

# INTERNET BUSINESS CONCEPTS

**WEEK #2:**

*HOW BUSINESS GETS DONE ONLINE IN 2017*

# 1. LAST'S WEEK RECAP

- The History of the Modern Internet
  - From Web 1.0 to Web 2.0
  - The rise of Google & its approach to indexing the internet
  - Key turning points: Amazon, Yahoo, eBay, Paypal, social media
  - Learning from the mistakes made
  - What users want from their online experience now
  - Assignment: looking at old websites; what's changed, what would you have kept?

## 2. IF YOU OPEN A BUSINESS TODAY....

With rare exceptions, you need to have an **online presence** for your business.

Since 2007, **mobile usage** has steadily risen. People are now using their smartphones to conduct more business than ever before.

Today in 2017, there are a staggering number of options to choose for your online audience.



```
<body style="margin: 0; background-color: #f0f0f0;">  
<div id="main_content">  
  <h1 style="font-family: Georgia, serif; font-size: 2em; margin: 0;">Hello World!  
</div>
```





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2017

# GLOBAL DIGITAL SNAPSHOT

KEY STATISTICAL INDICATORS FOR THE WORLD'S INTERNET, MOBILE, AND SOCIAL MEDIA USERS

TOTAL  
POPULATION



**7.476**  
BILLION

URBANISATION:  
**54%**

INTERNET  
USERS



**3.773**  
BILLION

PENETRATION:  
**50%**

ACTIVE SOCIAL  
MEDIA USERS



**2.789**  
BILLION

PENETRATION:  
**37%**

UNIQUE  
MOBILE USERS



**4.917**  
BILLION

PENETRATION:  
**66%**

ACTIVE MOBILE  
SOCIAL USERS



**2.549**  
BILLION

PENETRATION:  
**34%**

SOURCE: POPULATION: UNITED NATIONS, U.S. CENSUS BUREAU, WORLD POPULATION REVIEW, 2014; INTERNET: INTERNET WORLD STATS, 2016; ACTIVE SOCIAL MEDIA: FACEBOOK, TWITTER, WORDPRESS, 2016; MOBILE: HOOITSUITE, 2016; MOBILE SOCIAL: HOOITSUITE, 2016. HOOITSUITE HAS CONDUCTED RESEARCH AND EXTRAPOLATION OF THIS DATA. HOOITSUITE DOES NOT PROVIDE EXTRAPOLATION OF EMERGING AND EMERGING DATA.



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## ANNUAL GROWTH

#### YEAR-ON-YEAR CHANGE IN KEY STATISTICAL INDICATORS

INTERNET  
USERS

**+10%**

SINCE JAN 2016

**+354 MILLION**

### ACTIVE SOCIAL MEDIA USERS



+21%

SINCE JAN 2016

**+482 MILLION**

## UNIQUE MOBILE USERS



**+5%**

SINCE FEB 2016

**+222 MILLION**

## ACTIVE MOBILE SOCIAL USERS



+30%

SINCE JAN 2016

**+581 MILLION**

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# INTERNET PENETRATION BY REGION

REGIONAL PENETRATION FIGURES, COMPARING INTERNET USERS TO TOTAL POPULATION



SOURCE: INTERNET WORLD STATS, INTERNATIONAL TELECOMMUNICATIONS UNION (ITU), INTERNET WORLD DATA CENTER, FACEBOOK, TWITTER, NATION, ADOBE, AND OTHERS



