

# Internet Marketing

**CPC COMPUTER CONSULTANTS, INC. - [WWW.CPCCCI.COM](http://WWW.CPCCCI.COM)  
WEB SOLUTIONS FOR THE BUSINESS COMMITTED TO EXCEL**

# Topic: Internet Marketing

- \* E-Marketing vs. marketing
- \* Internet demographics
- \* Advantages
- \* New contagions of information
- \* Impact on Product Mix
- \* New innovation paradigm

# First A Few Facts

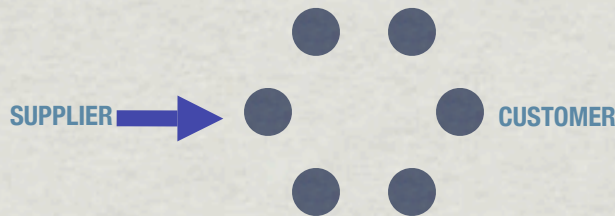
- \* E-Marketing  $\neq$  sales
- \* Marketing plan  $\neq$  e-Marketing plan
- \* Most organizations have no:
  - \* Marketing strategy
  - \* Marketing plan
  - \* e-Marketing plan
  - \* Brand advocacy strategy
- \* Good news: The Internet keeps on growing
- \* Bad news: Getting harder to be found

# Baseline Definition of e-Marketing

**“...IDENTIFYING, UNDERSTANDING, COLLABORATIVELY CREATING, AND MEETING A SEGMENT OF HUMAN AND SOCIAL NEEDS, WANTS, DESIRES, WISHES DIGITALLY.”**

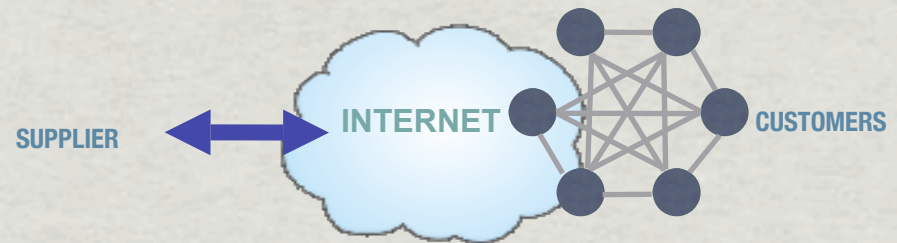
# Customer Integrated Into Process

## BEFORE



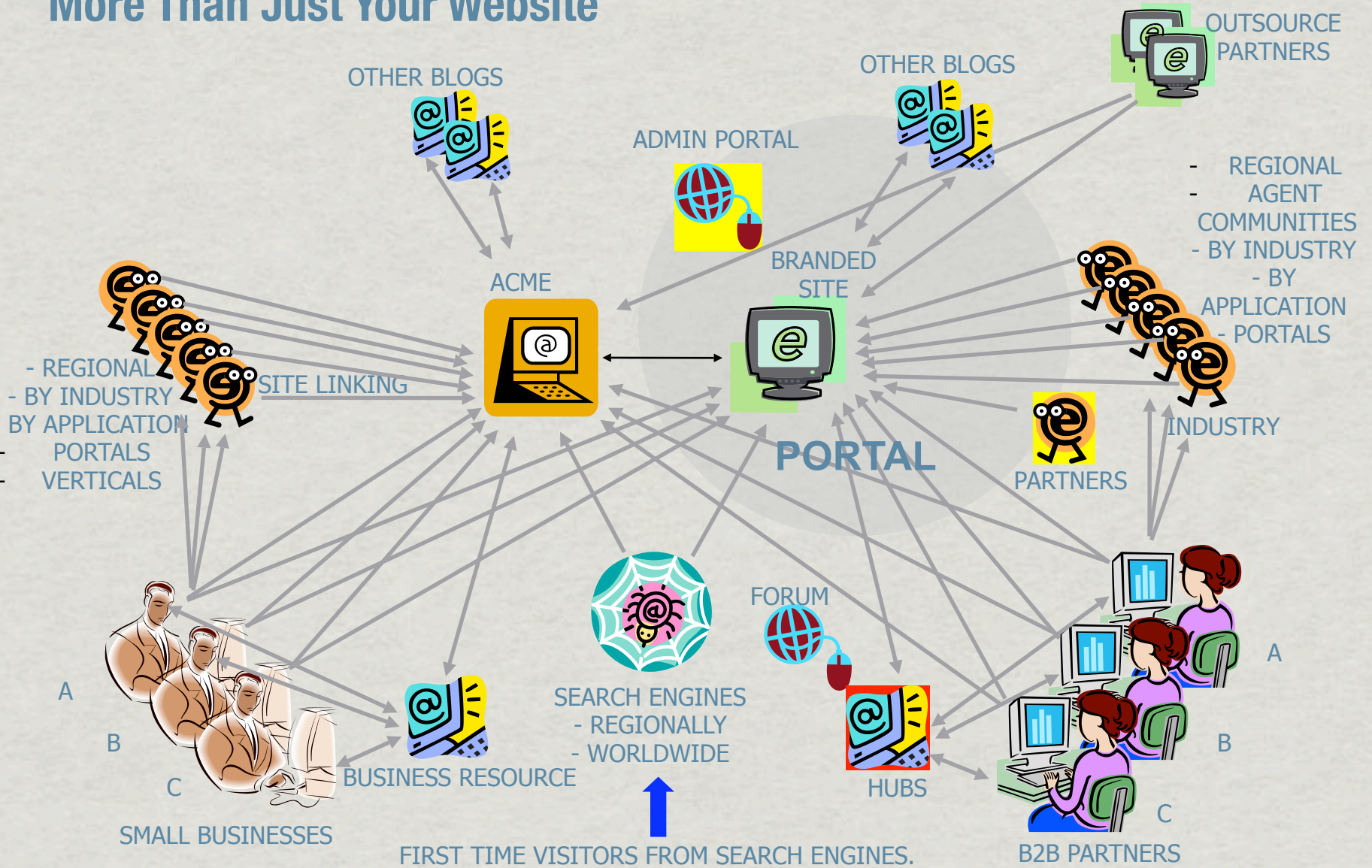
**MONOLOGUE**  
**ONE WAY**  
**MASS COMMUNICATION**  
**STATIC**  
**NO INTERACTION AMONG CUSTOMERS**  
**SHOTGUN APPROACH**  
**HARD TO IDENTIFY CUSTOMERS**  
**HARD TO MANAGE CUSTOMERS**

