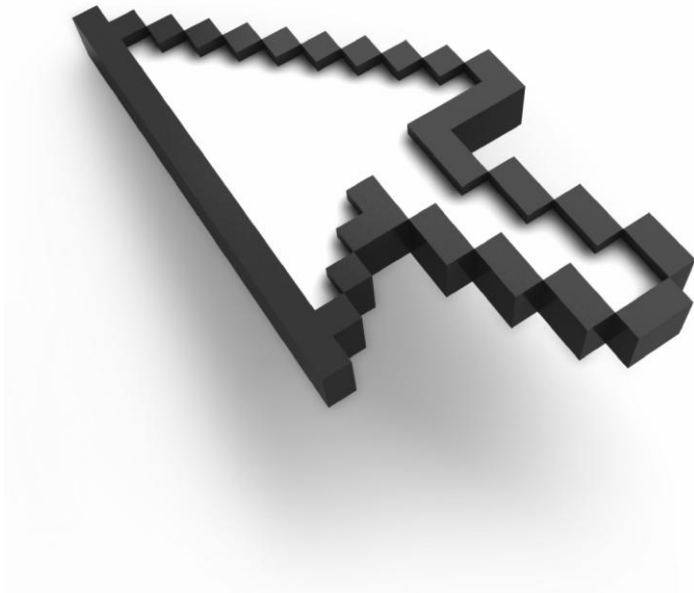# ComputerWeekly.com

Guide to buying Online Marketing services

How to choose the right Online Marketing supplier for your business

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INTRODUCTION

Over the past decade there has been an unprecedented growth in the online market place. You can now find and buy anything and everything online from home appliances, cars or medicine right through to pets. Competition amongst businesses for clientele has increased significantly, and therefore new and creative ways have had to be thought out in order to successfully market a product or service online. It is one thing to have an effective website, but if nobody knows about it or clicks onto your site, how effective is it really?

Marketing a web site, or more generally marketing anything via the internet, is a broad, multi-disciplinary field, taking in elements of web and graphic design, advertising and even video production. There are lots of companies out there which provide some or all of these services and may even have new and innovative ways to promote your business online.

Choosing the right company to take your marketing to the next level can be tough, but the Approved Index can help. We have pre-approved UK based companies with proven experience providing a wide range of online marketing services. You can fill in a simple form on our website to detail your requirements, and receive up to 6 free quotes from approved online marketing companies.

www.approvedindex.co.uk/indexes/OnlineMarketing

This guide gives an overview of some common online marketing techniques, as well as some advice for choosing the right company and a guide to prices.

Marketing through new media

New media generally refers to digital, computerised, networked technologies which have dramatically changed our world over the past few decades and continue to do so. The term is not exclusive to internet based technologies, though is most often used to refer to them. The internet and World Wide Web, together with the ever increasing penetration of computer technology into everyday life, have brought about a whole new field of marketing – online marketing. This term refers to any marketing activity which uses the internet, and while technology and marketing professionals continue to push the envelope of what's possible, there are a number of established methods for online marketing. These are detailed later in this article, but here's a summary.

Advertising

Advertising on web sites is now incredibly common. This is no small part because web advertising offers a number of benefits over traditional print, radio or TV adverts. Firstly, adverts can be targeted to the viewer since the content of the web page being viewed can be analysed and related adverts shown. Second, advertisers can monitor and tune their advertising campaigns by recording what adverts on what sites generate the most business. Thirdly, web advertising can be multimedia and ranges from simple, text-based ads to fully interactive designs with audio and video.

Viral marketing

Viral marketing is essentially creating some kind of marketing which reproduces and spreads itself. Commonly this could be a video, game, photo or interactive design or tool, which is so 'good' that people share it with their friends. Viral marketing can be incredibly effective, since popular online content can attract millions of views, but making a successful viral requires a good idea of the prevailing zeitgeist and can be somewhat hit and miss.

Affiliate programmes

Affiliates are people or companies who generate business for you. It is a common strategy for promoting web-based businesses. Your affiliate places adverts and links on their own websites or wherever they can, and when you gain customers through these you pay them a commission. Affiliate marketing is effectively outsourcing your advertising and can generate a lot of business.

E-mail marketing

E-mail marketing is a subset of direct marketing. It enables companies to market their products and services to large numbers of users by e-mail – and is significantly cheaper than postal marketing. Sadly, anyone with an e-mail address receives a lot of unsolicited marketing e-mail, or spam, and e-mail systems are tuned to try to filter such messages. Nonetheless, e-mail marketing has become a highly sophisticated technique and the top companies can help you target very specifically and make sure your campaign is as effective as possible.

Leads generation services

For many businesses, finding new leads to turn into business can be a headache. Leads generation services remove much of the effort of marketing your business and finding qualified leads. As well as being a fantastic buyer's tool, the Approved Index is also a brilliant leads generation service for businesses of all sizes. Through our online enquiry forms we generate high quality leads with a genuine demand to do business and deliver them straight to your inbox. No time or money wasted on chasing potential customers, you can just sit back and watch the business roll in, and you can choose to receive exactly as many leads as you need.

