

**VIRTUAL VARIATIONS OF ONLINE MARKETING**

A Thesis

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## **Introduction**

In today's ever-changing world small businesses need to adapt if they want to compete within the market. According to a recent survey conducted by Zoomerang and GrowBiz Media the top five areas that small businesses plan to increase their advertising budgets in the year 2011 are websites, email marketing, direct mail, social media and print design (www.zoomerang.com, 2010) Out of the individuals that took the survey hosted by Zoomerang and GrowBiz Media, 17% of business owners plan to increase their marketing budget for website design, 15% plan on increasing their email marketing budgets and 13% plan on increasing their social networking budget. Overall the survey concluded that small businesses in 2011 plan to increase their overall online marketing budgets by 54% in comparison to offline forms that ranked at 46% overall. From these results it is safe to conclude that if a small business wants to stay competitive they will undoubtedly need to start gearing their marketing dollars toward the online form of advertising.

The main focus of this thesis will be to give a better understanding on the online aspects of marketing such as; websites, email marketing and social networking websites. Results of this thesis will give small businesses an understanding of what the advantages and disadvantages are in accordance with the various forms of online marketing, and will hopefully be used as a tool in the decision making process.

## **Email Marketing**

What is email marketing? Email marketing is the use of emails to market your business ideas to your target audience. A business can send emails themselves as a plain text email or with the help of a hired email marketing company such as Vertical Response or Constant Contact. A good email marketing campaign works by gaining permissions from the potential clients, this essentially means that the client has explicitly asked for the emails to be sent through the process of opting in. You can gain these permissions through an opt in form on your company website, through means of social networking like Facebook or Twitter, or your business can offer a sign up email form in your store as well (Brownlow, 2011). Constant Contact offers free applications that allow your company to add the “join my mailing list” button on your business Facebook page. This way if your fans on Facebook enjoy what you post they can also opt into emails with more information that is similar to what your business blogs about ([www.constantcontact.com](http://www.constantcontact.com)).

There are many reasons why a business should chose email marketing as a tool to get their message to the public, but the most important reason is the profitably. Email marketing has all of the benefits of a direct mail campaign, but does not carry the design or printing costs (Garrett: page 2). It is important to consider your technological know-how before starting with an email marketing campaign, if you do not have the technical knowledge and experience to start and execute an email campaign the process can seem very daunting. Companies such as Constant Contact have many user friendly tools that can help a company get started,

they offer ready to use email templates, and if you do not have the understanding or time to learn there are several design companies that can do the campaigns for your business at a reasonable price ([www.constantcontact.com](http://www.constantcontact.com)). Another benefit of email marketing is that it is fast to create and send. With very little time you can create an email list and send a message to a very large target audience. Through Constant Contact you can start a campaign with as little as five email contacts.

Email marketing is a great tool to ensure that your message is heard because you are ensuring that your information is getting sent to your target audience rather than using websites or blogs that require your clients to log in to inquire about your message. Email marketing is viral, this means that once your emails are sent, the recipient can then in turn send that same message to people within their contact list that they feel may benefit from the information as well, this word of mouth principle is one of the best forms of marketing today. Most people trust what their friends and family have to say and if they suggest your company you will get noticed in a hurry.

Perhaps one of the best reasons to use email marketing is the fact that it is very easy to track and test the product to make sure that you are sending the right kind of campaigns to your target audiences. Many companies like Constant Contact and Vertical Response offer tracking tools that enable you to follow how an email was opened, what links within the campaign have been clicked on and what subject lines are the most effective (Garrett: page 2). These tools ensure your company that you are spending your hard earned marketing dollars within the correct avenues, which is very important in today's rough economic state.