## AFTER



**DIALOGUE**  
**ONE-TO-ONE MARKETING**  
**REAL-TIME**  
**DYNAMIC**  
**COLLABORATIVE**  
**SEGMENTED**  
**RICH CUSTOMER INTERACTION**  
**RICH CUSTOMER DATA**

# E-Marketing: More Than Just Your Website



# Global Online Population

## WORLD INTERNET USAGE AND POPULATION STATISTICS

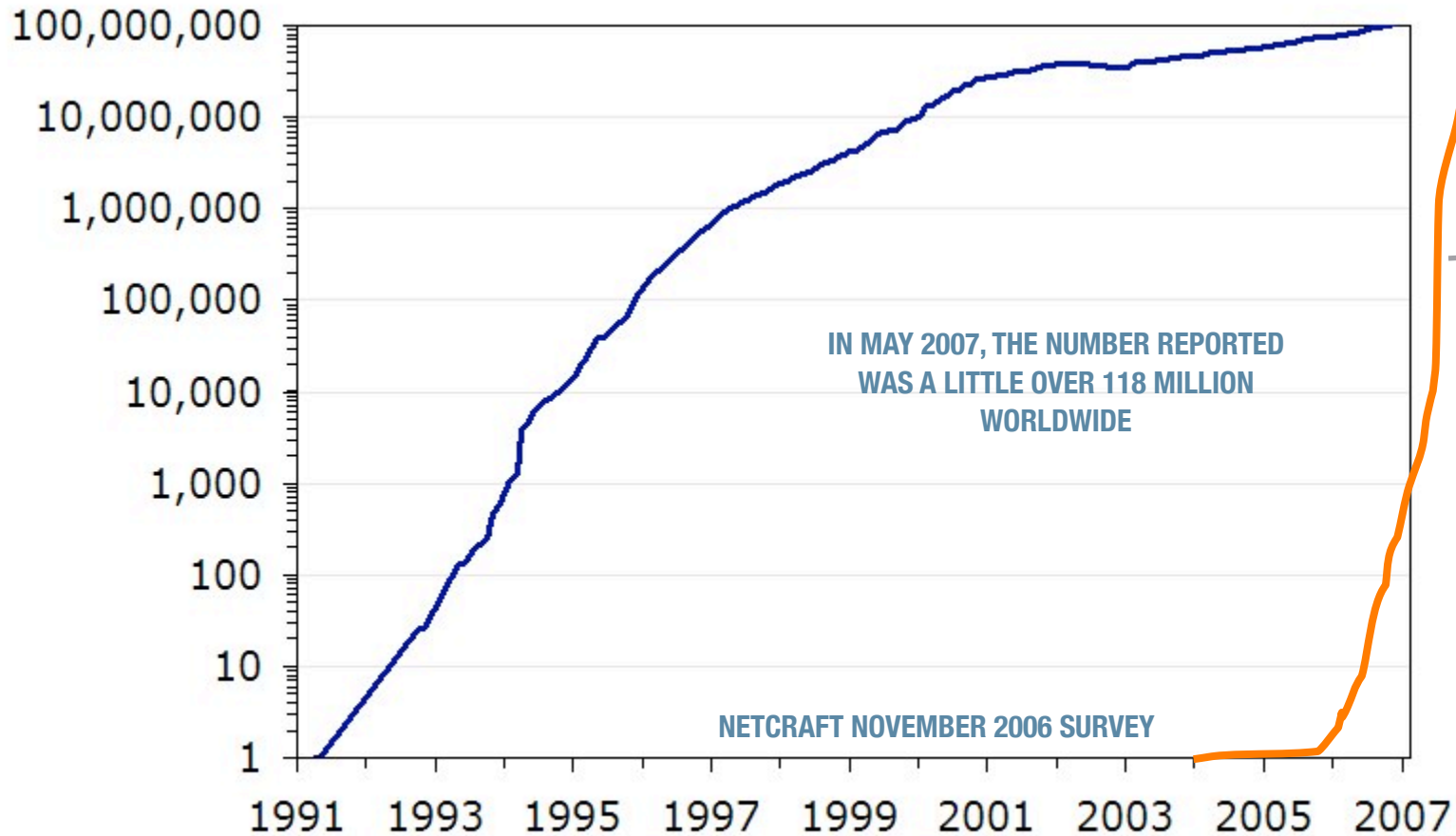
World Regions	Population ( 2007 Est.)	Population % of World	Internet Usage, Latest Data	% Population ( Penetration )	Usage % of World	Usage Growth 2000-2007
<a href="#">Africa</a>	933,448,292	14.2 %	33,334,800	3.6 %	3.0 %	638.4 %
<a href="#">Asia</a>	3,712,527,624	56.5 %	398,709,065	10.7 %	35.8 %	248.8 %
<a href="#">Europe</a>	809,624,686	12.3 %	314,792,225	38.9 %	28.3%	199.5 %
<a href="#">Middle East</a>	193,452,727	2.9 %	19,424,700	10.0 %	1.7 %	491.4 %
<a href="#">North America</a>	334,538,018	5.1 %	233,188,086	69.7 %	20.9%	115.7 %
<a href="#">Latin America/Caribbean</a>	556,606,627	8.5 %	96,386,009	17.3 %	8.7 %	433.4 %
<a href="#">Oceania / Australia</a>	34,468,443	0.5 %	18,439,541	53.5 %	1.7 %	142.0 %
<b>WORLD TOTAL</b>	6,574,666,417	100.0 %	<b>1,114,274,426</b>	16.9 %	100.0 %	208.7 %

NOTES: (1) Internet Usage and World Population Statistics were updated on Mar. 10, 2007. (2) CLICK on each world region for detailed regional information. (3) Demographic (Population) numbers are based on data contained in the [world-gazetteer](#) website. (4) Internet usage information comes from data published by [Nielsen//NetRatings](#), by the [International Telecommunications Union](#), by local NICs, and other other reliable sources. (5) For definitions, disclaimer, and navigation help, see the [Site Surfing Guide](#). (6) Information from this site may be cited, giving due credit and establishing an active link back to [www.internetworldstats.com](#). Copyright © 2007, Miniwatts Marketing Group. All rights reserved worldwide.

- \* Currently about **1.2 billion**
- \* Projected to grow to **1.8 billion** by 2010

SOURCE: [HTTP://WWW.INTERNETWORLDSTATS.COM/STATS.HTM](http://www.internetworldstats.com/stats.htm)