Find out more at www.approvedindex.co.uk/about-us

Interdisciplinary overlap

It should also be mentioned that online marketing often overlaps with a number of other disciplines. Designing effective banner advertisements requires graphic or Flash design; advertisements are most effective when written by professional copywriters; online advertising is tightly coupled with search engine optimisation; and the most elaborate viral marketing ideas may require full-blown video production in addition to digital media and programming skills. In the world of new and traditional media and marketing, companies commonly provide all of these services and more, and often call themselves creative agencies. Such agencies can help you develop a marketing campaign and suggest the most effective ways to promote your business online.

PPC ADVERTISING

Online advertising has evolved into numerous creative ways in which a company can make its presence known on the web. One of the most popular methods used today is called Pay Per Click (PPC) advertising. It is most commonly used on websites, advertising networks and search engines. PPC ads usually work by placing a text ad near to a search result. The reasoning goes that advertisers do not actually pay for placement. Technically, the positions or listings are free. You pay only for each click (i.e. visitor) that you receive from that search engine listing. When the site visitor clicks on the advertisement, the advertiser is charged a set fee. This fee can range from anything between £0.01 and £15 per click or more, depending on the popularity of the search term and the search engine being used.

The advantage that PPC holds over other online advertising methods is that you only pay for the actual click-through to your site. With most other forms of advertising there are generally no guarantees about how much you might end up paying per visitor acquired. TV, radio, print, and others normally force you, the advertiser, to bear all of the cost regardless of the effectiveness of the campaign. Even though PPC does not guarantee making a profit, it does significantly decrease the risk involved compared with many other forms of advertising. It is a generally accepted fact that visitors clicking onto your site through search engines are much more likely to purchase products or services, as these visitors, in theory, are actively looking for what you have to offer.

There are three main categories of PPC advertising engines, namely keyword, product and service engines, but more models are constantly being developed.

Keyword PPC

Advertisers using these engines bid on keywords or phrases. When a user performs a search on a particular word or phrase the list of

advertiser links appear in order of the highest bidder. Keywords and phrases are considered to be at the very heart of PPC advertising, and these terms are guarded as highly valuable trade secrets. Consequently, an industry of professionals has developed that assists advertisers in marketing their products and services on search engines and many firms offer software or services to help advertisers develop these invaluable words.

Product PPC

Product engines let advertisers provide feeds of their product databases. When users search for a product the links to the different advertisers appear for that particular product, giving more prominence to advertisers who pay more. But, the user can still sort the products by price to see the lowest priced product and then click on it to buy. These engines are also called product comparison engines or price comparison engines.

Service PPC

Very similar to Product PPC, service engines let advertisers provide feeds of their service databases. When users search for a service links to advertisers for that particular service appear, giving prominence to advertisers who pay more, but letting users sort their results by price or other methods. Some Product PPC engines have expanded into the service space while other service engines operate in more specific fields.

Potential pitfalls

Although PPC may initially seem like a very easy method of increasing awareness of your product on the web, making the most of this method can be a complicated and time-consuming process. There are a number of common pitfalls which you should take care to avoid when implementing your PPC campaign.

Too broad

For a business offering a localised or specialised service, offering target keywords which are too general may lead to a proportion of clicks from visitors who are unlikely to make a purchase. This will effectively raise the cost of your campaign.

Too specific

Many advertisers simply target a small range of the most obvious words, and as a result there is much less competition for more specific or less obvious terms, resulting in lower costs. These less obvious keywords are often searched for by users who have refined their search, and will therefore be more likely to make a purchase.

Overbidding

In some markets there is a great deal of competition to be ranked as highly as possible for the most obvious keywords, which can result in a bidding war and advertisers moving past what is cost effective for you. Always keep your campaign in perspective and consider what other advertising options you might have as well as their effectiveness with relation to the product you are marketing.

The target site

All too often a large percentage of the budget is invested in the advertising campaign, whilst little thought is given to the process and decisions the client will have to go through once they reach your web site. Getting potential customers onto your site is only the first step. Making their journey simple, establishing your product's credibility and effectively providing key information can all help turn a visit into a sale.

Invalid clicks

An obvious question on everybody's mind is what happens when competitors keep clicking on your adverts in order to drive up the

costs of your campaign. This practice has been coined 'click fraud' and is a serious issue that the main PPC providers are keen to combat. The use of computers to commit this type of fraud is a felony in many jurisdictions, and in the past there have been arrests relating to click fraud with regard to malicious clicking in order to deplete a competitor's advertising budget. Proving click fraud can be very difficult since it is hard to know who is behind a computer and what their intentions are. Often the best an advertising network can do is to identify which clicks are most likely fraudulent and not charge the account of the advertiser.

