

Interactive Media in Retail Group (www.imrg.org). Trade body for e-retailers reporting on growth and practice within UK and European e-commerce.

International Telecommunications Union (ITU) (www.itu.int/ti/industryoverview/index.htm).

Choose Internet indicators. This presents data on Internet and PC penetration in over 200 countries.

Marketing Sherpa (www.marketingsherpa.com). Case studies and news about e-marketing.

New Media Age (www.nma.co.uk). A UK digital marketing trade weekly.

New Media Knowledge (www.nmk.co.uk). Articles and events relating to new media developments.

Net Imperative (www.netimperative.com). Updates and reports on the UK new media landscape.

PR Smith blog (www.prsmith.org). Insights on the development of SOSTAC® plus videos from the marketing experts.

Revolution Magazine (www.revolutionmagazine.com). Keep up to date on e-marketing best practice for the range of new media with the UK trade monthly for digital marketing.

Smart Insights (www.smartinsights.com). Covers all the latest developments and best practices in digital marketing to support this book. Edited by Dave Chaffey. See www.smartinsights.com/book-support for content relevant to the chapters of this book.

Self-test

- 1 Summarize each element of the SOSTAC® framework.
- 2 Describe how customers and companies are becoming interconnected.
- 3 Assess the potential for B2C, B2B, C2B and C2C interactions via your online presence.
- 4 Devise a diagram outlining the difference between e-business, e-marketing and e-commerce.
- 5 List your experiences of sloppy e-marketing.
- 6 Describe the need for objectives and the characteristics of suitable objectives.
- 7 Outline 'Sell' e-marketing objectives for your organization.
- 8 Outline 'Serve' e-marketing objectives for your organization.
- 9 Outline 'Speak' e-marketing objectives for your organization.
- 10 Outline 'Save' e-marketing objectives for your organization.
- 11 Outline 'Sizzle' e-marketing objectives for your organization.
- 12 Summarize e-strategies to achieve the objectives you have described in Questions 7 to 11.
- 13 Summarize the main tactical e-tools used by your organization in the context of the PRACE framework and the concepts of content and inbound marketing.



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Chapter 2

Remix

A marketer is like a chef in a kitchen . . . a mixer of ingredients.

Bartels (1963)

OVERVIEW

The digital world affects every aspect of business, every aspect of marketing and every aspect of the marketing mix. Some argue that physical distribution, selling and pricing absorb the biggest impact. In fact, all the elements of the marketing mix are affected by this new world. This chapter shows you exactly how to evaluate the options for varying your organization's marketing mix.

OVERALL LEARNING OUTCOME

By the end of this chapter, you will be able to:

- Understand the online implications of each element of the marketing mix
- Extend each element of the mix into the online world
- Begin to plan each element of the mix in the online world.

CHAPTER TOPIC	LEARNING OUTCOME
2.1 Introduction	Identify the different elements of the marketing mix and where they fit into the e-marketing plan
2.2 What is the marketing mix?	Appreciate the many different approaches to the marketing mix
2.3 Beyond the mix	Identify the marketing skills required to take you beyond the mix
2.4 The mix is morphing	Assess the full potential of extending any product online
2.5 Product	The mix is morphing, particularly when social media merges product, place and promotions
2.6 Price	Review your pricing and consider some dynamic pricing models
2.7 Place	Identify the online distribution issues and challenges
2.8 Promotion	Discuss the problems and opportunities of the online communications mix
2.9 People	Analyse why online service requires a delicate balance of people and automation
2.10 Physical evidence	Identify the digital components that give 'evidence' to customers and check that your web site has them
2.11 Process	List the components of process and understand the need to integrate them into a system
2.12 An extra 'P' – partnerships	So much of marketing today is based on strategic partnerships, marketing marriages and alliances that we have added this 'P' in as a vital ingredient in the marketing mix

2.1 Introduction to remix

The *marketing mix* is a well-established conceptual framework that helps marketers to plan their approach to each market. At worst, it provides a checklist of decisions which marketers must make. At best, marketers integrate, or mix, these decisions together and allocate their resources accordingly. In this chapter we examine how the mix applies today. Online developments affect every aspect of business, every aspect of marketing and every aspect of the marketing mix. So do we have to throw out the old marketing mix concept or can it still be applied? Is a radical remix needed?

There is a debate amongst marketers about which mix is the most appropriate, regardless of whether it is online or offline. Some feel that the traditional version of the mix simply misses the mark. There are others who feel it is a useful starting point. Some argue that physical distribution, selling and pricing absorb the biggest impact from the Internet. In fact, all the elements of the mix are affected by the online world.

The e-marketing mix is changing as products become services, services become customer-driven, and customers create communities that extend the brand into new online experiences. It's a new type of mix. While 'people', or staff, used to do all the customer service, now there are 'new people' (customers), who help each other in creating new customer experiences. These new people are users who generate new products, new promotional materials including advertisements, reviews and ratings (positive and negative, as for automotive companies Chrysler and Honda, although they are approved or deleted by the marketing team); new customer services such as 'ask and answer services' where customers share answers to other customers' questions (as offered by www.homedepot.com).

Although an extra element of the mix is suggested at the end of the chapter, this chapter does not seek to create a new mix, but examines how the old mix is radically changed by the fast-changing digital environment. Figure 2.1 (below) summarizes the main elements of the marketing mix and key issues of how the mix is changed in the digital environments that are explored in this chapter.

The overall balance of the marketing mix is strategic and the details of the mix are tactical. For example, deciding whether to heavily discount prices and raise a high profile in a broad array of down-market web sites and communities is strategic. The tactical details would list the sites and communities and relevant prices.

