allows a firm to provide better information, better service, and thus a better product. There are also companies whose Web site is their product.

Place - Where will the business operate (e.g. geographic, virtual)? The Internet can be used by businesses as a distribution channel, allowing direct sales to customers.

The supply chain is shortened as firms conduct direct transactions between suppliers and end-users without the involvement of intermediaries. To date, high-tech companies have been the leaders in direct Web sales: Netscape, Cisco Systems, a network-equipment maker, General Electric, IBM and Dell Computers are all selling and marketing from their respective Web sites.

Promotion - What forms of promotion will reach your customers (e.g. advertising, brochures, sales staff, and customer support)? Most companies with a Web site use it simply to promote their products. These companies may buy "banner advertising" on other Web sites in order to drive traffic to their own site.



Promotional use of the Web includes attracting media attention to a company's innovative use of the Internet. Many of these promotional aspects are discussed in the Marketing Tactics chapter.

The **marketing plan** is the master strategy that defines the *five constants* of marketing and outlines how the various processes, technologies and strategies integrate. The **marketing mix** is the actual configuration of these components.

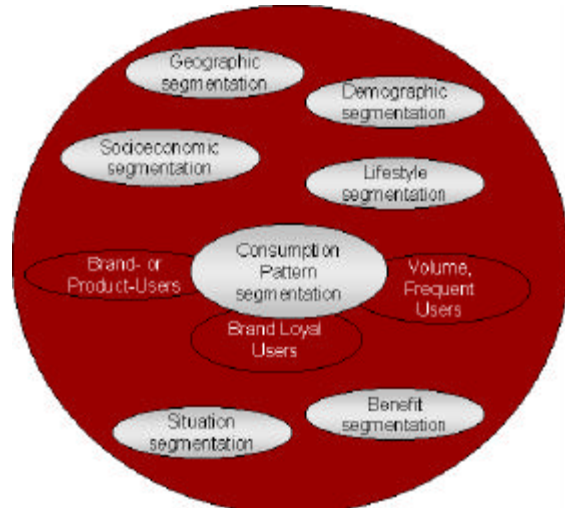
Percentage of People with Internet Access at Home or Work Age 16+		
	Access at Home	Access at Work
Australia	50%	30%
Austria	42%	27%
Belgium/Luxembourg	39%	23%
Denmark	58%	38%
Finland	49%	37%
France	22%	17%
Germany	35%	22%
Hong Kong	58%	23%
Ireland	46%	25%
Italy	34%	14%
Netherlands	56%	28%
New Zealand	51%	31%
Norway	53%	38%
Singapore	56%	21%
Spain	20%	11%
South Korea	57%	17%
Sweden	61%	41%
Switzerland	43%	31%
Taiwan	50%	19%
UK	46%	26%

Source: Nielsen/NetRatings

Marketing is typically an innovative operation that blends into the marketing mix both established and state-of-the-art communication technologies. The Internet is one intriguing component that many businesses are adding to their marketing mix. It presents a viable means to extend the marketing plan's traditional tactics and capitalize on the strengths of the underlying technologies.

INTERNET MARKETING PLAN RESEARCH

Target market knowledge is crucial. Reviewing the existing customer base is a sound starting point to develop a profile of the expected clientele type, but research should also track other groups not yet tapped. Even with a concerted research initiative, however, many firms successfully identify target markets only after market testing.



Marketing on the Internet requires a marketing analysis to be broken into two areas.

- **Internet Access profile**
- **Target Market Analysis**

By identifying the most probable target groups, the risk of a subsequent overhaul of the marketing plan is reduced. Research may include demographic studies, conducted internally via online surveys and e-mail campaigns, or externally through market research consultants. The preliminary research should cover:

Internet Access Profile

- **Technological Capabilities:** What are the target group's hardware/software capabilities for accessing the Internet? The marketing strategy should be designed around these capabilities or limitations.
- **Means of Access:** How and where are members of the target group accessing the Internet (work, home, library, etc.)? Design of marketing plan may reflect these access points. How does this

compare with traditional media? Using a combination of media to gain access to the intended audience might be required.

- **Usage:** What are the motivations of the target customer for using the Internet? Is it to gather information, purchase, or interact? What are their patterns of usage? Are they frequent users, occasional users, or infrequent users?
- **Electronic commerce capabilities:** Do they have biases against electronic commerce? If so, alternative media channels may counter-act this or support access to the demographic.
- **Attitudes & Psychographics:** What are the value/belief systems of the target audience?
- **Governmental restrictions:** Are there restrictions to sell certain products/services?
- **Media and recreation:** What media do the target group use? This may be used to support Internet presence and direct publicity campaigns.

Target Market Analysis

1. Target Market Analysis: Who needs or wants our products and services? Questions to review: Who are our customers? What are our customers' needs? What makes these companies potential customers? What are our company goals and objectives? What are our company resources? Who are our competitors?



How can we differentiate ourselves from our competitors? What are the identifiable "risks" and "rewards"? What are the financial issues? What are our products and services? Do we have demographics of our prime prospects?

2. Where is our "Best" Market Niche? Questions to review: What are our competitor's strengths? What are our competitor's weaknesses? Are there niche opportunities for us to do business? Do we have advantages over our competitors? How can we differentiate our pricing from the competition? What are the strengths and weaknesses of our products? What areas of the industry do we want to deliver our products and services to? How do we want to position ourselves in the marketplace? What market goals and objectives do we have? What are our competitors doing on the Internet?

