# A Study About Internet Marketing

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**Abstract-** *Internet marketing is becoming a hot topic in every business sector, and gradually plays a truly important role in any company's multi-channel marketing strategy. However, how to apply Internet marketing especially how to utilize it to attract more visitors to a certain website is still a big question for a number of advertisers. The thesis mainly covers the acquisition process of Internet marketing after touching upon the basic knowledge of Internet marketing, how the Internet adapts to the marketing mix, as well as companies' and consumers' perspectives in pursuing Internet marketing. The two main purposes of this study are to bring a general picture of Internet marketing to its readers and dig into how to drive traffic or attract customers to the Flashgame4fun.com website. The information in the theory part is acquired through many textbooks, articles and websites by using qualitative research method, meanwhile quantitative method is used to collect all important data supporting the case study analysis.*

*The effectiveness of the acquisition process is tested. There is an incredible boost of visits to the website after applying Search engine optimization and link building activities. However, all activities of acquisition process should be combined and implemented continuously to maximize quality visitors.*

**Keywords**: Internet marketing, acquisition process, search engine optimization, link building.

## I    INTRODUCTION

The foundation of the Internet has offered new advanced business transactions and models for the world economy. Internet marketing is born to adapt to this rapid development of online business. Especially, online advertising has been achieving many successes. According to IDC, the total worldwide spending on Internet advertising will reach USD 65.2 billion in 2008, which represents nearly 10% of all ads spending across all media. It is predicted that this number will be over USD 106 billion in 2011.
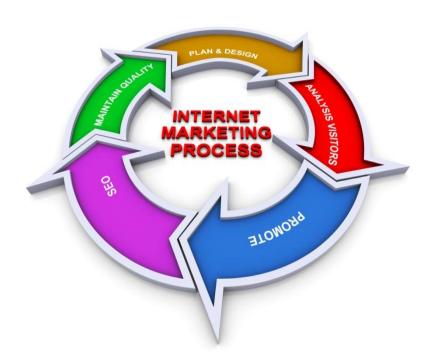
Internet marketing is defined as the application of the Internet and related digital technologies in conjunction with traditional communications to achieve marketing objectives (Chaffey, D., Ellis-Chadwick, F., Johnston, K. and Mayer, R. 2006, 8). In reality, there are some alternative terms for Internet marketing such as e- marketing (electronic marketing) or digital marketing even though they have a broader scope since they include electronic customer relationship management systems (e-CRM systems) as well.

How important is Internet marketing to the success of an organization? There are no exact answers for this question. It depends on the nature of one company business line. There are many companies currently using the Internet as their main business transaction such as DELL, AirAsia, etc… However, companies such as UPM, the world's leading forest products producer only uses the Internet as a media to introduce the company and its products to customers via its website. Besides that, during the whole purchasing decision making process, customers not only use the Internet in isolation to search for products but other media such as print, TV, direct mail and outdoor as well.

These media still play an extremely important role for the marketers to communicate with customers, for example, direct or face – to – face marketing more or less helps marketers build up the trust in customers and encourage them to purchase the products. Therefore, it is better to use the Internet as part of a multi-channel marketing strategy which "defines how different marketing channels should integrate and support each other in terms of their proposition development and communications based on their relative merits for the customer and the company."

This paper is carried out to explore one process of Internet marketing. It is divided it into two parts. The first part is about the theory or principles of Internet marketing which are gathered from books, research papers and articles. The authors focus on the basic definition of Internet marketing, how the Internet interacts with the marketing mix model, companies' and consumers' perspectives in pursuing Internet marketing, as well as Internet marketing acquisition activities. The second part is about the practice. Due to the limit of financial resources, only some of acquisition activities are applied to reveal how effective they are in order to attract more website visitors. However, we still cover all main issues of other activities in acquisition process to provide a common basic knowledge of them to our readers.

