

# **Planning for Web Marketing**

# Preparing an Online Business Plan

If you're starting a new business of any type, you need to write a *business plan*. If you're adding online sales to an existing operation, dust off and update your current business plan as well. Opening an online store is like opening a new storefront in another city; it requires just as much planning.

Even if you're only launching or revamping a Web site, I suggest writing a shortened version of the business plan outlined in the following list. Most business plans include some variation of the following sections:

- ✓ **Summary**
- ✓ **Description of Business (type of business and goals)**
- ✓ **Description of Product or Service**
- ✓ **Competition (online and offline)**
- ✓ **Marketing (target market, need, objectives, methods, promotion)**
- ✓ **Sales Plan (pricing, distribution channels, order fulfillment)**
- ✓ **Operations (facilities, staffing, inventory)**
- ✓ **Management (key players and board)**
- ✓ **Financial Data (financing, financial projections, legal issues)**
- [www.sba.gov/smallbusinessplanner/plan/writeabusinessplan/index.html](http://www.sba.gov/smallbusinessplanner/plan/writeabusinessplan/index.html)
- Bplans.com

# Planning to Fit Your Business Goals

Before you state the goals for your Web site, you must be **clear about the goals for your business**. Your answers to a few basic questions establish the marketing framework for your site. Answer the questions in the Business Profile section of the Web Site Planning Form. These questions apply equally to businesses of any size and to not-for-profit organizations, educational institutions, and governments.

Here are a few examples of business profile questions:

- ✓ Are you a new company or an existing one with an established customer/client base?
- ✓ Do you have an existing brick-and-mortar store or office?
- ✓ Do you have an existing Web site and Web presence?
- ✓ Do you sell goods or services?
- ✓ Do you market to individuals (which is called *B2C for business-to-consumer*) or to other businesses (which is called *B2B for business-to-business*)?
- ✓ Who are your customers or clients (generally referred to as your *target markets*)?
- ✓ Do you sell — or want to sell — locally, regionally, nationally, or internationally?

# Web Site Planning Form

## Web Site Planning Form

For Web site (URL): \_\_\_\_\_

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_

Web Producer/Coordinator: \_\_\_\_\_

Contact Info: \_\_\_\_\_

Webmaster/Developer: \_\_\_\_\_

Contact Info: \_\_\_\_\_

### Business Profile

Is the Web site for a new or established company?

- ☐ New company  
☐ Existing company, in business \_\_\_\_\_ years.

Does the company have an existing brick-and-mortar operation?

- ☐ Yes  
☐ No

Does the company have an existing Web site or Web presence?

- ☐ Yes  
☐ No

Will your site serve:

- ☐ Businesses  
☐ Consumers

Does the company have an existing logo?

- ☐ Yes  
☐ No

What type of business is the Web site for?

- ☐ Manufacturer  
☐ Distributor  
☐ Retailer  
☐ Service provider  
☐ Professional

What type of products does the company sell?

- ☐ Goods  
☐ Services

Describe your goods or services:

What type of range will the Web site have?