3. Lead Generation and Attracting Prospects: Identify lead generation and marketing activities, Assign marketing responsibilities to those that have the interest and the skills, Set up administration systems to carryout marketing activities, Develop a marketing campaign schedule, Develop a Sales Cycle Process.

4. Relationship Building By Converting Prospects Into long-term Customers. Questions to review: What activities or steps can we incorporate into our Marketing Plan that will help us transition a "prospect" to a "customer"? What materials are necessary to support the relationship building process?

5. Image. What Image do our Customers have of Us? Questions to review: What Image do we want customers to have about; Our Company, Our Product or Service, Our Customer Service, Reliability, Cost of Service and Added Value. This is also part of the on-line branding process.

6. Selling Process. What types of buyers will be attracted to our products and services? Questions to review: What needs are satisfied with our products and services? How will we present our solutions to our customers and clients? How do we format and make a proposal that reflects our company's image and products? What ways can we improve our "negotiating" and "closing" skills?

7. The Customers Perspective. What information are customers looking for? Questions to review: Are customers looking for information about Products, Services, Support Services, Other ways to Use the Product, Technical Details. How do our customers use the Internet?

The Internet provides a unique medium for marketing, combining the most desirable traits of conventional media with the capability for an instantaneous call to action on the part of the prospect. Since Internet users must find you on the Net, you can attract and identify prospective customers in a more narrow target market than traditional media. Considering its potential, the Internet is an irresistible medium.

Conduct a Marketing Audit

The Internet component should integrate with your overall business-marketing plan to align with existing capabilities and practices. Before developing an Internet strategy a **marketing audit** may be required to determine the strengths and weaknesses of your existing business's marketing functions. This review process may be done internally or by external consultants.

After conducting an audit of marketing practices, it should be evident where improvements are required and what strengths exist to exploit. The next step is to consider how the Internet may be used

to build upon past strengths and overcome identified weaknesses. Once completed, it is possible to formulate marketing tactics that leverage the technologies to achieve the marketing plan's defined goals.

YOUR MARKETING PLAN

Expectations for marketing via the Internet can range from modest goals of increasing sales leads to those of revolutionizing your business-customer interactions.

Planning an Internet strategy is vital to using the medium successfully. It includes not only a well directed review of available technologies and tactics specific to the medium, but a calculated blending of Internet marketing with traditional marketing strategies. Without integrating Internet marketing to your traditional marketing strategies, you can lose focus of your primary goals, become disorganized, and fail to capitalize on time-sensitive opportunities as well as mismanage resources.

In contrast, a well-planned marketing strategy is built on the premise that all aspects of your operations are open for review against the needs of your customers. If you are focused in this way both identify your value to your customers and strive to assess regularly your customer's changing needs. As the technology matures, new opportunities will emerge and the marketing plan should adjust to streamline operations and determine how consumer needs are served most efficiently.



According to Forrester Research, only 23 percent of companies currently improve their online operations by making use of the data associated with how customers use their Web sites. However, as the brick-and-mortar world has demonstrated, understanding and reacting to customer behaviour is the number one resource for acquiring and keeping your customers.

E-METRICS

As an online marketer you should do more than simply measure "click-through" rates and loosely defined "hits." The key is to gain a fundamental understanding of your customer preferences and purchasing lifecycles. You need information to help understand what is really taking place with your e-business, you should be asking:

- Who are our best customers?
- What channels bring them to us?
- What are the drivers of purchase behaviour?

- Which marketing initiatives generate the most profitable customers?
- Which products or services present cross-sell and up-sell opportunities?
- Which online customers buy from offline channels?
- What changes will make our site more customer-focused?

Investigate your customer interests and segments to track individual behaviours and click-stream patterns for more effective targeted marketing campaigns and communication. With this increased customer knowledge, you will be able to improve customer retention, build a more loyal customer base, and increase ROI.

Loyalty Marketing

By bringing together marketing, sales, service, and other divisions with state-of-the-art electronic customer relationship management tools companies are able to interact with consumers, identify customers, learn about customer behaviours, and customize some part of their products (or services) to meet each and every customer's unique requirements.

By implementing web-based customer communications strategies, developing business processes devoted to customer loyalty and putting the necessary infrastructure in place, your company will be able to:

- Leverage the Internet to increase customer loyalty, which in turn will increase profits.
- Identify the best and most appropriate customer relationship marketing practices to retain customers.
- Attract the most loyal prospects and customers for higher customer returns and new customer referrals.
- Provide near instant gratification by serving customers via multiple levels of interaction, contact, and dialogue building.
- Simplify customer interactions in order to increase customer satisfaction and lower operating costs.
- Retain the most profitable customers by anticipating and meeting their unique and specific needs.

MARKETING ON THE INTERNET

THE INTERNET AS A MARKETING TOOL

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Low cost is often cited as a key reason for using the Internet as a marketing tool. The average small company of 25 employees can set up an Internet infrastructure from \$10,000 to \$30,000. The cost is fixed; once the structure is in place a company can reach 100 customers or 100,000 for the same cost. Other than maintenance and updating, the Web site is not a consumable; it remains available to every user accessing the Web site at no variable cost.

