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In Search of the Cyber-world El Dorado

by Marvin Nolan Moore, E-Base Interactive, Inc.

Editor's note: The World Wide Web offers a profound impact on the way we communicate and learn...even the way we live, shop and work. Today, most businesses recognize the need for an online presence. But as Marvin Nolan Moore, Vice President of Internet Marketing for E-Base Interactive, Inc., points out, having a presence is no guarantee of success. That requires knowledgeable Internet marketing management, solid planning, careful preparation and due diligence.

Diary of an Online Marketer: My company has spent thousands to produce our Web site. We have the best e-commerce solution to sell our products and track inventories in real time. Our Web Trends Report says we only had 200 user sessions this week, but upon further review I discover that it is employees within our company who are actually visiting the site. (How many times did I visit our homepage? I can't remember.) Our Web site is on the search engines. I know this because when I type in our company's name on altavista.com our company appears. But, when I typed in and searched for one of the products we produce... I gave up looking for our site after 30 or 40 pages. The boss is all over my "you-know-what" to produce leads and sales. I've finally received an online advertising budget. Now what do I do?

The scenario above is played out over and over as businesses hit the Web in search of the cyber-world's version of El Dorado, that mythical city where all is gold. It's not going to happen without careful planning and investment in marketing and advertising.

Scarcity of Talent

How many successful "brick and mortar" businesses have been started without a business plan? Yet, time and time again, I receive calls from businesses wanting to market their Web site. My first question is, "Do you have an online marketing plan and budget?" I've never heard: "Yes we do!"

One problem is an inherent lack of expertise with the Internet as a promotion medium and a shortage of experienced Internet marketing professionals. In many cases, traditional marketing professionals have been thrown into the Internet world with no experience. And the question becomes, "When will they fail?" and not "what if they fail?"

Let's assume you have an online marketing/ advertising plan and budget. What's the next step? If you lack an experienced Internet marketing professional, consider outsourcing. You may want to hire a management team to handle your online needs, or at the very least, hire a seasoned Internet consultant to train your staff.

A Tale of...Whoa!: Throwing Ad Dollars Down The Drain

A client recently hired our company, E-Base Interactive, to handle their online marketing and advertising responsibilities. They had a new dot-com company, were heavily backed, and had spent an ungodly amount of money on Internet advertising, including committing to a multimillion dollar contract with a well-known and highly trafficked portal

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Advertising
Agency, Inc.**

Fred Riger Advertising Agency, Inc.

53 Chenango Street • PO Box 1623 • Binghamton, NY 13902-1623 • Phone 607.723.7441 • Fax 607.723.7623 • E-Mail agency@riger.com • Web site www.riger.com

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site. They had agreed to pay \$50 for every 1,000 impressions of their banner advertisements (commonly referred to as CPM or Cost Per Thousand). For an additional fee, they also received co-branded pages connected to the portal site. In essence, they were paying \$0.05 each time their banner was displayed, not clicked. Following traffic and cost analysis, we determined the company was receiving only a 0.43% CTR (Click Through Rate). The harsh reality was their average CPC (Cost Per Click) was \$11.62! In determining the CPL (Cost Per Lead), the company was receiving a 1.80% lead ratio to Web site visitors, which equated to \$648.15 per lead generated.

A Tale of...Whew! Smart Ad Spending Via Pay-for-Performance

We immediately created a new long-term marketing plan and advertising strategy for them. It included creation of an affiliate program which allowed pay for performance only. Basically, affiliates (Web site owners or companies) advertise in return for monetary compensation based on their performance. The compensation can be CPC, CPL or CPS (Cost Per Sale). It was determined our client wanted to drive as much traffic to their site as possible, with the goal of reaching 200,000 unique users per month within 6 months of starting the program. We met that goal within 3 months. The affiliates were paid \$0.10 per click and the affiliate network provider earned \$0.02 per

RESULTS AFTER FOUR WEEKS:	
177 Action Affiliates	(With one displaying the primary banner ad at a time)
214,808 ad Impressions	
9,488 Web site visitors	
2.89% CTR (9,488/314,498)	
CPC = \$11.62	
Total Cost: \$1,128.72	
180 leads (1.76% Lead Ratio)	
CPL = \$626.51 (\$1,128.72/180)	
Conclude: The company has received thousands of leads and is receiving about \$1,000 Web site visitors per week.	

click. The total of \$0.12 per click was a far cry from the \$11.62 per click mentioned earlier.

Online Success

Since the start of the World Wide Web, we've heard how effective online marketing can be. But, success only comes through

effective management, a solid plan, careful preparation and due diligence. How can you make the most of your online advertising dollars? Gain knowledge, attend a seminar, do research, hire the right professionals or outsource to an experienced management firm. There are several paths leading to the Cyber El Dorado. Which one are you on?

About the Author: Marvin Nolan Moore is a 5-year veteran of online marketing and the VP of Internet Marketing for E-Base Interactive, Inc., Binghamton, NY. E-Base Interactive provides Internet solutions and online marketing management services to clients ranging from small businesses to Fortune 500 companies. Phone: 877-306-8474

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