Of course, a balanced mix itself is not enough to ensure success. Too many clever start-up companies and many existing companies do not have all of the facets required to run a business. To ensure that a business (or even just the new online aspects of a business) actually works (for the customer), you need to ensure first that there is a market, and second that you can supply it; i.e. that the basic business is fit for purpose and that the appropriate technology, product/service design, production process and marketing process, sales process, delivery process, cash-flow process and after-sales support process are all in place along with the 3Ms resources – men (and women – the human resource), money (budgets) and minutes (time) – required to service it. All of this must be 100 per cent in place at the same time, because if any single element fails, then so does the whole.



Figure 2.1 The 7Ps of the classic marketing mix

However, customers don't care about an organization's facets or internal processes; they just want the right product/service to be available to them at the right time, in the right place and at the right price. The old 4Ps all carefully balanced. And since increasingly all products are becoming services (as they also offer online product experiences), we need to add the remaining 3Ps for services – people, processes and physical evidence – to the required mix online.

SECTION SUMMARY 2.1

Introduction to Remix

The marketing mix is a well-established conceptual framework that helps marketers to structure their approach to each market. It should be re-examined and reapplied for the online world.

2.2 What is the marketing mix?

The *marketing mix* rose to prominence in the early 1960s, although it was first referred to in 1949 at an American Marketing Association conference. Around the start of the 1960s,

Canadian Jerome McCarthy (1960) coined the term the '4Ps': *product, price, place, promotion*. The four Ps are controllable variables which, when planned and carefully mixed together in the right way, satisfy customers. In 1963, Bartels said: 'A marketer is like a chef in a kitchen . . . a mixer of ingredients'.

So what are the ingredients that marketers need to mix together to satisfy customer needs? Some of the controllable factors include: product quality, product availability, product image, product price and service.

Since that time many have argued that the 4Ps worked for products rather than services. American academics Booms and Bitner then developed the 7Ps, sometimes known as the service mix (Booms and Bitner, 1981). They considered that the extra Ps – people, processes and physical evidence – were crucial in the delivery of services. People create and deliver a service – if they aren't happy, the service falls apart. Processes are even more important as the process of production is not behind closed doors (as in the case of products), but open for all to see. In addition, crystal-clear processes have proven themselves critical in the successful use of social media. Finally, when buying intangible services, many customers rely on cues given from tangible, or physical, evidence (such as uniforms, badges and buildings).

EXTENDING THE MIX

Some feel that for interactive marketing, Peppers and Rogers's 5Is (1997) should replace the 7Ps in the information age. Do your online efforts support:

- *Identification* – customer specifics
- *Individualization* – tailored for lifetime purchases
- *Interaction* – dialogue to learn about customers' needs
- *Integration* – of knowledge of customers into all parts of the company
- *Integrity* – developing trust through non-intrusive marketing such as *permission marketing*?

The 5Is do not supplant the 7Ps, but rather are complementary to them since the 5Is define the process needed, whereas the 7Ps are the variables that the marketer controls.

Because of its origins in the 1960s, the marketing mix suggests a push marketing which does not explicitly acknowledge the needs of customers. Consequently, some marketing analysts feel that the marketing mix can lead to a product orientation rather than a customer orientation. To mitigate this effect, Lautenborn (1990) suggested the 4Cs framework, which considers the 4Ps from a customer perspective. In brief, the 4Cs are:

- Customer needs and wants (from the product)
- Cost to the customer (price)
- Convenience (relative to place)
- Communication (promotion).

Subsequently, Rothery (2008) developed the 4Es framework.

- Experience – means a product is an experience (including online experience)
- Every place – means place or distribution should be everywhere the customer wants it
- Exchange – means price (as money or credit is exchanged for product or services)
- Evangelism – promotion becomes evangelism.

Frenchman Albert Frey (1961) tried to simplify the mix and cluster it all into two simple groups:

- The offering (product, packaging, service and brand)
- The methods/tools (distribution channels, personal selling, advertising and sales promotion).

MIXING THE MIX

Regardless of the approach to the mix, the same principle applies – stick close to customers; listen to them using social media or formalized marketing research to learn what they need; and supply it better than the competition by mixing the right mix.

Marketers mix the mix in different ways, sometimes with astonishing degrees of success. The mix can be mixed in different ways to satisfy different segments.

Should more be spent on distribution systems (systems, stock, delivery vehicles) and less on advertising? Or perhaps prices should be reduced to generate more demand (which requires more stock)? Or would a price reduction damage the brand perception? Should 'people' or service staff be increased, whether in the stores, in deliveries, over the phone or on social media? There is an endless array of possible ways to mix the mix. One key point to remember, however, is that the mix is tactical. Marketing-mix decisions should only be made after marketing strategy has been agreed. Strategy includes the 'positioning' (how a brand should be seen or perceived or positioned in the mind of a customer). Strategy also includes defining which segments are going to be targeted. Segmentation, targeting and positioning are the three major components of strategy (see Chapter 10 on e-planning).

With the increased price transparency made possible through price comparison sites, it can be difficult to compete online as a trusted brand differentiating on premium service quality alone. Some online shoppers do not remain loyal to a favourite brand if a competitor is running a special offer.

This type of purchasing seems to start with the product and then selection of a supplier on price, but with a preference for known brands where there is a higher level of trust. Many sites now start with reviews of products, with alternative listings of suppliers listed by price. For example, Reevo (www.reevo.com, Figure 2.2) rates products according to individuals' opinions. Of course, customers buy in a variety of different ways or journeys (see Chapter 3 on e-models for more detail).

