

Learn how to effectively and economically incorporate the Web into your marketing strategies. This step-by-step marketing plan guide, with companion site WebSiteMarketingPlan.com, covers market research, industry analysis, SWOT analysis, segmenting, targeting, and more. Includes 300+ cost-categorized links to expert resources.

How Much for Just the Spider? Strategic Website Marketing

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How Much for Just the Spider?

Strategic Web Site Marketing
for Small-Budget Businesses

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Some Marketing Basics

Imagine your perfect customers – the ones that will eagerly buy your products or hire you for premium pay. Imagine being able to bring those perfect customers to you and having them buy your products or services not once, but again and again. That’s what an effectively executed marketing plan does. It reaches the people who want what you are offering, convinces them to take action, and keeps them coming back. The Internet’s existence has not changed this basic premise. It does add to it, however. This book shows you how to integrate the Internet into your company’s marketing activities by: 1) Describing a step-by-step process to create a strategic marketing plan for your Web site, 2) describing Internet marketing tactics you can use to market your site, and 3) providing expert resources along the way.

In “Section 1, Marketing and the Web”, you will read the foundations upon which effective marketing plans are built. These include traditional marketing basics, an overview of your site development options, and a discussion of how Web site design is critical to Web site marketing.

In “Section 2, Creating and Implementing Your Plan”, you will see how to gather information; conduct research and analysis; and identify customer segments. You will see how to apply these analyses in developing a Web site marketing plan (WSMP). Finally, this section is devoted to showing you how to put your plan into action.

“Section 3, Promotional Tactics”, details many of the action plans you can consider for your WSMP and other Internet marketing activities.

Has Marketing Changed? Not Really.

With the proliferation of the Internet, the meaning of the word “marketing” has also proliferated. There seem to be as many definitions of marketing as there are marketers. Many see marketing as a series of tactics or gimmicks. Some push pyramid programs [multi-level marketing (MLM) or network marketing] as the way to successful Internet marketing. Others say the Web has made traditional

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marketing obsolete. I believe that the Internet has expanded our capabilities, created new ways of doing business, and radically changed business dynamics.

The Internet has not changed the basics of what we do. Marketing is still a process of a) determining what our customers need and want, b) planning how we are going to meet those needs and wants, and then c) implementing our plan. We still have products, services, and ideas to sell at some price. We still deliver to our customers via some means of distribution. We still promote and we still advertise. Those are the basics. The basics still exist and always will.

What *has* changed is the business environment. Companies compete with more efficient technologies. Customers have better access to their cost options and they communicate to each other in a way never before possible. In some industries, the Internet has lowered the cost of entry so that entrepreneurs, with little more than a home office, have entered the competition. The changes in competitive environment are numerous.

What *have also* changed are the specific marketing strategies and the tactics we take to implement those strategies. These have changed, but basic marketing has not. Marketing is and always has been analysis, then action. It is strategy development, then logical and thought-out tactical implementation. It is the way to customer satisfaction and increasing profit. It is the process of:

- 1) Analyzing your customers and the business environment in order to
- 2) Identify key opportunities to better and more profitably meet customer needs,
- 3) Figuring out how to act on those opportunities, and then
- 4) Implementing your plan.

The process doesn't have to be cumbersome. Five-year plans and novel-length documents are not required. The logic of the action is what's important. By applying the basic process, your chances of success skyrocket.

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The Four P's

The marketing decisions you make for your business are often referred to as the marketing mix. These decisions encompass the “Four P’s” – product, price, place, and promotion – and define how your product or business competes in its industry and category. The Internet has impacted each “P” uniquely, resulting in dramatically increased options for your marketing mix.

Product

Your products are more than just the tangible goods or deliverables you are offering. They are a whole bundle of attributes that include the *physical product*, *services included*, and *ideas you provide to the customer*. To avoid awkward sentences, throughout the book when I refer to “product” I mean that entire bundle of attributes.

The *physical* part of the product is self-explanatory. It is the tangible (touchable or visible) part. A book, an electronic file, the delivered report, a box of cookies, and a can of dog food are all examples of a physical product.

The *service* portion of your product has to do with the support or value-added activities you supply as part of the product. For example, my Hewlett Packard desktop looks like the no-name computer I bought a few years ago. Even if the two computers were exactly the same physically (same motherboard, hard drive, processor, monitor, etc.) they would still be different products. With the HP, I have free technical service support at my command. This support is part of the product that is my HP.