# Websites Worldwide



70 MILLION BLOGS IN JUST 4 YEARS. 120K BLOGS BEING ADDED EACH DAY.

*The number of Internet websites each year since the Web's founding.*

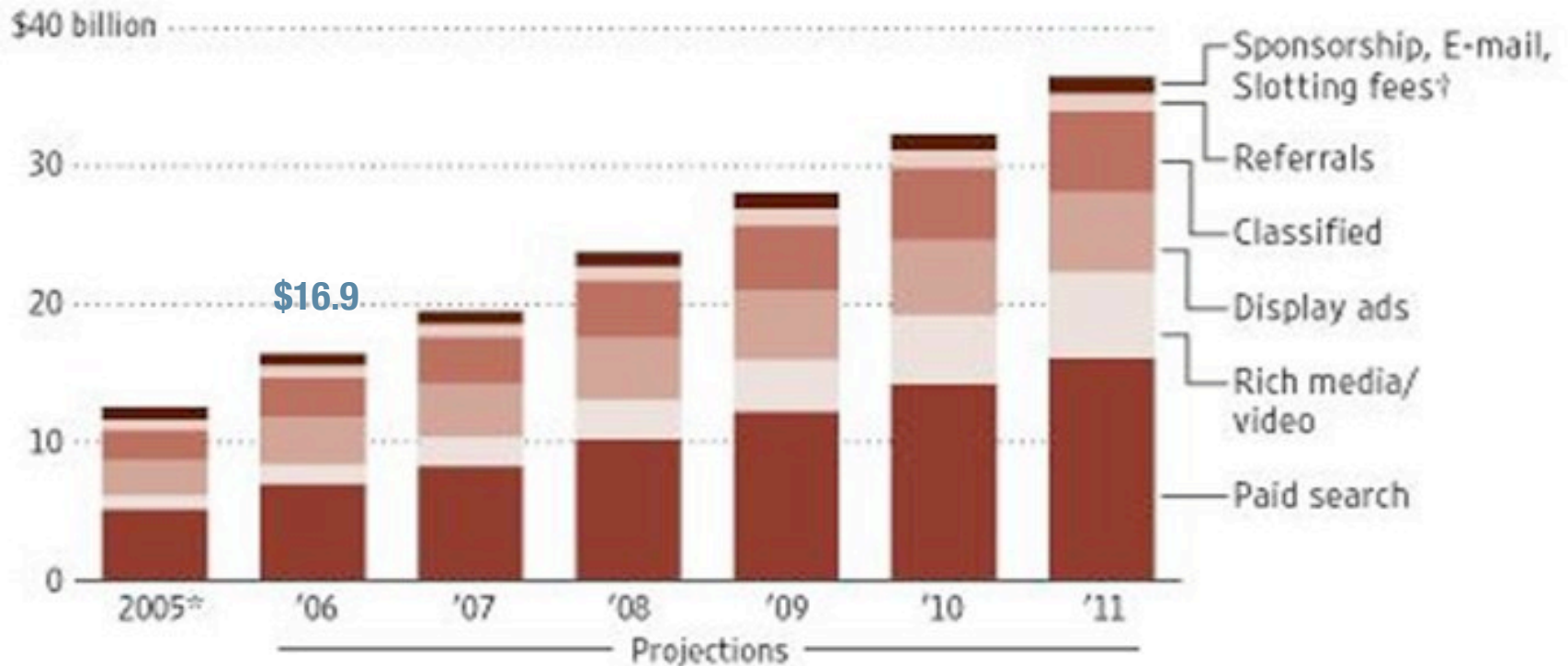
SOURCE: [HTTP://NEWS.NETCRAFT.COM/ARCHIVES/WEB\\_SERVER\\_SURVEY.HTML](http://news.netcraft.com/archives/web_server_survey.html)

# U.S. Online Ad Spending:

5.9% of the \$285 billion total U.S. advertising market in 2006

## Casting a Wide Net

U.S. online advertising spending, by format



†A fee marketers pay to Web sites to advertise in a premium spot on their site

\*Last full year measured

Source: eMarketer

SOURCE: WALL STREET JOURNAL, MAY 25, 2007, PG. B1

# Advantages

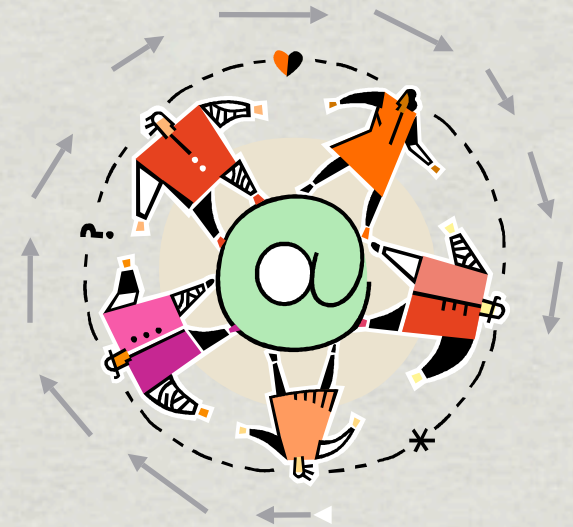
- \* Democratization of advertising
- \* Reach: Collapsing barriers of time & space
- \* Lower risk of product / services innovation
- \* Lower cost / higher ROI
  - \* Digitization of all information
  - \* Virtual supply chains
  - \* Virtual markets
  - \* Virtual real-time interaction with customers & suppliers
- \* Scalability
- \* Ability to coalesce and reach increasingly fragmented markets
- \* Streamline business process

