

Online Marketing and Advertising - Introduction

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1. Preface

In this article, we will review some of the key methods for online marketing, while discussing basic concepts of online advertising. It should be noted that this article does not attempt to cover the entire issue, but rather to introduce the subject of online advertising.

2. The Medium of Online Advertising

Advertising in a medium such as the internet consists of numerous methods and models of payment for the ads we are all exposed to in different websites. The ad will usually be posted in the form of a banner containing attractive copy and visual features, conveying a certain message or containing a link leading us to a value proposition and call for action. That online banner can appear in any number of shapes, sizes and formats. As mentioned above, there are many models of payment for this form of advertising. Here are a few:

- **PPC** - Pay per click
- **PPL** – Pay per lead (contact form)
- **PPA** – Pay per action (predefined actions, e.g. acquisition)
- **PPM** – Pay per mille (per 1,000 views)
- Pay for limited airtime
- More.

The objective of advertising is to call the user to act. This call can be for an immediate action, or to use the online marketing jargon – conversion, using leads (fill-in contact form) or calling a sales call center. The call for action can also be a conscious action, i.e. promoting the product/brand by "invading" the user's

consciousness, which will later become a call for action (e.g. joining a service or purchasing a product). Therefore, we can categorize the objectives of online advertising into two key groups: the first is call-for-action advertising and the second is brand advertising.

The category of online advertising includes many options, messages, and especially many advertising platforms implemented within the websites. That is, website traffic and relevance are important, even vital parameters of measuring the advertising campaign's success. For example, premium websites are sites with heavy traffic, i.e. a large number of visitors and views. Such websites include news websites, portals, entertainment websites, etc. The conclusion is that advertising in premium websites is more effective, and thus more expensive than advertising on other websites.

There are also "theme" websites, such as sports sites, finances, health sites, etc. Advertising in such "niche" websites will gain less exposure to the general public, but will not be as expensive and will target a more specific audience. In order for online advertising to be effective, a number of parameters should be specifically adapted and the campaign optimized for our objectives and audience. The main parameters are the advertising venue (the website and location within it), the campaign objective, pricing and payment, in order to achieve the desired ROI.

3. SEO

Using familiar search engines (e.g. Google, Yahoo, MSN) is called "organic search". That is, natural results, relevant to the registered search word, regardless of payment for advertising. The organic search will produce the sites most relevant to the search, regardless of commercial messages. This group is a little different from the others, since marketing in this case is done by promoting the relevant page or website in the search engine's results, according to specific key search words, and not by paying for a specific advertising tool. However, this doesn't mean that website promotion in SEO's (Search Engine Optimization) is completely cost free.

The competition on search result rating and prioritization is becoming fierce. Search results promotion is becoming more and more professional and complex. The rating of the results depends on a significant number of parameters, such as inclusion of

the search words on the specific page, linking the page to other pages and/or other websites, text format, headlines and titles, source codes, and many other parameters.

The formulas according to which the prioritization of search results is determined are kept under lock and key by search engine companies, and are often changed or altered so that users can receive the results most "suitable" for their search. The constant battle to reach the top of the list has become more brutal and competitive. Consequently, when it comes to commercial issues, professional companies are being hired to promote search results for those organizations aiming to promote, advertise and market their products/services.

SEO's should be viewed as a long term investment, rather than a short term promotional tool. The reason for this is that website promotion on search engines requires "adaptation" time in order to achieve effective results. On the other hand, the efficacy of a good grading within the search results for relevant search words is very high and greatly contributes to the promotion of the company's product/brand.

4. Sponsored Links and PPC

Sponsored links on search engines, superficially Google, are those appearing across from the organic search results, at the top or side of the page. These ads are managed by the famous Google AdWords software, and constructed so as to be as relevant as possible to the search words typed in by the user.

The quality of the ad and its location within the results page depend on parameters such as relevance (to search words), correct landing page, quality of text, and, of course, the price offered per click, called BID. BID is the maximal sum the advertising company is willing to pay per each click on their ad (the payment model is PPC – pay per click).

