Chapter 9

The Internet
1. Summarize the Internet’s role in integrated marketing communication (IMC).

2. Describe the nature of the Internet as a medium for communicating promotional messages.

3. Define options for promotion on the Web.

4. Identify the issues involved in establishing a website.

5. List developments likely to shape the future of IMC on the Web.
The Internet’s Role in Brand Promotion

• The Internet will be important but is unlikely to replace other forms of brand promotion or even to become the main method of communicating with target audiences.

• Internet technologies and opportunities are changing dramatically:
  • small businesses are selling through auction sites
  • social networking provides a new way of delivering promotional messages
  • new venues like Second Life offer communication opportunities very different from traditional message delivery

• The Internet’s structure and potential as an advertising medium offer ways for marketers to create and deliver messages that are significantly different from those in traditional mass media. This is especially true on a global scale.
The Internet’s Role in Brand Promotion, *Continued*

**Exhibit 9.1** Countries with the Most Internet Users

<table>
<thead>
<tr>
<th>Country</th>
<th>Internet Users (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>250</td>
</tr>
<tr>
<td>United States</td>
<td>220</td>
</tr>
<tr>
<td>Japan</td>
<td>100</td>
</tr>
<tr>
<td>India</td>
<td>80</td>
</tr>
<tr>
<td>Brazil</td>
<td>50</td>
</tr>
<tr>
<td>Germany</td>
<td>30</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>20</td>
</tr>
<tr>
<td>South Korea</td>
<td>10</td>
</tr>
<tr>
<td>Italy</td>
<td>5</td>
</tr>
<tr>
<td>France</td>
<td>3</td>
</tr>
</tbody>
</table>

Internet Media

• Internet media for marketing consists of email, Usenet, and the World Wide Web. Marketers must make their pages easier to find and harder to avoid.

• Accessing pages via the World Wide Web involves:
  • surfing/using a search engine
  • portals and websites/mash-ups
  • personal websites and blogs

• Knowing where and how consumers are spending their time online is an important part of marketing.
Internet Media, *Continued*

**Exhibit 9.2** What Americans Are Doing Online

% of Population

- Sending, receiving email
- Accessing news and information
- Making purchases
- Paying bills

Source: Based on Digital Marketing & Media Fact Pack, Advertising Age, April 23, 2007, 32.
Promotion on the Internet

- Marketers can focus on very specific interest areas or geographic regions, time of day, or computer platform.

- The Internet also allows advertisers to track how users interact with their brands and learn what interests current and potential customers.

- Online content is delivered 24 hours a day, seven days a week, at the convenience of the receiver. A campaign can be tracked on a daily basis and updated, changed, or replaced almost immediately. The Internet is also immediately a global medium unlike any traditional media option.

- Interactivity is a major benefit. A marketer can engage a prospective customer to a degree that cannot be accomplished in traditional media.

- Web promotion is the most easily integrated and coordinated with other forms of promotion to help achieve a consistent IMC effort.

- The cost per thousand (CPM) of Web ads compare favorably with ads placed in traditional media.
Various firms, including Advertising.com, help marketers place highly targeted email messages online, delivering messages to select groups most likely to be interested. This level of selectivity is one of the chief attractions of Internet promotion.
Promotion on the Internet, Continued

• Web advertising includes:
  • paid searches (paying websites and portals to place ads in or near relevant search results based on key words)
  • display or banner ads (placed on sites containing editorial material)
  • sponsorships (paying to maintain a section of a website)
  • pop-up or pop-under ads (which appear as a Web page is loading or after a page has loaded)
  • rich media, video, and audio (which include music and video clips)
  • corporate home pages
  • virtual malls (a gateway to a group of Internet storefronts)
  • widgets (software that people can drag and drop onto their personal Web page or blog)
  • second life and virtual worlds
  • video games
In contrast to purely informational or business sites, the Crayola website offers parents, teachers, and kids a variety of educational and entertainment options.
Establishing a Website

• Three issues are key to successfully establishing and maintaining a website:
  • getting surfers to come back (and to stay for a while) by creating a “sticky” site (one with engaging and interactive features)
  • purchasing keywords and developing a domain name
  • promoting the website
  • considering security and privacy issues

• There are several modes of measuring Web audiences. Generally, hits are considered the least reliable, while unique visitors are considered the most reliable for marketing purposes:
  • hits
  • click-throughs
  • page views
  • visits
  • unique visitors

• Web analytic software can also be useful. It provides information on all of the above but also lets a website track audience traffic within the site.

• Many companies offer measurement services for interactive media. These companies can amass tremendous amounts of data that must then be analyzed by marketers.

• Click-fraud is the practice of clicking on Internet advertising solely to generate illegitimate revenue for the website carrying the ad. Click-fraud is illegal.
Establishing a Website, *Continued*

GLOBAL THE NEXT NET WAVE

With more than 250 million users, China is the Internet’s biggest population. And even though it’s already number one, China represents a huge opportunity for future growth. Only one out of five Chinese people are using the Internet. Here are a few firms already surfing this massive Net wave:

- Sina, the most popular portal in the country, has links to online gaming and Yahoo! Auctions.
- NetEase operates a portal called 163.com, earning revenue through online ads, text messages, and games.
- Shanda is China’s first indigenous online gaming company.
- TOM Online focuses on mobile Internet services.

Establishing a Website, Continued

**ETHICS COSTLY CLICKS**

MostChoice, which provides quotes on insurance and mortgages, paid Yahoo! and Google $2 million in advertising fees based on click-throughs from their sites to the MostChoice website. But after a while, MostChoice founder Martin Fleischmann noticed more and more clicks from Botswana, Mongolia, and Syria—odd, because his customers were getting information on car insurance and mortgages in U.S. cities. Specialized software tracked the click patterns and showed that his ads weren’t being clicked on Google or Yahoo! pages but on sites with names like insurance1472.com and insurance060.com. Over three years, MostChoice had paid more than $100,000 for bogus clicks made by software called a “clickbot.”

The future of IMC on the Web will be guided by technological developments and marketers’ strategic focus.

Two important trends in technology are the emergence of faster, more widespread wireless delivery systems (WiMax, Mobile-Fi, Ultrabroadband) and greater use of web-launched video as high-speed connections become more widely available.

The strategic approach to IMC is evident in mergers of powerful media companies.

Marketers are combining expertise in techniques used on and off the Web to match marketing goals with new communication opportunities that engage today’s Web-savvy consumers.
GLOBAL TO RUSSIA WITH WIMAX

Alcatel-Lucent, developers of WiMax technology, recently landed a deal to build a nationwide rural WiMax access network in Russia, the world’s most rural country. Alcatel-Lucent will work with Russian telecommunications company Synterra to build the WiMax infrastructure in towns with populations smaller than 100,000. The project is enormous, providing internet access to more than 40 million Russians without a DSL or cable modem connection to the Internet. This, in turn, will give marketers a vast new market of Russian consumers.