Benefits of PPC

In today's market most businesses use the web as a way to get their product known to the world, but because of its popularity, advertising on the internet has become more competitive and as a result new strategies have been developed and adopted. PPC is one of these new strategies, and its popularity in current advertising campaigns speaks for its effectiveness. The main benefits of PPC are:

- It is immediate or very fast to implement.

- It is measurable.

- It is cost effective.

- It is effective for businesses of all sizes.

BANNER ADVERTISING

Anyone who has spent an amount of time on the web will have realised that advertising is one of the most actively present elements to be found on most web sites that you visit. One of the most popular and certainly the first form of online advertising is the banner ad. These small ads usually come in various rectangular forms and appear on many kinds of websites with various different subject matters. Yet they all share the same basic purpose: The banner ad serves as a link directly to the advertiser's website so that when you click on it, your browser will instantly redirect you there.

Banner ads are usually relatively simple pieces of HTML code, but their presence on the web and their importance in internet-based business is immense. The first clickable web ad was sold by a company called GNN in 1993. Since then just about every business with an online presence has made use of banner advertising. Advertising is one of the main sources of revenue on the Web, not only for businesses aiming to generate revenue through advertising their products online, but also for websites which permit other businesses to publish ads on their sites for a fee.

The primary objective of a banner ad is to generate a click-through, or in other words, someone who is browsing the publisher's website will click on the banner and be taken to the advertiser's site. In an optimal situation the visitor will then proceed to make a purchase of the advertiser's product. Failing the click-through, the second objective of banner ads is what is known as branding. In this case the advertiser hopes to effectively communicate the content of the ad in such a way that the visitor will make a conscious (or subconscious) note for future reference. Branding works on the principle that when you are faced with a choice of products, you are more likely to choose the one you are most familiar with, albeit only through advertising.

The popularity of banner ads is partially due to the fact that they are so simple to produce and publish. Basic, static banners can be whipped up in a matter of hours. However, in order to create a truly effective rich media advertisement with elaborate animation and user interactivity, professional and extensive programming is required. Good advertising agencies and professional designers not only bring their programming skills to banner ad creation, but also their creativity and extensive marketing experience. Banner ads vary considerably in quality because their creators vary a great deal in ability and experience. The range is even greater with banner ads than with most other forms, however, because it is so easy and inexpensive to create and post banners.

As with any online advertising, monitoring and analysis is one the main benefits. There are several ways to rate the effectiveness of banner advertising.

Banner clicks/click-throughs

The number of visitors who click on the banner ad linking to the advertiser's Web site.

Banner page views

This is the number of times a particular Web page has been requested from a server. Advertisers are interested in page views because they indicate the number of visitors who could have seen the banner ad. Although they don't measure the effectiveness of a branding campaign, they do measure how many visitors were exposed to it.

Click-Through Rate (CTR)

This describes the ratio of page views to clicks. It is expressed as the percentage of total visitors to a particular page who actually clicked on the banner ad.

Cost per sale

This is the measure of how much advertising money is spent on making one sale. Advertisers use different means to calculate this, depending on the ad and the product or service. Many advertisers keep track of visitor activity using internet cookies. This technology allows the site to combine shopping history with information about how the visitor originally came to the site.

Advertisers will make use of different statistics depending on the requirements of their product, but most will consider all of these elements when considering the effectiveness of a banner ad.

There are three basic options for an advertiser looking to post a banner on other websites:

- Arrange to display other web sites' banner ads in exchange for them displaying its ad.

- Pay publisher sites to display your banner.

- Pay an organisation or agency to post the banner on a number of publisher sites.

These three methods can take many forms and advertisers and publishers must choose the specific arrangement that best suits them. Exchanging banners does consume a lot of time, and in order to get your advertisement effectively viewed on as many sites as possible, it is recommended that you seek out a suitable agency that specialises in the networking of banner ads.

There are no definite rules as to what makes a banner ad effective. As with all advertising, what separates one good banner from another is largely a mystery. A lot of successful banner ads are the

result of trial and error experimentation. That said there are a few guidelines which will help you make the most of your campaign.

- Post banner ads on pages with related web content.

- Advertise a particular product or service in your banner, rather than your site generally.

- If you do advertise a particular product or service, link the banner ad to that part of your Web site, rather than your home page.

- Put banner ads at the top of the page instead of the bottom end.

- Use simple messages rather than long complicated ones which might lose the viewer's interest.

- Use animated ads rather than static ones.

- Keep banner ad size small. If the page takes too long to load, visitors will move on to another page.

With so much choice, web users generally have a very short concentration span, so your ad should get the gist of its information across within the first few seconds. The most important things are to make visually appealing ads with interesting content and to intelligently place the ads so they are exposed to audiences that would be interested in them. Combining these qualities is a simple notion, but effectively accomplishing this is a complicated art, which in most cases is more effectively dealt with by professionals.

SEARCH ENGINE MARKETING

Search engines are generally internet users' first and main source of information. When users search for sites using words that apply to your web site, it is important that it appears as close to the top of the search results as possible. A high placement for relevant terms should lead to more qualified traffic to your site, and subsequently (so long as your website is up to scratch) generate qualified leads for your business.