The advantages of this method is effective and inexpensive conversions. That is, the cost of the lead is usually lower than customary banner advertising methods, because usually, the ad's relevance is greater than that of a basic media distribution. The weaknesses of this method have to do with the lack of visuals, since these ads can only include text, a fact that can take from the ad's eye-catching

abilities, and eventually – its branding power. It should also be noted that these ads are limited as to number of words and characters per ad, and usually include a short headline, two text lines and a link. So the message has to be short and poignant, and call for action.

It should be noted that there are other methods related to this platform in one way or another, like sponsored links in Google's content networks (e.g. Gmail). Additionally, there are companies offering similar links not only on the search results pages, but also within the websites themselves (in Israel Merlin and Neto are some of these companies). Google itself offers an ad posting service, called Google AdSense. Its competitors, such as Yahoo and MSN, offer similar services.

5. Marketing and Advertising in Social Network and Sharing Websites

In the past few years the web is using more and more social sharing platforms such as Youtube, MySpace, Facebook and others. Those have become a part of the daily lives of millions of internet users all over the globe. The social-sharing trend is one of the definitions of the widely used term "web 2.0".

These platforms enable any user to connect with any other user and offer their services/products/ideas/contents, and share them with others. These networks and websites have become the main venue for advertising and marketing endeavors (even customer-targeted ones), not necessarily using traditional ads, but also marketing contents.

This form of advertising, marketing and promoting is also called SMO (Social Media Optimization). Advertising in social networks can be visible and obvious, using a text ad or a visual ad, a channel on Youtube, a page on Facebook, etc. SMO marketing, on the other hand, is less obvious and more implied. Sometimes advertisers attempt to portray their marketing content as objective, while actually promoting a specific brand or product. Marketing tactics may include Guerrilla Marketing techniques, embedding marketing messages into forums, discussion groups, blogs, etc. This form of marketing can support the organization's campaigns, as well as its brand promotion, and create awareness among users.

6. Email Marketing

The last category is email marketing. This includes those notorious solicitation emails sent to all of us on a daily basis. This category also includes a few sub categories. The first is email marketing – messages sent to our inbox, that include an advertisement for a company or a product, as well as a marketing message, a reason why, and a call for action (like "call this number", "email us at", "click here", "fill this form", etc.).

The second sub category includes newsletters or email magazines. Those are service emails sent periodically, offering us contents and/or products by the company we authorized to send us these emails. Even though recently the Spam Law went into effect, strictly regulating the distribution of marketing emails, thus reducing the number of recipients, this marketing platform can still be described as customer-focused and effective. By segmenting the mailing lists we can target certain audiences with specific messages, enhance the relevance of the marketing message, and increase the campaign's efficacy, thus reducing costs and generating higher revenues. Emails can be designed as text-only messages, HTML messages, visual messages and messages combining several elements. Each of these formats has its own advantages as well as weaknesses.

7. Summary

This was a short review of some online marketing methods. It should be noted that other methods exists, as well as creative ideas not described above. A company wishing to launch an online advertising campaign should carefully choose the marketing and advertising methods it will use. In order to maximize advertising effectiveness, the company should design a marketing plan based on parameters such as the message, the objective, the pricing, etc. Additionally, it should regularly monitor and analyze the campaign's results, in order to make the necessary adjustments. Media analysis and conversion efficacy are two key issues that will be discussed in depth elsewhere.

About Synergy

Synergy is a consulting company specializing in information based customer management and assisting organizations to maximize the business potential of their end customers, while providing them with tools for improving their marketing, service and customer retention activities.

Synergy's solutions revolve around customer management, and include Analytical CRM, Operational CRM, Loyalty and Web solutions, as well as Marketing Resource Management solutions.

Synergy was established in 2003 and operates from Israel, the UK and Poland, working with local and international organizations. Among our customers are the foremost industry leaders in the Israeli and international markets, in industries such as communications, finance and retail, among which are banks, credit card companies, insurance companies, mobile operators, internet service providers, international call providers and television networks, as well as large membership clubs in the food, fashion and aviation industries.

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