When as a marketer you realise the size of the potential market pool for your company offerings, in the majority of cases it becomes a must. In fact the latest statistics show that:

- In 1998, there were an estimated **47 million Internet users** in the U.S. according to eStats.com. This was an estimated 62% of the world Internet user population. This is expected to grow to over **85 million users in 2002** according to eStats.com.
- According to Nielsen//NetRatings, in the month of June 1999, there were a total of 63.4 million total active Internet users in the U.S. and **105.4 million total U.S. users** with Internet access. The average user visited 12 web sites and spent 7 hours, 38 minutes online that month.
- Other researchers have suggested that the growth rate may be even faster. Statistics from Nielsen//NetRatings seem to indicate that there are already more than 100 million Internet users.
- User year-to-year growth rate is estimated to be between **15% and 25%**. This is considerably less than the growth rates from 1996-1997 (124%) and 1997-1998 (68%) due to market saturation. Yet when one adds 15 - 25 million users years to a potential client list, results can be astounding.
- Canadians love the Internet and are second only to Americans as the most active web surfers. Between November 1999 and January 2000, 56% of Canadians or 12.7 million adults used the Internet, an increase of 13% since 1997. Of those who aren't wired yet, 43% say they plan to get on-line within the next two years. (CANOE/Pollara Research)

A more expansive companion report we have produced titled "Why the Internet" is also available for download and expands on this section.

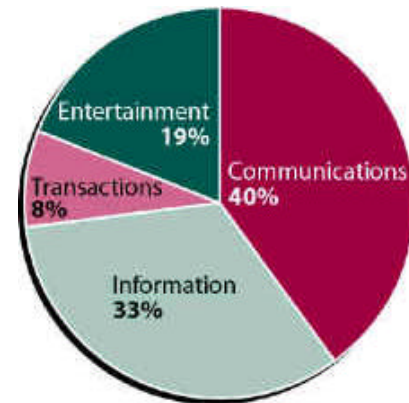
RELATIONSHIP MARKETING

Successful businesses recognize the value of relationship marketing. The Internet lends itself to this beautifully with email and Web-based forms. Customers can register with the firm, thereby allowing it to build a back-end database, which it can then use to collect and qualify leads and strengthen customer relations. Using the Internet for customer communication costs less than using the phone for similar purposes.

Customer service. The Internet allows companies to conduct customer service directly at much lower costs and with far greater convenience than over the telephone. FedEx claims it saves over \$1 million each month because customers can check the status of their packages on FedEx's Web site, bypassing the need to speak to a customer service representative.

Building trust. Trust is a significant factor in business marketing. Companies can use the Internet to encourage customers to "chat" or post messages discussing a firm's products, which speaks to open communication and trust building.

Image enhancement. A small company can act large on the Internet, not in a deceptive way but in an "image-enhancing" manner. The high cost of overhead is not necessary when conducting business on the Internet. International deals can be initiated via Web sites. Million dollar domestic partnerships can be born through initial contacts on the Internet. The perceived size of a firm is an important influencing factor for business buyers.



Canadian online use of the Internet

MARKETING ON THE INTERNET

THE INTERNET AS A MARKETING TOOL

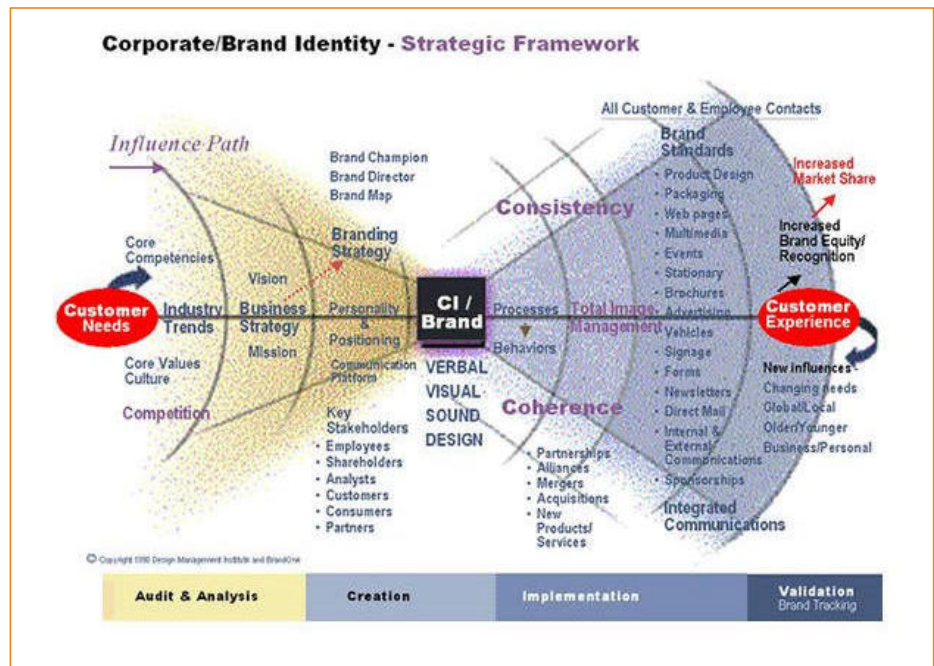
BRANDING ON THE INTERNET

Perhaps nothing is more misunderstood online than the meaning of branding. Branding in the pre-Internet world required the integration of advertising, customer service, sales promotion, public relations, direct mail, newsletters, frequency discounts, event sponsorship, word of mouth and other communications tactics.

The true meaning of branding: To present a unified message about a company, its products or services.

Online, everyone is looking for a shortcut. Few of the technical web guru's understand or take time to study the classic principles of marketing, or the history of public relations.