# Strategic Advantages

- \* Create new sources of competitive advantage
- \* More direct distribution model
- \* Reengineer the supply chain
- \* Invent new business models
- \* Target underserved segments
- \* Lower price barrier
- \* New delivery methods to reduce capital expenditure and pricing
- \* Create more efficient marketplace
- \* Create a “virtuous cycle”

# Benefit of Creating A “Virtuous Cycle”

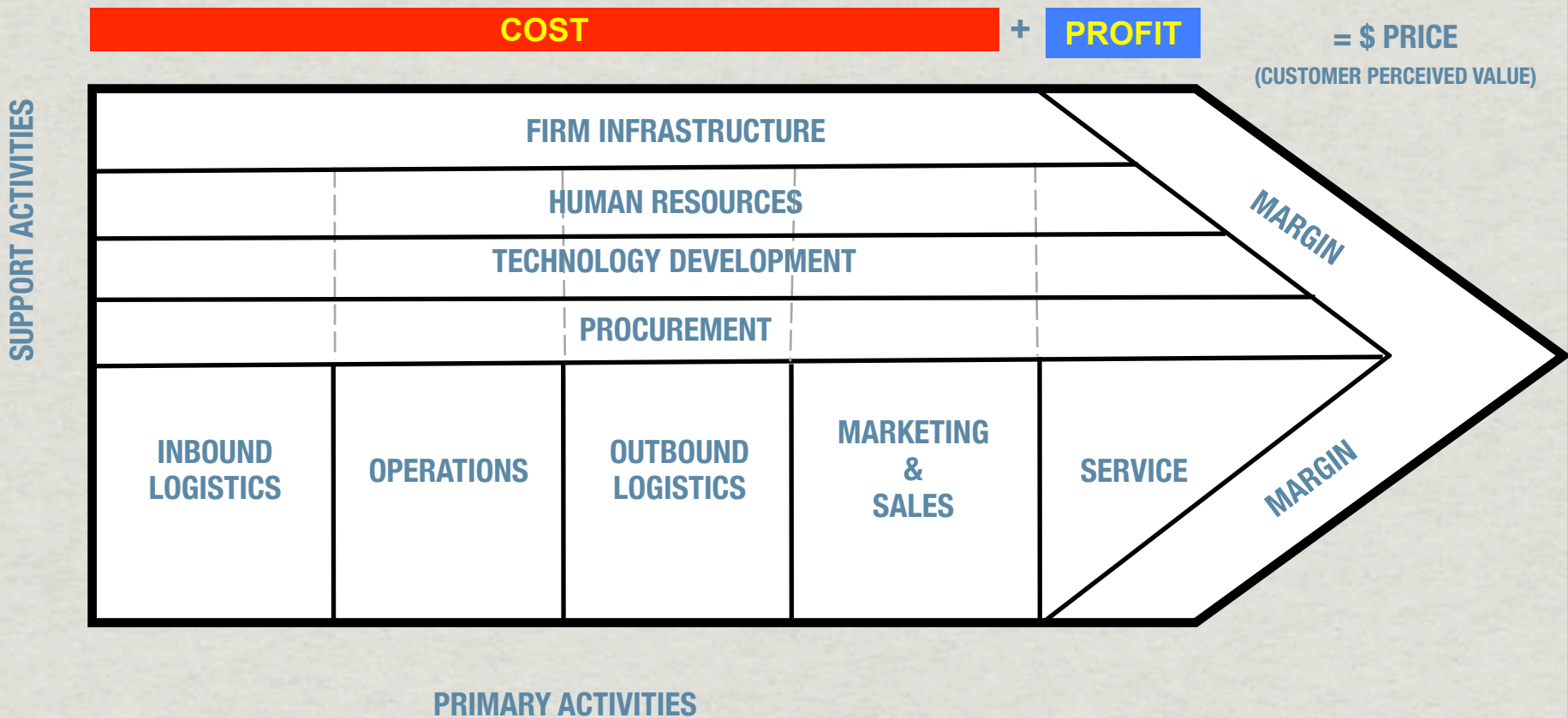
- \* Reduce the risk of guessing by letting the community define the need, want, problem, and value proposition
- \* Speed development cycles
- \* Create precise features / value
- \* Create brand advocates
- \* Community endorsement



COMMUNITY AND FEEDBACK LOOP  
INTEGRAL PART OF SHAPING PRODUCT

# Recognize Elements of Value Creation: Generic Value Chain

VISUAL REPRESENTATION OF WHAT ORGANIZATIONS DO TO CREATE VALUE. MARGIN IS THE DIFFERENCE BETWEEN CUSTOMER PERCEIVED VALUE (CPV) AND COST. THE PRIMARY AND SECOND ACTIVITIES ATTRIBUTE TO COST.



