

MARKETING

The Eight Secrets of Successful Internet Marketing

By: Conrad Jungmann, LION New Media

Last week's report released by the Internet Advertising Bureau made it very clear that Internet advertising has arrived. Online revenues topped \$5 billion in the Q3 of 2007 and are expected to exceed \$6 billion in Q4. Both are industry records and industry pundits predict it is just the beginning. Some analysts say Internet revenues will double from more than \$21 billion in 2007 to \$42 billion in 2011. Others say that projection is conservative. Without doubt, this is an industry poised for exponential growth in the upcoming years as more and more companies are aligning budgets to reap the many benefits of online advertising.

While the top 10 national Internet portals easily take the largest slice of the industry's revenue pie, much of the future growth is predicted to be at the local level where many consumers are spending the majority of their surfing time. Relevant local media and niche content websites frequently top their 'most visited' list, and with geo-targeting technologies on some national portals still sketchy at best, some say there is no better place to reach a local audience than local media websites.

Surprisingly, the combined audience of local media websites (TV, Radio, Newspaper) rivals the traffic of the biggest national portals, creating a brilliant canvas for painting an online marketing masterpiece. And, that audience tends to be indisputably local. Local media websites with their access to this local consumer base, it seems, are finally in the spotlight of savvy marketers. So much so that some project local and national businesses advertising in local markets will grow their spending from \$2.9 billion in 2007 to nearly \$8 billion in 2011.

The reason for the renewed interest in online advertising is simple. When it is done correctly, Internet advertising is arguably the most cost efficient, effective, and accountable form of advertising around. Progressive marketers have learned this and are consistently intertwining traditional media with new media to create shockingly powerful marketing programs. But just like any other form of marketing, the KEY... is doing it correctly. Just as a misplaced television or radio spot will not reach its target audience, neither will a misplaced Internet ad. Just as a single TV spot on a single TV station will not move the needle of client success; neither will a single banner on a single website.

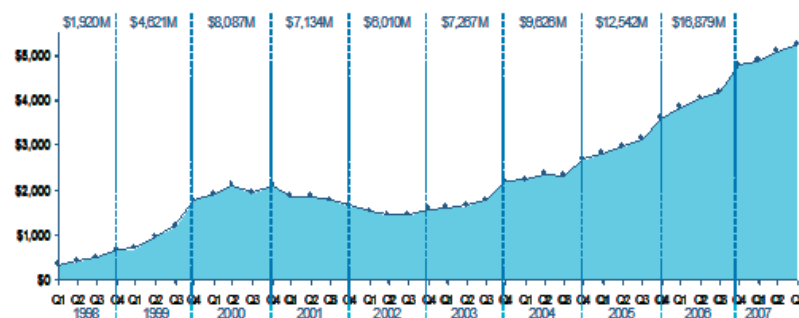
So what's the secret sauce in a successful online advertising program? Understanding the client's objectives and the websites capabilities are just the beginning of the process. Here are eight ingredients of the recipe that I've identified from running hundreds, if not thousands of Internet advertising campaigns over the years:

1. Local media websites have unique audiences. You might be surprised to hear that local media

websites have unique audiences. I know I was. Local media websites are either doing an excellent job of providing their audiences with everything they need; or people must be very loyal to their news brand because they aren't visiting multiple local media websites. The overlap numbers are generally less than 15% on most ad campaigns. We track this on every one of our client's campaigns and see the same thing over and over again in markets all across the country. So what does this mean? An online media plan consisting of multiple local media websites will get excellent reach in the market. And remember, that audience is predominantly local.

2. Online campaigns run across multiple sites, multiplies results. Because local media websites have unique audiences, we build our media plans with

Quarterly Internet Ad Revenues



similar Reach and Frequency tactics as broadcast buyers. To achieve high reach numbers in a market, we typically will include as many local websites as possible. Including 30 or more local websites on a market campaign can be a lot of work, but the payoff can be huge. Ironically, it's usually the small sites on the plan that generally perform the best.

3. Banner ads work. Usually when I hear someone say that banner ads don't work, a little probing will reveal the campaign planning was at fault rather than the actual medium or ad format. When we put campaigns together, we use the following criteria to ensure campaign success.

Audience – Does the content and/or site attract a high % of the target audience demo?

Placements – Are the ad placements premium and above the fold?

Cost – Reasonable valuation of inventory? (CPM's)

Geography – Does the site/content attract the target Local Audience?

Share of Voice – Is there adequate representation for reach and/or frequency objectives?

Message – Did the message leverage the 'Interactive' nature of the online medium?

4. Keep it simple. Display advertising, Over the Page Rich Media, Streaming Video and Audio, Mobile, Search... with so many online advertising options

and formats available, it's easy to try to do too much with an online campaign. We recommend focusing in on one or two elements and running those to perfection. It's a far better approach than trying to do too much and not doing it well.

5. Online ads effect branding in a big way. People remember banner messages and they do respond to them in more ways than just clicking. Many recent studies have shown that online advertising is a key catalyst for brand recall. Because of this, we often include phone numbers or other direct response information on the banner ads themselves.

6. People DO click on banner ads. While we never overlook the obvious benefits of online branding, at the end of the day, people DO click on banner ads. Well placed campaign on the right local sites at the right time with the right creative can see rates 2-5 times higher than average. The good news is that people typically don't click on a banner ad unless they are truly interested in learning more about the message. This is all the more reason to have a compelling page on the other side of the click.

7. Start with the end game in mind. One of the biggest disappointments is a poor conversion rate after a 'clicker' arrives on the linked website. Usually, that is due to the website itself, not the quality or quantity of audience sent to it. Fortunately, this can usually be easily remedied by matching a landing page to the marketing message,

which in turn creates a good customer experience. We rarely link a banner campaign to the front page of a client's site, but rather produce a specific page that ties directly to the message or offer that propelled the consumer to click in the first place.

8. Doing it yourself can be a burden. Anyone who has tried to place online media in local markets knows that it can be very confusing and time consuming. While it is getting more standardized, each website is still very different from its peers. In most major markets in the country there can be dozens of local media websites to choose from. Each one of those sites has different capabilities, rates, reporting, traffic, audience, paperwork and protocols. Hiring a professional to help you weave through that maze can be the difference between sub-par results and Internet marketing Nirvana.

About the Author:

Conrad Jungmann has been an Internet marketer and journalist since 1995, making him a pioneer in this emerging industry. He spent the majority of his career in leadership roles at Belo Interactive and MSNBC.com before co-founding LION New Media in 2006. <http://www.lionnewmedia.com>.