The *idea* is an intellectual component to the product. An interior designer, for example, includes her/his creative input as part of the product. Web developers lend Web design expertise – in the form of structural ideas – as part of their product.

The Internet’s existence has expanded product offerings in at least two ways. It has not only added whole new categories of products, but has also expanded available product formats. Product categories such as Internet service providers, modems, instant messaging, and Web page development were non-existent before the Internet. In terms of format, informational products (those that can be offered in a digital format) have been most profoundly influenced. Text-based

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products, such as magazines and books, are now available on your computer screen or as a download as well as in traditional print formats. Software can be bought and downloaded into your computer with no need for physical disks. Streaming video and MP3 formats have joined movie videos and music CDs as entertainment product options. As technology continues to advance, more Internet-inspired products will come into existence.

Price

The price is what your customer pays and/or what the end consumer pays for the product. In the case of products not sold directly to the end user, pricing is often described as “wholesale” and “retail”. When the distribution channel is long (such as when there is a manufacturer, broker/distributor, retailer, and end consumer), multiple mark-ups can occur between the wholesale and the retail price.

Your correct pricing strategy will depend on more than your costs. Forces within your business environment such as your competitors, your suppliers, the availability of substitute products, and your customers come into play. Your positioning (how you want to be perceived by your target audience) is also a consideration.

There are a variety of pricing strategies in existence. Each strategy is used in a different set of circumstances. Some of the things to consider when choosing the best strategy for your situation are your costs; both short term and long term sales and profit goals; competitors’ activities; and customer lifetime value. A few of the pricing strategies available to you are:

Cost plus mark-up. Here, you decide the profit you want to make before setting the price. Figure out your costs and your selling price is simply your costs plus your pre-determined profit number. This approach helps keep your profitability top-of-mind, but may also result in prices that are out-of-line with customer expectations and competitor pricing.

Competitive pricing. When competitive pricing, you look at the prices your competitors are charging and use those prices as a benchmark when pricing your own products. You and your competitors’ positioning strategies will determine whether you price at par, slightly below, or slightly above the competition.

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Price skimming. This technique is used when you offer a unique or scarce product with few or no substitutes. The price is set high, resulting in high margins for the seller. Buyers are those that are willing to pay the price because of the product's prestige and/or uniqueness. In the case of a scarce but necessary product, customers pay the price because they have no choice. Often, price skimming is a short-term strategy as competitors enter with their own products, bringing prices down. In the case of scarce products, either the need passes (Salt during an ice storm, for example.) or the shortage is temporary. Before considering this technique, be aware that if your customers feel you have taken advantage of them, you could be building "bad will" for your business.

Penetration pricing. This is the opposite of price skimming. Prices are set artificially low in an effort to gain large market share. Because the penetration price does not cover costs, this is also a temporary strategy. For this strategy to be profitable, customers must be willing to pay your normal, higher price.

Loss leader. Here, you price one or more products below cost to attract customers. You hope that those customers will purchase other profitable products from you. This strategy is often implemented as part of a short-term promotion.

Close out. This is a tactical move to clear slow-moving or excess products out of inventory. You sell the inventory at a steep discount to avoid storing or discarding the product. End-of season merchandise, perishables that are about to expire, and prior software versions or book printings are examples of eligible closeout items.

Multiple unit pricing. Also called quantity discount. The customer gets a price break for purchasing multiple units or large quantities.

Membership or trade discounting. Here, some customers (those that you know are heavy or frequent purchasers) are given an elite status, which gives them the privilege of a price discount on their purchases. This elite status can be based on occupation, membership in an organization, subscription status, or some other criteria.

Variable pricing. With a variable pricing strategy, different customers pay different prices. Often, this strategy is used for project work. Each project

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has unique characteristics so is priced by the job. In other cases, the price is negotiated with each customer (Cars are an example.).

Versioning. This is offering the same product with different levels of functionality. Each level is priced differently and includes a different bundle of attributes. Software and Web hosting companies often use this pricing strategy. A trial or very basic version may be offered at low or no cost. Upgraded versions are available at higher costs.

Bundling. Here, several items are sold together at a price less than if they were purchased alone. By bundling a popular item with lesser-known products, you can increase your sales. Additionally, in the case of inventoried items, you may be able to avoid a closeout.