- ☐ Local  
☐ Regional

# Setting Goals for Your Web Site

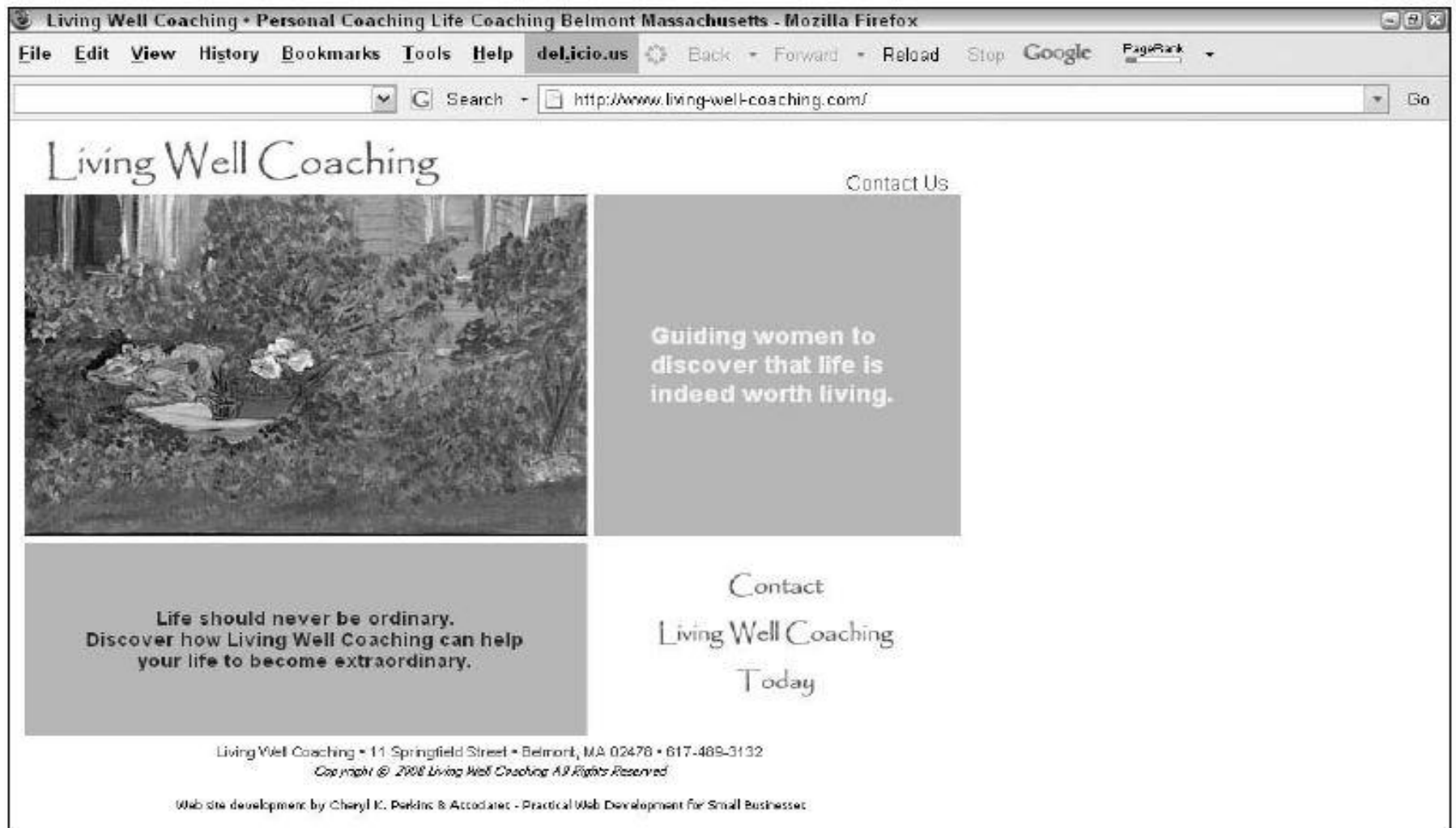
After you've outlined your business goals, you need to decide what your Web site must accomplish from a marketing perspective. The goals you set for your site plus the definition of your target market should drive both your Web design and marketing campaigns.

Business Web sites generally have one of the seven goals in the following sections as a primary goal, although large, sophisticated sites now address several categories -

- i. Providing customer service through information
- ii. Branding your company or product
- iii. Generating leads or qualifying prospects
- iv. Generating revenue through sales
- v. Generating revenue through advertising
- vi. Achieving internal needs
- vii. Transforming your business through process innovation or creative techniques

## (i) Providing customer service through information

- *Brochureware or business card sites are an inexpensive solution. These sites, which contain no more than the minimal information included in a small trifold brochure, might provide a small business with an adequate Web presence.*
- For example, the two-page “business card” site at <http://living-wellcoaching.com>
- Medical, technical support, or news sites may contain hundreds or thousands of pages in a searchable, linkable, *static format* (standard HTML pages containing only text and photos). Businesses save money by hiring fewer staff to provide the information live while taking advantage of the Internet to offer support online 24/7 to accommodate customers worldwide.



*The business card site for Living Well Coaching sets a marketing*

*tone and lets visitors submit an inquiry.*

## **(ii) Branding your company or product**

Sites like Coke.com primarily serve a branding function.

Branding sites may include games, coupons, entertainment, feedback sections, interactive functions, and corporate information, but they generally don't sell the product online. They generate leads or sales only indirectly. For instance, consumers can buy a key chain or other branded paraphernalia on the Coca-Cola site ([www.coca-colastore.com/coke](http://www.coca-colastore.com/coke)) but cannot buy a bottle of Diet Coke.



Smooth Mooove Senior Relocation Services

WeMoveSeniors.com.

Smooth Mooove - Microsoft Internet Explorer

File Edit View Favorites Tools Help

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**EXTRA... EXTRA...**  
READ ALL ABOUT IT!