The work of ensuring a high placement in search engines' results pages is called search engine optimisation (SEO) and is an industry in itself. Search engines aim to provide internet users with the web sites and pages they are looking for. At the most elementary level, this occurs by matching the words the user has used for their search (the query) with web pages that contain these query words. As there are literally billions of web pages, most words will occur very frequently. Looking at the number of results in a typical, broad Google search demonstrates this. In order to provide the user with the most relevant and appropriate results, search engines employ a number of techniques, which typically involve analysing the frequency of searched-for words (keywords) and which sites are most linked-to.

Beyond appearing in so-called organic search results (where a web site's position should indicate its relevance or usefulness), search engines marketing has other aspects. Firstly, many search engines accept payment for being included in search results, which is known as paid inclusion. Google and Ask are two big search engines which do not provide this service. Instead, they separate organic search results from sponsored or paid-for listing, which are labelled as such. This is the other way search engines can be used for marketing – through paid advertisements. This is an example of Keyword PPC (see above). An interesting point is that, in the Google AdWords system, general SEO on your web site can make your PPC adverts cheaper, as Google considers a 'quality score' when determining PPC prices.

AFFILIATE MARKETING

Many people today have their own website whether it is a personal site, informational business brochure or e-commerce site. One of the most popular ways of turning your web presence into an income is what is known as affiliate marketing. Affiliate marketing makes use of affiliate programmes, which are arrangements in which an online merchant website pays affiliate websites a commission to send them traffic through the use of links. Recruiting affiliates is an excellent and cost effective way of getting your products known online, because not only is your brand being advertised on numerous websites, but you are also only liable to pay for the actual results of your affiliate campaign (i.e. click-throughs or sales).

Probably the most popular example of the affiliate marketing strategy was implemented by Amazon.com around 1996. Amazon attracts affiliates who then post links to specified books and who then receive a percentage of the profits. Amazon is currently estimated to have over 500,000 affiliates. Affiliate programmes have gained enormous popularity over the past few years as they are a good way for non-commercial websites to take part in e-commerce.

Affiliate program networks, also known as affiliate brokers, are set up to deal with the administrative aspects of affiliate marketing. They track all activity, arrange all payment and help affiliates set up the necessary links on their website. Affiliate networks are convenient for both prospective merchants and affiliates because they offer a centralised point from which to present a wide selection of affiliate programs. In return for this administration, affiliate networks usually charge a percentage for each transaction which they facilitate.

So how can we tell when a customer clicks through an affiliate website onto the merchant page? The most common way in which this is dealt with is that the visitor is actually directed to the affiliate network site before being forwarded on to the merchant website. The URL of the page contains several pieces of information,

including an identification number for the affiliate, an identification number for the merchant and the URL of the merchant site.

When a link is clicked, a hit is recorded on the given URL and the visitor is immediately forwarded on to the merchant site. The network tracks sales using internet cookies containing these same identification numbers, so they know what affiliate referred the customer to the merchant.

There are various methods through which an affiliate can link to the merchant site. The type of link used depends largely on the type of websites linked and the product or service being sold.

Text links

This kind of link comes across as the most natural as it is ingrained in the content of a website and does not immediately stand out as an advertisement. Compared to banner adverts which may make use of images of Flash animations, there is virtually no extra data to download for text links which might affect a page's loading time. Text links are usually identifiable as they are a different colour to that of the general text as well as being underlined. Sometimes in-text advertising is used where keywords within a web page are highlighted in some way and when the user hovers their mouse pointer over the word, an advertisement appears.

Banners

These links appear as advertisement boxes which contain elements of graphics or animation. These are generally better suited to products which need to make an immediate impression, or where a text link might not attract enough attention and click-throughs from visitors. For further information, see the section above on banner advertising.

Search box

This type of link allows visitors to search an online database on another site. The results of the search are links to other pages on the site.

Affiliate programme links may function in a number of different ways:

- A straightforward link to the merchant's home page.

- A link to a specific product page within the merchant's website.

- Storefronts enable the affiliate website to expose the visitor to a variety of the merchant's products on one single page. A merchant can change the products on display to keep them relevant without the affiliate having to change the URL link.

- Co-branding enables the affiliate to maintain their web identity even after the visitor has been redirected. The merchant therefore still handles the sale and postage, but will configure the page to appear as though it is part of the affiliate's website.

There are three common types of payment arrangements used for affiliate programmes:

- Pay-per-sale, whereby the merchant pays the affiliate when a visitor makes a purchase through the merchant website. Some websites pay a percentage of the amount spent, whilst others pay a set fee per transaction.

- Pay-per-click, whereby the merchant pays the affiliate based on the number of visitors who click on the link to the merchant's website.

- Pay-per-lead, whereby the merchant pays the affiliate based on the amount of visitors who sign up, providing leads on the merchant website.