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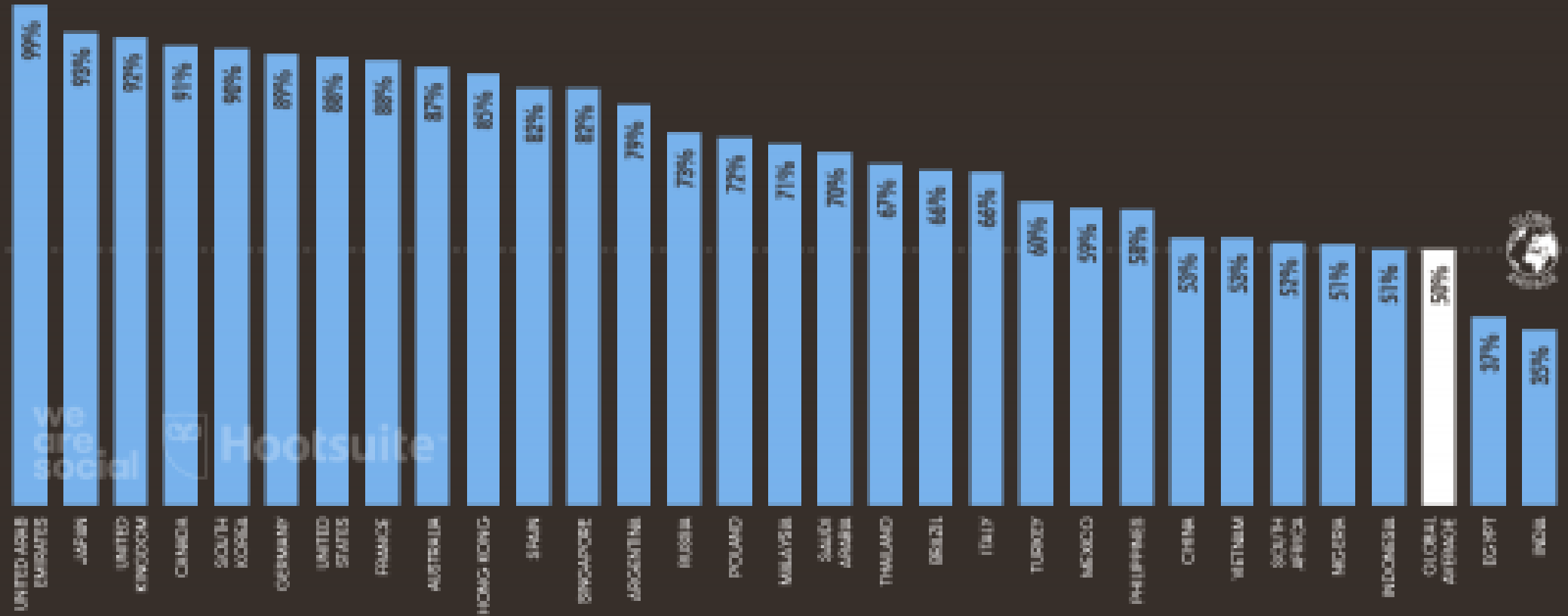
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# INTERNET PENETRATION BY COUNTRY

NATIONAL INTERNET PENETRATION FIGURES



10

SOURCE: INTERNETWORLDSTATS, INTERNATIONAL TELECOMMUNICATION UNION (ITU), INTERNETWORLDSTATS ON WORLD FACTBOOK, FACEBOOK, NATIONAL REGULATORY AUTHORITIES.

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Source: [We Are Social](#), January 2016



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## SOCIAL MEDIA USE

BASED ON THE MONTHLY ACTIVE USERS REPORTED BY THE MOST ACTIVE SOCIAL MEDIA PLATFORM IN EACH COUNTRY

TOTAL NUMBER  
OF ACTIVE SOCIAL  
MEDIA USERS



**2.789**  
BILLION

ACTIVE SOCIAL USERS  
AS A PERCENTAGE OF  
THE TOTAL POPULATION



**37%**

TOTAL NUMBER  
OF SOCIAL USERS  
ACCESSING VIA MOBILE



**2.549**  
BILLION

ACTIVE MOBILE SOCIAL  
USERS AS A PERCENTAGE  
OF THE TOTAL POPULATION



**34%**

40

SOURCE: FACEBOOK, TWITTER, YOUTUBE, LINE, PINTEREST, AND KAKAO; MOBILE FROM KOREA, CHINA, JAPAN, AND SINGAPORE; OTHERS FROM VARIOUS OTHER COUNTRIES OR THE DATA.