## II    RESEARCH METHODS

Research methods are important to provide a systematic approach to a certain study. "Empirical research methods are a class of research methods in which empirical observations or data are collected in order to answer particular research questions. While primarily used in academic research, they can also be useful in answering practical questions. Empirical research methods can be divided into: qualitative methods and quantitative methods. Qualitative methods which collect data in the form of text, images, sounds drawn from observations, interviews and documentary evidence, then analyze it using qualitative data analysis methods, is usually used in the early stages of research (exploratory research) and building a theory. Meanwhile, when theory is well built, or needs to be tested or refined, quantitative methods are the most appropriate choices since they collect numerical data then analyze it by using statistical methods. There are three most common quantitative methods: experiment (applying a treatment, measure results before and/or after), survey (asking questions by face to face interview, telephone, mail, or Internet) and historical data (looking for patterns in historical data). Case study (observations carried out in a real world setting) and action research (applying a research idea in practice, evaluate results, modify this idea) are the most two popular qualitative methods. However, "no research method is entirely qualitative or quantitative. For instance, a survey can either collect qualitative data by using open ended questions or quantitative data by using closed questions. In other cases, observations of participant behavior and measures of response time and accuracy can be happened in an experiment, or quantitative data (e.g. system usage statistics) and qualitative data (e.g. interviews with users) can be collected in a case study.

In this study, we would like to bring an overall picture of Internet marketing by discussing Internet marketing versus the marketing mix, the customer and company perspectives to our readers. Especially, the main points are to test the effectiveness of two activities of Internet marketing acquisition process after presenting common knowledge of it. Therefore, both qualitative and quantitative methods are applied to answer the research questions. As mentioned, qualitative methods is used to analyze of documents and materials. Hence, in the theory part, these methods is applied to exploring secondary data from books, researches and articles to give a thorough understanding the topic and draw answers for the research questions. However, both qualitative and quantitative methods. Case study method of qualitative methods helps us to observe the whole process of testing the most two cost effective Internet marketing's acquisition activities. Meanwhile, we also use experiment method ofquantitative methods to apply the two mentioned activities on the

flashgame4fun website. After that, we collect, measure, analyze and compare the before and after data to have a conclusion of how effectiveness acquisition process activities.

### III    THE INTERNET AND THE MARKETING MIX

Nowadays, the concept of Internet marketing has expanded and brought more opportunities for companies to approach their customers. In the past, the Internet was only used as a tool to contact customers, part of direct marketing. Nowadays, the Internet, particularly websites has been becoming a popular media for any firms to introduce their products and services. The Internet is considered as an independent and effective marketing tool. During eight years, from 2000 to 2008, the number of Internet users has increased by 4 times from about 361 million to more than 1, 46 billion, in which, Asia, the continent with the biggest population accounts for 39.5% of World Internet Users.

It provides an effective strategic framework for changing different elements of a company's product offering to influence the demand for products within target market. However, the researchers only focus on the first main and traditional 4 Ps in this paper due to some limitations. In Finland, nearly four out of five Finns aged 15 to 74, or over three million persons, used the Internet in spring 2007.  To understand precisely how the Internet offers new opportunities to traditional marketing model, it is necessary to examine it based on the marketing mix which is traditional but still applicable.



According to Philip Kotler (2003), Product is the solution to customers wants or/and needs. It refers to the characteristics of a product, service or brand. The Internet offers options for varying the core product, options for changing the extended products, conducting research online, velocity of new product development and velocity of new product diffusion. Many digital products now can be purchased easily over the Internet via providers' website. For other products, instead of providing actual products to customers, many companies publish the detailed product information with pictures or images. Dell is a typical example. For example, new drivers or updated package for a computer or software are easily downloaded via producers' websites. It brings conveniences for both of buyer and seller/ producers. In addition, it is obvious that the Internet provides a new tool to collect customer feedback quickly and accelerate new product development since process of testing new products is more rapid and effective. The information about new products will spread out more wildly and quickly.

Price is the most flexible element comparing to other three elements of the marketing mix, since it can be changed quickly to adapt to the market's demand. Companies can use the Internet to build differential price for different customers in different countries, based on IP (Internet Protocol) analytic technologies. For buyers, they are able to find out the price differences by visiting companies' websites or price comparison sites. In addition to this, the online payment method using credit cards is the most popular, efficient, convenient and flexible way for companies and customers.

Place in the marketing mix refers to how the product is distributed to customers. New method of distributing goods through online selling is offered by the improvement of the Internet. It is possible for customers to make their purchasing decisions anywhere at any time. The Internet has the greatest implications for the Place in the marketing mix because it has a large market place. Companies now can expand their business from local areas to the whole country even to international market. They also can use the Internet to exploit new markets with low cost international advertising since they do not have to establish sales infrastructure in different countries.