Online shopping comparison site Bizrate (see Figure 2.3) has a different approach, with more in-depth ratings by consumers of online stores, based on a broad range of variables from: 'ease

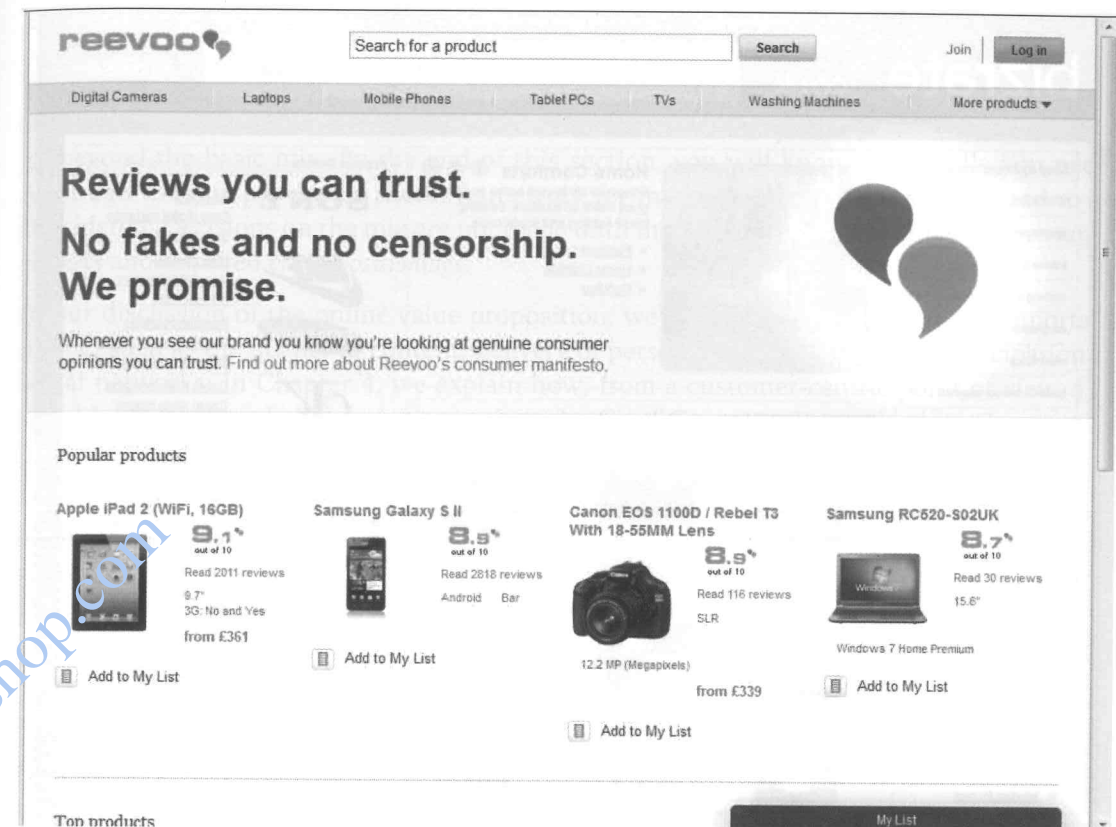


Figure 2.2 Reevo consumer product rating site (www.reevo.com)

of ordering; product selection; product info; price; web site quality; on-time delivery; product representation; customer support; privacy policies and shipping and handling'. The trick is knowing which variables are most important for the ideal customer. You need to know what your targeted 'ideal' customers base their decisions on: is it best price, best quality, best delivery, service, best image, best environment?

Today's dynamic customer communities give guidance which other consumers find trustworthy.

Sometimes tough decisions mean chopping and changing the mix. For example, faster and wider distribution might mean more money spent on stock and delivery vehicles and less money spent on advertising.

Chapter 5

Social media marketing

Brands are either part of the conversation or they're not and as a result, they're either part of the decision-making cycle or they're absent from the heart, mind, and actions of the connected customer.

Solis (2011a)



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OVERVIEW

We're excited about the potential of social media marketing! It's one of the biggest opportunities in marketing we've seen for years. But, if it's ad hoc or unmanaged, it won't be fully effective and can even be damaging. It definitely cannot be ignored and warrants its own strategy. That's why we've devoted a separate chapter showing you how to create a structured plan for social media marketing.

OVERALL LEARNING OUTCOME

By the end of this chapter, you will be able to:

- Review the impact and potential of social media adoption on marketing
- Understand customer and business requirements for social media
- Create a strategy and plan to manage social media marketing.

CHAPTER TOPIC

LEARNING OBJECTIVE

5.1 What is social media marketing and why is it important?	Understand the relevance of social media to business
5.2 Benchmarking and setting goals for social media marketing	Define methods to set goals for social media and measure its effectiveness
5.3 Create strategy and plan to manage social media	Identify the components of a social media strategy
5.4 Social listening and online reputation management	Review options for listening to customer conversations
5.5 Develop the content marketing and engagement strategy for your brand	Define methods to use different forms of content to engage online audiences
5.6 Define social media communications strategy	Demonstrate how social media can be integrated into communications strategy
5.7 Define approaches for the core social media platforms	Develop an understanding of practical approaches to improve marketing on the main social networks
5.8 Social media optimization (SMO)	Understand approaches to increase the returns from social media marketing

5.1 What is social media marketing and why is it important?

Social media means different things to different people, so let's start at the beginning . . . social media, that's Facebook, Google+, LinkedIn and Twitter? Well yes, but success in social media is not so much about the different social networks, your tools, but your strategy for how to use them as part of inbound marketing (Shah and Halligan, 2009). To apply them effectively for communications, we have to recognize that socializing online is all about participation in discussions and sharing of ideas and content.

We think the CIPR Social Media Panel described social media well:

Social media is the term commonly given to Internet and mobile-based channels and tools that allow users to interact with each other and share opinions and content. As the name implies, social media involves the building of communities or networks and encouraging participation and engagement.

(CIPR, 2011)

This definition shows that the most important feature of these social media channels is that we encourage our prospects and customers to interact and create user-generated content (UGC). Social media can be used as another broadcast-only channel, but that's a mistake!

To simplify it to its essence of why social is social, we can say: social media are digital media which encourage *audience participation, interaction and sharing*.