The technology is new, but the factors that convince people to buy a product have not changed. People still want to buy products and services from companies they trust and like.



People still want to know those companies will be there for them tomorrow, and beyond. This is a prime consideration of branding on the Internet.

Banner ads have never established a brand and never will. Click-throughs do not establish branding. Publicity alone will not establish branding. Email alone will not establish brand recognition and acceptance.

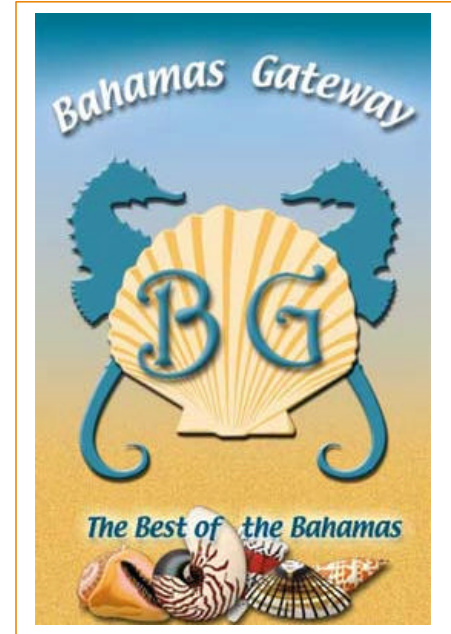
Branding is something that happens over time as the result of a consistent effort to communicate a clear message. It begins with a marketable concept as the foundation of a business. This requires that the business founders have given great thought to how they will distinguish their business from the other businesses selling essentially the same products and services.

Online, a better concept, even by a tiny company has the opportunity to become the biggest and the best. In that respect there is no doubt that the Internet is unique.

DIGITAL BRANDING

In simplistic terms, branding refers to establishing such a strong identity for your product or service that potential users or customers think of you first when they're in the market for that particular product or service.

And, with all the competition on the Web for the attention of the casual surfer and certainly prospective customers, you need to not only differentiate yourself but to become "the source" in your category. Even large, successful companies are actively developing a strong online brand.



Successful digital brand building requires a two-part strategy:

- One focuses on the business process, that is, how a company finds, serves, and satisfies its customers.
- The other targets the branding process, in terms of how a company manages media and positions messages in competitive and confusing markets.



Your Web site is the number one brand builder in cyberspace; its development and operation should not be relegated to technical staff that might have little regard for brand equity.

A point to remember is that a \$500 web site looks like a \$500 web site.

Branding Tips for the Internet

What Branding Is:

- A consistent and thorough message expressed over time
- Content and positioning determined by considerable thought and planning
- Helps distinguish an individual business from the rest of the crowd

What Branding Is Not:

- A banner ad
- Click-through
- Publicity

- Leverage real-world brand equity. Web users want to do business with brands they trust. Your site should highlight its relationship to your real-world business and your real-world brand
- Use a domain name, tagline, or product name that prospects can remember. Many domain names have hyphens, which break them unnaturally, or strange spellings. Sometimes you can't access them without searching for the correct URL.
- Offer an advantage of buying from you rather than the brand names. This could be lower pricing, personal service, etc. Any service at all would be an improvement over a large number of companies on the Internet, including some of the biggest companies!
- Show your physical address and contact information, including phone, fax, and email address. And, respond when you're contacted.
- Offer interactive capability. For example, set up automated email follow up that keeps reinforcing your brand name. Or, try adding a bulletin board to your site so users can interact with each other.
- Offer a guarantee on your products or services. Specifically, offer a money back guarantee for a specified period of time.
- Set up your site so it's easy to find what you're selling. Some sites are arranged so poorly that you must wade through too many pages to find the product or service sold there.
- Offer several options for purchasing, such as online, fax, phone, or snail mail.
- Indicate a quick delivery in terms of a few days.
- Ensure customer service personnel answering your phone understand your Web site and the offers made there.
- Obtain testimonials or good reviews for your product or service. Well-known reviewers and satisfied customers can help substantially in establishing credibility. The comments should be

as specific as possible regarding the benefits of the product or service.

- Web brands are all about utility. So what unique functionality do you offer? How does your site make customers' lives easier?
- Partner relentlessly. A lot of old-line brands fail to understand that partners are everything in this medium. You can achieve critical mass much more quickly by joining up with other strong brands
- Protect your brand. On the Web, your brand and your domain name are inextricably linked. If someone else has registered your company name as a domain name, consider bartering for it, buying it, legal action or waiting until the registration expires to obtain it.
- Listen to the customer. There's simply no way that a Web brand can be useful and provide a rewarding experience without regularly asking its audience for feedback.

On the Internet brand building is no longer a one-way street. Interaction with clients is a two way process. Your customers tell you what they want your brand to be, and you listen and react. After all, the customer is king?

Design everything around maximizing the customer experience. Anticipate their concerns. Serve them. Surprise and delight them. Even tease them a bit. But make sure they get the whole brand experience. Make sure they get the full impact of a good idea, delivered with excellence.

MARKETING ON THE INTERNET

INTERNET MARKETING TACTICS

INTERNET MARKETING TACTICS

There are many different technologies to facilitate your Internet marketing strategy. Some of the most common and effective tools are:

Search Engines and Directories: Search engines are one of the most popular means of finding web sites, second only to following links on web pages.

