

Online marketing 101

Before we jump in with all the exciting new tools available, let's take a step back and think about what you want to achieve. Too many people think: 'Everyone's blogging (or podcasting, tweeting, or on Facebook) – I should be blogging – let's start a blog!' This is the wrong starting point. Just because it's quick, easy, and free to set up an account with WordPress, Facebook, Twitter, MySpace or YouTube doesn't mean you should. Like any form of marketing, your starting point should be your marketing aims and objectives, then identifying your community and where they hang out, *then* you choose appropriate tools to reach them. This chapter will give you a crash course in online marketing strategy, and help you understand some key principles of social media that will enable you to use any tool appropriately and effectively.

What is online marketing?

There are almost two billion people online. Some of them are your ideal clients or customers. If you can reach even a tiny fraction of them, you will have a viable business. The Internet has brought enormous benefits to the way we market our businesses. A website is like a virtual shopfront that is always open. Email reaches targeted audiences with news of our latest products. A blog provides regularly updated information for customers and prospects, which they can comment on. People can listen to us wherever they are on an MP3 player. They can watch video demonstrations of our products online, now that massive take-up of broadband enables us to watch

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large streaming video files. Social networks enable us to make direct connections with people who are interested in our wares. We can reach niche audiences more easily than ever before – and the power of the Internet makes these niches global. However specialised our niche, there is a market for it online, which not only can we reach but, by increasing our visibility online, will also come looking for us.

Online marketing does a lot of the same things that traditional marketing does – it just does them more cheaply and effectively with a greater reach.

You may be familiar with the traditional marketing concept of the ‘sales funnel’. It describes the stages through which you push potential customers from being a mass market of people who are unaware of your existence to a highly targeted loyal customer who comes back for more. It also describes which marketing methods to use at which stage.

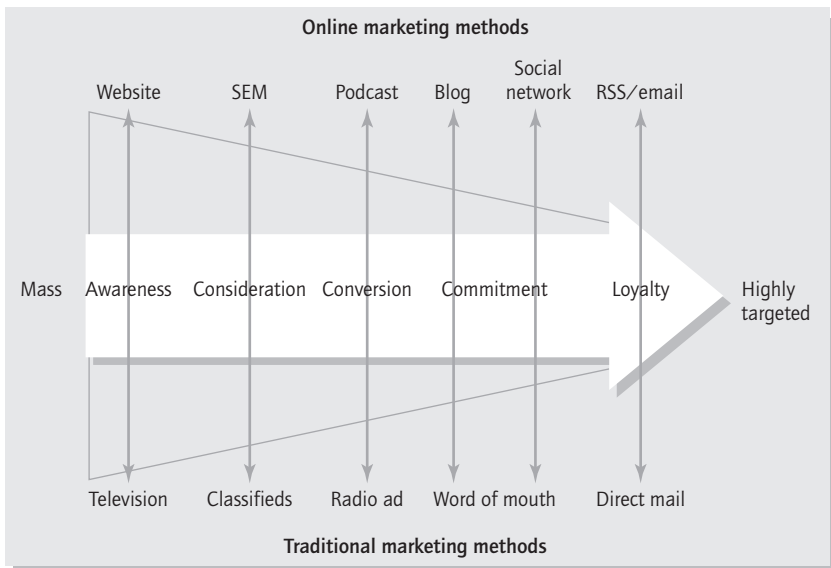


figure 1.1 Online vs. traditional marketing methods

Online marketing methods loosely map on to traditional methods, but at every stage you are making yourself visible to people who will seek you out, and engaging a highly targeted audience, rather than broadcasting an indiscriminate message and hoping for the best. Word of mouth is the Holy Grail of marketing – and very difficult to achieve offline. But it is turbo-charged with online marketing.

Why online marketing works for business

Online marketing is:

- **Affordable.** Because it is cheaper than traditional marketing, you can use it to punch above your weight.
- **Effective.** People spend more time online – use online marketing to reach your market where they are.
- **Authentic.** Tools such as social networks, blogging and podcasting are personal media. You can use them credibly as a small business owner, in a way that is hard for large corporates to do.

Given the amount of time people spend on the Internet, particularly on social sites such as Facebook and Twitter, it makes sense to join in. The average consumer tends to be way ahead of most businesses in their use of social media. If your market is spending time on these sites, so should you – go where your market is. Specific reasons why online marketing works for business include:

- 1 **Drive traffic to your site.** This is probably the single biggest reason for using online marketing. Your website is the hub of your business, and the aim of your online marketing activities is to drive traffic to it.
- 2 **New ways to connect with your market.** By establishing a presence on social sites that your market use, rather than taking an ‘if you build it they will come’ approach to your business website, you’ll become visible to a new set of prospects.
- 3 **Build trust.** People always prefer to do business with people they know. Your clients and customers can get to know you through your online presence.
- 4 **Start a conversation.** Online marketing is a conversation – not a lecture. A two-way dialogue with your customers and prospects is much more effective than a one-way broadcast of your marketing message.
- 5 **Create value.** Part of the secret of online marketing is creating useful content and giving it away. If you can create a useful resource or interesting content targeted at your niche, they will keep coming back for more.
- 6 **Build communities and relationships.** Think of your market as a ‘community of interest’, built around a particular topic related to your business. You may also be able to create a community around your business or product – if it is interesting enough!