### (iii) Generating leads or qualifying prospects

Sites, especially those for *services and expensive products* such as cars and homes, allow potential customers to research offerings, but customers must call, e-mail, or visit the brick-and-mortar establishment to close a sale. Interactive techniques, such as the Live Chat feature used by 18004mytaxi.com, may improve service, in this case making a reservation so convenient that prospects are less tempted to visit competing Web sites. (Chapters 4 and 6 describe many interactive techniques you can use on your site for this purpose.)

If you're clever, you can qualify your leads online. For instance, SantaFe Wedding.com, a destination wedding site, requires the groom's name on its form inquiry page (<http://santafewedding.com/request.html>). That question alone reduces the number of false leads by more than 60 percent.

## **(iv) Generating revenue through sales**

Transaction sites, which are, perhaps, the most familiar type of site, are used to sell goods or services online. Travel reservations, magazine subscriptions, organizational memberships, B2B (business to business) sales, and even donations fall into this category, as do retail sites from Amazon.com to the smallest, home-based micro-store. Good transaction sites take advantage of the Web to gather information about customer demographics, needs, and preferences and to test response to special offers.

## **(v) Generating revenue through advertising**

A business model that calls for generating revenue by selling ads operates in a fundamentally different marketing mode. When you sell advertising, the primary product is the audience you deliver — either the number of eyeballs that view an ad or the number of click-throughs to an advertiser's site.

## (vi) Achieving internal needs

Sites in this category attract investors, identify strategic business partners, locate suppliers, recruit dealers, or solicit franchisees. The audience for these sites is quite different from the audience for a site targeted at customers or clients. This distinction is critical because elements of your marketing plan are derived from the definition of your target market.

<https://partners.olacabs.com/>

## **(vii) Transforming your business through process innovation or creative techniques**

Transformation applies to more than giant corporations whose Web sites integrate just-in-time inventory, smooth supply chains, online sales, and accounting systems. Many innovative small businesses create online processes that fundamentally change the way they do business. Surprisingly, innovation doesn't have to cost much. Pablo's Mechanical ([www.pablosmechanical.com](http://www.pablosmechanical.com)), a plumbing and heating contractor, captured the second-home market in the rural tourist area near Angel Fire, New Mexico. Pablo's Mechanical realized that second-home owners are usually well off, are frequent Internet users, and often live out of state, perhaps in a different time zone. His simple, inexpensive site directs his customers to click onto large plumbing manufacturers' sites to select fixtures and then e-mail him their decisions.

# Specifying Objectives for Your Website

**Table 2-1**

## **Site Goals and Objectives**

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### ***Site Goal***

### ***Possible Objectives to Measure***

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Managing customer service

Number of phone calls and e-mails, amount of traffic to various pages, hours of site use, cost savings, time savings

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Branding

Onsite traffic, time onsite, activities performed, coupons downloaded, gross revenues

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Generating qualified leads

Number of phone calls and e-mails, conversion rate of visits to leads, conversion rate of leads to sales as compared to other lead sources, traffic to various pages, number of e-mail addresses acquired, cost of customer acquisition