Social media marketing has to be focused on using these media to help achieve your marketing objectives – both protecting and expanding your brand: 'Monitoring and facilitating customer-customer interaction, participation and sharing through digital media to encourage positive engagement with a company and its brands leading to commercial value. Interactions may occur on a company site, social networks and other third-party sites' (CIPR, 2011).

Note that some commentators also discuss *social CRM* as part of a broader transformation needed to support social media marketing. We discuss this concept more at the start of Chapter 9.

WHAT ARE THE MAIN SOCIAL PLATFORMS?

In practice, social media sites are amongst the most popular sites on the Internet, along with search engines. To help you develop a strategy for social media, we've identified these key types of social media platforms, each of which needs managing in our social media marketing radar.

Smart Insights (2012) created a 'social media marketing radar' that summarizes the options to help you discuss with colleagues or agencies which sites warrant or deserve most attention in the different categories (Figure 5.1). A similar categorization of social media sites has been created by Weinberg (2010). Sites or services that are agreed to be more important, which warrant more resource, should be positioned towards the centre.

These are the main types of social platforms available to you:

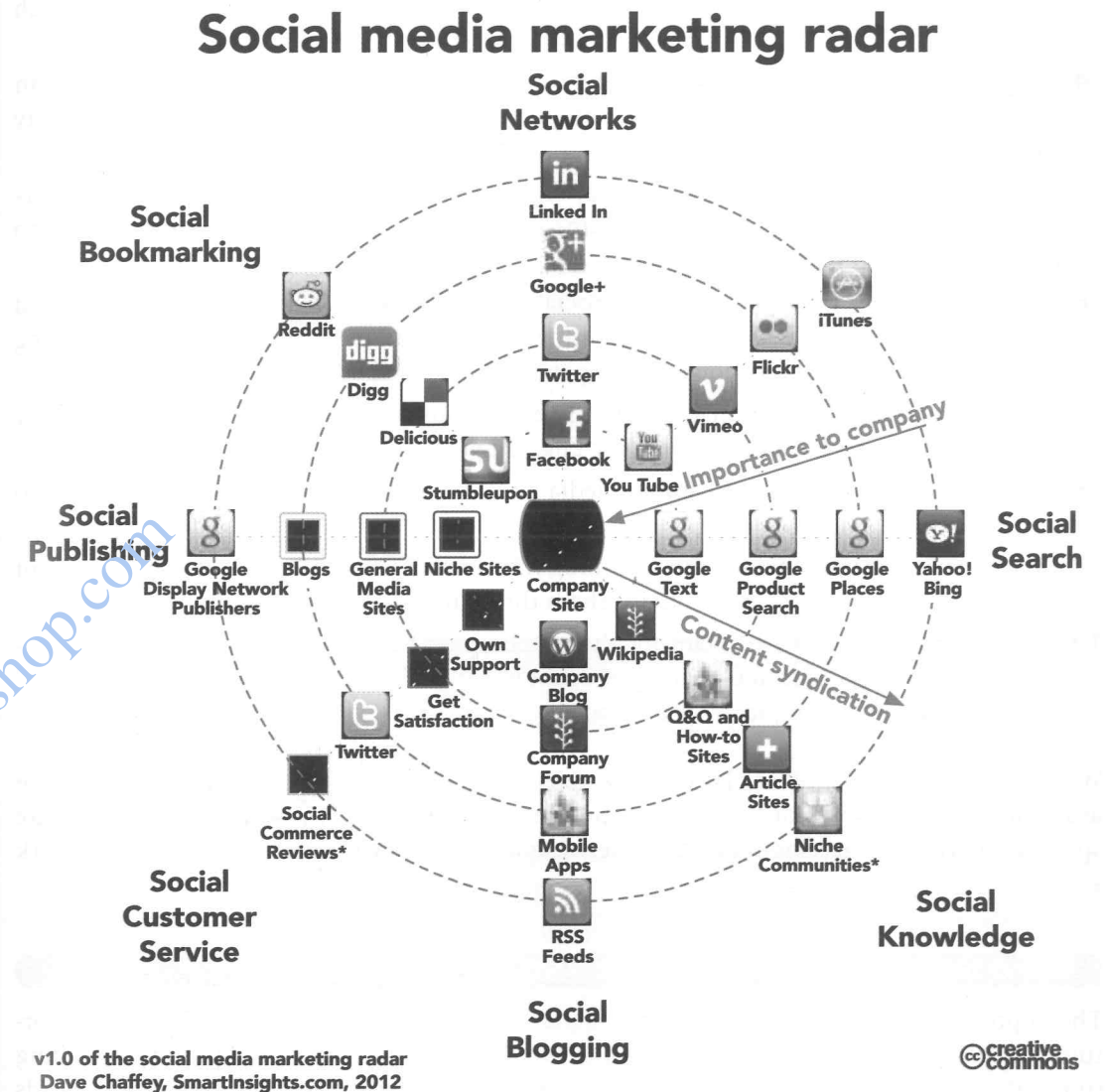


Figure 5.1 Social media marketing radar

Smart Insights (2012)

- 1 *Social networks* – in most countries, the core social platforms where people interact through social networks are Facebook for consumer audiences, LinkedIn for business audiences, and Google+ and Twitter for both.
- 2 *Social publishing and news* – nearly all newspapers and magazines, whether broad or niche, now have an online presence with the option to participate through comments on articles, blogs or communities.
- 3 *Social commenting in blogs* – a company blog can form the hub of your social media strategy

and you can look at tapping into others' blogs, whether company or personal or through blog outreach.