Aside from making some pricing strategies more prevalent, the Web has also affected the importance of choosing correct pricing strategies by allowing customers to be better informed and more vocal. In the case of consumer products, the purchaser can go to www.MySimon.com or another price comparison service and in seconds look at a side-by-side price comparison from several online retailers.

There are also numerous forums and discussion boards where members discuss their experience with providers. Your customer in Italy can complain or spread praise about you to a potential customer in Idaho. This means the customer can not only make a better decision before purchasing, but can also better spread the word (both praise and complaints) after the purchase. For these reasons, the Web has made it more important that you remain competitively priced with your competition and maintain sensible pricing practices.

Place (Distribution)

Place, or your distribution channel, is the way you go about getting your product from your company to the end user. Some distribution channels are short – the business sells straight to the end user. This is the case with many service organizations. Web site development agencies, for example, provide their service directly to the site owner. Other companies have longer and more complex distribution channels. A candy manufacturer, for example, makes the candy, but quite often does not sell it directly to the end consumer. A broker network sells the candy to wholesalers, who sell to the retail stores, who in turn sell to the end consumer. Many companies have more than one distribution

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channel. A small retailer, for example, may sell product from a kiosk at the local mall as well as over the Internet from a Web site.

The Internet is a new distribution channel. In the case of information products, it is a new delivery method. E-books, academic papers, and software (among other products) can be delivered instantly to the desktop via email or download. The Internet is also a new channel with which to offer products to customers. Virtual stores and business Web sites provide opportunities for customers to place orders in a way not previously possible.

The Internet is not only a new distribution channel, but it facilitates communication along previously existing channels as well. Existing distribution channels can now become more efficient through better and timelier communication with suppliers, customers, and other partners. Some Internet-based practices that have enhanced distribution efficiency include email order confirmation, Web-based shipment status tracking, online order histories, and 24/7 order status availability.

Promotion

Promotion encompasses advertising, the selling process, and sales promotions. It is virtually the whole process of getting your products known, conveying their benefits to your target audience, and motivating your targets into making the purchase decision. The latter part of the process closely supports the Sales function.

Notice that *promotions* are a subset of the Four P *Promotion*. Promotions are tactical maneuvers designed to quickly (and temporarily) boost sales. Examples include temporary price discounts, coupons, and a free premium with purchase. Promotion refers to a broader process.

The Internet gives us the ability to customize our promotional efforts like never before, even down to the individual level. In pre-Internet days, printing and logistical costs prohibited changing the material for each recipient. Now, mass customization is possible. Electronic catalogues can be adjusted, Web pages can be personalized, and messages can be targeted to the individual consumer or business customer. The Web also makes the logistics of individual customization easier. Before, the ways of gathering information about an individual were cumbersome and labor-intensive (First, send a survey or call. Next, receive the information. Finally, have someone manually key it into a

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database). With the Internet, customers put their individual information directly into your database when they order or opt-in to your promotions.

Personalization: A Demonstration

Amazon.com is a master at personalization. Most likely, you cannot be as technically sophisticated as Amazon when implementing your personalization program, but their site does demonstrate several approaches that are worth investigating. If you have purchased from them before, you can conduct this experiment:

1. Type in Amazon.com on your browser, sign in if you need to, and look carefully at the page. What do you see? What books are recommended?
2. Now click on “If you’re not you, then click here”. When the page asking for your email address comes up, ignore it and click on the “welcome” tab, then look at Amazon’s home page. You will find that the choices and content are completely different.
3. After you are done looking, sign back in by clicking “Hello. Sign in to get recommendations.” Expecting the same page you saw the first time you signed in? It isn’t. You will see still more personalized recommendations.

If your experiment worked as well as mine, there are now three or four items you are *dying* to buy. Most likely, the choices that interested you were on the customized pages. The things on my personalized home pages I had a strong urge to buy included two Stephen King books, Adobe Acrobat software, an Andy Kaufman video, and a book about e-publishing. The generic page did nothing for me.

From a marketing viewpoint, Amazon uses data to bring you a personal experience and to increase the chances that you will purchase on this visit. Think about applying the same concepts to your personalization efforts:

Amazon matches your past purchases to similar products you have not purchased. I bought Stephen King books from Amazon last year, so my home page included King-related items.

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The company assumes that people who buy the same or similar items are likely to have the same or similar interests in other areas as well.