# Traditional Industry Supply Chain

LOOK TO BYPASS INTERMEDIARIES.

PRODUCTION BASED VALUE  
CREATION. (TRANSFORMING INPUTS  
INTO OUTPUTS)



COMMERCE BASED VALUE CREATION.  
(ARBITRAGE)

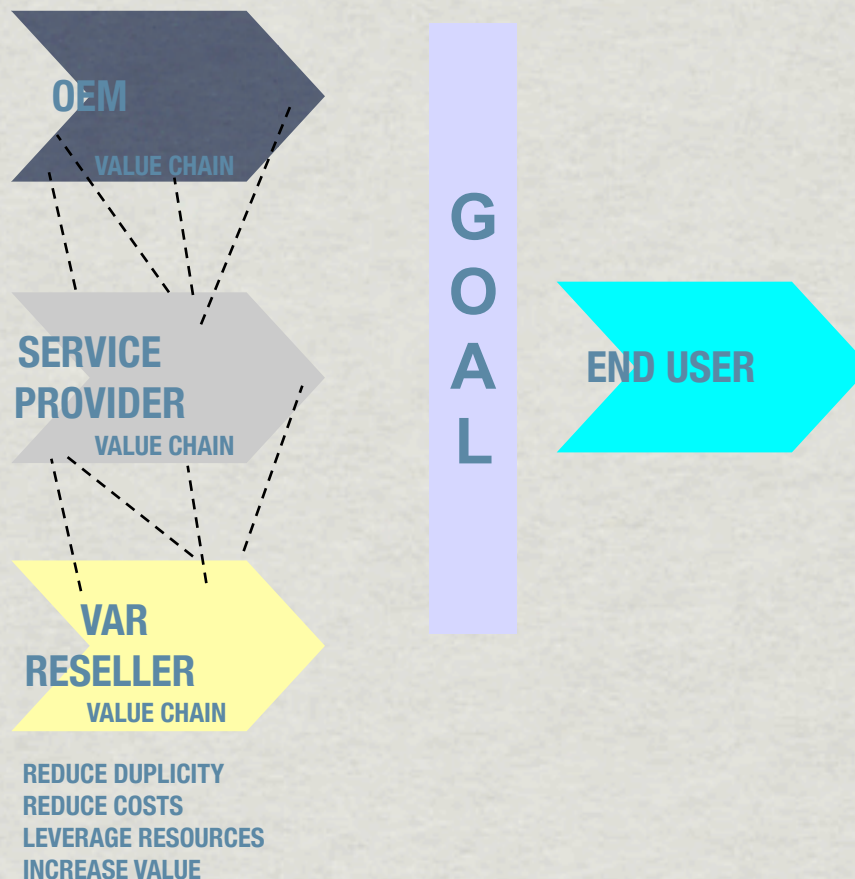


TYPICAL SERVICE PROVIDER SUPPLY CHAIN

EACH ENTITY LOOKS VERY LITTLE BEYOND THE NEXT PARTNER IN THE FOOD CHAIN.  
INCREMENTAL VALUE ADDED.