- 7 Provide quick, up-to-date information about your business or topic of interest.** The 'breaking news' aspect of many forms of online marketing makes it ideal for announcements about new products or services, special offers, or simply valuable topical information about your sector or area of expertise.
- 8 Data capture.** Building a database of potential customers is a core aim of your email marketing campaign. But much of your online marketing effort will also be geared towards list building – not just your lists of Facebook fans and Twitter followers, but the calls to action you will use to encourage people to sign up to your email newsletter.
- 9 Market research.** One of the benefits of using the new online marketing tools is that you are much closer to your market and aware of what they want. But you can go a stage further and ask them for their feedback on your products or services, or even create an online questionnaire and market it through your online marketing channels.
- 10 Low-cost, low-risk, effective.** Most of the tools are available either free or very cheap. The investment is often in time rather than money. The risks of using a social media and communicating openly with your market are low, so long as you follow the principles in this book. They are far outweighed by the benefits you will gain. For anyone still concerned about maintaining control, it is important to remember that we have already lost control – and probably never really had it in the first place. People are already talking about us. It is important for you to be aware of where those conversations are taking place, to join them, and to influence them where appropriate.

Reaching niche markets online

Another benefit of online marketing is the ability to create a viable business out of a niche market. Niches work well online, and it's easier than ever before to reach them. You may have heard of Chris Anderson's concept of *The Long Tail*¹. It's a variation of the 80/20 rule, applied to the revenue generated by a product range. Typically, 80 per cent of your revenue will come from 20 per cent of your products. A small number of 'bestsellers' generates more income than a large number of low-selling

1 Chris Anderson (2006) *The Long Tail: how endless choice is creating unlimited demand*, Random House Business Books.

items. A frequency distribution of number of products by volume of sales is not a new idea. What's new is the idea that the 'long tail' of low-sellers can now be profitable – and even make more money than the 'head' of blockbuster items – thanks to the low distribution costs of selling online. Amazon is a classic case of this, where a seemingly infinite variety of niche products reach a niche audience, and their low unit sales volumes over time combine to make these products not only viable but also a nice earner. If your business has an identifiable niche, and you can provide products or services at a distance, you too can benefit from the Long Tail by using online marketing to reach your community.

What is social media?

Although I've so far been talking about 'the new online marketing tools', these are more properly referred to as *social media*. Social media is simply a collection of free, online tools and platforms that people use to publish, converse and share content online. It's what we used to call 'Web 2.0' – a second generation of more collaborative online tools.

Social media tools include blogs, podcasts, online video, photo-sharing sites, social networks, virtual worlds and social bookmarking sites – all the tools covered in this book from Chapter 6 onwards.

You might also think of social media as a collection of websites and online services: Facebook, LinkedIn, MySpace, Twitter, Flickr, Second Life, iTunes, Delicious, StumbleUpon and so on. For our purposes, it is most helpful to think of it as an approach to marketing, and a subset of online marketing tools which, more broadly, include websites, search engine marketing and email marketing.

It is a shift from 'push' marketing, where we are pushing a marketing message at people, to 'pull' marketing, where we are attracting people towards us with engaging, interesting, valuable content that people will seek out. People today think in a Googlesque way – they seek out what interests them. If you can tap into those communities of interest, you won't ever need to sell again – people will come looking for you.

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You might think of it as permission-based marketing, word-of-mouth marketing, or conversational marketing. One phrase I came across a little

while ago on the conference circuit is *martini marketing* – though it's one that I shall have to stop using in lectures and workshops, since most people I speak to these days are too young to get the reference! There was a TV advertising campaign for Martini in the 1970s which used the strap line: 'any time, anyplace, anywhere'. That really sums up how marketing should work these days – going where your market is, reaching them with content they want, when and where they want you to.

This is a shift away from *megaphone marketing* – randomly shouting your message at a heterogeneous mass of people who may or may not be interested in what you have to say. By using social media, you are making yourself visible to people who are already interested in what you have to say. You can tap into these communities of interest, engage them with useful content, and build a relationship with them.

Social media marketing works for small businesses because it focuses on building customer relationships rather than sterile marketing campaigns. Resist the temptation to use that safe, impersonal corporate voice – stick your head above the parapet and be yourself!

Social media myths

We've come a long way in a very short space of time with social media. The World Wide Web has only been around for about 20 years. And social media as we know it has only really been around since 2006 – the year that *Time* magazine nominated their Person of the Year as 'You'. The year 2006 was a significant one in social media: Facebook opened its network to anyone, rather than just US college kids; Twitter launched; and a new company called YouTube was bought by Google. These are now three of the biggest sites on the Internet. Yet some of the early myths about social media still persist. Let's dispel a couple of them now.