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Source: [We Are Social](http://WeAreSocial.com), January 2017

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2015**

# SHARE OF WEB TRAFFIC BY DEVICE

BASED ON EACH DEVICE'S SHARE OF TOTAL WEB PAGES SERVED

SHARE OF WEB  
PAGE VIEWS:  
LAPTOPS & DESKTOPS



we  
are  
social

**62%**

YEAR-ON-YEAR:  
**-13%**

SHARE OF WEB  
PAGE VIEWS:  
MOBILE PHONES



we  
are  
social

**31%**

YEAR-ON-YEAR:  
**+39%**

SHARE OF WEB  
PAGE VIEWS:  
TABLETS



we  
are  
social

**7%**

YEAR-ON-YEAR:  
**+17%**

SHARE OF WEB  
PAGE VIEWS:  
OTHER DEVICES



we  
are  
social

**0.1%**

YEAR-ON-YEAR:  
**+18%**

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2016

# SHARE OF WEB TRAFFIC BY DEVICE

BASED ON EACH DEVICE'S SHARE OF TOTAL WEB PAGES SERVED

SHARE OF WEB  
PAGE VIEWS:  
LAPTOPS & DESKTOPS



we  
are  
social

**56%**

YEAR-ON-YEAR:  
**-9%**

SHARE OF WEB  
PAGE VIEWS:  
MOBILE PHONES



we  
are  
social

**39%**

YEAR-ON-YEAR:  
**+21%**

SHARE OF WEB  
PAGE VIEWS:  
TABLETS



we  
are  
social

**5%**

YEAR-ON-YEAR:  
**-21%**

SHARE OF WEB  
PAGE VIEWS:  
OTHER DEVICES



we  
are  
social

**0.1%**

YEAR-ON-YEAR:  
**-10%**

we  
are  
social

Source: StatCounter, Q1 2016. Main figures show the share of total web page requests originating from each type of device.

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# SHARE OF WEB TRAFFIC BY DEVICE

BASED ON EACH DEVICE'S SHARE OF ALL WEB PAGES SERVED TO WEB BROWSERS



LAPTOPS &  
DESKTOPS



**67%**

YEAR-ON-YEAR CHANGE:

**-11%**

MOBILE  
PHONES



**31%**

YEAR-ON-YEAR CHANGE:

**+39%**

TABLET  
DEVICES



**2%**

YEAR-ON-YEAR CHANGE:

**-24%**

OTHER  
DEVICES



**0%**

YEAR-ON-YEAR CHANGE:

**0%**

221

SOURCE: STATISTA, JANUARY 2017



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### 3. THE INTERNET IS THE BIGGEST MARKETING MEDIUM EVER SEEN

In 1939 (in the era of The Golden Age of Radio), there was 20 million listeners in the United States.

Today, the most popular radio show in North America is “The Rush Limbaugh Hour” with 13.25 million listeners.

Further reading: [Wikipedia](#)



### 3. THE INTERNET IS THE BIGGEST MARKETING MEDIUM EVER SEEN

In 1969 (in the era of The Golden Age of Television), 530 million people tuned in to watch the first human beings walk on the Moon.

The biggest audience to watch a TV show was in 1983, for the final episode of M\*A\*S\*H\* (100+ million).

The numbers have been falling ever since.

2015's most watched TV show: "The Big Bang Therory" with an average audience of 21 million.



Further reading: [Wikipedia](#)