When choosing to use email marketing it is important to know what constitutes an acceptable email. You want to ensure that your campaigns follow certain guidelines such as; making sure that the recipient has requested the email, ensuring that your emails are sent in a timely and regular fashion, and confirming that the email is relevant to your target audiences needs and wants and that the recipient has the options to stop emails at any time (Brownlow, 2007). Making sure that the recipient requested the email is key to keeping your companies good reputation intact. If you send emails to people who have not requested them you could potentially annoy clients, which may make them not want to do business with you. Ensuring that your emails are sent regularly is an important factor because if you go too long in between emails the client may lose interest and want to opt out of your campaigns all together. The relevancy to your clients is important because if your clients do not feel like you are talking directly to them they may feel like you do not have their interest in mind when making business decisions. And finally having the opting out feature is key, people want to feel in control of their incoming information, and if they do not have an option to stop the emails they may become annoyed or angry with your company (Brownlow, 2007).

There are drawbacks to email marketing that must be considered as well. First and foremost the issue of your company potentially becoming labeled as a “spammer” is important to shy away from. The line between spam and an acceptable email campaign is very thin and the problem is that everybody has their own idea of what spam is. The overall consensus of what spam is can be described as follows; if you didn’t ask for the email to be sent, if you do not know the company that sent the

email to you, if the subject line has nothing to do with the content within the email, if you don't care about the content within the email, and if you were not offered a way to opt out of the emails from being sent to you (Brownlow, 2007). If your company is branded as a spammer the recipients could report your emails as spam, which in turn could blacklist your email address from many email providers. It does not take many reports to stop your campaign all together. As a result of becoming blacklisted from email providers, your account with the service provider for those emails could be canceled as well. Email providers do not want to be associated with spam because it is simply bad for business (Brownlow, 2007). Having a good understanding of what is considered as spam is very important when considering email marketing, there are several laws set in place to ensure that spam is not used such as the Ban on Deceptive Unsolicited Bulk Electronic Mail Act of 2003 (s. 1052). This bill prohibits the use of misleading headlines or subjects lines and it also requires that senders of emails include an opting out feature. If anti-spam laws are violated the sender may be prosecuted against under federal law (<http://www.spamlaws.com/federal/summ108.shtml#s877>).

In conclusion to the discussion on whether email marketing is a good decision for your business it was discussed that email marketing is a very useful and inexpensive tool to use, but must be planned and executed correctly. If your company decides to use email marketing the use of a reputable source for sending the emails such as Constant Contact or Vertical Response is important, these companies will ensure that you are following all the necessary guidelines and that the recipient will have the option to stop any and all unwanted emails from getting

sent to them. Hiring a design or marketing company with the necessary knowledge is also a very important thing to consider if the process seems daunting.

### **Social Networking**

What is social networking? Social Networking is the interaction between a group of people who share a common interest; Using social contacts to network; Using internet's network groups (such as Facebook and Twitter) to network and communicate between consumers and businesses ([http://en.wiktionary.org/wiki/social\\_networking](http://en.wiktionary.org/wiki/social_networking) 10). Social networks are compiled from profiles and/or connections. Profiles consist of an individual or businesses personal information and/or experiences such as; their background, education, interests or affiliates. Connections consist of either implicit or explicitly obtained avenues. Implicitly an individual or business can gain connections by actions such as emails or telephone conversations, and explicitly by actual members of the social network themselves. (Carfi, Chastaine, 2011). Currently the most popular social networking websites are Facebook and Twitter, but there are thousands of social networking websites out there. One can find a social networking website to suit almost any interest imaginable, there are websites devoted strictly for chefs, auto enthusiasts, music lovers, and many more. With this in mind a business can join a social networking website that is fine tuned to their particular business to generate interest by thousands who have a passion for the products or services that said business provides.

Today's generation and upcoming generations are both familiar with and comfortable using social networking websites and are often their first choice in communication today. A business, new or old to ignore the trends of communicating through social networking would be a large mistake. Ignoring the trend could possibly lose businesses potential clients, sales or future knowledgeable employees that may help said company to excel. It is estimated today that Facebook and Twitter have a combined population of people and businesses of over 200 million, keeping these figures in mind the imagined potential business interest seems limitless.