Notice when you click on a selection, the item's description page includes a "customers who bought this book also bought..." section. In the lead book description on my Amazon home page, the "also bought" section includes two books I already have (bought from other sources) and two that I am very interested in.

Amazon also gives you an opportunity to tell what you are interested in.

Your home page will change based on what you say about yourself. In applying this concept to your own business, encourage your visitors to keep their interests updated. This way, you can change content based on changing interests.

Target Marketing

Target marketing is the process of first figuring out what group(s) of people can be most helped by using your product, and then reaching this target audience with messages telling them how you can help. By using this technique you can focus your resources on the audience that is most likely to purchase from your business (or take action that will ultimately create more sales for your business). Hence, earning the greatest return from your marketing activities.

Many business people are hesitant to define a target audience, reasoning that because anyone could benefit from their product they should tell everyone about it. Generally, this shotgun approach does not work. Information overload forces people to filter out all but the most relevant advertisements and messages. The ones they notice and respond to will be those that convince them their life will be enhanced in an important way. One-size-fits-all messages often miss the mark by failing to communicate important benefits to most recipients. For this reason, response rates are generally lower than for targeted messages. Targeting, on the other hand, creates a win-win situation. Because members of your target audience will receive something they want or need, more of them will respond to your offer or advertisement. This leads to more sales and profit for you. To find out more about targeting your audience through segmenting, read "Segmenting and Targeting" in Section 2.

The Internet and the technologies used with it have created countless opportunities for identifying and communicating with your target audience.

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Internet users can easily indicate their interests by submitting a form or sending email. Some belong to very specific topical communities on the Internet, giving you insight to their wants and needs. “Section 3, Promotional Tactics”, gives some detail about Internet-based techniques.

Positioning

Positioning defines your product for those in your target audience. It sets the stage for how they perceive your business and shows them how your product is beneficial. You do this by differentiating yourself from competitors and substitutes for your product.

The positioning process involves first understanding the needs and wants of your target audience. You will also need to know the positioning strategies of your competitors and have a thorough knowledge of your own product’s features. Armed with that information, you can spot opportunities to profitably position your business. After deciding upon the approach, you can communicate your positioning from a variety of angles. These include product benefits, superior product feature, user category, use occasion, and in relation to a competitor.

Your online positioning will be tightly interwoven with your off-line positioning strategy. Because your business and products are a reality in both the physical and virtual worlds, the positioning you convey online and off-line should be consistent. Your Web site should incorporate and enhance your positioning.

Customer Acquisition and Retention

A significant goal in marketing is to attract the attention of potential new customers, catch their interest, get them to try your product, and then come back for more. In marketing terms, these are called *awareness*, *interest*, *trial*, and *repeat (or loyalty)*. You can often more effectively grow your business by focusing on one or two of the four. Which you choose will depend on your individual business. If you have regular customers that come back often but do not see many new visitors, you will want to focus on awareness and/or interest. Many visitors but below-average purchasing by these visitors could mean you should focus on interest and/or trial. If you have many customers that buy from you once and never again, focus on repeat purchases may be more appropriate.

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Decide early in the WSMP development process on which you should focus. If you do so, you will find it much easier to develop your plan.

General Marketing Resources

The following information was accurate (to the best of my knowledge) as of this writing but may no longer be current. To see an updated list and other information, go to the companion site www.WebSiteMarketingPlan.com. You can also receive ongoing updates via newsletter by sending a blank email with “subscribe” as the subject line to subscribe@WebSiteMarketingPlan.com.

Free: No charge to use site or service
\$: \$1 - \$249 annual/program cost
\$\$: \$250 - \$949 annual/program cost
\$\$\$: \$950 - \$2,449 annual/program cost
\$\$\$\$: > \$2,449 annual/program cost

Marketing Organizations

Free U.S. Small Business Association, Business Organization
<http://www.sba.gov>

The SBA is run by the United States government as a service to small businesses. While not specifically a marketing organization, there are some marketing resources and advice on its Web site. Search on keyword marketing in the online library.

\$ American Marketing Association, Marketing Function Organization
<http://www.marketingpower.com>

The American Marketing Association (AMA) is the eminent association for professional marketers. The site includes daily news briefs, event listings, a Library Service, and more. The AMA annual membership fee runs mid-**\$** for national dues plus local dues. Local dues vary by area and are in the low-**\$**. Full access to the @AMA online site is an additional fee.

