

Methods of e- marketing



**ASSIGN
BUSTER**

Introduction

The spectacular development of the internet has triggered much interest in different areas such as marketing. Businesses are experimenting with this new type of technology to support their commercial activities. There are various e-marketing tools available to e-marketers. The purpose of this paper is to compare and contrast various e-marketing tools currently being used by e-marketers. In order to achieve this objective, this paper will discuss the following four e-marketing tools that are being used widely: search engine optimisation, pay per-click, Web 2. 0, and online social networks. Finally this paper will draw conclusions from the discussions.

Search Engine Optimisation (SEO)

SEO is a way of building traffic via organic search results. The content will rank higher in the search engines if it is better and more popular (Suarez, 2005). Hard work and dedication are required for this type of online marketing, because it's a long and arduous process to position the website and its content at the top of the search engine page (Palmer and Koenig-Lewis, 2009). No website really ventures past the first page of any search engine, but if the website is optimised for SEO, then it will begin to appear more obviously on the first page of search engines like Google (Whitla, 2009).

Consumers respect and trust organic results more as sources of information than paid search results; consequently they are more likely to click on an organic result compared to a paid search result (Trusov et al., 2009). A study showed that 95% of search engine users chose to click on organic results,

while only 6% clicked on paid results (Wang and Zhang, 2012). This divergence can be explained by the fact that many search engine users have selective blindness towards paid search results (Jobber, 2010). The mind of a search engine user considers organic results that appear at the top of the search engine results page as credible. This depicted credibility gives the user faith in the content, products and services (Pang and Lee, 2008).

If the content is relevant even after a long period of time and a search engine still ranks it high because of optimisation, then the content will stay at the top of the search engine results page for a very long time (Armbrust et al., 2010). Therefore, SEO is a means to keep the content pertinent and at the forefront of the company's target audience long after they were created. This is why, SEO is better than Pay-Per Click (PPC), because PPC will fall off the radar engines once the payment of fees is stopped (Armbrust et al., 2010). Armbrust et al. (2010) argue that the return on investment of the website will continue to rise with SEO, whereas with PPC it will reach a certain point and then become stagnant. This is because SEO pages' click through-rates continue for an extended period of time, whereas PPC only has the ability to funnel clicks and convert them to sales for a short period of time. Once the payment of fees for PPC is stopped, the click through-rates will fall and the return on investment will drop proportionately. Boa-Ventura and Zagalo (2010) suggest that start-up businesses with shoestring budgets should go for SEO to promote their contents, because SEO is free of charge.

Pay-Per Click

PPC is a way of presenting the content to the target audience by paying for advertising space in the sponsored results section of search engine results

page (Bruns, 2008). The company pays a fee for the click, once a viewer clicks on the advert and arrives on the web page. PPC can be done through various advertising networks like Google AdWords, Yahoo Advertising Marketing, Google AdSense and infolinks.

PPC produces instant results, whereas SEO takes time and commitment before results begin to appear (Bampo et al., 2008). This is because, once the fees for PPC is paid, the link to the website will appear on the first page of the search engine. If a company wants to promote time sensitive contents such as product and service offers, the PPC is the most effective way of diverting consumers to the company's website (Clarke, 2008). Moreover, PPC enables a company to get its content out when the market is full of authority websites that even the most effective SEO cannot displace (Bampo et al., 2008).

The conversion rates of PPC are higher than SEO, because search engine users who click on paid advertisement have the intention to make a purchase (Cook, 2008). This means visitors who arrive at the website through a paid advertisement are more likely to buy the company's products than those arriving through organic results. Also, calculation of the return on investment of the website is easier with PPC than with SEO (Armbrust et al., 2010). PPC allows the website to be promoted only to target segments. With PPC, it is possible for a company to market its products or services to people based on their gender, age, education level, income bracket and marital status (Easley and Kleinberg, 2010). Therefore, the company's financial resources are not wasted advertising on the website to visitors who are uninterested in the products and have no intention to make a purchase. With

SEO, a website can lose its ranking if the SEO algorithms used by search engines are updated (Cook, 2008). Cook (2008) claims that PPC is not in any way affected by SEO algorithm updates. He goes on to argue that companies using PPC do not need to worry about losing traffic and the revenue that is generated by that traffic.

Web 2. 0

Blogs, wikis, RSS and social references are examples of internet technology and applications that are referred to as Web 2. 0 (Turban et al., 2008). Web 2. 0 expands social users' and business participants' experience, knowledge and market intelligence (Mata and Quesada, 2014). It does so through online applications that are open-source, interactive and user controlled. Web 2. 0 supports informal user networks' creation through the facilitation of ideas and knowledge flows, thus allowing generation and dissemination of market intelligence (Constantinides and Fountain, 2008).