Social Networking websites are not only a great instrument for gaining the public interest in a company; they can also be a tool within an organization. Internally social networking can be used as a tool to observe how information within an organization is being exchanged. Gaining knowledge into how ideas are surfacing may help a company see how; who or what is responsible for the changes within an organization (Carfi, Chastaine, 2001).

Generally a person will chose to do business with a company that is a member of the same social network as them because the form of communication that they feel most comfortable using is what they will naturally gravitate to first, and after all isn't the name of the game to be first? Businesses have been forced to change their marketing strategies from "selling" to "engaging" (Gordhamer, 2009). Another argument in favor of social networking is the vast changes of how the

public wants their information presented to them today, people generally want to feel engaged by a company instead of marketed to.

There are downfalls to social networking that should be considered before a company makes the decision to invest the time and money from their marketing budget. Although social networking websites like Facebook and Twitter are generally set up to be user friendly, if a company does not have the appropriate technological knowledge to create the site, it can be a daunting task. If a company lacks the knowledge to start a social networking website then they will most likely need to hire either a knowledgeable consultant or staff member to set up the website. Social networking sites aren't always reliable, so a company is going to want to employ someone who has the experience as well as the patience to deal with the necessary trials that undoubtedly will occur (Bonfield, 2008). Like many forms of marketing within a business, what you put in is usually a reflection of what you will gain but this is not always the case due to the lack of statistical information provided today. Social networking takes time and patience and there is not enough data generated as to the level of response a business will receive from the work.

Another element to consider when deciding if social networking is right for your business is the fact that in using a social networking website you do not have full control over the content that is generated from the website. One factor to keep in mind is that within a social networking site the individual or business that you associate with could potentially associate with someone you do not want to have direct ties with. Social networking websites have tools that are called "friends" or

“followers”, these are the people or organizations that agree to follow your business and have the permissions to write comments on your “wall” which is showcased for anyone who uploads and views your page. If a company allows an individual or business to be their friend, potential clients can then in turn look at whom your business is associated with which can be good or potentially bad if the associated “friends” are controversial to your causes (Bonfield, 2008). Another consideration is the fact that an individual or business is limited to how the information is presented on the particular social networking website. Most social networking sites do not allow the user to choose the design or orientation of the content, if you have a design plan or vision in mind a social networking website may not be the best option for your company.

A final issue to consider when deciding if social networking is right for your business is the factor of unwanted criticism that can potentially get uploaded to the World Wide Web. With the accessibility of the web today it is very easy for anyone with a computer to express his or her opinions with little to no allowance for editing. In the past, when someone had an issue with a company or organization it would take days if not weeks to tell everyone they knew of the issue, but today it only takes a matter of seconds to tell everyone you know of the bad experience (Gordhamer, 2009). The issue of opinion based comments are a two way street. Many individuals and organizations will express their opinions in a good light, but on the other hand there will be some that express their complaints and this criticism circles back to the subject of time management and having an experienced individual that is on hand to handle the comments as they arise. Of course it is

understood that there is no way to respond to every comment that is delivered about your business but it will work in the best interest of your company if you show a concern for the disgruntled clients that undoubtedly will arise. In answering and showing concern publicly to those who have expressed a bad experience, a company is viewed as customer oriented and that they are willing to change to suit the needs of their clients. Criticism from such websites are also a great tool for a company to use in making the necessary changes that will arise with the changing of your target audience, keeping up with the change in times is a key to the marketing success of a business.

To wrap up the discussion of whether social networking is the right choice for a company it was discussed that social networking websites are a free tool to use, but can be costly to set up and maintain if you aren't knowledgeable with the technology. A business also has to consider that the content within the site is not completely controlled by the said company, which can be viewed as a good and or bad result. Regardless of the decision to use social networking, the fact that today's generation has adopted it, as a very useful tool to communicate with is unarguable. With the right tools and planning social networking can become an extremely valuable tool for a business today.