# Rearrange Your Supply Chain: Create More Strategic & Symbiotic B2B Relationships

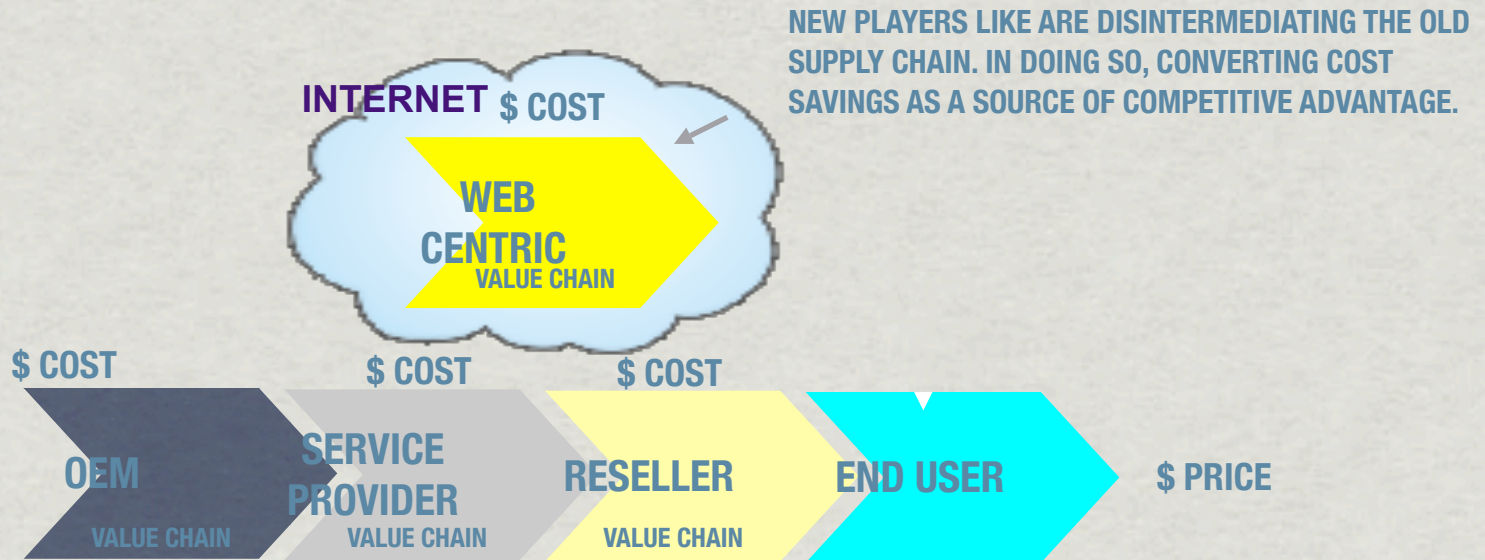
**BUILD MORE STRATEGIC & SYMBIOTIC VALUE CHAIN.**



- \* Think in terms of solving the common objectives, interests, and obstacles.
- \* Pursue common challenges.
- \* Pursue common goals.
- \* Remove common obstacles.
- \* Achieve collective profitability
- \* How?
  - \* By removing inefficiencies and duplicity of efforts in each discrete value chain.
  - \* Collaborate together to link strategies, validate new applications, how to market them, how to price them, and how to launch them,
- \* The basic principle is to leverage, link, and coordinate resources at a strategic level towards achieving the same fundamental goals.

# Disintermediate

LOOK FOR NEW WAYS TO DISINTERMEDIATE THE SUPPLY CHAIN.



LEVERAGE BUSINESS MODELS OR DISINTERMEDIATE TO CAPTURE SOURCES OF COMPETITIVE ADVANTAGE. ASP, ON DEMAND, OR B2B RELATIONSHIPS TO CAPTURE COST SAVINGS AND REVENUE SHARING. EVERY STEP ALONG THE WAY (MIDDLEMAN OR CHANNEL) IS A COST POINT. EACH STEP THAT CAN BE OPTIMIZED MEANS A COST SAVINGS THAT CAN CONTRIBUTE TO MORE COMPETITIVE OFFERING.

# Baseline Guidelines

- \* Create an E-marketing plan
- \* Design & linkage
  - \* Relationship of all internal websites to target customers, industry sites, suppliers, business sites, portals, blogs
- \* SEO plan and strategy for your websites
- \* Real-time analytics
- \* Communication utilities
  - \* E-mail, IM, real-time voice, weblogs
- \* E-mail list management and opt in / out best practice ([CAN-SPAM ACT](#))
- \* Online advertising or “soft branding”
- \* E-commerce site

# New Paradigm

- \* Sell your idea first
- \* Find your actors (audience) first
- \* Size does not matter - [PlentyOfFish](#)
- \* Reduce risk by pushing control out
- \* Value creation increases at the edge
- \* Transparency creates value
- \* Truth travels fast
- \* Price alone is not sustainable
- \* Reengineer your value chain
- \* Reinvent your business models
- \* Change the status quo

# Impact on Product Mix

- \* Product / service strategy
  - \* Shared risk through open collaboration
- \* Pricing
  - \* Hyper competitive
  - \* Convert traffic to advertisement revenue
- \* Promotion
  - \* Community
- \* Customer support
  - \* 24 X 7 and Virtual
  - \* FAQ, forums, electronic

# Old 4Ps Paradigm

ALMOST NO  
FEEDBACK LOOP.  
HIGHER RISK OF  
INNOVATION AND  
GUESSING MARKET.