Search engines help people find relevant information on the Internet. Major search engines maintain huge databases of web sites that users can search by typing in keywords or phrases.

Advertise your message. Web directories/search engines are information gateways that have high traffic and are good for displaying advertisement banners. They are used to find Internet information and for this reason, appeal to broad target groups.



For detailed information, download our companion report, 'Search Engines Explained'

E-zines: (Online magazines) These publications are focused on specific topics and may be a way to reach a target audience interested in that subject. Some companies have gathered the e-mail addresses of potential customers and used these lists to send out product information specific to client interests.

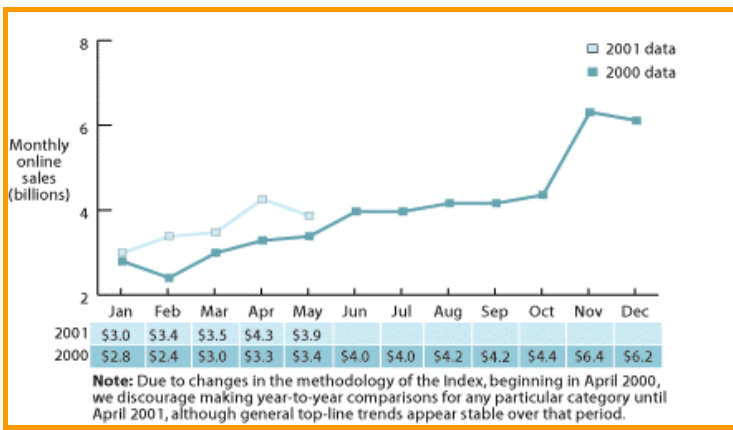
Seven good reasons to establish an E-Zine

1. Establishes Trust
2. Brings Visitors Back
3. Establishes You as an Expert
4. Keeps Current & Potential Customers Up to Date on New Products & Services
5. Builds Relationships
6. Allows You to Build an Opt-In Email Marketing List
7. Keeps Your Website Fresh in Visitors' Minds

E-mail: Ethical methods of gathering email addresses are through on-line registration built into your corporate Web sites, or requests for information forms that request submission to your opt-in lists. An alternative is to purchase lists of customer email addresses indexed by special interests from a private company such as 'Postmaster Direct'.

Online customers are becoming increasingly selective about their relationships, the brands they trust, and what they consider relevant. While most marketers are aware of privacy issues and the risks of Spam, there is still need for improvement. Email marketing campaign management is still fairly unsophisticated even at the largest of organizations.

Considering the retail sales growth (see below) what will be important to understand about your online customers? A survey of 400 online customers conducted by IMT Strategies in 2000 and again a year later highlights several aspects of customer behaviour that translate directly into marketing results.



It shows that customer expectations about privacy policies, frequency, message context, personalization, and ease of response are important to the design and execution of your online marketing programs. These "customer design points" must be the framework that influences your on-line marketing choices.

Important dimensions to start understanding and managing include the following:

- **Privacy.** Adhering to customer privacy standards, trends, and expectations.
- **Permission.** Building relationships through permission marketing and practices.
- **Frequency.** Managing campaign frequency and customer overload.
- **Context.** Making campaigns and offers relevant.
- **Personalization.** Optimizing investments in personalization and customization.

- **E-care.** Meeting customer expectations for e-care and response management.
- **Responsiveness.** Understanding the drivers of purchase and response.

Marketers have to think about the drivers of customer response and purchase. Over time, as more is learned about your customer buying behaviour, you can will isolate campaign and program characteristics that drive your customer or visitor response and action. Isolating the behaviour of high-value customers, business customers, or the minority of customers who prefer to buy online will be critical. For example, we have found that new online buyers get referrals when shopping online, while experienced frequent buyers prefer search engines.

Affiliate Marketing: Affiliate Marketing enables you to increase online sales by promoting your products and services through a network of Affiliate sites on a payment-by-results basis.



It also provides the opportunity to generate additional revenue by exploiting your site's own content to promote the products and services of other online Merchants.

A Merchant recruits content sites to partner with them as Affiliates in exchange for commissions. A common third party provider such as Commission Junction can be used.

The Merchant provides their advertising banners and links to their Affiliates and assigns a commission for each click-through to their site, subscription to their service, or purchase of their products that is generated from those links.

Affiliates place the tracking code for these ads and links on their Web sites. This allows click-through's to be tracked online and commissions to be calculated.

If a product or service is purchased, the customer pays the Merchant directly and the Affiliate is paid a commission for that transaction.

Banner Advertising: Banner advertising can play an extremely important role within your website strategy. You can use banner advertising as a means of promoting your own products and services, raising awareness, or as a way of generating revenue by selling advertising space on your own website.

- **Purchasing Advertising:** There are currently two widely recognised methods of purchasing banner advertising. The rates for these are usually quoted on a cost per thousand basis or (CPM). The rates you pay can vary tremendously as there is currently no standard price model - so be prepared to negotiate!

- **Pay-Per-Impression:** This method of purchasing banner advertising is based on a charge for the number of times someone sees your banner. There are no guarantees as to how many visitors will come to your site as a result of seeing your banner, you are simply paying for the number of times your banner is displayed.
- **Pay-Per-Visitor:** This method of purchasing banner advertising is based on a charge for the number of times someone visits your site as a result of clicking on your banner. This is a better method of purchasing banner advertising as you are only paying for results, although expect to pay a premium.
- **Branding.** While CTR and cost per sale relate to direct marketing objectives, another way of looking at banner ads is as "branding" tools. They create brand awareness, and a brand image in the viewer's mind, whether or not the viewer clicks on the ad. Branding is very difficult to measure, but can be very powerful.