## **Websites**

What is a website? Dictionary.com defines a website as "a connected group of pages on the world wide web regarded as a single entity, usually maintained by one person or organization and devoted to a single topic or several closely related

topics” (<http://dictionary.reference.com/browse/web+site>). There are several factors to consider before making the decision that your company needs to purchase a website, as well as the many factors including cost that go into making a website functional. In today’s highly technological world having a website for your business can be an essential tool to have.

Before exploring the reasons why your business should or shouldn’t purchase a website let us discuss what the process of obtaining a website entails. The first thing to consider when making the decision to purchase a website is, what information do you want your website to convey to your target audience? Having a good plan for the kind of web presence before entering into the web design process is key. Once you have a plan set in place for what your website will convey to the public, you will need to decide what your domain name will be and then purchase the domain name from a domain name provider. A domain name is the URL address that the public will type into the search bar in order to find and look through your website. When choosing a domain name it is important to purchase a highly memorable name as well as a name that will be easy for your audience to type into the search bar. If you pick a long or complicated name people may not want to take the time to type it in and they may give up the search for your company all together. There are a great many companies that can assist in the purchase of a domain name which makes it very important to chose a highly regarded and trust worthy company. If the process is too daunting you can also hire a web designer to help you navigate the process. The design of your website and how the information is presented to your target audience will make or break the success of your website.

Hiring a professional web designer will help ensure that your website looks professional and ensures to the public that your company is legitimate. You can opt out of hiring a web designer and purchase a subscription to a blog based “do it yourself” website such as Wordpress.com, but you will definitely need some technological knowledge to get the website completed as well as the time that doing the blog site yourself will entail. Once you have decided how your website will be designed you will need to decide what content will be included on the website. The content that you include within the website will be the determining factor of how search engines such as Google, Yahoo or Bing will rank your website on the search engine results page. Getting to the top of search engine sites is the key to maximum exposure of your business. The most common format of a website includes a home page, about page, products page, services page and contact page. The contact page is essential to ensure that your business will be included on the local business listings within the search engines (Ratra, 2009).

After the website design process is completed, you will need to make the decision as to how your website will be uploaded to the World Wide Web, this process is called website hosting. Most website hosting companies also provide domain names, and if you hired a web designer most times they will complete the entire purchasing process for your business. I would recommend having your web designer handle the entire process for you so that you have just one contact person to answer any of the questions you might have. If you choose to embark on the website design process yourself there are many companies that can help you with the purchasing of the website hosting process such as Godaddy.com but again you

want to make sure that you chose a reputable company such as Godaddy.com that prides itself on customer service for all of the questions that will undoubtedly arise.

After your website is uploaded the work is not done. You will need to ensure that your website is viewed by your target audience which happen through search engine optimization (SEO) as well as Internet marketing. Your website will need to be added to the search engine listings of each search engine through the registration processes that these companies have set in place. Your web designer should be able to help with this process as well. Search engine optimization refers to using words or phrases that an individual will use to search for products or services your business offers. This process is becoming one of the most important avenues to help your website's ability to be viewed today (Ratra, 2009). Internet marketing may consist of social marketing such as Facebook and Twitter as well as paid advertisements like banner ads and pay-per-click advertisements.

Now that you have a better understanding of what the website design process entails, let us discuss the advantages and disadvantages of purchasing a website for your business. Having a business website ensures that your businesses information is easily accessible to your target audience, you can provide information on the products you sell as well as the services that you provide. Having a website definitely helps set your business apart from your competition which can be especially important if your competition does not have a website. Many people today use the Internet solely as their source for information and having a business website will ensure that those individuals can access your business information

when they are searching for services or products that your business provides. Having a website can also be a useful tool to gain email contacts for a future email marketing campaign (Ratra, 2009). One of the most important advantages of having a website is the fact that you decide what information the viewer reads and you own the rights to the information and control your business image through the design and content provided.