Various Web 2. 0 applications are used to allow the exchange of information between users (Constantinides and Fountain, 2008). For example, websites allow the presentation of information, blogs allow various authors to post items or texts in chronological order on the same website, wikis allow collaborative creation and editing of web pages, chats allow synchronous conversation over the internet, RSS or atom syndication mechanisms allow retransmission of web information sources, podcasts allow distribution multimedia files, and mashups allow amalgamation of content from various websites (Mata and Quesada, 2014). Examples of websites using Web 2. 0 applications include: Blogger, Facebook, Flickr, Google Docs, LinkedIn, Picasa, Skype, Twitter, Wikipedia, WordPress, and YouTube. These sites allow

<https://assignbuster.com/methods-of-e-marketing/>

users to directly create and share information in various forms such as text, photos, and videos, hence facilitating communication and interaction between users (Mata and Quesada, 2014).

Surowiecki (2004) describes collective intelligence as people's knowledge and experience that those people gain and share within social contexts. The exploitation of collective intelligence is the most important aspects of Web 2.0 applications. Companies which exploited collective intelligence survived the dot-com bubble and now lead the Web 2.0 era (O'Reilly, 2007).

However, Turban et al. (2008) question the collective intelligence in Web 2.0 applications due to lack of ability to verify the quality of the content and integrity of the users. Turban et al. (2008) argue that there is a risk that Web 2.0 applications may harness some poor quality information created and shared by its users. The above argument derives from the reality that maintaining editorial control over information created and shared on the internet is extremely difficult. Mata and Quesada (2014) argue that despite the lack of editorial control, the risk of poor quality information is manageable, especially in Web 2.0 sites that have high volume of users and specialise in providing information services. A study carried out by Giles (2005) established that the quality of information posted on Wikipedia is as good as those of the Encyclopaedia Britannica's. Moore (2009) echoes with this conclusion and reports that the Encyclopaedia Britannica has decided to let the public write articles in its online edition because of the success and popularity of Wikipedia.

Online Social Networks

An online social network is a web-based service that allows users to: 1) create a personal profile, 2) connect their profiles with other individuals' profiles with whom they have formed social relationships both online and offline, and 3) view profiles linked to their connections, recursively (Boyd and Ellison, 2007). Boyd and Ellison (2007) state that an online social network's aim is to enable its users to articulate and make clear their existing offline social networks online, not the possibility to meet new people. Therefore, online social networks' main purpose is to facilitate communication and relation among their users who are part of those social contexts (Mata and Quesada, 2014). Online social networks have received much attention because they have made the real social networks more visible and quantifiable, and also they have been accepted as important tools of mass communication, especially to influence others, create and disseminate news (Constantinides and Fountain, 2008; Boyd and Ellison, 2007).

Web 2.0 has already demonstrated that its consequences are beyond technology and it has an effect on consumers, which affects strategy and marketing (Constantinides and Fountain, 2008). Therefore, from a marketing point of view, it is important to analyse online social networks' effect on businesses. McAfee (2009) states that groupware or CSCW (computer-supported collaborative work) is a common perspective that relates to the use of online social networks in business. Ellis et al. (1991) claim that groupware enables communication, collaboration, and co-ordination, which is called the 3C model. To explain the use of online social networks for marketing, the following two perspectives are useful: market perspective

and community perspective. This paper will only discuss market perspective because community perspective is not as evident in e-marketing as market perspective these days.

The market perspective considers the number of users on high traffic online social networks as a potential market. Several such networks have tremendous amount of users, which presents valuable opportunities for businesses to promote their brands and products (Mata and Quesada, 2014). An analysis of 47 Web 2.0 case studies carried out by Dooley et al. (2012) concluded that market perspective related principles, such as behaviour change, segmentation and targeting, are evident in those cases. Therefore, the market perspective seems to be in widespread use when considering Web 2.0 applications for marketing.

However, it is very important to recognise that not all consumers have accepted online social networks. Young consumers are the main users of online social networks, followed by mainstream online consumers and professionals who have realised that Web 2.0 applications empower them (Constantinides and Fountain, 2008). Furthermore, most existing online social networks have target segments and they still attend to those segments despite all the changes that they have gone through in recent times (Rysdam, 2010). Target segments of Facebook and LinkedIn are university students and professionals, whereas target segment of MySpace is young people which are music fans (Boyd and Ellison, 2007). Therefore, it is very important to understand the target demographics of online social networks in order to properly use them according to the market perspective (Mata and Quesada, 2014).

Conclusion

This paper suggests that start-up businesses with shoestring budgets should choose SEO to promote their products and services. However, companies which have financial resources and want to carry out highly targeted campaigns should go for PPC. SEO offers long term search marketing on a budget, while PPC generates quick traffic streams that are required for high converting products. This paper finds that Web 2.0 is only useful if it exploits collective intelligence that is of good quality. This paper warns that marketing through an online social network can only be successful if the company's target segment matches with that of the online social network. Therefore, this paper recommends that a company should combine these marketing tools and use each tool according to the current needs of the company.

References

Armbrust, M., Fox, A., Griffith, R., Joseph, A. D., Katz, R., Konwinski, A., Lee, G., Patterson, D., Rabkin, A., Stoica, I., and Zaharia, M. (2010) " A view of cloud computing", *Communications of the ACM*, vol. 53, no. 4, pp. 50-58.