The average click through ratio on banners is just under 1%, although with a well planned and executed advertising campaign using effective banners you can increase this to as much as 15%, but be prepared to work at it.



It is a good idea to have a number of different banner ideas so that you can carry out small test marketing campaigns with each one until you find those that work best.

There are a number of key issues that must be considered when designing a successful banner:

- It must have an attention-grabbing headline.
- It must be simple and get your point across.
- It must invoke action (i.e.: "Click here")
- It must download quickly.
- It must be placed effectively on a web site, Location, Location, Location

Any campaign is limited by the amount of advertising you can do depending on the size of your budget. Therefore it is important that you target your market carefully so as to maximize advertising spend on effective banner campaigns.

Rich Media Advertising: Looking for ways to make online advertising more compelling, and hopefully thereby more acceptable, marketers have increasingly been turning to streaming advertising.

In effect another kind of rich media advertising, streaming advertising comes in two basic forms.

First, it can either be part of a streaming audio or video program on the web. With many people now listening to web radio or watching web broadcasts, this makes perfect sense. After all, everyone is accustomed to getting commercials on their TV or car radio.

The other channel for streaming advertising is essentially an infomercial. Consumers can download a streaming clip for a product or service from a marketer's website.

Two new studies recently released suggest that the streaming advertising market is going to boom now and in the years to come. According to DFC Intelligence, streaming advertising, as part of online audio and video programming, is expected to generate \$138 million in 2001. Similarly, researchers at the Yankee Group said that spending on streaming media advertising would ramp up from \$44 million in 2000 to a whopping \$3.1 billion by the year 2005.

Sponsorship: Acting as a sponsor for a charity or other worthwhile cause and receiving advertising on their literature and web site. Such as the 'Montreal Breast Cancer Foundation' or 'Miriam Foundation'.

Conferences: By their nature conferences are organized for special interests. Advertising in conference literature, print and electronic, is an excellent way to contact target markets.

Collaborative Marketing: Team up with other business to:

- Cross-promote - e.g. setting up links from one corporate Web site to another or offering special promotions in partnership with complementary goods or services.
- Advertise - share advertising.
- Participate in joint sponsorship of events, initiatives, informational Web sites, mailing lists, bulletin board systems, directories, etc.
- Link exchange with trade/professionals associations to support credibility of firm, provide further market information to customers, build their awareness and prepare them for the action of purchasing.

Sales Promotion: Employing methods to stimulate sales through immediate or delayed incentives to the customer. If the incentive is attractive, the price:value ratio is adjusted favourably enough to effect a sale. This strategy should integrate with the overall marketing mix to balance extra sales with long-term profit motives. Examples of sales promotion strategies are:

- **Couponing** - e-couponing that may be printed off from Web sites or e-mail.
- **Sampling** - offering product samples electronically.
- **Bonus offers** - offering additional goods or services when making single purchases (e.g. buy-one-get-one-free).
- **Limited time offers** - attracting visitors to return to a Web site.
- **Games with prizes:** Useful to keep people coming back to Web sites. Some legal restrictions may apply, depending upon the jurisdiction.
- **Reorder points awards:** Awarding points to customers that use the Internet repeatedly (e.g. Canadian Tire offering double Canadian Tire money or double Option points).
- **Cross-product sampling:** When a customer makes a purchase they have an opportunity to try out another company's product/service. Also, the customer may have the opportunity to try out more than one company's product/service while testing another. Useful for complementary products/services.
- **Feature pricing:** providing special pricing to those that order electronically.
- **Cross-promotions with other companies' products/services** - Buy a company's product/service and get a coupon for another company's product/service.



Publicity: The goal of publicity is to have others talk about the small business or its products. It can be inexpensive or even free and it may have the potential to generate far more in sales than even a well executed advertising plan. Key publicity tactics include:

- **Entering awards contests.** For instance, web site design contests hosted by a variety of consultant agencies, professional associations, Internet magazines, suppliers, or consumer groups may generate traffic to a winning site.
- **Contact traditional sources** (e.g. newspapers, magazines, trade newsletters) about the firm's entry into electronic marketing of its products.
- **Articles** Write articles for on-line magazines.

Promotional Publications: Facilitate customer education, with the intention of building corporate image and even brand awareness, the small business may sponsor and/or publish its own electronic magazine on the Web, email, etc. These are useful in fields where the customer needs information to develop sufficient knowledge for movement through the first three stages of the sales process of *awareness*, *interest*, and *desire*. Although time consuming, they replace or complement the print versions of newsletters/corporate magazines/flyers.

Promotional Tools and Gadgets: These include calculators, searchable databases, and other useful devices that enable the users to develop or locate useful information.

Subscriptions: Business marketers may use their Web sites to encourage visitors to subscribe to receive regular email messages from the company. These messages are called digests or newsletters, and are a clever way for marketers to push product news to willing customers.



Controlled-access Web pages: Clever business marketers may use their Web site to attract new customers. They might publish a Web page that allows customers to download a free trial version of a software application that expires after a time if not paid for. Or, customers might receive an e-mail message inviting them to visit a private Web page on the company's intranet, and giving them a password. The company, as a way of encouraging a sale, offers customers who visit the page a prize or enticement of some sort.

