

## Internet Marketing

### Internet marketing

Internet marketing, also referred to as online marketing, Internet advertising, eMarketing (or e-Marketing), is the marketing of products or services over the Internet. When it applies to the subset of website based ad placements it is commonly referred to as Web advertising (Webvertising), and/or Web Marketing. The Internet has brought many unique benefits to marketing including low costs in distributing information and media to a global audience. The interactive nature of Internet marketing, both in terms of instant response and in eliciting response, are unique qualities of the medium.

Internet marketing ties together creative and technical aspects of the internet, including design, development, advertising and sales. Internet marketing methods and strategies encompass a wide range of services such as search engine marketing (SEM) which can be broken down into search engine optimisation (SEO) and pay per click (PPC), display advertising, text-based advertising, behavioral marketing, software-based ads, e-mail marketing, newsletter marketing, Customer Relationship Management Marketing, Cause marketing, affiliate marketing, web press releases, interactive advertising, online reputation management (ORM), online market research, and also Social Media Marketing Methods such as blog marketing, multivariate testing or optimization and viral marketing.

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 website. Effective Internet marketing requires a comprehensive strategy that synergizes a given company's business model and sales goals with their website function & appearance, focusing on their target market through proper choice of advertising type, media, and design.

### Business models

Internet marketing is associated with several business models. The model is typically defined by the goal. These include e-commerce, where goods are sold directly to consumers or businesses; publishing, or the sale of advertising; and lead-based sites, where an organization generates value by getting sales leads from their site. There are many other models based on the specific needs of each person or business that launches an internet marketing campaign.

Internet marketing refers to the placement of media along different stages of the Customer engagement Cycle, through Search Engine Marketing, Search Engine Optimization, Banner Ads on specific sites, email marketing and Web 2.0 strategies. In 2008, The New York Times working with comScore published a first estimate to quantify the user data collected by large Web companies. Counting four types of interactions with company sites plus the hits from ads served from advertising networks, they found the potential for collecting upwards of 2,500 pieces of data on average per user per month.

### Advantages

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When compared to the ratio of cost against the reach of the target audience, Internet marketing is relatively inexpensive. Companies can reach a wide audience for a small fraction of traditional advertising budgets. The nature of the medium allows consumers to research and purchase products and services at their own convenience. Therefore, businesses have the advantage of appealing to consumers in a medium that can bring quick results. Emphasize business goals and use methods such as CVP analysis when determining strategy and the overall effectiveness of marketing campaigns.

There are a few important characteristics that differentiate Internet marketing from "off-line marketing." One of these is the One-to-one approach: The targeted user is typically browsing the Internet alone, so the marketing messages can

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reach them personally. This is seen in search marketing, where the advertisements are based on keywords entered by the user in a search engine. Another large difference is an emphasis on marketing that appeals to a specific behavior or interest, instead of broadly reaching out at a defined demographic. Off-line marketers typically segment their markets according to age group, sex, geography, and other general factors. Online marketers have the luxury of targeting by activity. For example, a kayak company can post advertisements on kayaking and canoing websites and market them with the full knowledge that the audience has some sort of related interest. This would be different from an advertisement in a magazine, where the emphasis may be on appealing to the projected demographic of the periodical. This is a deeper form of targeting, since the advertiser knows that the target audience are people who do a certain activity (upload pictures, have blogs, etc.) instead of just expecting that a certain group of people will like their new product or service.

Internet marketers also have the advantage of easily and cheaply measuring statistics. Almost all aspects of an online campaign can be traced, measured, and tested. The advertisers either pay per banner impression (CPM), pay per click (PPC), or pay per action accomplished. Therefore, it is easy to understand which messages or offering are more appealing to the audience. Since the online marketing initiatives usually require users to click on the message, go to a website, and perform a targeted action, the results of campaigns are immediately measured and tracked. On the other hand, someone driving a car who sees a billboard, will at best be interested and might decide to get more information at some time.