Affiliate marketing programmes work best when affiliates choose products, services and companies which are relevant to their own website content. The affiliate wins because they are able to sell products to their visitors without having to run an e-commerce business, the merchant site wins because the affiliate sends it customers it would not get otherwise, the affiliate network wins because it gets a piece of the profit for setting everything up, and the customers win because the affiliate website directs them to products they are interested in, which they can then purchase easily.

When becoming involved in affiliate programs, you can decide to either recruit affiliates, become one, or both. To become an affiliate all you need to do is apply to an affiliate network site which seems the most suited to your needs. You will need to provide information regarding your website and agree to a service agreement and payment method. Most affiliate programs are free, and once you have been approved you will be able to start choosing the most appropriate affiliate programs for your site. Maintaining your own affiliate network is a very complicated task and is not usually something a commercially orientated website is willing to be caught up in. If your aim is to acquire affiliates, your best bet is most likely to join an affiliate network as they will do all the recruiting for you. You will have to provide information about your business and website. certain deposits for membership and preliminary payment of affiliates. Some affiliate networks might also charge a yearly fee for their services.

Affiliate marketing is a great way to increase traffic to your website, and very effective for driving sales as your affiliates and visitors to their website are already interested in your goods or services.

E-MAIL MARKETING

E-mail marketing is a form of direct marketing – techniques which also include direct mailing and telemarketing – as it involves communicating directly with potential customers. Compared to direct mailing or telemarketing, e-mail marketing is incredibly cheap since an e-mail to your neighbour or to Nigeria costs the same. Marketing e-mails can be sent to hundreds, thousands or potentially millions of addresses without the need for vast call centres or printing countless flyers or brochures. Unfortunately, due to the amount of unwanted spam e-mail, most ISPs and e-mail services include some kind of filtering to block bogus messages so it is hard to ensure that your marketing e-mails will actually be viewed.

In the widest sense, e-mail marketing can really refer to any marketing activity which makes use of e-mail. There are, however, a number of identifiable common types of e-mail marketing.

Newsletters

Communicating with your customers, both existing and potential, is a great way to increase your business' visibility and relationship with the general public. Generally, e-mail newsletters require users to opt in or subscribe so it's a fair assumption that the recipients will have an interest in your business. You need not even directly advertise in your newsletters – by offering a genuinely interesting read you will make a good impression on the recipients, who will in turn be more inclined to use your business or recommend it to others. Alternatively, your newsletter may include an update on new products or special offers.

In general, e-mail newsletters should include some sort of editorial content, even if it's just a report of how the week has been in your business, some comment on current affairs, an overview of new products listed, or something a bit more light hearted like a joke. By viewing e-mail newsletters as more a means of communication than advertising, you can use them to encourage customers to visit your

web site, which may ultimately lead them to make purchases. Just like a paper-based magazine or newsletter, you could include a degree of interactivity by inviting customers to contribute. This could be with a joke or opinion, their favourite item in your product range, or a common question which you can answer for them.

Advertisements

While an e-mail newsletter is good for advertising your business at large and developing good relationships with customers, you may want to take a more direct approach or push sales of one particular line. Advertising in an e-mail is much like direct mail, though the e-mail medium gives many more options. You could have animation or video, include direct hyperlinks to your site, to specific products, or for purchasing the advertised goods or services. Advertising e-mails will generally not be sent out on a regular basis like a newsletter, but will more likely be sent out as required, for example to push sales during a slow period or to clear old stock.

Customised e-mails

E-mail is often used as part of automated systems for registering with websites, or notification of new events on some web system, for example a reply to a message or a new 'friend' on a social networking site.

For marketing purposes, e-mail provides an effective way of giving customers the exact information they want. Since e-mails can be generated and delivered automatically you can have a system that requires very little input from you or your staff. For example, eBay provides e-mail notifications for when new items are listed that match a given search, when user is outbid on a given item and when the auction for an item is nearly over. All of these help draw users back to the web site and encourages purchasing.

You could e-mail customers when products are added to your catalogue in a specific category you specify, or offer a tailored newsletter containing only information and products of the type the customer chooses. Websites listing job vacancies commonly tailor both regular newsletters and sporadic alerts to each user's profile, so they will only receive jobs that match their stated skills, experience, industry, location, salary requirement, and so on. You could even make use of sales information to build customised e-mails with recommended products, based on the customer's (and others') previous purchases, and relationships between products (e.g. sequels to films or new albums by particular artists).

Customised e-mails provide a great way of marketing directly to individual customers, as they can be match to each one's preferences or interests. This facility comes at the expense of complexity, however, as sending out 1,000 customised e-mails compared to 1,000 identical ones will obviously require more work. It may be that this facility is, or can be, built into an existing e-commerce web site system, but if not, an online marketing company should be able to advise you how to implement customised e-mails, or provide the service themselves.