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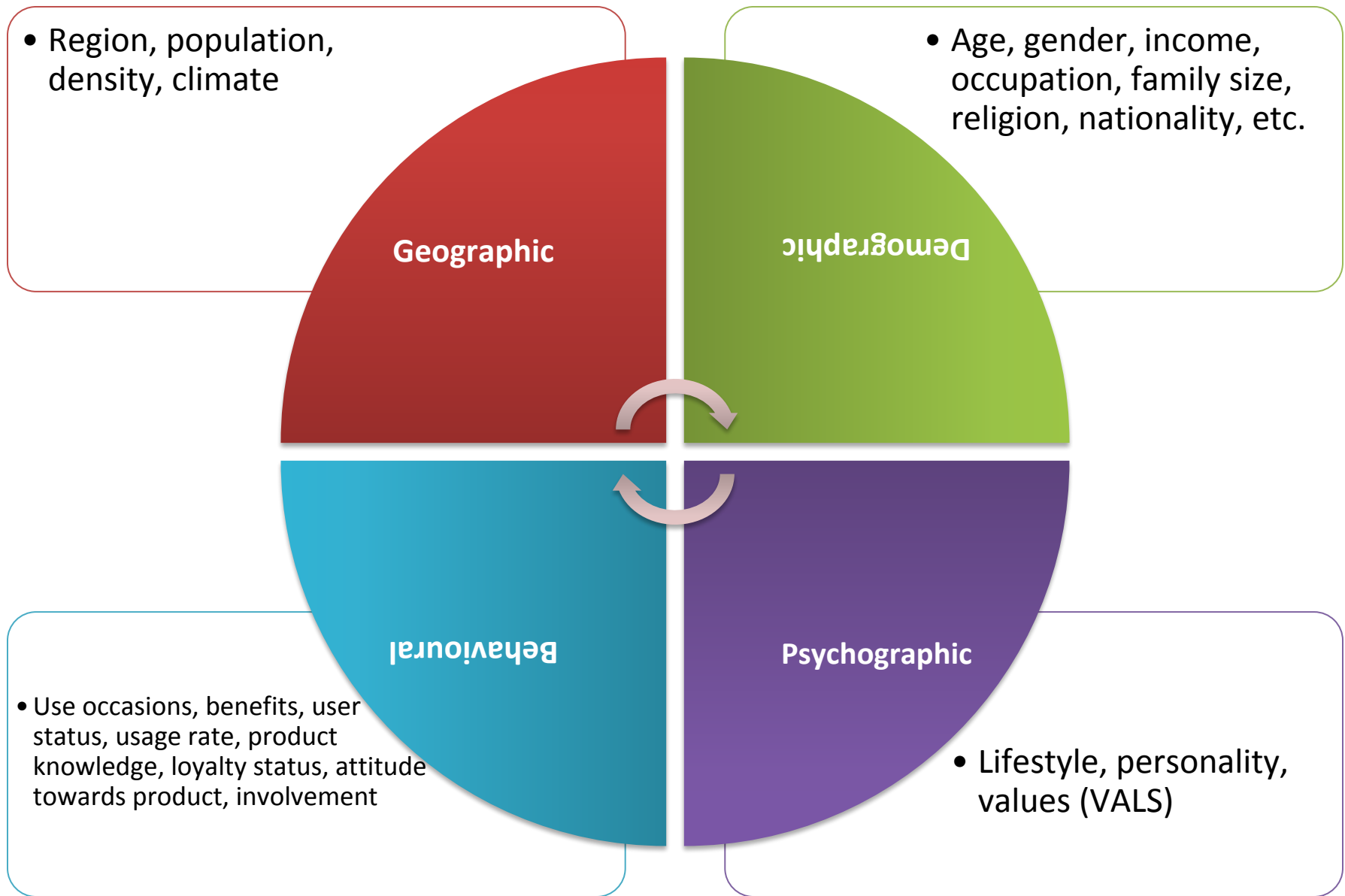
<i>Site Goal</i>	<i>Possible Objectives to Measure</i>
Generating online sales	Conversion rate of buyers to visitors, sales revenue, average dollar value of sale, number of repeat buyers, profit from online sales, cost of customer acquisition, promo code use, sales closed offline that are generated from Web, if possible (that is, enter phone orders into the system)
Generating ad revenue	Ad revenue, click-through rate, page views per ad, traffic to various pages, visitor demographics
Measuring internal goals	Conversion rates for various actions, site traffic, other measurements (depending on specific goals)
Transforming the business	Site revenues, costs, profit, time savings, costs savings, other measurements (depending on specific goals)



# Defining Your Target Market

- In the Marketing Profile section of the **Web Site Planning Form**, you need to define your target market(s).
- For each goal you select on your Planning Form, decide who your audience is. Phrases such as “everyone who eats chocolate” or “all airplane passengers” are way too broad.
- Unless you are **Toyota or General Mills**, you won’t have the funds to reach everyone, so you need to segment and prioritize your markets.