### 3. THE INTERNET IS THE BIGGEST MARKETING MEDIUM EVER SEEN

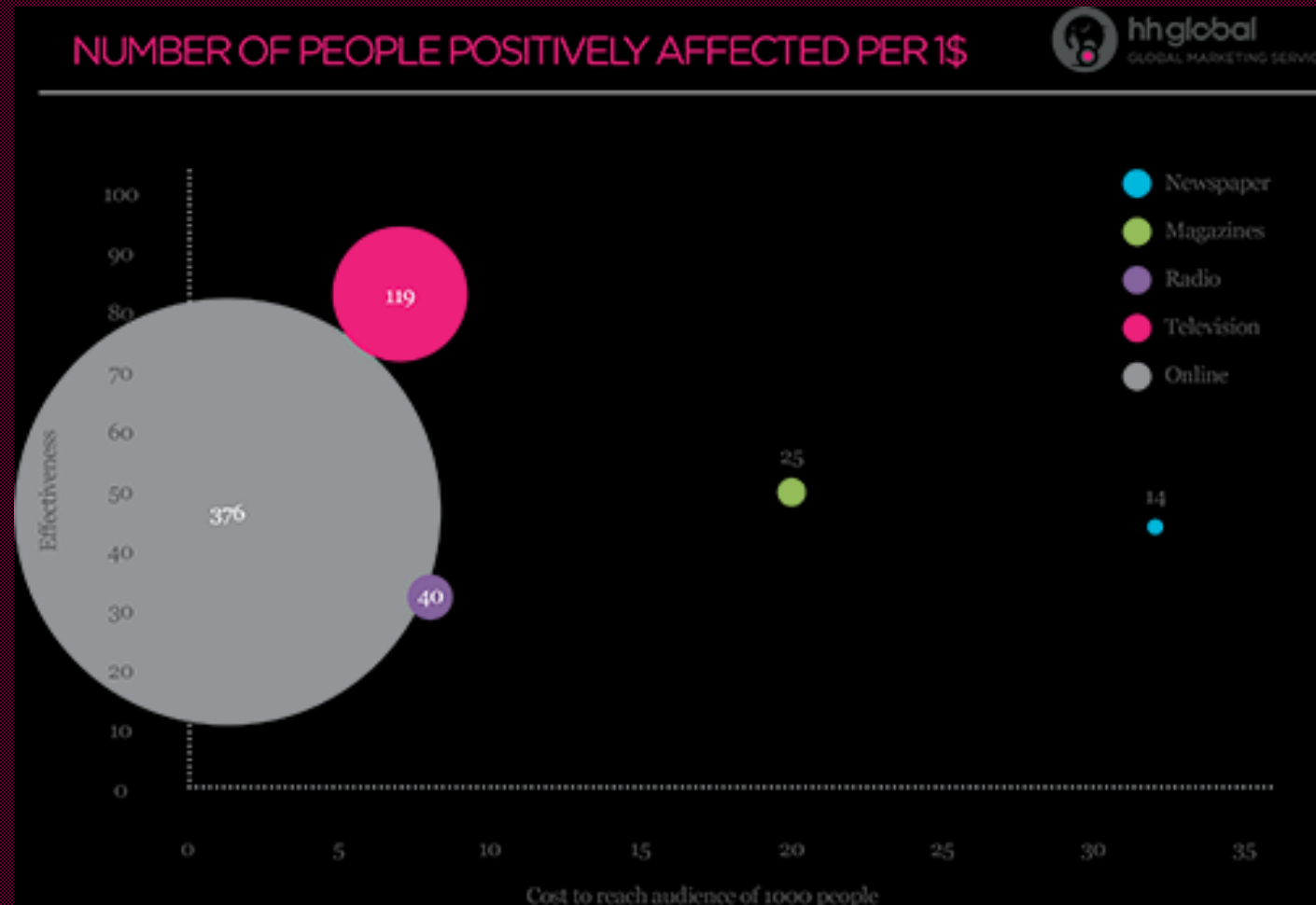
In 2016, the most watched YouTube video is Psy's "Gangnam Style" with over 2.9 billion views in 5 years.

This new medium delivers content when the user wants to read/see AND purchase it.

Further reading: [Wikipedia](#)



# ONLINE IS THE MOST COST EFFECTIVE FORM OF MARKETING



Source: [HH Global](#), March 2014



# OK, I GET IT! THE INTERNET IS BIG

- Awesome! That's why you're taking this class, right?
- **But here's the thing:** the general public doesn't realize that they're being marketed to when they visit a website, or watch a video, or look at an Instagram post
- Smart & savvy online marketers (which you will become) are aware of **triggers** that can push a user to take the **action** that the site owner wants
- When this happens, it's called a **conversion**

## 4. HOW THE INTERNET WORKS AS A MARKETING MEDIUM

- **Google It:** using a search engine to learn more about a brand, product, service, question, news story, person you'd like to date, etc.
- **Second Screening:** Watching TV, seeing a commercial, using your phone/laptop/tablet to learn more about that subject matter
- **It's 24 hrs & On Forever:** People visit websites and expect to have the freedom to take whatever action that they expect at any time.
- Your website should be your best salesperson. It should be converting customers on Christmas Day, at 3am, making them excited or satisfied.
- As a society, we now expect instant gratification for the lowest possible price (be it paid in our time or money.)

# 5. HOW SEARCH ENGINES WORK

The world's biggest search engine is [Google](#) with [1.8 billion users per month](#) (as of July 2017).

In March 2016 that number was [1.1 billion](#).