Internet Advertising: It is a form of advertising that uses the Internet to attract customers by delivering messages through websites or advertising banners on other popular websites which leads online users to a company site. The company website must be well-organized, well-designed and user-friendly in order to attract more target customers. (Rowley, 2001)

Sales promotion: Thanks to the Internet, sales promotions such as competitions or price reductions can be provided to visitors of the company's website in a cost-reduced way. Not only encourage the customers to visit the company website again, this also provides the means for the company to build a long term relationship with their customers (Chaffey, 2006, 243-245).

Public relations: The Internet is a new medium for Public Relations (PR). Blogs, Podcasts / Internet radio shows, online newsrooms and media kits offer companies a new opportunity to publish the news directly while in traditional marketing they would wait for periodical publications (Chaffey, 2006, 243-245).

Direct marketing: Thanks to the Internet, companies nowadays have a new tool for direct marketing and advertising that may be cost effective and maximum delivery to targeted customers. By using e-mail addresses, the company can establish a two way communication method with customers (Chaffey, 2006, 243-245).

## IV    INTERNET MARKETING – COMPANY AND CUSTOMER PERSPECTIVES

### Internet marketing – Company perspectives

The 21st century is predicted to be a century of technologies when everyone, every company, every organization apply them to make their works become much easier and more effective. The popularity of using the Internet, together with the improvement of computer hardware and software industries, completely boost the development of e-marketing in the whole process of buying from pre-sale to sale to post-sale and further development of customer relationship. New comers in this area have to consider very carefully the use of these modern channels. Since, the role of Internet marketing is to support the multi-channel marketing which is the combination of digital and traditional channels at different points in the buying cycle. They have to understand which the main marketing channel is and which the supportive marketing channel is. Below is some results drawn from different articles and researches which touch upon different parameters that make many companies pursue Internet marketing.

### Drivers for Internet marketing:

What are factors which drive many companies to apply the Internet marketing and how does the size of a company relate to these drives? Bengtsson, Boter, Vanyushyn (2007, 27) who conducted a survey with various Swedish companies of different sizes; give their readers a set of quite satisfactory answers to these questions. Depending on the number of employees, the authors categorized them into three different sizes: small, medium and large (turnover and profit should be taken into consideration). They figure out that different factors drive different size companies to adopt Internet marketing including willingness to cannibalize, entrepreneurial drivers, management support, and market pressure. Besides that, they also find out which of these factors drive what size of companies.

### Marketing channel preference:

Nowadays, many companies have to take the pros and cons of Internet marketing channels and traditional marketing channels into consideration seriously to decide which channel is suitable and more effective for their companies. By comparing and contrasting between companies' motivations to choose between Internet channels and traditional channels, Jaeki Song and Zahedi F.M in their study "Internet marketing strategies: Antecedents and implications", indicate that Internet marketing is another good choice for any companies. And what attracting customers is a reasonable price provided by companies. The results are only drawn from some successful websites. Failure websites, the reasons of failure, and many risks that consumers have to face when using Internet marketing for example Internet security, scammers etc. also need to be discussed.

### Internet marketing – consumer perspectives:

In fact, customers also have their own opinions and attitude towards Internet marketing. There are some works which concern what would interest consumers to pursue e-marketing and be willing to use it as well as what would prevent them from using it.

### Consumer privacy:

In an effort to understand New Zealand consumers more, Chung W. and Paynter J. (2002, 2402-2411), based on their work, drew a conclusion that it was a must for companies to have privacy policy statements under their website to protect consumer privacy information, to make sure that their customers' information cannot be misused. Some solutions were also discussed in this study to protect customers' privacy. For the authors, solutions such as legislation, self-regulation and technical solutions had be combined together to maximize its effectiveness.

Consumers decision making process in buying a product or using a service:
The fact is that any consumer is influenced by different factors in his or her decision making process of purchasing products or services. According to George Joye F, many customers feel confident to make an order only when they have made a few purchases. They are afraid their privacy can be revealed and misused without their acknowledgment. If buyers do not trust the company which provides online sales services, they will never want to make any online buying decisions. In addition, e-marketing helps consumers to have more

different means to search for products' designs, functions, features, specifications, prices etc. so they can compare and contrast products and services before giving their final decisions.