\$ Business Marketing Association, Marketing Function Organization
<http://www.marketing.org>

The BMA is an organization for business-to-business marketers. Annual dues are in the mid-**\$** plus chapter dues, which are in the low-**\$**.

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\$\$\$ Direct Marketing Association, Inc., Marketing Function Organization
<http://www.the-dma.org>

The DMA is a trade organization for interactive marketers, direct marketers, and database marketers. The annual DMA membership fee is low-**\$\$** for direct and interactive marketing companies, mid-**\$\$\$** for suppliers, ad agencies, and consultants.

Marketing Web Sites – These sites included a lot of free marketing and Internet marketing advice. The owners and content writers are professionals with academic and/or hands-on marketing experience.

Free About.com Guided Sites, Informational Web Sites
<http://sbinformation.about.com> (Small Business Information)
<http://marketing.about.com> (Marketing)
<http://advertising.about.com> (Advertising)

Each About.com site has related links and articles under numerous subtopics.

Free adsGuide.com, Informational Web Site
<http://www.adsguide.com>

This online zine about Internet Advertising includes articles and commentary across 10 categories. Subject matter includes Ad Management, Email Marketing, and Rich Media. Newsletter and Web site access are both free.

Free Advertising World Directory, Informational Web Site
<http://advertising.utexas.edu/world>

This directory contains an extensive list of advertising and marketing related links.

Free ClickZ Network, Informational Web Site
<http://clickz.com>

ClickZ contains a collection of columns from marketing practitioners. The articles are written from first hand experience and often express the author's opinions, as seen "from the inside". The material is organized into several online marketing topics. There is a free newsletter for each.

Free MarketingProfs.com, Informational Web Site
<http://www.marketingprofs.com>

Here is an excellent site to learn more about the full marketing process. Real professors and professional marketers created MarketingProfs. The founder, Allen Weiss, has taught at Stanford and is now at University of Southern

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California. The site's advisors are an impressive mix of corporate CEO's, Directors, and Professors at prestigious universities.

Free Knowthis.com, Informational Web Site

<http://www.knowthis.com>

The site covers more than 40 categories, including Internet marketing, e-commerce, and market research. Paul Christ, Ph.D. put together and maintains the site. He is an Associate Professor in Marketing and the Director of the Technology and E-Commerce MBA program at West Chester University of Pennsylvania.

Free – \$\$ Wilson Internet, Informational Web Site

<http://www.wilsonweb.com>

Wilson Internet is composed of multiple marketing/e-commerce Web sites and newsletters with Dr. Ralph Wilson, an Internet marketing consultant and speaker at the helm. Dr. Wilson has many awards to his credit as well as numerous mentions in books and other publications. Site access, including partial admission to the E-Commerce Research Room, is free as are two of the newsletters. A Web Commerce Today subscription is low-\$ annually and includes complete access to E-Commerce Research information.

Online Marketing Information – These publications and resources include articles and definitions relevant for online marketers.

Free Direct Magazine, Informational Web Site

<http://www.directmag.com>

Magazine for direct marketing professionals.

Free Marketing Terms.com, Informational Web Site

<http://www.marketingterms.com>

The site contains a dictionary of more than 150 online marketing terms. For each term, there is a definition, expanded information, and synonyms. You will also find links to related terms, sites, and articles as well as to other marketing dictionaries, encyclopedias and glossaries.

Free \$ DM News, Informational Web Site

<http://www.dmnews.com>

DM News, for Direct Marketers, is published 48 times a year. The Web site reports Direct Marketing news in 17 categories. On the site you can personalize your home page to include stories in your top three interest

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areas. E-newsletters are free. Print subscriptions are available for low-\$ a year.

Free – \$ ebrary, Informational Web Site

<http://learningnetwork.ebrary.com>

Ebrary is a library of searchable business and finance books from leading publishers. You can search the database by keyword and view the results on your screen. Purchase bits of a book by paying a small fee to copy or print your selection or buy a whole book by clicking to your choice of major booksellers.

Free – \$ IMarketing News, Informational Web Site

<http://www.imarketingnews.com>

IMarketing News is a weekly Internet Marketing and E-Business publication. The Web site reports Internet marketing news in 12 categories. On the site you can personalize your home page to include stories in up to three interest areas. E-newsletters are free. Print subscriptions are available for low-\$ a year.