# Bases for segmenting consumer markets



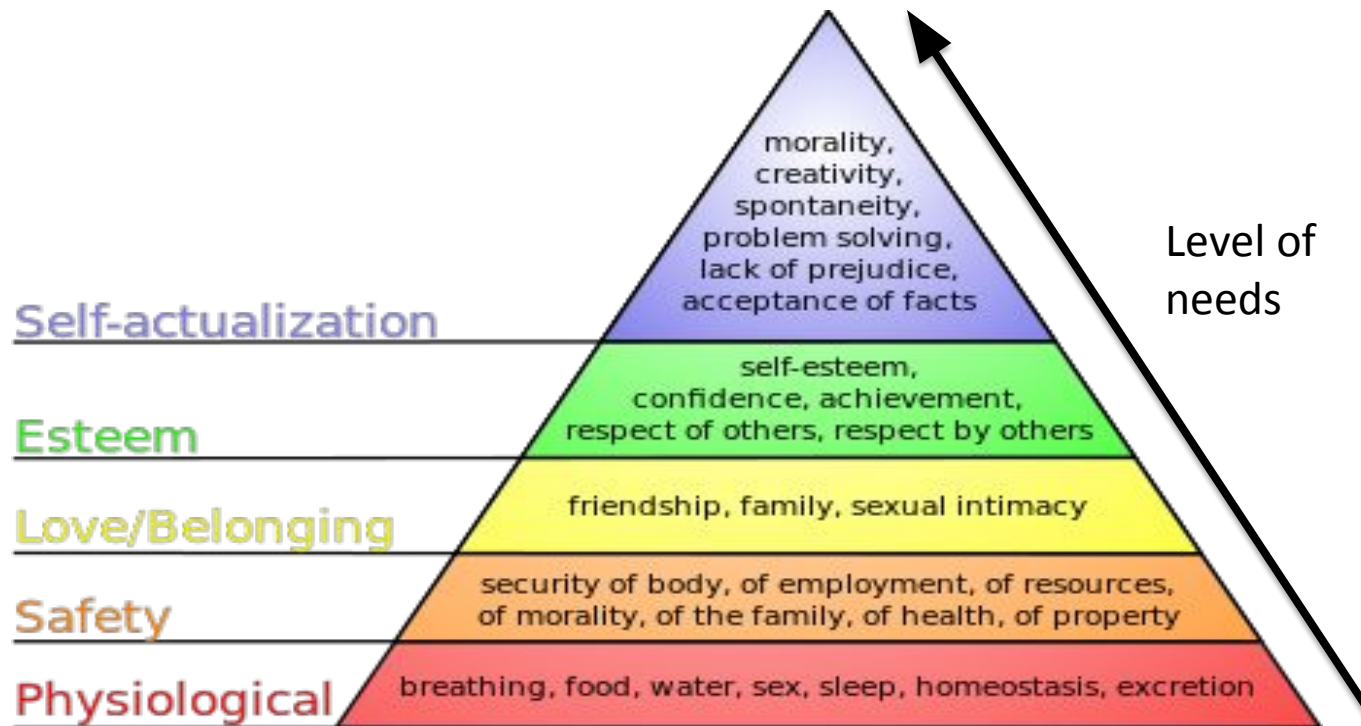
# **Understanding why people buy: Maslow's Triangle**

# Abraham Maslow's theory of hierarchy of needs

Was introduced by Maslow in **1943** in an article titled 'A Theory of Human Motivation'

As shown in the figure, he put needs in an hierarchy of five levels wherein the physiological needs were the lowest level needs and self-actualization needs were the highest level needs.

He proposed that needs act as motivators as long as they are unsatisfied.



# Researching your market online

- If you aren't sure how to define your market segments, check some of the online market research sites.

<b>Table 2-2                      Online Market Research Sites</b>		
<b><i>Name</i></b>	<b><i>URL</i></b>	<b><i>Content</i></b>
ClickZ	<a href="http://www.clickz.com">www.clickz.com</a>	Marketing stats, resources, articles, and more
Internet Systems Consortium	<a href="http://www.isc.org/index.pl?/ops/ds">www.isc.org/index.pl?/ops/ds</a>	Internet domain survey host count
Internet.com	<a href="http://www.internet.com">www.internet.com</a>	Online marketing newsletters and resource-providers lists
MarketingSherpa	<a href="http://www.marketingsherpa.com">www.marketingsherpa.com</a>	Free articles and case studies, fee-based online marketing library
Web Marketing Today	<a href="http://www.wilsonweb.com">www.wilsonweb.com</a>	Resource links with online and e-commerce marketing information

- If your target audience isn't online, the Web should not be part of your marketing mix for end user sales!
- It can still fulfil other functions, of course.

# Writing Your Online Marketing Plan

- **Marketing tag:**
  - ☐ Enter your *marketing tag*, which is the five- to seven-word phrase that describes what your business offers or who you are.
  - ☐ This phrase probably appears (or should) on almost all your stationery, business cards, advertising, and packaging.
  - ☐ Like your logo, your marketing tag helps define your public image.
  - ☐ Your marketing tag should appear on your Web site as well!
- **Value proposition:** Why should someone buy from your company rather than from a competitor?
- **Competitors:** Enter the names of at least six competitors and their Web addresses.