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**How consumers evaluate companies in the Internet:**
The participants in Cheung Christy M K and Lee Matthew K O (2006, 479 - 492) work evaluated Internet merchants based on integrity, competence through professional websites and security. External factors such as third party recognition also are very important. A company and its website can gain customers' trust easily if a recognized third party certifies that the website is secured. In addition, guarantee terms also contribute to build trust in customers' minds. However, the study can bring more precise results if the participants come from different group ages.
Search Engine Optimization

Search engine optimization (SEO) is a structhred approach used to increase the position of a company or its products/ services in search engine natural or organic results listings for selected key words/ phrase. In simple words, SEO is method of archiving higher ranking, faster indexing in different search engines. The term "organic search" refers to results from a keyword or key phrase (keyword phrase) search. Thus, the higher-ranking websites have higher chance of getting traffic from an organic search. How do the search engines rank a website? Each search engine has its own way of weighting. In common, most of the mechanism is based on spiders and robots. Search engines compile an index of words on websites by sending out spiders or robots to crawl around sites that are registered with that search engine traffic. After crawling contents of sites, each search engine has its own algorithm that weight the index based on different parameters.

**Online Partnerships:**
There are three kinds of online partnerships: link building, affiliate marketing, and online sponsorship.

Link building is a structured activity to include good quality hyperlinks to your website from relevant sites with a good page rank. Link building is a key activity for search engine optimization. It can be considered as a part of Online PR because the links to your website are visible in third parties websites. Link building is a time consuming process including building reciprocal links, links which are agreed between yourself and another organization. Getting a "good" or "quality" links to your website also can be done by purchasing from high ranking websites or Search Engine Marketing companies. There are some guidelines for link building which we should pay attention to such as: - These links must include our main keywords in the "anchor text". Anchor text is the actual text located within the link linking to our website. - It's best to get links from the exact same websites that the top ranked websites have their links on. - Try to get links from as many different IP Addresses as possible.

An affiliate marketing scheme is also known as associate marketing scheme. It is defined as a commission-based arrangement where an e-retailer pays sites that link to it for sales. In other words, a merchant pays the affiliate for links that are generated from the affiliate site to the merchant site. For instance, an e-retailer wants to sell his/her products through affiliate marketing. In fact, there are many companies which want to conduct surveys or want leads generated for them also find help from this scheme. They pay commission to affiliates' site whenever affiliates get a survey form filled through their website or generate a lead. This is named pay-per-lead.

**Interactive Advertising**:
Interactive marketing refers to place ad banners on other websites. If ad site visitors click on ad banners, visitors will be redirected to destination sites. In some aspects, it is quite similar with Pay-per-click search engine. The main difference between these two types of marketing activities is: there is no interference of the third parties or search engine providers. Besides traditional banner ads, there are now many different forms of interactive advertising such as pop- ups/ layer, video ads, or new large-format ad spaces (button 2, skyscrapers, wide skyscrapers, Leaderboards). The main purposes of interactive advertising for example are: delivering detailed information of a destination site's offer, leading to a sale, and brand awareness.
The foundation of interactive advertising results in the appearance of many new different terms, for instance page impression (occurs when an Internet user views a webpage), ad impression (occurs when a person views an advertisement on the webpage), reach (a number of unique individuals view an advertisement), Clickthrough (occurs each time a webpage visitor clicks on an ad banner which leads them to destination website) and clickthrough rate (CTR) (is the number of clicks your ad receives divided by the number of

times your ad is shown (impressions) . According to an ADTECH research (2007), in Europe, the clickthrough rate has fallen from 0.33% in 2004 to 0.18% in 2007. Compared to other countries, the CTR in Finland is the lowest one, only 0.09%. Dirk Freytag, CEO, ADTECH, said: "The decreasing numbers overall in my opinion are due to the fact that the users have increasingly gotten used to online advertising during the last years. Banners are now commonplace on the Internet. New formats, such as video ads are needed to draw attention and generate clicks. Layer and Leaderboards in contrast have a high reminder potential even beyond the Web."

**Email marketing:**
Email marketing communications are separated into two categories: outbound email marketing and inbound email marketing, in which, outbound email marketing refers to emails are sent to customers and prospects from an organization, and inbound email marketing is the management of email from customers by an organization. This method of communication to customers through e-newsletter or periodic email blasts is considered as a vital communications technique for companies.