Class: take a guess what is the second largest search engine, and with how many users.

[Answers can be found here.](#)

# 5. HOW SEARCH ENGINES WORK – OUR POV

**The basic version:** A search engine takes the subject matter inputted into it by a user (the **keywords**) and gives recommendations for websites that best fit the user's interest.

**What's also going on:** Tens of millions of other users' keywords (the data) are examined by the search engine's algorithm. Unique factors are also taken into consideration:

- The time of day
- The location of the user's search query
- Emerging trends
- Past searches by that user (when logged in to your account)
- The way that you phrased the search query

All this data and a lot more is being constantly examined so the search engine's creators can continually improve their SE.



# 5. HOW SEARCH ENGINES WORK – THEIR POV

**The basic version:** Search engines are sending out programs that **crawl** the web (aka “**spiders**”), looking for new webpages & new content on older pages. That info is then indexed by the SE so these pages can be given as links in **search engine result pages (SERPs)**.

**What's also going on:** Best guesses are that around a 100 factors go into determining what webpages are displayed in SERPs:

- Keywords on that specific page
- Meta tags, titles, image meta data
- Inbound links (number of sites & **authority** of sites)
- How quickly the website loads (NEW)
- How friendly the site is for mobile devices (NEW)

Google is the leader in the search engine space. What they do, others follow and use as best standards.

## 6. AND THEY'RE GETTING SMARTER

Google is constantly improving their search engine. Updates come out frequently that improve user experience by getting smarter about the **user intent**.

**Some of the bigger improvements in recent years:**

- **Caffeine** update: June 2010, gets news stories & web pages out to SERPs quicker
- **Panda** update: February 2011, sought to weed out low quality content sites
- **Penguin** update: April 2012, penalize or disavow sites using black hat SEO tactics or low-quality inbound links
- **Knowledge Graph**: May 2012, providing supplemental information about a user's search (recommended links, quick facts, etc.)
- **Hummingbird** update: August 2013, uses semantic search: trying to best guess what the user's intent in the keywords were

# WHY IS GOOGLE DOING THIS?

They want to continue to own how people search for information on the internet

- **Money**: the more people that use Google & their services, the more \$\$\$ they earn ([see latest figures](#))
- **Data & Intelligence**: the world is giving their mind's data to Google. That can be used many different ways.
- **Information Age is still growing**: more people are still coming online, and there are billions of future humans to come.
- **Artificial Intelligence**: Search engine science & engineering is pushing this area forward. Huge possibilities lie in wait.



## 7. SO HOW CAN I USE THIS FOR BUSINESS?

- **Knowing the latest & best practices for online marketing:** Design, user experience, social proof, good content, a little bit of SEO, a little bit of human psychology.
- **Stay plugged in:** things change over time, and will certainly do so with online business practices.
- **Experiment:** Great, you're learning at VanArts! Now go play around building websites, getting feedback, looking at analytics & getting better.
- **Ask questions:** why did this work & produce results? Can I replicate it again? Was it a one-time thing? If so, why?



## 8. ONE FINAL THING TO KEEP IN MIND

“I have not failed. I’ve just found 10,000 ways that won’t work.” – Thomas Edison

“Success is a lousy teacher. It seduces smart people into thinking they can’t lose” – Bill Gates

Building a business on the internet is never, ever finished.

You’re in a global marketplace – meaning, you also have a global number of competitors. Some of them are hungry, mean, resourceful & jealous of your success.

“Never feel like you’re untouchable, and never feel like the competition is either.” – That guy standing at the front of the room

# YOUR ASSIGNMENT

Go back to slide 13 & 14 (talking about the Golden Ages of radio & TV). Click on the Wikipedia footer links to see examples of the most listened to shows from those times.

## Now:

Brainstorm several ideas for online marketing approaches for 1 of these events/programs. How would you try and connect with the audience for this show?

## Would you use:

- A social network to reach/interact with them?
- What type of content would you create to build awareness (doesn't matter if it's an ongoing show or a one-time event)
- Where would you portion your online marketing efforts? Mobile, social, website, email, paid ads – assign a number to each marketing effort from 1 to 5, and give a one sentence explanation to provide insight into your strategy.

**Be creative, don't be afraid to back up your claims with research from modern online marketing campaigns or programs!**