# Examining the four Ps of marketing



**Product**

**Price**

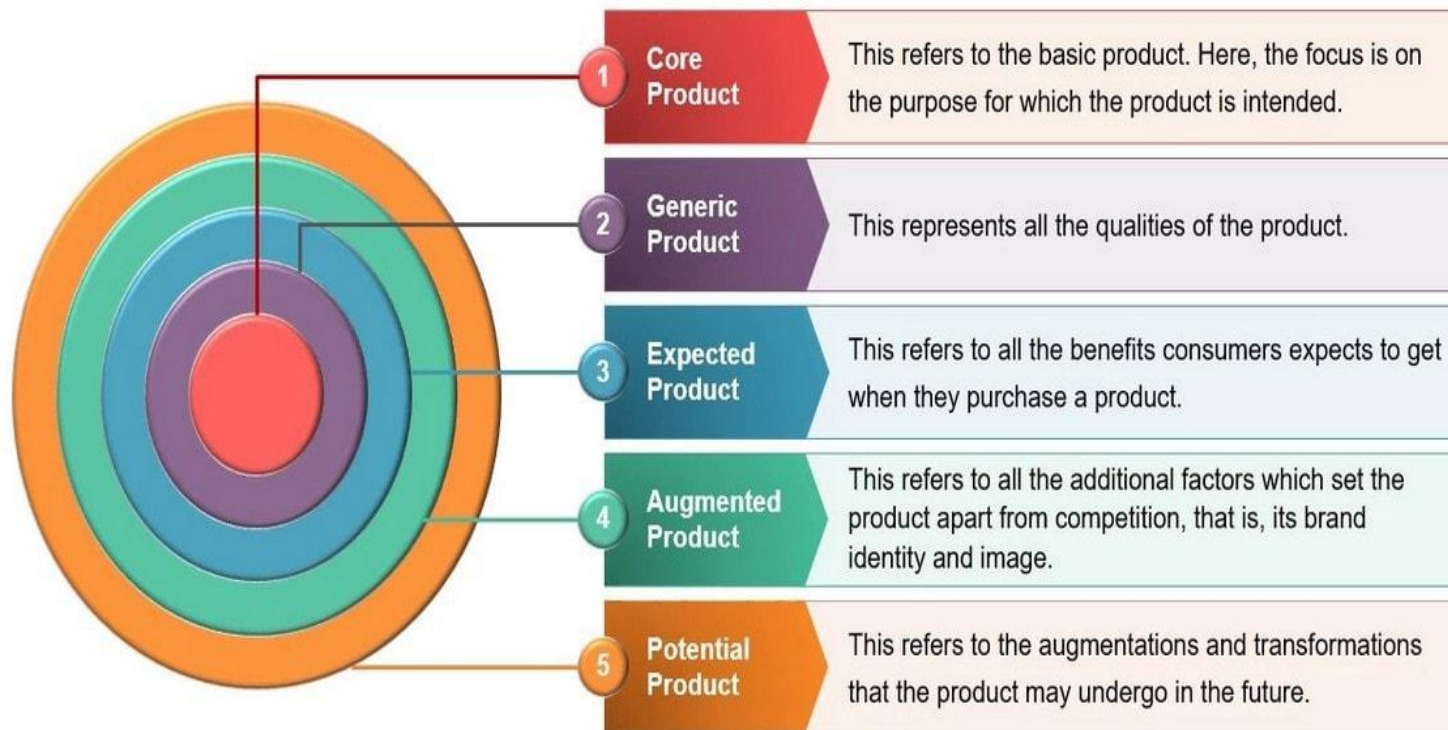
**Place**

**Promotion**

# 1. Product

A bundle of utilities that can be offered to a market at a certain price to satisfy its need(s).