VALUE CREATOR

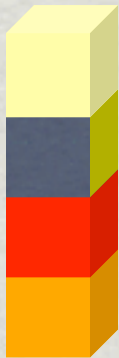
CUSTOMER

PRODUCT

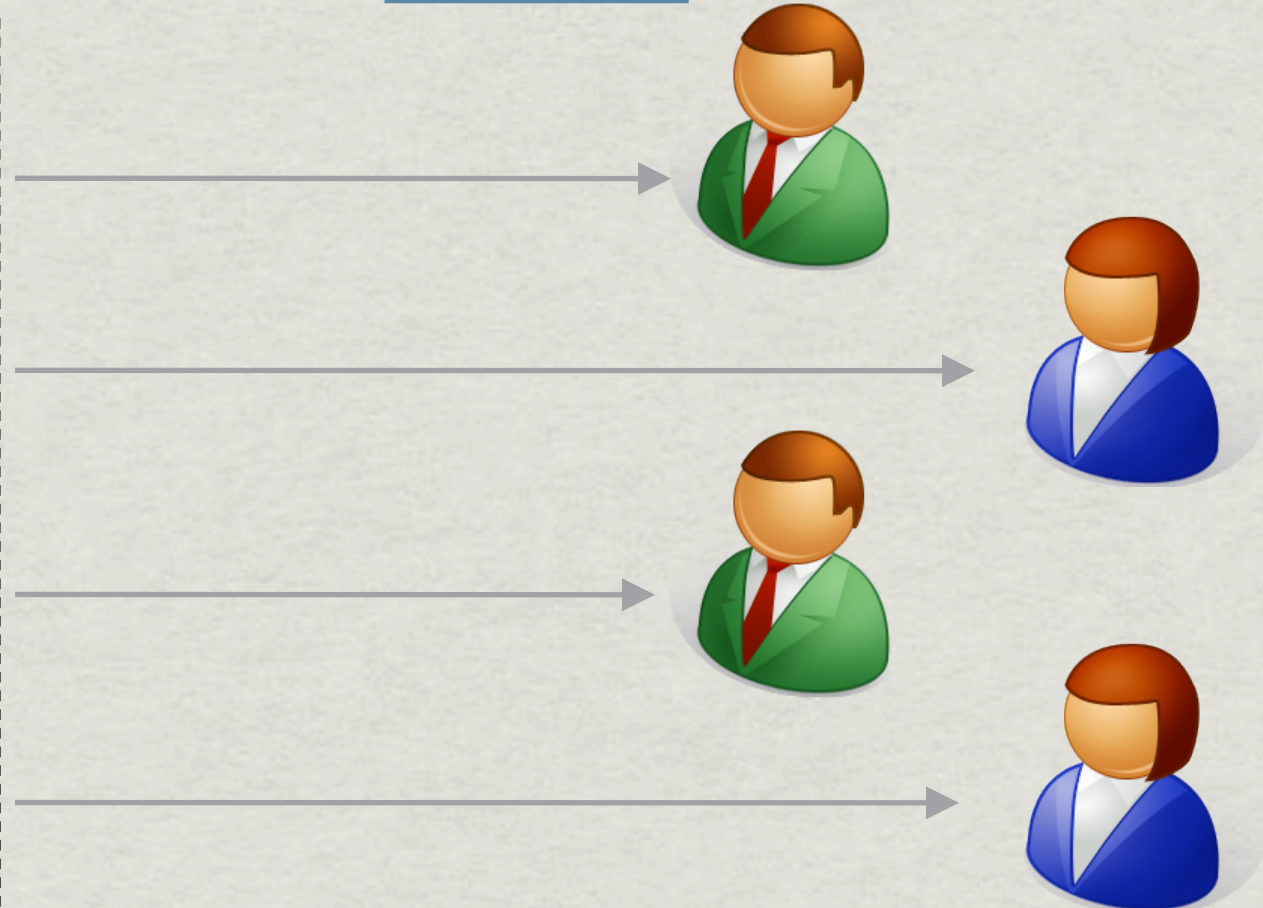
PLACE

PRICING

PROMOTION



4PS



# New Innovation Paradigm

- \* Democratization of 4Ps paradigm
  - \* Collective collaboration
  - \* Collective risk sharing
  - \* Collective product innovation
  - \* Collective IP ownership
- \* Citizen marketers will sell “remarkable” ideas
- \* Innovators should adopt the 1% rule
  - \* If you don’t find the “sneezers” or connectors, the 80/20% rule won’t matter
- \* Work backwards
  - \* Build your brand around your idea first. If the community you are targeting does not **coalesce** and rally around the idea, continuing to build the product is irrelevant
- \* Create your own “blue ocean”
  - \* If you play it safe and go by the rules of your industry, value chain, and business model – you’re dead!
  - \* Most industries and markets are saturated and highly concentrated.

# New Paradigm:

## Collaborative Open Innovation

CAPTURING  
CUSTOMER  
INTERACTION  
CREATES  
TREMENDOUS VALUE  
AND REDUCES RISK.

VALUE INNOVATOR

CUSTOMER