According to the Double click website, there are three key measures for email marketing: delivery rate (non-bounce rate), open rate and click through rate (click rate). Delivery rate simply shows the percentage of delivered emails. Emails will bounce when the email addresses is no longer exist or blocked by a spam filter. Open rate indicates how many emails are opened, however these figures are not accurate. It can be explained that a number of users have preview panes in their email reading programs which load the image even though it is deleted without reading. Besides that, some email readers such as Window Live Mail block images by default. It results to the open rate decline gradually through time. Click through rate or click rate refers to the number of delivered emails are clicked through by readers.

For any company, managing the number of inbound emails is absolutely important since it influences directly on the customer service quality. To be successful, an inbound customer contact strategies needs to be developed by organizations to reduce the cost of customer contact and improve the quality of customer enquiry management.

**Online PR:**
PR stands for "public relations". In some cases, it is also used as an acronym for "press release" or "press relations". According to Chaffey et al. (2006, 384 - 388), online PR refers to maximizing favorable mentions of an organization, its brands, products or websites on third-party websites which are likely to be visited by its target audience. Online reputation management, which controls the reputation of an organization through monitoring and controlling messages placed about the organization, is another aspect of online PR.

There are many activities which belong to Online PR. Communicating with media (journalists) online is one of Online PR activities. It uses the Internet to spread out press releases via email and on-site. A company can create a press-release area on its webpage or send email alerts about news that journalists and other third parties can sign up to. It also can choose to submit its news stories or releases to online new feeds. Link building is another activity of Online PR since it aims to make your brand visible on third parties' webpage. It must be well-structured effort to achieve as many links as possible into a website from referring websites. The third activity of Online PR is blogs, podcasting and RSS. Blog is an online diary or news source prepared by an individual or a group of people. It is an easy method to disseminate information. Business blogs can be created by people within the company but need to be under control to avoid releasing harmful information. Podcasts are set up by individuals and organizations to post online media (audio and video) which can be viewed in appropriate media players. However, it is difficult to make podcasts visible because their contents are usually only be recognized by tags. Moreover it is not easy to assess quality without listening to the start of a podcast. Really Simple Syndication (RSS) is an extension of blogging where blogs, news or other content Ares published by an XML standard and syndicated for other sites or read by users in RSS reader software services. Another activity of Online PR is to manage how your brand is presented on third- party websites. It is necessary to establish monitoring services as well as have resources to deal with negative PR. Creating a buzz – online viral marketing is part of Online PR which is discussed separately in this paper since it plays an important part in attracting more visitors to a site.

**Offline campaigns:**

"Offline promotion" refers to using communications tools such as advertising and PR delivered by traditional media such as TV, radio and print in order to direct visitors to an online presence (Chaffey et al. 2006, 370 - 373). This is one of the most useful activities to drive traffic to a website. In addition, the characteristics of offline media usually have a higher impact and are more creative as well as explain the online value proposition. Many organizations whose depend mostly on the Internet continue to invest heavily in offline media. Dell and AirAsia are two companies which use online sales services as their main business transactions but they still have to spend a lot of money on offline media every year.

## IV    CONCLUSION

The Internet is certainly the place for businesses to expand, reach new markets and provide new services but there must be a balanced approach to the Internet. The Internet must be regarded as a strategic resource important to the whole business. The technical detail of the Internet can be complex. Management responsibility however is more productively focused on managing the implementation

process to achieve strategic goals and assure smooth, secure operations. The IS Manager must first define why the company wants to be connected to the Internet then move to establish the appropriate connection, choosing the most cost effective option between capacity and speed. For medium businesses it is recommended that high speed modem links to a provider with dedicated telephone lines would be most appropriate. Issues such as how to advertise and promote the company on the Web must then be tackled, taking into account the human and social issues on the net. Users of the Web can include both employees and potential customers.

By learning what and how the Internet can help the employees in their day to day work, non-business use of the Internet can be reduced, and by offering on-line services and supporting the customer via the Internet, a whole new market can be created for the business. A medium business would consider having a Web site with the Internet provider but perhaps creating and updating the web pages themselves. Finally security against intrusion has to be maintained. Technology is a vital tool to IS Managers to cope with this. Also by having the Web site at the provider and linking to the Internet by regular telephone lines it makes the company's data safe from hackers. In conclusion, with careful planning and proper management, putting a business on the Internet can make it more effective and productive. However understanding and knowing how the rapid changes and various complex issues that can be encountered in getting the business onto the Net is imperative to its success. This responsibility lies largely on the IS Manager who must know what options are available to him or her before being able to cope with it.

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