## Product Levels





# Product Mix

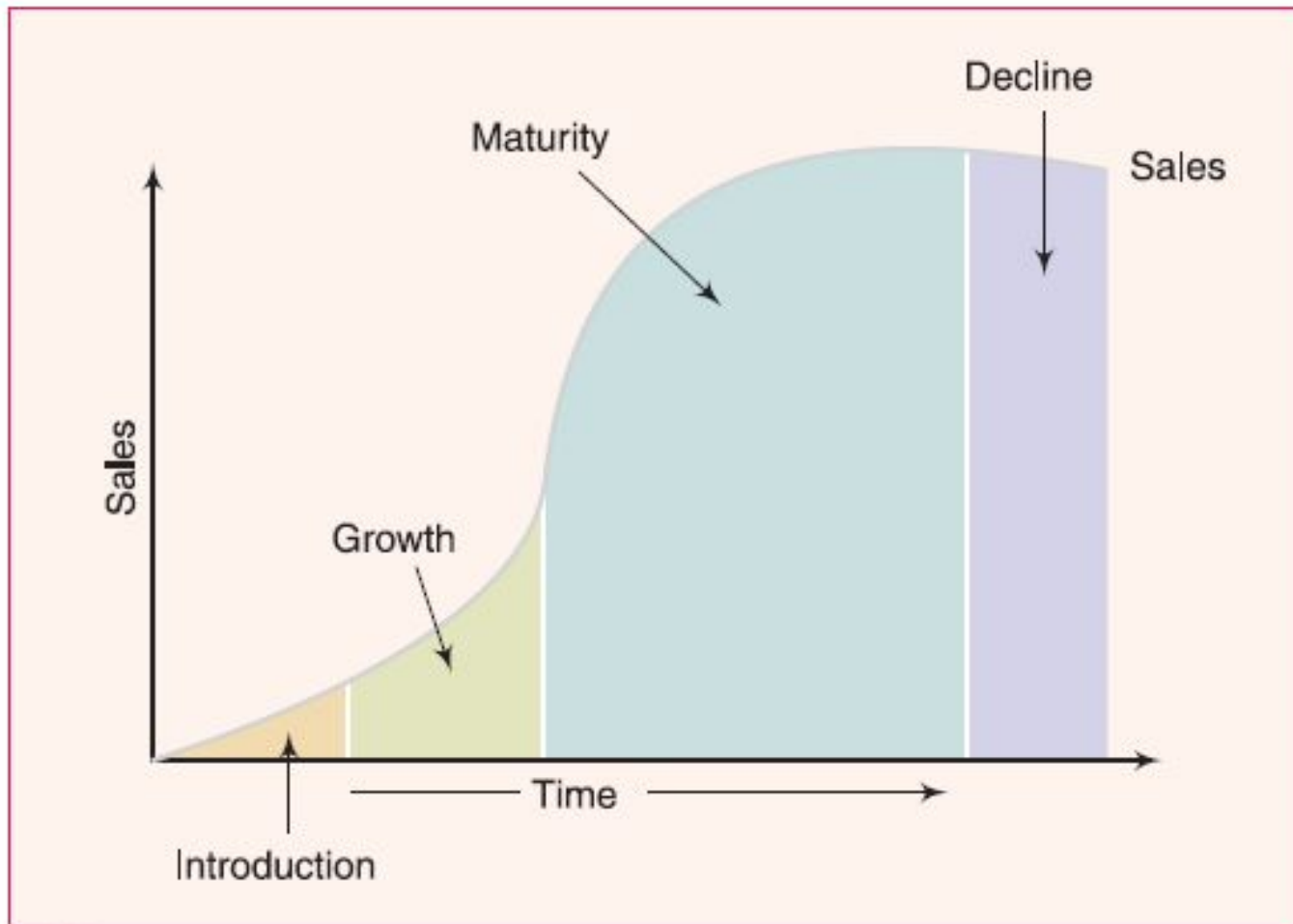
The number of products carried by a firm at a given point of time is called its **product mix**. The product mix contains product lines and product items

## Product Line

Refers to a group of products clubbed together by virtue of satisfying a particular class of needs, being used together or distributed through the same channels, or possessing common physical or technical characteristics.

# Product Life Cycle

- Each product goes through a life cycle
- Shows the introduction, growth, maturity and decline during its period of existence
- Reflects sales and profits of a product, over a period of time
- Most products follow an established path, and when their sales are plotted against time, one gets an S-shaped curve



Product Life Cycle

## 2. Price

Pricing is one of the most important elements of the marketing mix for the reasons:

- a. Diminishing Product Differentiation
- b. Inter-firm Rivalry
- c. Mature Products and Markets
- d. Customer's Value Perception
- e. Inflation in the Economy

# Types of Pricing Strategies

- Skimming Strategy
- Penetration Pricing Strategy
- Differential Pricing Strategy
- Geographic Pricing Strategy
- Product Line Pricing Strategies
  - Price Bundling
  - Premium Pricing
  - Image Pricing
  - Complementary Pricing
  - Captive Pricing Strategy
  - Loss Leader Strategy
  - Two Part Pricing