\$ – \$\$ MeansBusiness.com, Informational Web Site

<http://www.meansbusiness.com>

MeansBusiness is a database of business ideas, composed of direct passages from business books. You can purchase material as a single book extract, a book concept summary, or a concept suite (A collection of extracts from several books.). You can purchase an unlimited-access subscription to the database for low-\$\$ annually.

Implementing The Plan

Now that you have developed your WSMP you are likely eager to start implementing. Before implementing a project, however, you should set measurable goals that tie into the supporting strategy. When planning the project, be sure to build in ways to track and measure so that later, when analyzing the project's performance, you can tell if your project was successful. Also be sure to document any assumptions you made when setting the goals. This will help with post-project analysis. Finally, when choosing any outside vendors for your projects, check out their reliability and reputation. You can find a list of watchdog sites in this chapter's resource section.

Developing Action Plans

Some projects resulting from your WSMP will require detailed action plans, others will not. There are likely some you have a handle on – those you can *just do*. For those projects, there is often little need for formal pen-to-paper (fingers-to-keyboard) planning. A start and completion date may be sufficient. If, however, your project is unfamiliar or complex, something like “Set Up An Affiliate Program For My Company”, then an action plan could save your sanity. Your action plan should include a description of the tactic, reference to the strategy it supports, a budget amount, the person accountable for the project's completion, and a timeline.

Timelines

The major portion of an action plan is the timeline, which you can reference throughout the project. With a timeline for your project, it is easier to:

- 1) Know when you are off schedule,
- 2) Identify why you are off schedule, and
- 3) Figure out how to get back on schedule.

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To create a timeline:

First, list the project's major tasks in the order they should be finished.

Then, for each task, assign someone the responsibility for completing it. This can be you, someone in your company, or someone outside of your company (freelancer, agency, supplier, etc.).

Finally, starting with the first task, fill in a completion date for each. Also include a start date and the number of days needed for completing each task.

You may want to include other information on your timeline as well. Your budget amount for the project, cost of each task, and comments are all useful features. To make adjusting your timeline easier, you can put it on a spreadsheet, use project management software, or set it up on one of the planning Web sites listed in the resource section.

Action Plan Example – Arthur Loomis & Associates

Client research is a high priority tactic for Arthur. The specific content of his new site will hinge upon his research results. He wants to complete the research as quickly and efficiently as possible, so decides to develop a timeline for the project. While developing the timeline, Arthur looked into hiring a marketing research consultant to complete this project. He quickly discovered, however, that the cost would be far above his \$500 budget. After considering the implications, he decided to conduct the research himself. The consultant strongly suggested otherwise – Arthur's methodology was likely to be poor compared to the consultants' and, therefore, the research results less reliable. Also, Arthur would have to commit much more personal time to the project without the consultant.

Arthur agreed with this logic but thought that in this case the benefits would outweigh these risks. One of his goals for doing the research was to personally involve key clients in the site redesign. If he were to call and chat with these clients personally, they were likely to feel more important and appreciated than if a stranger were to call them asking a series of questions. Given this major research goal, less-than-reliable results would not be a lethal implication. Besides, he did not feel he could responsibly free up the additional money to pay the consultant.

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Arthur has both Microsoft Project and Excel on his computer system. He has not learned to use Project but is fairly proficient with Excel, so he decided to set up his action plan on a spreadsheet:

Client Research - Loomis & Associates Site

Tactic: Conduct research with key clients to identify specific content for site.

Supports Strategy 1: Enhance client service through improved online communication, information, and education.

Budget: \$500

Person Accountable: Arthur (AL)

Task	Responsibility	Start	Days*	Complete	Cost
Develop client research list Comment: 15 - 20 key clients.	AL	2/4/02	2	2/6/02	0
Develop questions Comment: Includes studying up on proper questionnaire form (\$25 for market research book).	AL	2/4/02	14	2/18/02	25
Conduct Telephone Research Comment: 1-2 per work day.	AL	2/18/02	18	3/8/02	0
Compile Results Comment: 16 hrs. at \$25 per hour.	DL	3/8/02	2	3/10/02	400
Interpret Results Prepare for use as input into site redesign.	AL	3/10/02	2	3/12/02	0
				Total cost	\$425
				Budget amount left	\$75

* Days for each task include nonworking weekends/holidays.

From the timeline, Arthur knows he can begin working on the site redesign soon after March 12th, the research completion date. Should he fall behind in the research schedule, he will have to either make up the time or delay the site redesign.