- 4 *Social niche communities* – these are communities and forums independent of the main networks, although these do support sub-groups. You can create your own community this way.
- 5 *Social customer service* – sites like Get Satisfaction (www.getsatisfaction.com) as well as companies' own customer-support forums are increasingly important for responding to customer complaints.
- 6 *Social knowledge* – these are reference social networks like Yahoo! Answers, Quora and similar, plus Wikipedia. They show how any business can engage its audience by solving their problems and subtly showing how products have helped others.
- 7 *Social bookmarking* – the bookmarking sites like Delicious (www.delicious.com) are relatively unimportant in the UK except if you are engaging technical audiences.
- 8 *Social streaming* – rich and streaming media sites including photos (e.g. Pinterest), video and podcasting.
- 9 *Social search* – search engines are becoming more social with the ability to tag, comment on results and, most recently, vote for them through Google+1.
- 10 *Social commerce* – mainly relevant for the retail sector, social commerce involves reviews and ratings on products and sharing of coupons on deals, and can be facilitated by social log-in as used, for example, by Sears Social.

We haven't identified mobile platforms or apps separately since all of these options will be available through smartphones. However, proximity services like Foursquare and Gowalla are specialist networks that should be considered and we've shown them in the social network section.

WHY IS SOCIAL MEDIA MARKETING IMPORTANT?

The importance of social media marketing is that it represents both a challenge and an opportunity. The challenge of social media is simple; when we socialize, we're hanging out, spending time with our friends, family or colleagues, so we probably don't want to be interrupted by ads from brands.

E-MARKETING EXCELLENCE

Burberry and transformation to the Social Business

Many of the leading brands which use social media successfully have clear statements of their vision for social and digital media to transform their brand, using BHAG (big hairy audacious goals) to support these.

This example of *vision* from Burberry CEO Angela Ahrendts (Figure 5.2) shows this perfectly, we think. She says:

- 1 *We have a vision – to be the first (fashion) company that is fully digital end-to-end*
- 2 *The experience is that the customer will have total access to Burberry across any device, anywhere . . . they will get exactly the same feeling of the brand, feeling of the culture, regardless of where, when and how they were accessing*
- 3 *To any CEO who is sceptical today about social enterprise, you have to be totally connected with everyone who touches your brand . . . if you don't do that, I don't know what your business model is in five years.*

(Ahrendts, 2011)

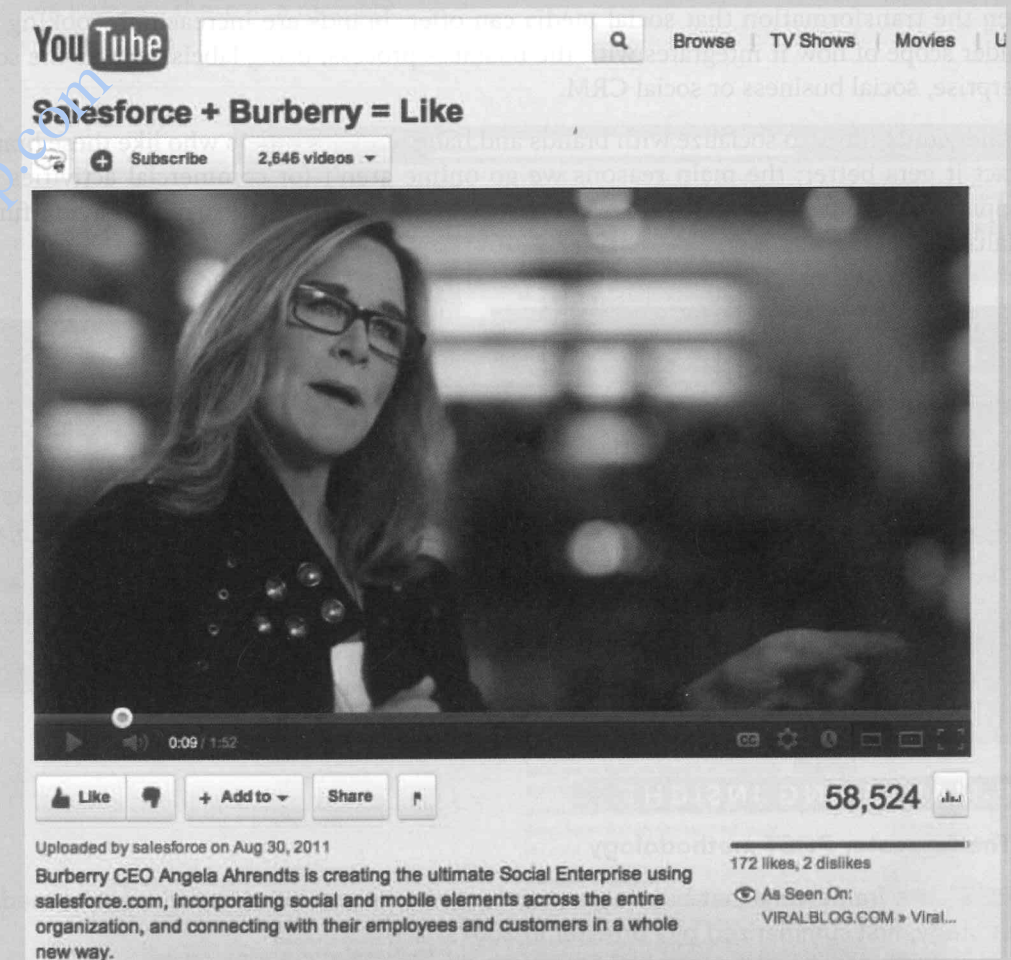


Figure 5.2 Burberry vision for social and digital media

Source: YouTube video, uploaded 30 August 2011

Christopher Bailey, chief creative officer of Burberry has also spoken about the importance of digital media. Speaking to Mashable when explaining how they used local Twitter takeovers for their 2011 'Tweetwalk', he said:

4 Burberry is now as much a media-content company as we are a design company.

5 A brand is not just about product, it's about experience as well, and experiences need to come from the center of a community . . . I get excited about using all of those platforms to communicate to all of our different communities around the world about what we're doing.

(Bailey, cited by Mashable, 2011)

Given the transformation that social media can offer, brands are increasingly looking at a broader scope of how it integrates with the business process, using labels such as the social enterprise, social business or social CRM.

