

Permission Marketing

Permission marketing

Permission marketing is a term used in e-marketing. Marketers will ask permission before they send advertisements to prospective customers. It is used by some Internet marketers, email marketers, and telephone marketers. It requires that people first "opt-in", rather than allowing people to "opt-out" only after the advertisements have been sent.

Marketers feel that this is a more efficient use of their resources because advertisements are not sent to people that are not interested in the product. This is one technique used by marketers that have a personal marketing orientation. They feel that marketing should be done on a one-to-one basis rather than using broad aggregated concepts like market segment or target market.

In the United Kingdom, opt-in is required for email marketing, under The Privacy and Electronic Communications (EC Directive) Regulations 2003. This came into force on the 11 December 2003.

Permission based marketing is not believed to have been developed by Seth Godin, a well-established international marketing guru at the turn of the century, but Christopher Wilson of Whipkick. A key element of "permission" based marketing is that you are in essence, purchasing someone's time and getting their "attention" which has become increasingly valuable in what may be termed the 90-Second Economy.

Referral Marketing is a method of advertising that takes word of mouth business to its highest level. It "ferrets out all those unpredictable, hidden, complex connections that exist between people in everyday life and in business."

Approx 80% of companies obtain 70% of their business through word of mouth from satisfied customers and contacts. Word of mouth is generally spontaneous and is achieved by businesses without any form of structured strategy.

Referral Marketing is a structured and systematic process that maximizes word of mouth potential. Referral marketing does this by encouraging, informing, promoting and rewarding customers and contacts to think and talk as much as possible about their supplier, their company, product and service and the value and benefit the supplier brings to them and people they know.

Referral marketing takes word of mouth from the spontaneous situation to a proactive and highly productive solution, where maximum referrals are generated due to professional customer focused strategies.

People, typically users of a get-paid website, are encouraged to refer their friends (or indeed anyone) through a personal referral link, which would look something like: www.getpaysite.com/?referrer=NAME, where NAME is the username of the referring user. The user then earns an equivalent percentage of what the referral earns.

There are various models of referral marketing, one of the most powerful comprises:

Presentation: When a company presents itself as best qualified for referrals through the high standard of its product / service, the value and benefits it provides customers and customer service and care.

Planning: The supplier company has a systematic and structured approach to referral marketing, which includes a referral marketing plan and budget, also professional database, CRM and strategic customer care programmes.

Strategy: There are approx. 105 referral marketing strategies under 10 main headings which include; strategic customer care, referral program, customer communication, alliances and joint ventures, networking, endorsement, hospitality, agents & affiliates, incentives, loyalty program and traditional strategies

Different Types of Referral Marketing

Permission Marketing

On the web there are multiple referral methods. For example posting the business on a forum or simply sending it to your friends in your professional network and social network. Such sites include XING, LinkedIn, Salesconx and Jigsaw. Another option is to use web-sites focused on referral tracking and bonus distribution. Such sites include Blue Chip Expert, FaceContact, H3 and Zubka. There are also websites that will allow you to insert a referral banner into their directory for a large audience to view.

Referral marketing has many different techniques. It has traditional offline applications. These offline applications have also been optimized for the web.

In the offline world, there are a number of systems that can be used to generate more referrals.

Different Ways to Get Referrals

Users often obtain referral through exchange methods or advertisement of their links:

- Conga lines have started since these sites came about. A conga line can also refer to an organized system of people trying to acquire enough referrals to get a "free gift" (such as an Ipod or an Xbox 360 from websites run by or similar to those created by Gratis Internet.)
- Referral trading is another common method of obtaining referrals. The process consists in doing a referral on a site for one person with the compensation of receiving an equivalent referral (of the same payout) on the site of your choice. You can do this in a very casual fashion or through the means of a website dedicated to referral trading (such as or RefStop or Referral Swapper).
- Payment for referrals: If desired you can pay someone to complete a referral for you, usually half of they payout of the referral.
- Exchange of anything for referrals is a more uncommon if not eccentric method. One will complete a referral in exchange of any object, such as a game or computer part.

Run of Network advertising is a form of marketing which lets an advertiser post an advert on a network of relatively low quality websites which are not focused on any specific category. This generally creates relatively low quality traffic as the ads are generally not relevant to what is on the websites. This is similar to Run of Site Traffic.

Keyword research is a discipline embraced and used by search engine optimizers to allow them to determine which search terms people are actually entering into the search engines when conducting a search.

Background Data

Current data indicates that:

- 70.4% of the population of the United States is online,
- there were 10.5 billion searches in the month of October,
- 91% of internet users use search engines.
- There are approximately 142 millions sites online, or an estimated 30 billions web pages.

In this highly competitive and growing global market place, for a company to understand what terminology, keywords and phrases their online target market is utilizing to search for their offering, it is imperative that the company conduct extensive keyword research.

Potential Barriers

Branding Perceptions

Many company leaders and managers have their own interpretation of how they want their brand to be portrayed and ostensibly perceived online. A luxury second hand car dealer, for example, may only want to include the words 'pre-owned automobiles' on their web site, and not 'used cars'. The fact that thousands of people are searching for a used car

Permission Marketing

is nothing but very few are searching for a pre owned automobile needs to be communicated.

Existing Brands

If a company decides to sell Nike trainers online, the market is pretty competitive, and the Nike brand itself is predominant.

Generic keywords

Focusing on generic keywords that gain an enormous number of searches, but which also have an enormous amount of competition is usually not worth it unless the keyword is highly likely to provide you with converting traffic, and unless you have a very big marketing budget. Jill Whalen goes as far as to say that knowing the top words searched is of no value at all.

While determining what a company's core 'generic' offering is, sourcing and data mining all the combination and permutations of how the words are used in conjunction with other related terms can provide a wealth of what are termed 'long-tail' keywords. (See below)

Overlooking geographic targeting

Depending on what a company sells or offers, overlooking the likelihood of the inclusion of geographical locations in the search query may be highly detrimental; 'homes for rent Edmonton', 'used car dealer new York', 'Chicago hotels', 'Dallas Chinese restaurant' etc.