Public Forums: These are often community-based or interest-based sites that allow visitors to communicate with one another. An opportunity for small businesses to reach to their intended target group via these forums is by posting messages or by sponsoring such a forum. E-mail based forums appeal to a wider audience due to the greater use of this application over Web-based forums. Web-based forums are advantageous for their superior display of advertising images/messages

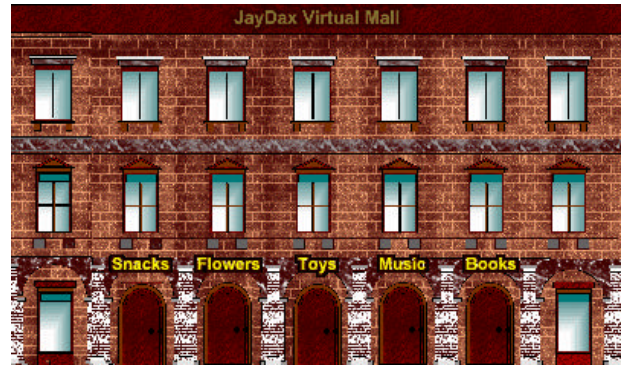
Resellers: Some sites will remarket other companies' products as intermediaries. The companies that host these sites may have invested significant resources in making them attractive to the target audience a small business is interested in attracted. By piggybacking on another company's efforts, cost-efficiencies may be realized by engaging in a reselling arrangement.

E-mail Links: Visitors to a site should have the opportunity to correspond with the host of that site, especially if out of the telephone area or time zone. E-mail links may be strategically placed throughout the site to elicit response from visitors for at various points. These are also useful for feedback on site maintenance problems.

On-line Surveys: Information may be collected on the visitors to a Web site through registration forms, on-line surveys, or through tracking of areas of site they visit.

Virtual Malls: Web based sites that allow companies to post their products or services for sale along with other companies. These may be product specific, may be arranged by complementary products, or may have products that are not related except by their companies' desire to attract a similar target audience.

Measurement: The Internet has the unique ability to provide marketers with detailed information about the success of their Web marketing programs. Companies can track visitors to their site and collect information about them from their "cookies," then process this information using Web site analysis software.



Cookies are a type of digital identification, which is read every time the user connects to a public Web site. The Web site can collect some very basic information about the user (e-mail address, time of day the site was accessed, which pages were visited) and use it to create visitor profiles. Visitors can then be identified as "old" or "new" when they visit the site.

Cookies are an essential part of many companies' business strategies. The information collected from them is used to measure site visitors, develop user profiles, and target advertising — in much the same way that television allows advertisers to target their message to a certain demographic.

MARKETING ON THE INTERNET

INTERNET MARKETING TACTICS

E-BUSINESS

Your approach to creating and marketing an E-business system on your web site will depend on the business you are in and how much of your business you intend to place on the Web. E-business becomes part of your sales, customer service, order taking and order fulfilment process online.

For an existing business, as opposed to one starting on the Web, one of the best ways to come up with an online strategy is to let the customers do it for you. If some of your business is now conducted over the phone and by mail, that is the most obvious candidate for translation to the Internet.

But moving to the Internet is not as simple as throwing your mail-order catalogue on the Web, even though that is what most people do. It is a start, certainly, but when you do that you often lose crucial steps in your interaction with the customer, steps that usually are not written down anywhere.

When taking an order over the phone, what questions do you ask your customers? What manual steps do you go through to fulfill those orders? Do you have anyone on your staff that understands direct marketing and sales?

How do your representatives sell the customer upgrades or additional product? Much of your current sales procedures will have to translate on the Web.

▶ Look first to telephone transactions for ideas for an e-commerce site. If there aren't any, rethink or devise one.

▶ Document all the steps involved in handling mail or telephone transactions. Mark the most expensive ones and devise a strategy for automating them on the Web.

▶ Study other businesses in your segment, especially ones with a direct model. What can you learn from them and where can you get the expertise? Either do some hiring or contract with a consulting agency that can provide the expertise.

E-BUSINESS SYSTEM

A large-scale E-business system can be fairly straightforward, consisting of three essential elements tied together by networking hardware: a browser-based user interface on the front end, using either the Internet or a private network; a business-objects layer in the middle; and a back-end database infrastructure.

Most business-to-consumer (B2C) sites, and some business-to-business (B2B) ones, need to process credit-card transactions. To do so, you need an Internet Merchant Account from a bank or other financial institution. This is true whether you already have a Merchant Services Account (MSA) for other "card-not-present" transactions, such as mail order or telesales. ([Download our report 'Why the Internet' for more details](#))

Canadian banks are only lately getting comfortable with Internet commerce, but a large number of American based companies can provide this service with an Internet Merchant Account to US companies and Canadian.

If you are embarking on an E-business implementation, as mentioned earlier you need to know what your target market is, what budget constraints will be put on the system, whether it will be entirely Web-based, the size and number of transactions it will need to support, how outside parties will connect to the system, and what level of security is appropriate.

For many companies, the process of Webifying current business functions can be made part of reengineering those functions to improve their efficiency, customer responsiveness, and cost structures.

WEB PROMOTION

The best e-commerce site in the world is worthless if no one can find it. But, too often, e-commerce start-ups use shotgun marketing, simply advertising everywhere, to everyone, in the hope that a fraction of a percent of those who see the ads will respond.