But individuals do also socialize with brands and hang out with others who like these brands. In fact it gets better; the main reasons we go online aren't for commercial activities like shopping and doing business; rather we go online to spend time learning, having fun or socializing.

E-MARKETING EXCELLENCE

Princess Cruises' integrated social campaign

Let's take an example now of how you can engage your audience through their interests as part of an integrated campaign. Princess Cruises used a classic 'blog to win' or 'share to win' campaign, asking readers about their favourite travel destination (Figure 5.3).

The campaign engaged the audience through their interest in travel destinations and used Facebook as the heart of this, but encouraged participation through seeding, using other digital marketing channels like blogs and email.

E-MARKETING INSIGHT

The Forrester POST methodology

POST is a framework that businesses can apply to help them develop a social media strategy, first summarized by Forrester in 2007:

- **People.** Understanding the adoption of social media by an audience is an essential starting point. The Forrester Social Technographics Ladder that we'll come to in

Section 5.2 is helpful. Of course, reviewing how competitors and intermediaries like publishers and comparison sites are using social media marketing is important too as part of situation analysis.

- **Objectives.** Setting goals for different options to engage customers across the customer lifecycle from customer acquisition to conversion to retention. Josh Bernoff of Forrester recommends that you 'decide on your objective before you decide on a technology. Then figure out how you will measure it'.
- **Strategy.** How to achieve your goals. Bernoff suggests that because social media is a disruptive approach, you should imagine how social media will support change. He says: 'Imagine you succeed. How will things be different afterwards? Imagine the endpoint and you'll know where to begin.'
- **Technology.** Finally, decide on the best social media platforms to achieve your goals; we'll review these in a moment.

The screenshot shows a Facebook page for 'The Travel Bucket List Contest'. The header includes the Facebook logo and a search bar. The main content area features a large image with the text 'Someone's dream will come true. It could be yours.' and a 'Submit your story' button. Below this is a video player showing a woman smiling. To the right of the video is a countdown timer: 'Time left to enter contest 0 days: 9 hours: 55 mins.' Below the video is a 'Share' button. The page also includes an 'Information' section with details about the contest location (Santa Clarita, CA), founding year (1965), and a list of travel destinations: Europe, Asia, Tahiti, Australia/New Zealand, the Holy Land, Panama Canal, Alaska or South America. There are also photos of travel destinations and a 'Share' button.

Figure 5.3
Princess Cruises
campaign example
(www.princess.com)

Chapter 7

Traffic building

The web is different. Instead of one-way interruption, web marketing is about delivering useful content at just the precise moment a buyer needs it. What visitors really want is content that first describes the issues and problems they face and then provides details on how to solve those problems.

Meerman-Scott (2007)



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OVERVIEW

Sadly it's not always the best products that succeed, but rather, reasonably good ones that (a) everyone knows about; and (b) everyone can easily find when they need them. The same is true of web sites. This chapter shows you how to build traffic – how to acquire the right visitors to your site or other forms of online presence in order to achieve the right marketing outcomes for you. You will get a briefing on the different digital communications channels including search engine marketing, online PR, online partnerships, interactive advertising, opt-in email and viral marketing. We will also show you that to succeed with your online communications also means gaining different forms of visibility on partner sites which are themselves successful in traffic building.

OVERALL LEARNING OUTCOME

By the end of this chapter, you will be able to:

- Evaluate the range of options for traffic building
- Develop a plan to balance the options for traffic building
- Identify success factors for different online communications tools
- Review options for achieving positive representation on third-party sites.

CHAPTER TOPIC

LEARNING OBJECTIVE

7.1 Introduction	Assess different options for traffic building
7.2 Search engine marketing	Use different approaches to improve a site's listing in search engines including search engine optimization (SEO) and Pay Per Click (PPC)
7.3 Online PR	Manage your reputation online through supporting journalists and maximizing your representation on portals and social networks
7.4 Online partnerships	Use link building, affiliate marketing and online sponsorships to exploit the network effect of the Internet
7.5 Interactive advertising	Identify the elements of a successful online display ad campaign
7.6 Opt-in email	Build traffic and relationships through opt-in email
7.7 Viral marketing	Assess the relevance of viral marketing
7.8 Offline traffic building	Create a balance between offline and online promotion techniques

7.1 Introduction to traffic building

Generating traffic is vital to achieving e-marketing objectives, no matter whether the aim is Sell, Serve, Speak, Save or Sizzle (see Chapter 1). What are the key characteristics of effective traffic building? In this section, we will introduce three key aspects of traffic building:

- 1 **Targets** – specific objectives for traffic building need to be developed before embarking on a traffic building campaign.
- 2 **Techniques** – traffic building involves combining new online *digital media channels* and traditional offline communication techniques to promote the web site proposition and so encourage visits. Achieving the correct mix of traffic building techniques is vital, but difficult. Use your *web analytics* systems as your ally to understand which elements of your communications mix are effective.
- 3 **Timing** – when should traffic building occur? Smart e-marketers include specific campaigns, perhaps to launch a site, new product or promotion, but they also make investment in a continuous ‘*always-on communications*’ process of attracting visitors by search or affiliates. After all, online customers are looking for products, services and experiences throughout the year, not only when your campaign is live.

E-MARKETING INSIGHT

Reviewing different types of traffic sources with web analytics

Web analytics tools like Google Analytics show the range of traffic sources and you can drill down to find individual *referring sites* or search terms by which visitors find your site.

Figure 7.1 shows a compilation across all sites globally that use Google Analytics.

