



The Emergence of Internet Marketing

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Traditional marketing relies on decisions in four basic controllable categories labeled the four "P's": Product, Price, Place and Promotion. In this marketing mix the "product" is a physical item or service where the brand and its qualities are the premier considerations. Price requires competitive analysis and a cost strategy to penetrate a market. Place usually refers to the distribution channel where the product is delivered, ordered and warehoused. This leaves promotion the role of communicating the benefit, need, allure, appeal and emotional connection of the product or service to the consumer.

However, this traditional mix is beginning to feel the impact of a new element and must make room for its inclusion in the marketing sector. It can be called the fifth "P" or "Platform" and it is represented through and by the Internet. Just think of how music is delivered today as an indication of how the "platform" of the Internet has affected marketing. Its impact is undeniably affecting marketing decisions and determines how and where money is spent. Calling this decision category a platform is appropriate because in computing terms, according to *Wikipedia* a platform "describes some sort of hardware architecture or software framework that allows software to run." Platform might also be defined as "a place to launch".

"Internet Marketing is the process of promoting an organization using online media, typically with the goals of increasing sales and boosting profits. Internet marketing does not simply mean building or promoting a website nor does it mean simply putting a banner ad up on another Web site. Effective Internet Marketing requires a comprehensive strategy that synergizes a given company's business model and sales goes with their Web site function and appearance, focusing on their target market through proper choice of advertising type, media, and design", reports *Wikipedia*.

In the digital space, the interactive place where consumers control interaction, connect with businesses, each other and their interest, the Internet platform is increasingly where marketing decisions are influenced and made.

This is confirmed by an Outsell Inc. survey: "spending on online advertising is encroaching on budgets allocated to traditional forms of advertising." *EMarketer* predicts that the share of total US media spending going to the Internet in 2008 will be 9.3% or \$27.5 billion compared with 6% or \$16.9 billion in 2006. In comparison, print spending is anticipated to grow just 3.3% and TV/radio 2.4% according to Outsell Inc.



“four core capabilities”

Forrester Research’s “Forrester Wave: Interactive Marketing Agencies” report supports the “new media” marketing trend: “Increasingly marketers are realizing that (offline and online) has to be integrated.”

They add this is important because consumer behavior is shifting online and the data gained from the channels directs how to market to consumers. The report further stresses that today’s marketers must develop four core capabilities: **“measurement and analytics, audience research, cross channel integration and social media.”**

These components crisscross the traditional four components of the marketing mix. It integrates product or service – if and how it is offered online. Price can now be viewed on comparison shopping sites and that must be factored into its strategy. The Internet offers a new “place” for a product or service where inventory control is “real time” requiring that management systems be more sophisticated and the requirements of security and shopping cart behavior be understood.

The “P” most affected by the Internet may be “promotion” because here a dizzying array of choices appear. The digital smorgasbord includes e-mail marketing, display advertising, cost per action campaigns, video marketing, contextual advertising, affiliate marketing, Web analytics, paid inclusion, link building, blog marketing, viral marketing, Web press releases, behavioral marketing, pay per click, search engine marketing and search engine optimization (SEO) and the list is dynamically growing and permuting.

Moreover, “search engines have become an increasingly important part of the online experience of American Internet users. The most recent findings from the *Pew Internet and America* life tracking surveys and consumer behavior trends from the *ComScore Media Matrix* consumer panel shows that about 60 million American adults are using search engines on a typical day.

Their research reveals that, “on a typical day, search engine use has risen from 30% of the Internet population to 41%. The report states “the evolution of search engines as everyday consumer Web tools has made them a vital resource for marketers. Search engines are an obviously critical vehicle in reaching consumers during the buy cycle, but they also offer a rich source for consumer profiling, segmentation and measurement of product demand.”

Consider these statistics:

- More than 2 billion searches are performed daily on the Internet*
- Half of all buyers search before making their online purchase*
- 81% of all Internet users have used the Internet to do research about a product or service they are thinking about buying*
- More than 40% of all visitors to consumer product companies' Web sites arrived as a result of a search query**
- Searchers spent 20% more than non-searchers on the Web sites**
- More than \$135 billion was spent with online retailers in 2007, compared with \$117 billion in 2006 and \$ 93 billion in 2005 (not including travel) ***

Therefore, a new kind of knowledge needs to be embraced by marketing executives. It must include the language of the Internet, the technology affecting it, the applications governing it, the legal and ethical issues representing it, the metrics that affect performance and the methods needed to achieve sales and customer acquisitions.

The decisions therefore require today's marketer to learn the purpose and effect of their company's website. A marketing plan delivered to a company's CEO today must not only be print, radio and TV focused, but must be Interactive with digital media. It must be infused with the techniques to attract a potential client to the website and walk them through the steps that cause them to act in the way desired by the company while there. Thus, the variables affecting the visitor's online entry point and exit point must be analyzed and the website tweaked to influence their onsite behavior.

Therefore, today's marketing executive needs to be continuously engaged in defining and refining the website's objectives. Some of the performance questions include:

1. What is the first thing I want someone to do when they come to my website?
2. How am I directing that behavior?
3. Are the choices I am offering on my website – the buttons and navigation designed to lead to the behavior I want from the visitor?

4. What analytical data am I capturing that will help me analyze this behavior?
5. What tests am I conducting on the website to achieve the action I want the visitor to take?
6. Is my site text and keyword rich – persuasive and benefits- focused?
7. What are my “call to action” buttons?
8. Does the visitor understand how my site will solve their problem or deliver on their desire and need?
9. Is it clear why my website exists?
10. Is my website just an online brochure that is “us” focused instead of “you” focused?

Today, marketing executives must approach their website with an understanding of all aspects of Internet Marketing. A marketing plan designed to turn your website into a performance site not a static site requires measuring, testing and faith in metrics.

Internet Marketing is here to stay as a part of the marketing mix. In short, the Internet platform requires a new kind of professional - one whose understanding of technology and marketing is integrated, creative and seamless.

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*comScore, Inc. “March 2008 U.S. Search Engine Rankings.” April 15, 2008.

*comScore, Inc. “First Comprehensive Worldwide Reporting of the Search Market.” October 10 & 23 2007.

**Pew Research Center “On-Line Shopping”
February 13, 2008.

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