Tracking and Analyzing Performance

If you are like most of us, you will not “get it right” the first time. Success most often comes from persistent imperfection – learning and adjusting along the way. Think of your WSMP as an ever-evolving entity. When part of the plan isn’t working, either change it or dump it. The budget’s too lean and the hours in the day too few to waste precious time and money on the wrong projects.

So how do you know when something isn’t working? The answer is not always apparent. What may look like a failure on the surface may not yet have been in place long enough to show results. Other parts of the plan may appear successful, but on closer inspection prove unprofitable. To help you figure out if a project is not working, decide your program’s objectives beforehand then analyze your results relative to those objectives. Do this with the goal of correcting your mistakes *before* they sabotage your business.

To analyze a program, you should begin by writing down objectives and assumptions when planning the program. The assumptions are important to document because they will be critical in figuring out what (if anything) is going wrong. Later on, after some time has passed, you won’t remember what you was thinking when you set the program in motion. An example of objective/assumptions for a direct email program:

Objective: Obtain 50 new customers.

Assumptions:

- 1) 1% click-through rate
- 2) 2% conversion rate
- 3) Average first order \$30

If at all possible, conduct a “test” before implementing your full program. Once the test is in motion, check to see if your expectations are holding up to reality. If so, go ahead with the full program. If not, look at your assumptions versus results to help figure out the problem, then adjust until you get favorable results.

After your program, take a look at the results, comparing them to the objective you set for the program. From the email example above, you would check to see if your program resulted in 50 new customers. If it did, your program was a

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success. If not, evaluate your assumptions. From your answers, you can figure out what about your program needs to be fixed. In the example above, check to see if the orders averaged at least \$30, the click-through was 1% or more, and the conversion rate was at least 2%. Wherever the results do not live up to expectation, you have a chance to improve.

In preparation for your next project, decide whether it is worth your time and money to repeat a similar program. This decision is not all analytical. A combination of analysis, experience, gut-feel, business sense, and intuition can lead you to the final answer. If you know in your heart you are headed down the wrong path, then by all means find yourself a new path! If you think you can do some tweaking and get better results next time, then tweak away. When tweaking and analyzing, do not get so bogged down in the details that you lose sight of the bigger picture. Remember that the ultimate goal of marketing is to *profitably meet your customers' needs*. In the big picture, it is counter-productive to become fixated on “tricks” designed only to increase your measures. Some of the trickery I have seen or read about includes:

Ads designed to deceive the viewer into clicking on them. I have seen banners that appear to be closable and others that told me I have a message waiting. Both tricked me into inadvertently clicking to the advertiser's Web site. This deceptively increases the click through rate for the ad.

Sites allegedly showing purposefully annoying ads so the viewer will reload the page until she/he gets another ad. Each reload registers as an additional page view for the site.

Pop under ads that load automatically when the viewer unwittingly triggers it by loading or closing a page. This registers as an impression whether the viewer sees the ad or not.

I have no doubt that these deceptions boosted impressions or click through rates for their campaigns. This may be the only thing the creative agency or the media buyer placing the ad is concerned about. You, the marketer and budget keeper, however, are concerned about results. The click through and impression numbers themselves are meaningless. When analyzing a campaign, you want to know 1) did you meet a customer need and 2) ultimately, did you increase profit for your company? Campaigns do not fill a need by being deceptive (Your potential customers neither *need* nor *want* to be annoyed.). In reference to the second question, it is wise to factor into your profitability analysis ill will

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created from a deceptive campaign. For every customer gained, how many potential customers did you annoy so badly that they will never consider your products? Each deceptive campaign you run shrinks your potential market.

Considering Return on Investment (ROI)

One way to evaluate project results is through a Return on Investment (ROI) analysis. The ROI is a computation that tells you how much you got back compared to what you put into a project. You can express ROI in terms of a dollar amount or as a ratio. Either way, the formula itself is simple.

The dollar amount formula tells how much you increased profit in total dollars as a result of the project:

(Cost savings and earnings as a result of the project) - (Dollars invested)

The ratio formula tells how much you got back, in dollars, for each dollar you invested in a project:

(Cost savings and earnings as a result of the project) / (Dollars Invested)

Things get sticky when you try to define “cost savings and earnings as a result of a project”. This is because returns from marketing investments are broader and often more abstract than returns from some other types of investments. Marketing investments result in not only direct monetary benefits, but indirect benefits as well. To make matters even more difficult, the indirect benefits are often intangible and hard (if not impossible) to measure.