Myth #1 – It's just for kids

Business got very excited about social media a few years ago, when there was a lot of talk of the 'MySpace Generation' – i.e. using social media to reach a young demographic of kids connecting online and creating media in their bedrooms. This may have been true in 2006 when

Facebook was a student network, but it is much less so now. The fastest-growing demographic in all social networks is people over the age of 35. On Facebook, 35–54-year-olds are growing the fastest, and 25–34-year-olds are doubling every six months. The largest age group on Twitter is 35–49-year-olds. Residents of the virtual world Second Life have an average age of 33; and members of LinkedIn an average age of 41 – as you might expect for a more professional network.

There are, of course, still plenty of young people on social networks. This generation of ‘digital natives’ were born into a world of digital technology. In a few years they are going to be your customers, your clients, your staff. Many of them already are. But the grown-ups are catching up. They might be thought of as ‘digital immigrants’, at varying levels of fluency in the new digital language.

“the grown-ups
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Myth #2 – It’s a fad

I think we’re now past the point where social media can be dismissed as a fad. It has simply become the way we use the Internet: in a social, interactive way. What is sometimes referred to as the ‘social web’ is really just the Web. We no longer say ‘motor car’ – we just say ‘car’. It’s taken as read that our cars are motorised. So it is becoming with the Web – it is a given that we use the Internet to connect with our friends, express our opinions, publish our photos or watch a video.

There is also hard research evidence to back up this new, social way we use the Internet. Social media channels have grown rapidly over the past year. According to a Nielsen report² in 2009, in the UK, social sites account for one in every six minutes the average Internet user spends online. Facebook is the most popular social network globally, with 500m active users, and Twitter is the fastest-growing social media tool, with an estimated 75m users at the time of writing. You can find the latest user statistics on Facebook at <http://www.facebook.com/press/info.php?statistics>.

2 Nielsen, March 2009, http://www.nielsen-online.com/pr/pr_090309.pdf (PDF).

Core principles of social media

There are certain unwritten rules of using social media, and people don't like it when you break them. Understanding of the culture of social media is important. If you adhere to the following principles, you shouldn't go too far wrong, whichever tool you use:

- 1 Be authentic, open, transparent.** If there's one thing you take away from this book, it is to be authentic at all times. Don't pass yourself off as something or someone you're not. Behave in a professional way, but don't be afraid to use your personal voice. The good thing about being a small business is that you don't need to get your communications approved by a committee or signed off by five people. You can just do it. Be yourself, be authentic, and people will trust you. We live in an age where trust is no longer in big institutions but in 'people like me'.
- 2 Don't go for the hard sell.** Don't spam a Facebook group with your marketing message – provide useful content that your community will value.
- 3 Build social currency.** The best way to get a feel for social media is simply to use it. What's more, establishing a social media presence gives you 'permission' to use it for marketing. Once you have been on various social sites for a while, you have more credibility: people will take you more seriously and listen to what you have to say.
- 4 Don't view it as just another marketing channel.** Social media is a fundamentally different approach to marketing. Using it is a commitment – not a tactic or a campaign.
- 5 Don't treat it as a one-way broadcast medium.** Yes, you can issue press releases using blogging software – but that's not really a blog. You can just use Twitter as an automatic feed from your blog – but that's not the most engaging way to use it. Social media becomes much more interesting, and effective, when it facilitates a two-way conversation between you and your community of interest.
- 6 Be clear about responsibilities.** If you are a micro-business or sole trader, it will probably be you maintaining all of this. But if there are several of you working on the business, it pays to be clear about who is responsible for updating what, and how often.
- 7 Be patient.** Social media needs a long-term approach. A new blog takes a good six months to establish itself and build a following. You will

need to spend time and effort building and maintaining your online presence before it translates into sales. But that online presence, once established, will continue to build and provide you with an essential source of potential clients and customers, highly targeted within your community of interest, who will come looking for you.

Never mind the tech

Finally, please don't worry about the technical side of things. Most of it is quite easy, and I'll take you step-by-step through the most important bits. You can also find more advice and tutorials on the website at www.getuptospeed.biz. And you can always find other people to help out, whether your in-house IT person, an external consultant or a 'virtual assistant' (see Chapter 16 for more advice on this).

It really is about your business, your passions, your ideas – rather than the technology. I am not a geek. I don't get excited by technology for its own sake. I am interested in using the most effective, easy, affordable

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marketing tools for my businesses. Most of them happen to be online tools. You don't need to be a tech head to use social media. It's more important to have a message, some compelling content and a bit of creativity. The rest you can learn as you go

along. Most of the tools are quite easy to pick up. This is another area where the 80/20 rule applies: 80 per cent of social media is content; 20 per cent is technology.

The content that you reach people with is more important than the tools you use to reach them. Tapping into communities of interest is a key goal of social media marketing. And communities are built around content, not technology.