Bampo, M., Ewing, M., Mather, D., Stewart, D., and Wallace, M. (2008) " The effects of the social structure of digital networks on viral marketing performance", *Information Systems Research*, vol. 19, no. 3, pp. 273-290.

Boa-Ventura, A. and Zagalo, N. (2010) " Editorial: Ecommerce in virtual worlds – a ' just do it' approach?", *Journal of Theoretical and Applied Electronic Commerce Research (JTAER)*, vol. 5, no. 1, pp. I-II.

Boyd, D. M. and Ellison, N. B. (2007) “ Social network sites: Definition, history, and scholarship”, *Journal of Computer-Mediated Communication*, vol. 13, no. 1, pp. 210-230.

Bruns, A. (2008) “ Blogs, Wikipedia, Second Life and beyond: From Production to Producership”, New York: Peter Lang Publishing.

Clarke, R. (2008) “ Web 2. 0 as syndication”, *Journal of Theoretical and Applied Electronic Commerce Research (JTAER)*, vol. 3, no. 2, pp. 30-43.

Constantinides, E. and Fountain, S. (2008) “ Web 2. 0: Conceptual foundations and marketing issues”, *Journal of Direct, Data and Digital Marketing Practice*, vol. 9, no. 3, pp. 231-244.

Cook, N. (2008) “ Enterprise 2. 0: How Social Network Will Change the Future of Work”, Hampshire: Gower Publishing.

Dooley, J., Jones, S. C. and Iverson, D. (2012) “ Web 2. 0: an assessment of social marketing principles”, *Journal of Social Marketing*, vol. 2, no. 3, pp. 207-221.

Easley, D. and Kleinberg, J. (2010) “ Networks, Crowds, and Markets: Reasoning about a Highly Connected World”, Cambridge: University Press.

Ellis, C. A., Gibbs, S. J. and Rein, G. L. (1991) “ Groupware – Some issues and experiences”, *Communications of the ACM*, vol. 34, no. 1, pp. 38-58.

Giles, J. (2005) “ Internet encyclopedias go head to head”, *Nature*, vol. 438, no. 7070, pp. 900-901.

Jobber, D. (2010) “ Principles and Practice of Marketing”, London: McGraw-Hill Education.

Mata, F. J. and Quesada, A. (2014) “ Web 2. 0, Social Networks and E-commerce as Marketing Tools”, Journal of theoretical and applied electronic commerce research, vol. 9, no. 1.

McAfee, A. (2009) “ Enterprise 2. 0: New Collaborative Tools for your Organization’s Toughest Challenges”, Boston: Harvard Business Press.

Moore, M., (2009) “ Encyclopaedia Britannica fights back against Wikipedia”, Telegraph, Online.

Available at: <http://www.telegraph.co.uk/culture/books/booknews/4318176/Encyclopaedia-Britannica-fights-back-against-Wikipedia.html> [accessed on 24/5/2015].

O’Reilly, T. (2007) “ What is web 2. 0: Design patterns and business models for the next generation of software”, Communications & Strategies, vol. 65, no. 1, pp. 17-37.

Palmer, A. and Koenig-Lewis, N. (2009) “ An experiential, social network-based approach to direct marketing”, Direct Marketing: An International Journal, vol. 3, no. 3, pp. 162-176.

Pang, B. and Lee, L. (2008) “ Opinion mining and sentiment analysis”, Foundations and Trends in Information Retrieval, vol. 2, no. 1-2, pp. 1-135.

Suarez, F. (2005) “ Network effects revisited: The role of strong ties in technology selection”, *Academy of Management Journal*, vol. 48, no. 4, pp. 710-720.

Surowiecki, J. (2004) “ The Wisdom of Crowds: Why the Many Are Smarter Than the Few and How Collective Wisdom Shapes Business, Economies, Societies and Nations”, London: Abacus.

Trusov, M., Bucklin, R. and Pauwels, K. (2009) “ Effects of word of mouth versus traditional marketing: Findings from an Internet social networking site”, *Journal of Marketing*, vol. 73, no. 5, pp. 90-102.

Turban, E., King, D., McKay, J., Marshall, P., Lee, J., and Viehland, D. (2008) “ Electronic Commerce 2008: A Managerial Perspective”, New Jersey: Pearson.

Rysdam, P. V. (2010) “ Marketing in a Web 2. 0 World: Using Social Media, Webinars, Blogs, and More to Boost Your Small Business on a Budget”, Florida: Atlantic Publishing Group.

Wang, C. and Zhang, P. (2012) “ The evolution of social commerce: The people, management, technology, and information dimensions”, *Communications of the Association for Information Systems*, vol. 31, no. 1-23, pp. 105-108.

Whitla, P. (2009) “ Crowdsourcing and its application in marketing activities”, *Contemporary Management Research*, vol. 5, no. 1, pp. 15-28.