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## Internet Marketing

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The structure of every business is similar to a stool with three legs. The legs support the stool, if one is missing or shorter then the balance becomes off centered and the stool will fall. Similar to the legs of a business, if any leg is weak, the business will suffer and may fail. The support legs of the business are finance, production, and marketing. This paper will discuss marketing.

There are many aspects to marketing; but the easiest way to remember these is by the Four P's method; *product, promotion, place and price*. This paper will begin with a brief discussion on basic marketing principles and then visit issues related to using the Internet as a marketing tool.

### **Product**

A product may be something tangible, such as organic vegetables, or something intangible such as a service. When you go to the store certain items stand out from the others because of brand name recognition or reputation. This distinguishable difference is what makes an item a product instead of a commodity. An example of this is the case of Nike. Nike used marketing and ingenuity to create a product, a commodity with differentiation, and to develop a brand identity. Consumers are willing to pay more for Nike shoes than other shoes. Distinguishing yourself from similar products will attract potential sales as well as developing your product name or brand. This takes form in many fashions; packaging can be different even though the product is the same. When the dairy industry switched from the square single serving cardboard milk boxes to the plastic wide mouth bottles, sales increased dramatically. This was a simple packaging decision creating higher demand for the same product, milk. One of the most successful packaging tactics has been bottled water, where companies have taken a commodity (water), and packaged it as distilled, purified, and spring. Another way to be different is by adding value to the product. Domino's Pizza used free delivery in thirty minutes or less as a distinguishing feature of their product.

## **Promotion**

Promotion is what most people think of when they hear the word marketing, even though there are three other aspects of the marketing equation. Promotion is a very important part of marketing, and begins as soon as the seller has contact with the consumer. A relationship is started, building a reputation between the buyer and the seller and the product. When satisfied consumers talk about the experience attached with your product, you gain promotion. Remember that customers will tell more people about your unsatisfactory service than your satisfactory service, so it is very important to have satisfied happy customers. One can help promote an item by offering customer service or by offering personal service attached to the product. The ability to engage the customer and keep an ongoing relationship is the secret to creating a positive brand name. Part of promotion involves knowing the product and target audience. Marketing a product for teenagers is different than marketing a product for retired people. The more precise you are with your targeted sales audience, the better. Learning the environment in which you wish to market, and staying focused on the audience will assist in building recognition and sales. Knowing the environment leads to awareness of potential markets.

## **Place**

Place is a location where your products can be found, be it a street address, a catalog or an Internet address. Place can be a location near the attracted demographic, a high traffic area or next to a complimentary shop. Shopping malls are good examples of the complimentary style of positioning stores. The undergarment shop often appears between the dress shops and body fragrance items. Place is important, because if buyers have to search too hard to find your product they may settle for a substitute product.

## **Price**

Prices should be set based on the equilibrium of supply and demand. If the prices are too high people will look for substitutes and if they are too low consumption will be greater than the supply creating a shortage. Prices can be modified based on a value added. Internet items have been priced relatively lower than similar store items due to the idea that limited overhead is needed. Meaning the web site has lower cost associated with utilities, store rent and sales staff. An Internet store must also remember they will have to ship the items to the purchasers, which is an added cost that can be recouped from the buyer.

## **Web Site Stores**

Marketing on the web is an alliance of banner ads, search engines and e-mail with brand name recognition and customer service. To begin a web store, you must have a product or service to sell. The next step is to determine and register the domain name that you want. Registration of the domain will cost a small fee, approximately \$35 per year. The domain is part of the web address, for example, mystore.com. Barring using your own server, a host for your site will be needed. The price will depend on the size of your site

and the traffic it generates. Building your web site store can be done from your office, or you can hire a web site designer to do the design and work for you. Web sites can be designed and implemented for a modest fee or for as much as one wishes to spend.

### **Web Ads**

Banner ads are advertisements that one sees when entering a search engine or web site. Three types of banner ad services are available. The first are similar to highway billboards. These “billboards” appear on sites chosen by the customer and the cost varies by the degree of service received. The second is the click through banners. Click throughs mean that the customer only pays for the advertisement when someone clicks and enters the advertised web site. This keeps costs down, as the customer is only paying when someone enters the web site via the click through. The third, banner swapping, allows people to trade ads and then place them on each other’s sites. Cost depends on the traffic and size of a particular site. A small company trading with a large company like Amazon.com may incur a slight cost. The idea here to find complimentary sites where the products would not be in competition with each other. Banner ads work well to attract people to sites since many sites selling similar items probably exist.

### **Search Engines**

Another essential tool in web marketing are the search engines. There are two types of search engines, directories and true engines. The directories are like yellow pages where a minor fee is charged to be placed on the engine. The true engines are indexes created by computer software that actively search the web for topics of related interest to the inquisition.

When registering with search engines one needs to think about how other may perceive the web site and then register those key words. Roughly 85% of users depend on search engines to find sites. One should register the store name, key words, products and title tags with all or any number of the search engines available. If one does not register the web site it may eventually become registered over a long period of time. Most search engines do scour the web to add new sites that have not registered, but this will delay the time it takes to appear on the most search engines.

### **Keys to a Successful Site**

Successful web sites provide more than an explanation of the items being sold. These sites provide an interactive experience and active communication. Ease of navigation and content are important in having a good web site. Consumers typically know what they want prior to the purchase, so make the site interactive. This can be accomplished by allowing the purchaser to decide what they want to do. Inc. magazine (2000) says when customers shape their requirements they generally feel better about the purchases. The goal of every web site is to have their site book marked in the user's computer, as well as for them to spend time on your site and their money purchasing your products.

Relationships sell products, so furnish the web site with e-mail contacts, phone numbers and a list of employees. Many people still prefer to speak face to face rather than ask questions via e-mail. It is important to respond to consumers in a timely fashion. Web site stores do take time and work. The site needs to be monitored routinely to check email and to ensure it is running.

### **Turnkey Operators & Credit Cards**

The easiest way to begin a web site is by permitting a turnkey operator to establish one fitting the product's needs. Turnkey operators service web sites and offer services ranging from the complete package down to simple questions. They can build the site or just run the maintenance. Before building a site ask the questions: What do I want it to look like?, How complicated does it need to be?, How much time can I put into running the site? and Will I accept credit cards?

Certain steps need to be administered if the site wishes to accept credit cards. The web store needs to contract with a credit card clearing service that checks the status of the account numbers and approves the sale. In conjunction with this the site needs an Internet merchant account to accept the cards and transform the credit to dollars in the bank account. All this has to be on a secure server and offer protection to the credit card users.

Shipping decisions need to be made for the product. Who picks up the payment of the shipping? Choices stem from the postal service to private vendors and the cost differs as well.

### **Conclusion**

The Internet and web are valuable marketing tools encompassing promotion and place. If the person has enough time and desire, the Internet can help a business. Make sure you have a good product that can be differentiated from other similar products and use your competitive advantage.

The Internet is a wonderful place to start a business due to the low overhead associated with this type of sale. In addition to the potentially lower costs of business you can have the advantage of having a store that is open 24 hours a day 7 days a week, that can be accessed from all over the world. The total cost of setting up the system and server vary by the service needed and time required. People with little computer knowledge have the opportunity to hire experts and those with the ability can run a site on their own. Care should be taken by the designers of the site to make sure it is user friendly and does a good job of showcasing the firm's products. Take a look on the web and try to find some competitors web sites. Look at their sites as if you were a consumer and note the things you like and dislike. Remember relationships sell products and most people who are satisfied with your products and service will continue to purchase from your business.