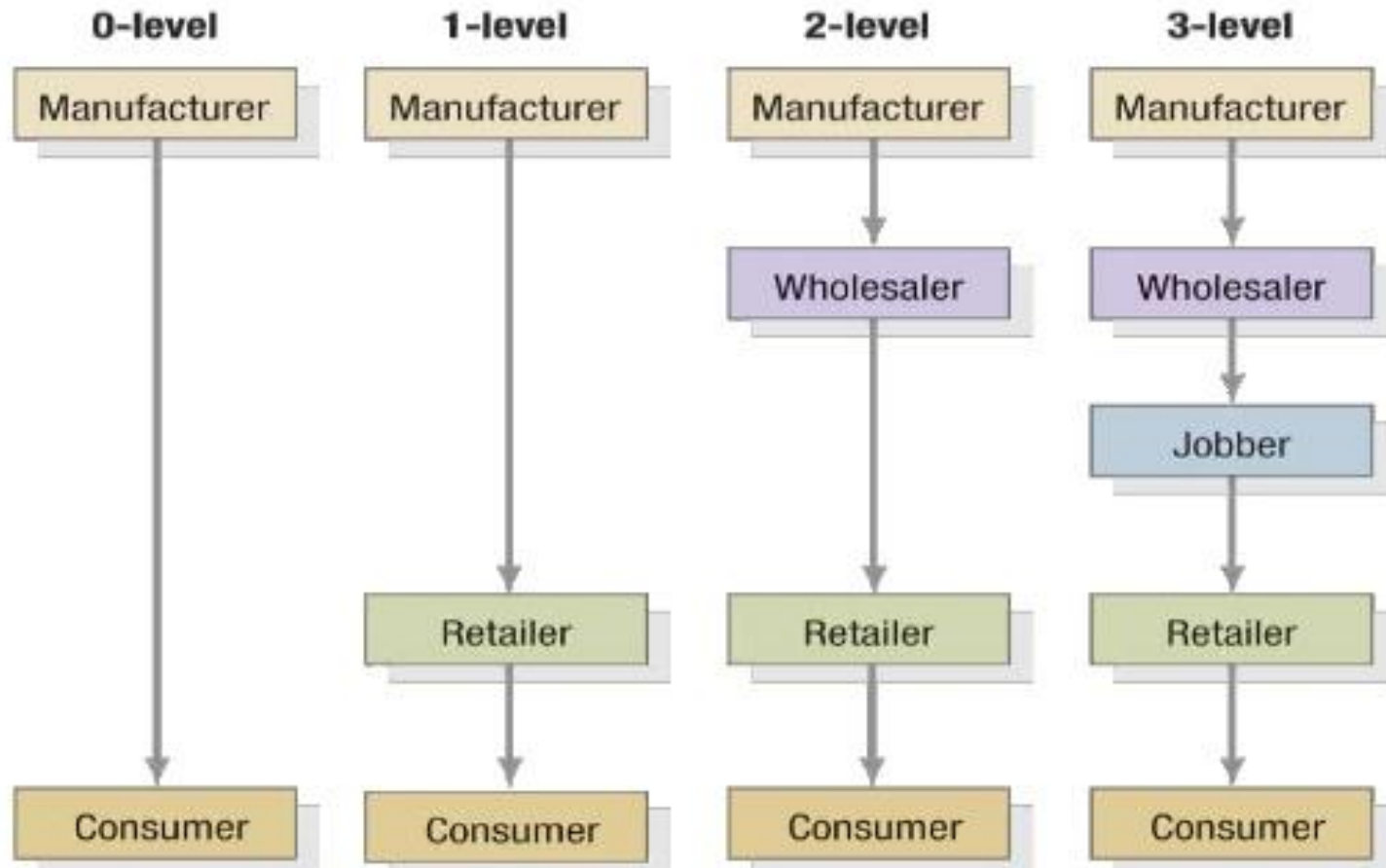
# 3. Place

- Place means distribution place
- To make the entities available at right time, right place, and in right quantity.

# Role of the Intermediaries

- **Information** - Provide information about the market to the manufacturer
- **Price Stability** – Maintain price stability in the market
- **Promotion** – Promoting the product/s in their territory
- **Financing** – Finance manufacturers' operations by providing the necessary working capital, in the form of advance payments for goods and services
- **Title** – Take the title to the goods, services, and trade in their own name. This helps in diffusing the risks between the manufacturer and the middleman.

# Levels of Distribution Channel



**Jobber** - Someone who buys large quantities of goods and resells to merchants rather than to the ultimate customers



# 4. Promotion