For most B2C businesses, the majority of customers come through search engines, such as AltaVista, Yahoo, Google, and others. Getting your site listed, making sure that your site shows up high in the list of search results and ensuring that your site is listed for specific keywords is a science in itself. [\(Download our report 'Search Engines explained' for more detailed information\)](#)

One way to obtain information about where your customers have recently been is to use the log files that your Web server generates. Most Web servers can be configured to tell you where your visitors are coming from, the last site they visited before yours.

INTRANETS AND EXTRANETS

Intranets and extranets are the latest additions to corporate "Internet strategy." These private, controlled networks allow companies to use the Internet as an effective business marketing and communications tool.

An intranet is an internal corporate network, based on the same technology as the Internet, but to which access is controlled. The information published on an intranet is not available to the general population of Internet users. Using software such as e-mail, document management, scheduling, collaboration, and workflow especially developed for intranets, employees in large, decentralized, and geographically dispersed organizations can share information as easily as if they were in the same office building.

Marketing departments can publish product information on internal Web pages for the sales staff to read. Limited access might also be granted to customers. Your corporate Intranet can be an extension of your E-business in particular with existing suppliers or large corporate customers.

Allowing your intranet to be accessed by customers and other non-employees in this way has led to the development of a new term, the extranet. In business-to-business communications, using the Internet allows direct, platform-independent communications with your business partners. This is a huge benefit to businesses and represents a major shift from the problems of even five years ago.

MARKETING ON THE INTERNET

CONCLUSION

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Use of the Internet for business marketers is a reality. Television, print, newspaper, and other traditional marketing avenues will continue to be used but those who ignore the Internet will lose the race for competitive advantage. On the other hand, those who have embraced the Internet have demonstrated its power and are innovators. Many believe that we have only seen the beginning of a technological leap.

Marketing on the Internet is a new business channel, yet in many ways it remains the same as traditional marketing, for example by focusing on the *five constants of marketing*. But companies need to learn what works on Web sites, how to communicate their message and how to differentiate their Web sites.

You should examine companies who use their Web sites as a promotional tool, for brand image building, as a distribution channel, for customer service, and in building supplier relationships.

The Internet and the Internet gives business a better way to do the things they do. The Internet has the capability to cut costs for selling and buying organizations. Automated functions and instant data information can cut purchasing cycle times, reduce human resources costs, and lower transaction costs for suppliers.



Further to cost reductions, there is increased efficiency. Online functions for customer service, product information, product ordering and order-tracking functions are available to customers 24 hour a day every day of the year. These are value-added services that serve to differentiate the products they compliment.

Increasingly through innovative outside relationships, organizations are aggressively reshaping themselves and fundamentally changing the way they do business. Unprecedented levels of performance and profitability have resulted from these efforts. The bottom line is that the Internet and outsourcing of 'skill specific' tasks has become one of today's most powerful, organization-shaping management strategies.

CONCLUSION

Today's corporations better serve their customers and their bottom line by functioning more as a focus of resources than as an owner of resources.

Outsourcing non-core functions like Web Site Maintenance and the use of Internet business consultants provides many companies with enhanced levels of service at a lower cost and will help your business compete in today's highly competitive marketplace.

Global competition has intensified with the introduction of new technologies. Those who can exploit the opportunities of this new technology will win. Internet marketing enables a large company to be responsive, innovative, and fast and a small company to compete internationally with the "big boys." Information technology changes on a month-to-month basis and sometimes week to week. The pace of change is accelerating. To remain competitive, companies must position themselves and commence marketing on the Internet.

MARKETING ON THE INTERNET

ABOUT GLOBAL MILLENNIA MARKETING

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Global Millennia Marketing Inc. is one of the first of a new breed of integrated Internet marketing communications companies and is comprised of four on-line divisions. Our ability to work closely at all levels optimizes synergy between the different divisions from the strategic planning stage right through to tactical execution of all our projects.



John Shenton B. Eng., President of Global Millennia Marketing, is a dynamic, adaptable and results driven Senior Executive with many years experience in building and operating companies in N. America & Europe, creating market presence and increasing sales throughout domestic and International markets worldwide.

His strong technical and analytical background is supported by comprehensive sales, marketing, operational, and general management skills in the computer, Internet and telecommunication industry.

He has a great deal of International experience, having lived and worked within the United Kingdom, Germany, Switzerland and Canada.

On a global basis in English, French, Chinese and Arabic to a diverse range of companies from start-up to established corporations.

As the use of New Digital Media such as the Internet, CD-ROM's, DVD's, increases, the importance of coordinating its use with traditional printed media becomes paramount. We are uniquely placed to address this need, having evolved from genuine specialists in both fields. We work with our clients to develop effective, long-term partnerships, which encompass every facet of the management and marketing functions, from initial project consulting through creative design and production, to corporate presentation management.

Our teams have many years' industrial experience in the fields of Sales & Marketing, Finance and Information Technology in North America, Europe and Asia. This background allows us to quickly empathize with our clients to understand their markets, their objectives and to identify their business needs. Through strategic planning and the creative application of our skills and experience, we deliver effective total marketing communications solutions, which meet, and typically exceed, their pre-defined goals and expectations.

Operations are controlled from Montreal, Canada. From here we are able to provide service on a global



Integrated Internet Marketing & Web Site Design



Graphics, Identities, Illustrations and Branding



A leading Internet Solution Provider



Consulting, Promotion and Planning