There are several disadvantages to be considered when deciding to purchase a website as well. The first issue is the cost. As previously discussed, you will need to purchase a domain name as well as website hosting. Domain names are sold on an annual basis, you can purchase the rights to the particular name for a small fee averaging between \$10.00 - \$15.00 per year. The price of a domain name is determined based on the URL extension, you can choose from an array of extensions such as .com, .org, .biz, .co, and .info. Website hosting fees also need to be considered, you will need to purchase hosting on a monthly basis, these average between \$5.00 - \$15.00 per month depending on how many gigabits of space you will need and what level of security your website will require. If your website will need to include ecommerce or the ability for customers to purchase items directly from your website an additional fee will also be included. In order for your website to accept payments such as credit cards, debit cards, or e-checks you will need to subscribe to a merchant account. The fees associated with having a merchant account can vary depending on what company you hire. Paypal.com is a very affordable choice and has excellent customer service to help with all of your questions during the set-up process. The final cost associated with purchasing a

website is the cost of hiring a website designer. Website designers can charge anywhere from \$1,000.00 to \$10,000.00 per website so it is very important to research the web designer and ask to see examples of their work before hiring an individual. The price of a website is determined by the amount of content and the amount of technical features to be included within the website. If your website has many features the cost will be more due to the amount it will take the website designer to complete the work.

Maintenance of your website is also inevitable. And even though you may have few changes to make, keeping your website current is extremely important to the search engine optimization as well as keeping the integrity of the website. Maintaining your website will require either some technological knowledge or inquire you to hire the services of a web designer (Advantages and Disadvantages of having your own website). Along with the responsibility of maintaining your website, you will also have the responsibility of answering any and all emails that come from customers viewing your website and asking questions they may have of your products and services. If you fail to respond to emails from your website viewers, the legitimacy and reliability of your website and business may come in question (<http://dictionary.reference.com/browse/web+site>).

In discussing if the purchase of a website is right for your business we discussed that websites can be costly and require time and energy to plan and execute. The proper knowledge is also required to successfully upload a professional functioning website to the World Wide Web and that the hiring of a

web designer should be considered. The fact of the matter is that there is an ever-growing demographic of people today that use the internet as their sole source for information and any business that thinks they can avoid or ignore the importance a website and still become successful needs to re-evaluate there marketing strategies.

### **Conclusion**

What is the best choice for a small business in accordance to the many necessary decisions needing to be made? Your advertising budget needs to be a major factor in the decision making process, if your advertising budget is relatively small social networking may be the best choice. Social networking can be set-up and maintained with little to no adverting dollars spent as long as you have a small amount of technical knowledge, and if you do not have the necessary skills a designer can help for a relatively small fee. Having someone on staff with the knowledge to maintain the social networking website is another option for saving advertising dollars.

Email marketing is another outlet that can be completed using a very small amount of your small business marketing budget, by using companies such as Constant Contact and Vertical Response you can set what your monthly or yearly marketing budget will be and easily track the progress for the year to help decide whether or not that form of advertising is best suited for your small business. Email marketing is another marketing outlet that needs little to no technologic skills, which will ensure that your advertising dollars are well spent.

Websites are a marketing tool that cannot be overlooked, with today's ever changing and ever-growing online world having a website is a necessity that should not be overlooked. With websites the decision is not should I have one, it is how should I go about getting one. You need to plan out what information that you want your website to convey as well as who you will entrust with the task of designing and uploading your small business website to the web. There are many do-it-yourself companies that can help in the process such as Wordpress.org if you feel up to the challenge of designing and uploading your website yourself. Keep in mind that this will take some time and computer sense to get the task completed. You can also hire a website designer, but make sure and be weary of designers merely interested in the "look" of your website, make sure that the designer has your businesses information at heart, this will ensure that your businesses information is seen by the most people through the various search engines such as Google and Bing.

If your small business-advertising budget allows for it, the use of all three forms of online marketing will give your small business the best odds in gaining the most amounts of clients. The three online marketing forms can work as a group to inform; inquire, and track your audiences' needs and wants in accordance to the products and services you provide. In my opinion the use of websites, social networking and email marketing together is the best choice for a small business today.

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