- **Search traffic** – this includes both natural and paid search (Google AdWords)
- **Referral traffic** – this is traffic from other sites which have direct links to your site
- **Direct traffic** – direct traffic results from URL type-ins, bookmarks or when email marketing or social media links from apps aren’t tracked

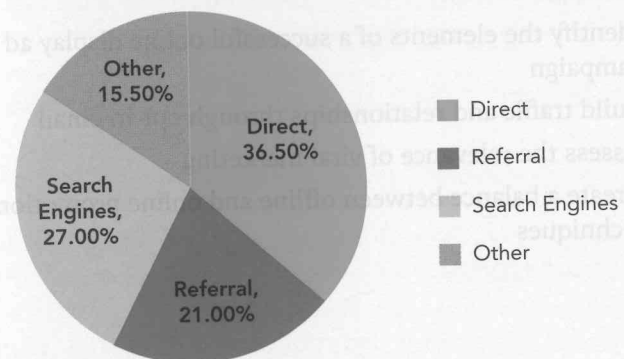


Figure 7.1 Average traffic sources for sites using Google Analytics

Source: Smart Insights (2011a)

- **Other/campaigns** – other digital marketing channels like affiliates, display ads and email campaigns. Best practice is to define marketing campaign tags associated with the link to the landing page – search Google for ‘Analytics URL Builder’ to see how this works.

If you use Google Analytics, you need to make sure traffic sources are tracked using the relevant five standard dimensions for campaign tracking; these need to be incorporated into the query string of the URL, which is after the question mark for each ad placement, as this example shows:

`http://www.domain.com/landing_page.php?utm_campaign=spring-sale&utm_medium=banner&utm_source=publisher_site_name`

The campaigns report in Google Analytics will then enable you to compare media. The table below explains each of these five dimensions which refers to this example:

A summary of the campaign tracking parameters in Google Analytics

Variable	Explanation
<i>utm_campaign</i> Recommended	The name of the marketing campaign; e.g. Spring Campaign
<i>utm_medium</i> Required	Media channel (i.e. email, banner, CPC, etc.)
<i>utm_source</i> Required	The publisher or partner site name
<i>utm_content</i> Optional	The version of the ad (used for A/B testing) or in AdWords. You can identify two versions of the same ad using this variable. This is not always used and is NOT included in the above example
<i>utm_term</i> Optional	The search term purchased (if the link refers to keywords). This is not always used and is NOT included in the above example

Note that each analytics vendor has its own format for marketing source codes; we give the example of the most widely used system.

TARGETS

Typical traffic targets include the quantity, quality and cost of traffic. Although a successful site is often referred to in terms of quantity, such as the number of visitors, it is the traffic quality that really indicates the success of each media channel.

Remember that generating traffic is not limited to driving visitors to your own web site. Traffic building can also be effective on the third-party sites that your audience use, including social

networks. For example, a manufacturer of nappies may decide to create or sponsor a microsite on a third-party site.

Traffic quality can be assessed by asking two questions about site visitors. First, are they within the target audience for the web site? Second, do they respond in line with the communications objectives; i.e. do they engage with your content, do they receive the key messages about your brand and convert to the site outcomes you require? Remember from Section 6.1 (Practical E-Marketing Tip box) that *bounce rate* is an excellent way to compare the quality of different referrers to different *landing pages*.

Cost can be considered in terms of the cost of getting the visitor to the site, and the cost of achieving the outcomes during their visit. Experienced online marketers control their traffic building through managing the Cost Per Acquisition (CPA) (sometimes called Cost Per Action). Depending on context and market, CPA may refer to different outcomes.

Typical cost targets include:

- Cost Per Acquisition – of a visitor (*Cost Per Click, CPC*)
- Cost Per Acquisition – of a lead
- Cost Per Acquisition – of a sale (*allowable customer acquisition cost*).

CPA is typically equivalent to Cost Per Sale (CPS), but may also apply to cost per visitor, lead or enquiry, or other type of outcome since direct product sales are not practical or appropriate for all web sites. For a car manufacturer, for example, CPA might refer to the cost of generating a brochure or test-drive request.

The value of sales should also be considered. Online retailers calculate sales value in terms of the value from the first sale (*average order value, AOV*) and *campaign return on investment (ROI)*. Companies should also model *customer lifetime value (LTV)*. Leading e-marketers select online referrers (i.e. choice of portal) not only by minimizing CPA, but also through maximizing new visitors with the highest potential LTV.

TECHNIQUES

The traffic-building techniques we will cover are summarized in Figure 7.2 (above) and will give you a good framework for planning your traffic-building or digital marketing campaign activities. These are now commonly referred to by agencies as digital media channels (or digital channels for short). The skill in traffic building is using the correct mix of online techniques such as viral marketing, affiliates and search engine optimization which best fits the media consumption of your audience and minimizes Cost Per Acquisition (CPA). The promotional mix for traffic building typically includes a range of online and offline techniques, each with their own strengths and weaknesses, which will be explored in later sections of this chapter. Van Doren *et al.* (2000) provide an overview of the range of techniques.