Spam

Inspired by a classic sketch for Monty Python's Flying Circus, spam has come to be used to refer to anything on the internet which is generally unwanted and in overabundance, though this originated with spam e-mail. Most ISPs, and virtually all web-based e-mail services, include some kind of message filtering, which may be automatic, or based on user input to identify spam messages, or alternatively to build a 'safe list' of known contact, so any e-mail from anyone not on the safe list is filtered. As such it can be tricky to make sure that your e-mail marketing actually gets read, especially as a lot of spam is marketing, so filters are very likely to judge your e-mails to be the same. It is always worth mentioning to people subscribing to your e-mails that they should make sure your messages aren't filtered. E-mail tracking (see below) can be used to

establish if (and when and where) your e-mails are being read, although since this can also be used by spammers to validate e-mail address for further unsolicited junk the methods aren't 100% effective. Online marketing companies should be aware of the challenges of the spam-infested internet and have good ways of avoiding your e-mail marketing being filtered.

E-mail tracking

Internet technology means that you can glean useful information on the effectiveness of your e-mail campaign. In the same way that click-throughs from various forms of online advertising can be monitored, so too can click-throughs from e-mails. Additionally, using HTML e-mails (see below), the fact that an e-mail has been viewed can be recorded. An image is placed in a HTML e-mail which is stored on a web server somewhere. When the e-mail is view, the image is loaded from the remote source, and the server providing the image can record information about the time (and to a lesser extent location) that the e-mail was opened, as well as possible the e-mail address or account number of the customer.

HTML and plain text

In general, e-mail messages can be plain text with no formatting, or be written in HTML (the code used for web pages) allowing graphical, interactive messages. Not all e-mail systems and devices can support HTML e-mail, but e-mail messages can include both a plain text and HTML version. It is useful to give users a choice of the type of e-mail they receive to you when they sign up for your e-mails. It is also standard practice to place a copy of any HTML e-mails on a web site, so that users can view this version if their e-mail system doesn't support HTML e-mail. Many e-mail systems commonly block images in e-mails which are located on a remote server, as these can be used by spammers to validate random e-mail addresses for future spamming. As such, reminding reader to unblock images and offering an alternative way to view are both good ideas.

VIRAL MARKETING

For the past decade one of the most talked about online marketing strategies has been viral marketing. Viral marketing is used to describe marketing techniques that seek to exploit pre-existing social networks to produce exponential increases in brand awareness. This form of self replicating advertising is likened to the spread of a virus, not through any traditionally detrimental traits which are associated with viruses, but because of its ability to use other hosts and their resources to replicate rapidly and exponentially.

Many people agree that the term 'viral marketing' was first coined by Steve Jurvetson in 1997 to describe Hotmail's free e-mail service, in which they attached advertisements for themselves to all outgoing mail from their subscribers. A definition of viral marketing given by Dr. R F Wilson in his article 'The Six Simple Principles of Viral Marketing' states that the term 'describes any strategy that encourages individuals to pass on a marketing message to others, creating the potential for exponential growth in the message's exposure and influence.'

It is therefore assumed that if a viral advertisement reaches a 'susceptible' user, that user will then become 'infected' by the product or service, and can then go on to infect other users through methods such as word of mouth or the forwarding of a web link. In the online sphere, if each recipient forwards the advertisement to more than one susceptible user the campaign will in theory carry on forever, or until all possible recipients have been reached. Even if the rate at which the message is forwarded has a declining trend from generation to generation (e.g. 30, 25, 20, 15, 10, 5, 0) and eventually dies out, the message might still be forwarded many more times than it was initially sent (in our example above 75 times in contrast to, and excluding, the 30 original messages).

Sometimes viral marketing can replicate in (presumably) unexpected ways. Mastercard's 'priceless' campaign has been replicated to the point of ubiquity, as members of the public take their own embarrassing pictures, add captions detailing the prices of various parts of a night out or event, and how being caught in an embarrassing situation and then spread across the internet is priceless. While these copycats generally include no reference to Mastercard, for most people it is obvious this is where the concept originated, so the company has probably enjoyed increased exposure as a result. This is an example of viral marketing that has not only replicated, but mutated.

There are various types of viral campaigns which are suited for different purposes, depending on the product or service being promoted or the target market which the companies involved hopes to reach.

Pass-along

A message which encourages the reader to forward the information on to others. The most common form of this is e-mail chain letters which have a message at the bottom of the letter prompting the reader to forward the e-mail on to other contacts. It has been found that short, funny video clips, which tend to be sent spontaneously, are generally more effective. The number of people reached in this way is generally much greater than the original number to which the original message was sent, not least because it is incredibly easy to forward an e-mail to a large number or even all of your contacts.

Incentivised viral

This method is based on offering a reward for every message passed along or e-mail address provided. This can drastically increase referrals, however it is found to be most effective when another person is required to take action. Most online contests offer more chances of winning for each referral given, but when the referee must also participate in order for the referrer to obtain that

extra chance of winning, the chance that the referee participates is much greater.

Undercover marketing

This usually comes in the form of a unusual web page, with fun activities or snippets of news, without any direct incitements to link or pass the message along. The aim of undercover marketing is to not make the product immediately apparent, but to rather let the user discover it through a seemingly spontaneous and informal chain of events.