Internet marketing as of 2007 is growing faster than other types of media.[citation needed]Since exposure, response and overall efficiency of Internet media is easier to track than traditional offline media, through the use of web analytics for instance, Internet marketing can offer a greater sense of accountability for advertisers. Increasingly, however, marketers and their clients are becoming aware of the need to measure the collaborative effects of marketing, i.e. how the Internet affects in-store sales, etc., instead of siloing each medium. The effects of Multi-Channel Marketing can be difficult to determine, but are an important part of ascertaining the value of media campaigns.

### Limitations

Because Internet marketing requires customers to use newer technologies rather than traditional media, not all people may get the message. Low speed Internet connections are one barrier. If companies build overly large or complicated web pages, some Internet users struggle to download the information on dial up connections or mobile devices.

From the buyer's perspective, another limitation is the inability of shoppers to touch, smell, taste or try-on tangible goods before making an online purchase. However, it is industry standards for e-commerce vendors to have liberal return policies and in store pick up services to reassure customers.

A survey of 410 marketing executives listed insufficient ability to measure impact, a lack of internal capability, and difficulty convincing senior management as the top three barriers to entry for large companies looking to market online.

### Security concerns

For both companies and consumers that participate in online business, security concerns are very important. Many consumers are hesitant to buy items over the Internet because they do not trust that their personal information will remain private. Recently, some companies that do business online have been caught giving away or selling information about their customers. Several of these companies have guarantees on their websites, claiming customer information will be private. Some companies that buy customer information offer the option for individuals to have their information removed from the database (known as opting out). However, many customers are unaware that their information is being shared and are unable to stop the transfer of their information between companies.

Security concerns are of great importance and online companies have been working hard to create solutions. Encryption is one of the main methods for dealing with privacy and security concerns on the Internet. Encryption is defined as the conversion of data into a form called a cipher. This cipher cannot be easily intercepted unless an individual is authorized

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by the program or company that completed the encryption. In general, the stronger the cipher, the better protected the data is. However, the stronger the cipher, the more expensive encryption becomes.

Another major security concern that consumers have with ecommerce merchants is whether or not they will receive exactly what they purchase. Trustworthy, reliable merchant performance has been a consumer concern since the inception of ecommerce, and to date, merchants have attempted to address these concerns by investing in and building strong consumer brands (Amazon, eBay, Overstock.com), and by leveraging merchant / feedback rating systems and ecommerce bonding solutions. All of these solutions attempt to assure consumers that their transactions will be free of problems because the merchants can be trusted to provide reliable products and services. In addition, the major online payment mechanisms (credit cards, PayPal, Google Checkout, etc.) have also provided back-end buyer protection systems to address problems after they actually do occur.

### Effects on industries

Internet marketing has had a large impact on several previously retail-oriented industries including music, movies, pharmacies, banking, and flea markets, as well as the advertising industry itself. As Advertisers increase and shift more of their budgets online, it is now overtaking radio in terms of market share. In the music industry, many consumers have started buying and downloading music files several years ago (e.g. MP3s) over the Internet in addition to buying CDs. By 2008, Apple's iTunes has become the largest music vendor in the USA.

More and more banks are offering the ability to perform banking tasks online. Online banking is believed to appeal to customers because it is more convenient than visiting bank branches. Currently, over 150 million U.S. adults now bank online, with a high growth rate. The increasing speed of Internet connections is the main reason for the fast growth. Of those individuals who use the Internet, 44% now perform banking activities over the Internet.

Internet auctions have gained popularity. Unique items that could previously be found at flea markets are being sold on eBay instead as well specialized eStores for items from antiques to movie props. As the premier online reselling platform, eBay is often used as a price-basis for specialized items. Buyers and sellers often look at prices on the website before going to flea markets and the eBay price often becomes what the item is sold for. It is increasingly common for flea market vendors to place a targeted ad up on the web for each item they are selling online, all while running their business out of their homes.

The effect on the ad industry itself has been profound. In just a few years, online advertising has grown to be worth tens of billions of dollars annually. Pricewaterhouse Coopers reported US Internet marketing spend totalled \$16.9 billion in 2006.