When trying to compute an accurate ROI, the business with limited resources is often in a seemingly no win situation. Accurately computing ROI requires a detailed analysis for which the internal resources and expertise are often lacking. Outside consultants can spend hours unearthing data and computing an accurate ROI, but this costs money (Often, more than most small-budget businesses can afford.). This does not mean, however, that you cannot make your best effort and use ROI as only one of several inputs into your project evaluation. When figuring ROI and evaluating project success, keep in mind that each project will realize different types of benefits. Aside from direct dollars cost and direct dollars returned, consider these other potential project benefits:

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Direct Savings. Find the cost reductions you experience as a result of the project.

Indirect Savings. Look for ways the project indirectly lowers costs for your company. This could be measured by increases in employee productivity, improved operating efficiencies, or better business procedures, for example.

Improved customer relationships. Happier customers can represent a return on investment. This can be gauged through repeat order patterns, by a change in the number of complaints/compliments, or through customer surveys comparing pre and post project satisfaction.

Influence on off-line sales. Online activities often have an influence on off-line transactions. You may experience sales leads originating from your Internet programs. Customers may also be driven to your off-line store as a result of online information.

Brand Building. An online presence can mean better long-term growth for your brand. Market share changes, online interactions, and brand awareness surveys are some ways you can judge brand-building effects.

Company Growth potential. Factor in long-term growth prospects when evaluating your project. For many businesses, the Internet provides access to new markets and customers. If you have a local business, for example, your Web site could extend your business far beyond the city limits.

Regardless of how you choose to measure ROI, remember to compare your results to *what would have happened* if you had not completed the project. Pay attention to what would have been lost (such as market share or a key account to competition) or what costs you may be eliminating (Lower telephone bills or fewer customer service personnel, for example.). Also, consider long-term business implications of the project as well as short-term impact to the bottom line. Repeat business from new customers and word of mouth gained from a marketing campaign are examples of these long-term implications. By taking into account company wide implications, you are likely to get closer to the true ROI for your project.

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Implementation Resources

The following information was accurate (to the best of my knowledge) as of this writing but may no longer be current. To see an updated list and other information, go to the companion site www.WebSiteMarketingPlan.com. You can also receive ongoing updates via newsletter by sending a blank email with “subscribe” as the subject line to subscribe@WebSiteMarketingPlan.com.

Free: No charge to use site or service
\$: \$1 - \$249 annual/program cost
\$\$: \$250 - \$949 annual/program cost
\$\$\$: \$950 - \$2,449 annual/program cost
\$\$\$\$: > \$2,449 annual/program cost

Checking Reputation – Before implementing tactics, check the reputation of potential partners and vendors by monitoring these sites.

<http://www.bbbonline.org>
<http://www.fraudbureau.com>
<http://www.scambusters.org>
<http://www.scamwatch.com>

Project Management Resources – These sites and software will help you plan and complete your projects.

Free MarketItRight.com, Planning Web Site
<http://www.marketitright.com>
This site provides free project planning, task budget guides, status checking, collaborative notes, timeline management services, and more. Once a timeline has been created, MarketItRight helps keep you on schedule by sending you email reminders when a critical date arrives. Additionally, for each task, you can request quotes from vendors, which MarketItRight will gather and present to you.

\$ – \$\$ Microsoft Project, Planning Software
<http://www.microsoft.com/office/project>
Project includes numerous features to help you plan, run, and analyze your projects. A 60-day trial is available for a shipping and handling charge (plus

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tax in some states). The full version suggested retail is mid-\$\$ and upgrade is high-\$.

Return on Investment Resources – You can more fully explore ROI measures through this resource.

Free – \$\$\$\$ Yahoo! bitpipe White Papers

<http://yahoo.bitpipe.com>

This directory contains links to numerous white papers exploring various ROI-related subjects. To get started, search on “ROI” from the directory home page. Costs to access papers range from free up to thousands of dollars.

Learn how to effectively and economically incorporate the Web into your marketing strategies. This step-by-step marketing plan guide, with companion site WebSiteMarketingPlan.com, covers market research, industry analysis, SWOT analysis, segmenting, targeting, and more. Includes 300+ cost-categorized links to expert resources.

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