'Edgy' gossip/buzz marketing

Ads or messages that create controversy by challenging the borders of taste or appropriateness. Discussion of the resulting controversy can be considered to generate buzz and word of mouth advertising. Care should be taken, however, as any controversial content or opinions will necessarily be related to the organisation which originated it.

User-managed databases

Users create their own lists of contacts using a database provided by an online service provider. By inviting other members to participate in their community, users can create a self-propagating chain of contacts that naturally grows and encourages others to sign up as well.

Aside from the types of viral marketing, there are also various methods through which the advertisements can be relayed. Some of the most commonly found methods of transmission are as follows:

Word of web

Online articles often have links which encourage readers to forward the message to friends. The links bring them to a web based-form

into which messages are entered and converted into e-mail to be sent to recipients. With the rise of social bookmarking and networking sites, a further option is to post interesting or funny viral content (or simply links to them) to one of these sites. This opens up a potentially huge audience, particularly as social sites tend to have in-built mechanisms for spreading messages or other content throughout social networks.

Word of e-mail

Probably the most common method of transmitting viral marketing is by e-mail, entailing the forwarding of message containing jokes, quizzes and 'compromising' pictures.

Word of IM

One of today's fastest growing trends, the transmission of hyperlinks through instant messaging services, has become very popular amongst young people. It has been found that IM users are more likely to trust a link sent by a friend via instant message than by the same friend via e-mail.

Reward for referrals

Many companies offer rewards for the referral of futher prospective customers, encouraging them to use any of the afore-mentioned methods. There is a glut of sites which operate on precisely this principle, offering high-value 'gifts' to users who refer enough people (who also refer enough people) who then participate in a number of surveys or other marketing activities.

Mobile phones

The widespread use and advancing technology of mobile phones has enabled promotional media to be distributed virally between handsets. Such content can be sent between phones via multimedia messages (MMS), or direct, short-range (and free) infrared or

Bluetooth transfer. With the rise of mobile internet connectivity, such content can be sourced from, or indeed posted to, the World Wide Web directly from a mobile phone.

Successful viral marketing

Although it has become one of the most popular marketing methods in use on the web, viral marketing still faces many obstacles. Quite often the size of the viral advertisement, for instance a video clip, will be too large for a recipient to receive. However, newer technologies are eliminating this problem through the implementation of faster internet connections and larger e-mail inboxes. If the viral campaign's message is sent out in a format which is unusable to many recipients, for example if some particular software is required to view the message, it is more likely to fail, as users will generally not go to the extra trouble of viewing something which is not readily accessible. On the same note, in order for a viral campaign to be successful, it must be easy to use. For example, if the promotion entails some kind of interaction, then a request for referrals should be placed immediately after the message, and not as a condition to access the message. Viral messages sent as e-mail attachments are susceptible to being blocked by anti-virus software or firewalls used to protect networks, particularly in office environments. One backlash with regards to the undercover approach to viral marketing is that once the commercial intent of the campaign is discovered, users might have a negative reaction to this, and spread their discontent through the same channels as which the viral marketing occurred, rather than spreading the content itself.

When implementing a viral campaign, one of the most effective aspects to take into consideration is common human motivations. Everybody has a desire to be cool, popular, loved and understood. If you manage to design a campaign that is aimed at building on the common motivations and behaviours for its transmission, you are more likely to experience success in the spontaneous relaying of your message. Your campaign will also be at its most effective when it manages to take advantage of other's resources and tap into as

many existing (human) networks as possible. Human beings are inherently social creatures, and the web has lead to the development of very broad networks. Affiliate programmes and e-mail lists are able to exploit such networks, and accurately placing your campaign within such a network will see it spread very effectively.

CHOOSING A MARKETING COMPANY

Since online marketing can be so effective, it is big business and there are a huge number of companies around offering different kinds of online marketing services.

Using the Approved Index, you can enter some details about the services you require, and receive up to 6 quotes from online marketing companies. With this shortlist of suppliers you can choose the right one for your campaign. Below are some factors to consider when making a final choice between online marketing companies.

Your goals and budget

The first step in the process of finding an online marketing consultancy should be working out your aims and how much you have available to invest in realising them. You may wish to increase sales of specific lines or products, or just increase brand awareness. The better idea you have of what you want to achieve, the easier (and cheaper) it will be to implement your campaign.

The vast number of available firms may be intimidating. To help choose between alternative companies, consider these suggestions:

- Use search engines to search for companies. Online marketing companies should be able to market themselves successfully online – otherwise how can you be sure they are effective?

- Scan web directories. A company that belongs to a directory or listing may possibly be approved according to certain standards of practice and expertise. Similarly, any associations or societies of online marketing agencies may be a good place to start. The Approved Index is one such directory.

- Ask other companies for recommendations. Word of mouth is usually the safest and most reliable method of selecting a service.

- In a similar vein, if you know of some online marketing that you think is particularly creative or effective, find out which agency was responsible.

