**INTERNET MARKETING**

**Learning Objectives**

By the end of this chapter the learner shall be able to;

i. Explain the marketing and Advertising processes in Business to Business(B2B)

ii. Explain the concept of Web advertising

iii. Explain the different Online advertising methods

**6.1 Internet Marketing in B2B**

The marketing and advertising processes for businesses differ considerably from those used for selling to individual consumers. For example, traditional (offline) B2B marketers use methods such as trade shows, advertisements in industry magazines,

paper catalogs, and salespeople who call on existing customers and potential buyers. In the digital world, these approaches may not be effective, feasible, or economical. Therefore, organizations use a variety of online methods to reach business customers. Popular methods include online directory services, matching services, the marketing and advertising services of exchanges, co branding or alliances, affiliate programs, online marketing services or e-communities.

**Methods for B2B Online Marketing**

The following are the methods that can be used to conduct B2B Online marketing; Targeting customers;

A B2B company whether a provider of goods or services, an operator etc can contact all of its customers individually or when they are part of a well defined group. Another method of bringing new customers to a B2B site is through an affiliation service. A company pays a small commission every time the affiliate company directs traffic to its site.

**6.2 Web Advertising**

Advertising is an attempt to disseminate information in order to affect buyer—seller transactions. In traditional marketing, advertising was impersonal, one-way mass communication that was paid for by sponsors. Telemarketing and direct mail ads were attempts to personalize advertising to make it more effective. These direct marketing approaches worked fairly well but were expensive and slow and seldom truly one-to- one interactive.

One of the problems with direct mail advertising was that the advertisers knew very little about the recipients. Market segmentation by various characteristics (e.g., age, income gender) helped a bit but did not solve the problem.

The Internet introduced the concept of interactive marketing, which has enabled

marketers and advertisers to interact directly with customers. In interactive marketing, a consumer can click an ad to obtain more information or send an e-mail to ask a question. Besides the two-way communication and e-mail capabilities provided by the Internet, vendors also can target specific groups and individuals which they want to spend their advertising dollars.

**Some Internet Advertising Terminology**

– **ad views:** the number of times users call up a page that has a banner on it during a specific period; known as impressions or page views

– **click (click-through or ad click):** A count made each time a visitor clicks on an

advertising banner to access the advertiser’s Web site

– **CPM (cost per thousand impressions)** The fee an advertiser pays for each

1,000 times a page with a banner ad is shown

– **conversion rate:** The percentage of clickers who actually make a purchase

– **click-through rate (or ratio):** The percentage of visitors who are exposed to a banner ad and click on it

– **click-through ratio:** The ratio between the number of clicks on a banner ad and the number of times it is seen by viewers; measures the success of a banner in attracting visitors to click on the ad

– **hit:** A request for data from a Web page or file

– **visit:** A series of requests during one navigation of a Web site; a pause of a certain length of time ends a visit

– **unique visits:** A count of the number of visitors entering a site, regardless of how many pages are viewed per visit

– **stickiness:** Characteristic that influences the average length of time a visitor stays in a site

**Why Internet Advertising?**

The major traditional advertising media are television (about 36 percent), newspapers (about 35 percent), magazines (about 14 percent), and radio (about 10 percent). Although Internet advertising is a small percentage of the $120-billion-a-year advertising industry (about 8 percent in 2004), it is growing rapidly.

Today, online-advertising technology has advanced to the point where marketers can see how and if their ads result in increased sales, even for target ads based on demographics, location, and other factors. Such analysis of offline advertising is not nearly as fast, easy, or inexpensive.

Companies advertise on the Internet for several reasons

 Viewers are migrating to the Internet. The UCLA Center for Communication Policy (2004) found that Internet users are spending time online that they previously spent viewing television. Worldwide, Internet users are spending significantly less time watching television and more time using the Internet at home.

 Advertisers are limited in the amount of information they can gather about the television and print ads

 Advertisers are not able to track the number of people who actually view an ad in a print publication or on TV but its possible on the internet.

 Cost. Online ads are sometimes cheaper than those in other media. In addition, ads can be updated at any time with minimal cost.

 Richness of format. Web ads can effectively use the convergence of text, audio, graphics, and animation. In addition, games, entertainment, and promotions can be easily combined in online advertisements.

 Personalization. Web ads can be interactive and targeted to specific interest groups and/ or individuals; the Web is a much more focused medium.

 Timeliness. Internet ads can be fresh and up-to-the-minute.

 Location-basis. Using wireless technology and GPS, Web advertising can be location based; Internet ads can be sent to consumers whenever they are in a specific time and location (e.g., near a restaurant or a theater).

 Linking. It is easy to link from an online ad to a storefront—one click does it.

 Digital branding. Even the most price—conscious online shoppers are willing to pay premiums for brands they trust.

**6.3 Online Advertising Methods**

There are several online advertising methods. Below are some of the common ones;

• **Advertising networks-** Specialized firms that offer customized Web advertising, such as brokering ads and targeting ads to select groups of consumers

• **Banner -** On a Web page, a graphic advertising display linked to the advertiser’s

Web page

• **keyword banners -** Banner ads that appear when a predetermined word is queried from a search engine

• **random banners -** Banner ads that appear at random, not as the result of the

user’s action

• **banner swapping -** An agreement between two companies to each display the

other’s banner ad on its Web site

• **banner exchanges -** Markets in which companies can trade or exchange

placement of banner ads on each other’s Web sites

• **pop-up ad** - An ad that appears in a separate window before, after, or during

Internet surfing or when reading e-mail

• **pop-under ad -** An ad that appears underneath the current browser window, so when the user closes the active window the ad is still on the screen

• **interstitial -** An initial Web page or a portion of it that is used to capture the

user’s attention for a short time while other content is loading