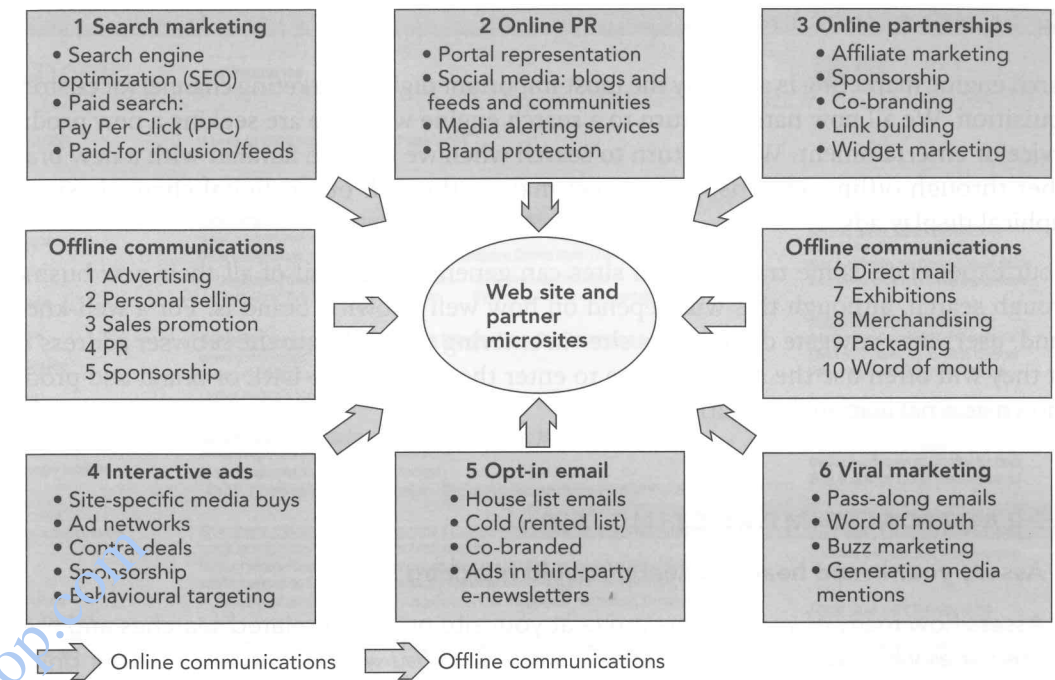


Figure 7.2 Options available in the digital communications mix for traffic building

TIMING

Traditional advertising is based around campaigns that run for a fixed duration. Specific campaigns are also used for traffic building. These are often tied into a particular event such as the launch or relaunch of a web site. For example, a banner advert campaign may last for a period of two months following a relaunch. In addition to campaigns, there are also 'always-on' or *continuous traffic-building activities*. Companies should ensure that there is sufficient investment in continuous online marketing activities.

SECTION SUMMARY 7.1

Introduction to traffic building

Targeting, techniques and timing are three key aspects of traffic building and their relevance should be assessed for all techniques described in this chapter. It is traffic quality, not quantity, that really indicates the success of a traffic-building campaign. Traffic quality is high if site visitors are within the target audience for the web site and if they respond in line with the communications objectives.

7.2 Search engine marketing

Search engine marketing is arguably the most important digital marketing channel for customer acquisition. We all now naturally turn to a search engine when we are seeking a new product, service or entertainment. We also turn to search when we become familiar with a new brand, either through offline advertising or direct mail or through other digital channels such as graphical display ads.

In our experience, some transactional sites can generate over half of all their new business through search, although this will depend on how well known a brand is. For a well-known brand, users may navigate directly to a site via entering the URL into the browser address bar, but they will often use the search engine to enter the brand name URL or brand and product (known as a navigational search).

PRACTICAL E-MARKETING TIP

Assess your brand health in search, avoid hijacking

Assess how many of your visitors arrive at your site on brand-related searches and how this varies when you run cross-channel campaigns. You will need to protect your brand from brand-hijacking, where affiliates or competitors may advertise on your brand name if you don't take steps to protect it.

The importance of effective search marketing is suggested by Figure 7.3. The graph on the left shows that you really have to be on the first of the search engine results pages (SERPs). The chart on the right shows that the first few positions are important in driving visitor volume for the search phrases you are targeting.

We will now review the two main search engine marketing techniques for making a company and its products visible through search engines:

- 1 Search engine optimization (SEO)
- 2 Paid search marketing or Pay Per Click (PPC).

SEARCH ENGINE OPTIMIZATION (SEO)

Search engine optimization (SEO) involves achieving the highest position or ranking practical in the *natural or organic listings* on the search engine results pages after a specific combination of keywords (or keyphrase) has been typed in. In search engines such as Google and Bing the natural listings are on the left as shown in Figure 7.3 with Pay Per Click or sponsored links to the right above these. The position or ranking is dependent on an algorithm used by each search engine to match relevant site page content with the keyphrase entered. There is no charge for these listings to be displayed or when a link relevant to your site is clicked upon. However, you may need to pay a search engine optimization firm to advise or undertake optimization work to make your web pages appear higher in the rankings.

The screenshot shows a Google search for 'car insurance'. The search bar at the top contains 'car insurance' and shows 'About 451,000,000 results (0.47 seconds)'. On the left, there are navigation options: 'Everything', 'Images', 'Maps', 'Videos', 'News', 'Shopping', 'More', 'London, UK', 'Change location', 'The web', 'Pages from the UK', 'Any time', 'Past hour', 'Past 24 hours', 'Past 7 days', 'Past week', 'Past month', 'Past year', 'Custom range...', and 'More search tools'. The main search results are sponsored ads. The first ad is from GoCompare, offering 99% savings on car insurance. The second is from Aviva, offering 15 weeks of free car insurance. The third is from Cheap Car Insurance, offering up to 50% savings. The fourth is from MoneySupermarket, offering up to 10% savings. The fifth is from Tesco Bank, offering up to 10% savings. The sixth is from Direct Line, offering car and home insurance. The seventh is from Compare The Market, offering up to 10% savings. The eighth is from Direct Line, offering car and home insurance. The ninth is from Cheap Car Insurance, offering up to 10% savings. The tenth is from Cheap Car Insurance, offering up to 10% savings.

Figure 7.3 Google search engine results page (SERP) for car insurance

How are the search engine results pages produced?

To optimize your position in different search engines, it is essential to understand the basis on which SERPs are generated and ordered. Marketers who understand the ranking processes can boost their position higher than their competitors and so achieve higher levels of traffic. We believe that SEO is too important to just be left to an agency, and success in search involves training content owners and editors within a company to create content which fits the criteria used by search engines to assess relevance. Figure 7.4 shows that search technology involves these main processes:

- 1 *Crawling*. The purpose of the crawl is to identify relevant pages for indexing and assess whether they have changed. Crawling is performed by *robots* (bots) which are also known as *spiders*. These access web pages and retrieve a reference URL of the page for later analysis and indexing.