- Companies to avoid are those that send you unexpected e-mail or otherwise use marketing methods that you don't approve of.

- Use the Approved Index! By completing a simple form on our website outlining your requirements, you can receive up to 6 free quotes from approved SEO companies.

  www.approvedindex.co.uk/indexes/SEO

Range of services

As discussed above, online marketing uses many different methods, including the various forms of online advertising, viral marketing and affiliate schemes, among other practices. Although some companies may limit their services to particular fields, many will offer a full range, which may include web design, development and Flash design, to name a few. Using one company for all your online marketing needs can have benefits as it may cost less overall, and dealing with just one company for all your needs may be a more effective method. Alternatively, you may want different suppliers focussing on different aspects of your business, with each being specialised in and dedicated to their own niche.

Past performance and references

It is recommended that you pick a firm that is experienced in the industry and has valid references and reports to prove it. Check

references to ensure that specific job claims were actually achieved by the firm that you are considering. Also ask these companies whether the agency delivered in terms of service and results. You will quickly discover if there is anything suspicious or unsatisfactory about the agencies by talking to their other clients.

Additionally, the company should be able to show you reports which clearly detail their successes in implementing campaigns for their current or previous clients.

An established and effective online marketing company should also be able to demonstrate their success over time. Online marketing is a very competitive and constantly changing field, with search engines regularly changing their rules and algorithms, new sites becoming the 'next big thing', and changes in software and technology that is used. Being flexible and able to continually adapt to the changing online world is of great importance for online marketing.

Techniques

Any company you are considering using should be able to explain to you which types of online marketing they use, prefer and would recommend for your campaign. While this guide should give you a good idea of the online marketing world, companies should also be able to explain anything you're not sure of. This includes information about how a particular strategy operates in practice, as well as why it is effective for marketing.

Beware of companies that avoid your questions or are not open about their techniques – this can imply that they are somewhat dishonest about their business operations, or may use controversial or risky techniques. Alternatively, they may simply be an inexperienced company.

Costs

Because of the wide range of online marketing services, different companies will have their own price structure for individual jobs and packages including several services. Be clear on the quotation breakdown and what is and is not included, ensuring that you understand exactly what is and isn't included in a given package (such as Pay-per-click charges).

Making the decision

With a shortlist of potential online marketing agencies, it may be useful to have them suggest some ideas for your campaign. This may depend on how much, if any, of the campaign is already defined, but is a great way to see just how creative an agency is, as well is if they understand the product or service they are marketing. It may be that one agency's proposal really hits the spot and this is enough for you to make your decision.

Before signing a contract, be sure that the agency will not simultaneously work with any of your competitors, as this could severely jeopardise your campaign's effectiveness. You should also have full ownership of any content created, in case you discontinue the service or replace the firm. These conditions should be stated in the contract. The contract should also state the company's commitment in adhering to ethical standards of practice.

PRICE GUIDE

Since online marketing covers so many different practices and techniques, and since every marketing campaign is unique, it is hard to give an accurate estimate of how much you will pay for such services. Costs will vary depending on a range of factors. For example, if you already have advertising campaign in place and simply want to extend this to the World Wide Web, you will clearly not need to spend as much as if you employ an advertising agency to come up with an original campaign and implement it online.

The prices below are given as a guide only, and you should be sure to fully communicate you aims and expectations to companies when requesting quotes, in order to receive accurate quotations.

For Pay Per Click advertising, the price you pay for each click can be as low as 1p, although in reality this will only be for very obscure search terms. For popular keywords, particularly for high value products or service this could be as high as £10-20, since the pricing is based on an auction model. Of course, unless you intend to run a PPC campaign yourself, you will also have to pay a marketing agency to manage it.

Banner advertising may work on a PPC model or you may pay per impression. Again these costs vary according to whether you are advertising on a particular site or through an ad network. A further cost of banner advertising is design. For an animated Flash banner, design will cost from £500 upwards.

The commission paid to affiliates in affiliate marketing programmes vary according to the payment model used, and may pay low commission rates of around 2-5% percent of any sales, or as much as 15-30% for high value goods or services. For payment models with a set fee per sale or per lead, it's impossible to say what the fee will be, since it will always be based on the value of that sale or lead to the company running the affiliate programme.

Email marketing prices are generally charged according to the volume of emails sent, and costs (usually stated per thousand) will drop as the volume increases. There may be additional costs for copywriting and graphic design plus any tracking system involved. Typical bulk email marketing starts at around £1 per thousand for 100,000 emails delivered, dropping to around 20p per thousand for 1,000,000 emails delivered.

Viral marketing is another tricky service to estimate prices for. It's possible that you or a colleague could dream up a brilliant viral idea and implement it without the need for an agency, but it's very unlikely. While the distribution costs for viral marketing should be diminutive (the whole point is that virals distribute themselves) there will be some production costs, which could include video and audio production, graphic design, Flash design, and programming. As a very rough estimate, a simple piece of viral marketing might cost around £1,000.