

Internet Marketing Strategies

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A NEW GAME PLAN. Marketing is the process of influencing a customer to buy your products and/or services. The Internet is adding a new dimension to marketing by increasing the speed of business, eliminating geographic boundaries, and raising customer expectations. As the Internet becomes a mainstream way of doing business, having an Internet presence will be as common as having a listing in the Yellow Pages.

The Internet can be a powerful marketing tool for your company. However, there are some major differences between traditional and online marketing. Having a plan to effectively market your company's products and/or services over the Internet is critical to being successful in electronic commerce.

ONLINE CUSTOMER EXPECTATIONS. Online customers are different than traditional customers. First, they tend to be more self-reliant. Second, they are typically more sophisticated and have higher expectations. In addition to the typical price list and sales brochure, online buyers want value-added information such as industry trends, multilingual content, information links to other web sites, interactive catalogs and demos, etc.. They want the ability to make online purchases quickly and easily, online order tracking, multimedia, and the system to "remember" their preferences. They also expect lower prices when buying online since there is no paperwork or sales commissions.

Many major corporations and government agencies are moving toward electronic commerce and expect their suppliers to keep up. This means small, minority- and women-owned business must have Web sites, domain e-mail names, and the ability to make & receive electronic payments.

The practical effect of the Internet is that your company will have to change the way it does business to effectively market to online buyers. A business can use the Internet to build and expand relationships with their customers or let a more nimble online competitor take them away.

WEB MARKETING STRATEGIES. Five effective Web marketing strategies are to build an online community, determining your market niche, developing an e-branding program, being first to market (or an "early mover") and creating alliances.

1. Community. A web site must do three essential things. First, it must provide value-added content such as information. Second, it must provide an electronic commerce engine such as an online catalog and payment system. Third, it must develop a virtual community where ideas and information can be exchanged. Your company's web site is a more effective marketing tool when you do all three.

2. Niche. A key decision will be whether to pursue a general or niche Internet marketing strategy. The general market provides a greater gain, but also greater costs and risks. Examples of successful online general market companies are Amazon.com (books), Priceline.com (travel), and eBay.com (auctions). A niche or specialized market provides small businesses with an opportunity to have an e-commerce presence without the expense or risk of a general market site. Niche markets tend to be more profitable since there is less competition and provide a base to branch out to other related markets, which supports the continued growth of your company. Examples of successful online niche market companies are Expertmarket.com (consultants), Fragrancenet.com (perfume), and Blue Nile (jewelry).
3. E-Branding. E-commerce and e-branding go together. The October 5, 1999 edition of USA TODAY notes “marketers are realizing one of the best assets for online selling is an offline store. And the key to maximizing the potential of both is to weave them seamlessly together so that the consumer can buy any time and anywhere.” This concept is called 360 degree marketing. E-branding also means using successful online products to create new and related ones such as Amazon.com branching out from originally selling only books and expanding their products to compact disks, videos, and toys. E-branding also means promoting your web site on business cards, stationery, and in hard copy marketing brochures. E-branding is becoming more important as more businesses go online.
4. Early Mover. Being the first to market or an early mover is a critical web marketing strategy. Early movers usually set the industry standard and build strong brand loyalties. Delays can be costly. The November 4, 1998 edition of The Wall Street Journal notes “Those who hesitate risk being ‘amazoned,’ forfeiting business to an Internet newcomer, in the way that bookstore chains have lost ground to Amazon.com Inc., the online bookseller.
5. Alliances. No web site should be an island. Having links to other web sites is essential. This enhances the value of your site and encourages repeat visits, which can translate to increased sales. Creating alliances with our companies allows you to save money by sharing marketing expenses. Alliances also promote the continued growth of your business.

The book Marketing Online for Dummies notes “You don’t have to bet your company on a big, fancy online presence, just be competent, accurate, informative, and up-to-date.”

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