



# THE GREAT MARKETING OPPORTUNITY

While marketers are beginning to better understand how impactful online marketing can be in the overall mix, there is still a pervasive gap between total resources and dollars invested online versus offline.

Marketers continue to measure significantly higher ROI from their online efforts; however, when looking at overall media spend, online marketing is only forecasted to grow 1-3% per-year over the next four years.<sup>1</sup> Small incremental increases will only breed small incremental successes – making diminished returns light years away. Marketers are missing the “Great Marketing Opportunity.” They need to focus their resources in the places that yield the highest result – online. Only then can they strategically close the gap between online and offline spending to maximize ROI and best reach their customers where they are spending most of their time consuming information.

### US Online and Total Media Advertising Spending, 2006-2011 (billions and % of total media spending)

	Internet	Total Media	Internet % of Total Media
2006	\$16.9	\$281.6	6.0%
2007	\$21.4	\$287.5	7.4%
2008	\$27.5	\$295.5	9.3%
2009	\$32.5	\$301.5	10.8%
2010	\$37.5	\$309.0	12.1%
2011	\$42.0	\$316.0	13.3%

Note: eMarketer benchmarks its US online advertising spending projections against the Interactive Advertising Bureau (IAB) / Price waterhouseCoopers (PwC) data, for which the last full year measured was 2006; online ad data includes categories as defined by IAB / PwC benchmark— display ads (such as banners), paid search ads (including contextual text links), rich media (including video), classified ads, sponsorships, referrals (lead generation) and e-mail (embedded ads only); excludes mobile ad spending; eMarketer benchmarks its US total media advertising spending projections against the Universal McCann data, for which the last full year measured was 2006; includes television (broadcast and cable), radio, newspapers, magazines, Internet (excludes mobile), outdoor; direct mail, yellow pages and other  
Source: eMarketer, October 2007

Intel, the industry leader in micro-processing and considered the tech darling of the last 10 years, has traditionally spent 15-20% of its marketing budget online. In 2009, Intel plans to increase this to 50%. Clearly they recognize this great opportunity and, as has been their history, they aren't going to follow the small shift, they are going to forge forward and take advantage of the opportunity to lead.<sup>3</sup>

Economic times are tough – budgets are being cut and resources reduced. Spending freezes are surfacing and marketers are being asked to deliver more with less. There has never been a better time to invest your marketing budget online to ensure accountability and maximum impact.

## WHAT IS A “GREAT OPPORTUNITY”?

You don't have to look back very far to see an example of a great opportunity, and see how some companies took advantage and succeeded, while others followed the status quo and paid the price. In the early 2000's, the U.S. was SUV crazy – domestic car makers were barely able to keep up with demand and showed impressive profits. However, there were emerging trends indicating a decline on the horizon. American automakers ignored the signs and stuck to building the traditional, large, gas-guzzling SUVs. This was a conservative approach and these companies produced strong sales and profit in the short-term, similar to the way traditional media adequately delivers today. But a truly “great opportunity” was missed – the opportunity to look toward the future and build more fuel-efficient and eco-friendly automobiles, which is the future of the auto industry.

Despite the fact a green revolution was emerging in concert with oil prices steadily rising, American automakers were only willing to take a “measured approach” to investing in, and building, more fuel efficient cars. This is similar to the measured approach currently being taken when investing in online marketing. Conversely, in Japan, companies like Toyota had enough vision and foresight to look beyond just the short-term demand, and invested heavily in fuel efficient vehicles. They took advantage of the “great opportunity”, and the rest is history.

Today, GM is begging for a bail out with a stock price of \$4.89, which is down from a 52 week high of \$43 and a FY2000 high of \$86 – ouch. On the other hand, Toyota's stock price is \$61.25, down from a 52 week high of \$117.59, but up from their FY2000 high of \$59.30. Further to the point, Toyota is now the largest automaker in the U.S.

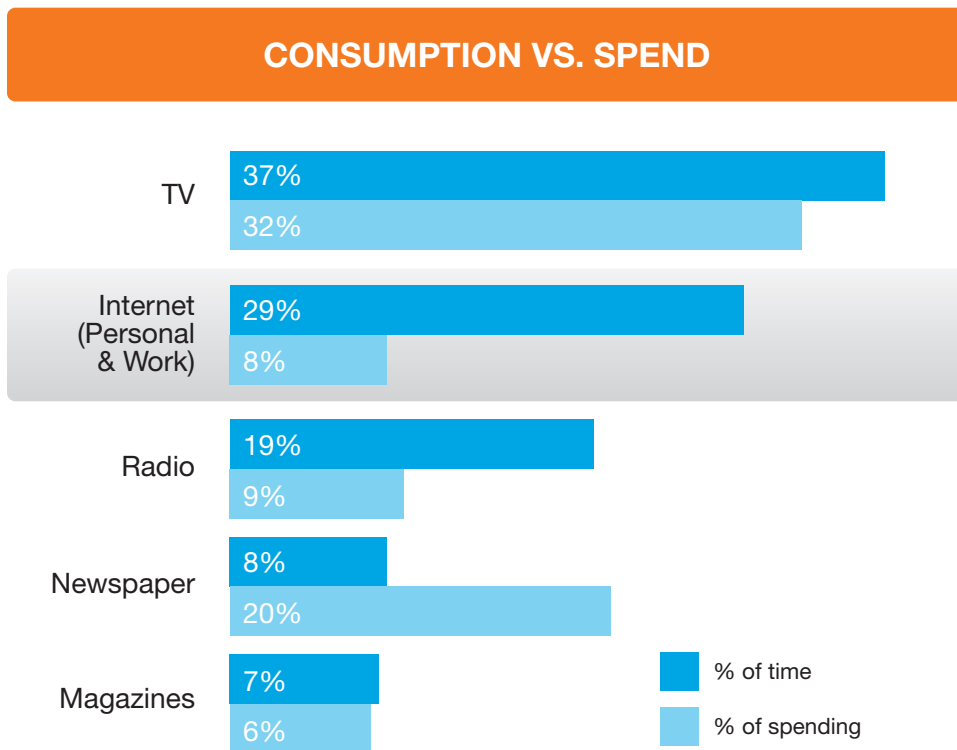
While Toyota’s visionary approach may have had risk, investing in online marketing does not. All it takes is acknowledging what the data, trends, and case studies are demonstrating – the “Great Marketing Opportunity” – and acting on it.

## WHAT DOES THE RESEARCH TELL US?

There is a large discrepancy between where marketers spend their budget attempting to connect with their target market, and where the target market is actually spending time consuming media. This is the first clear indicator of the “Great Marketing Opportunity” and is acutely illuminated in research conducted by Forrester Research and illustrated below. For example, the average American spends 29% of his or her time using the Internet, yet marketers are only spending 8% of their overall budget online.<sup>2</sup> Conversely, the average American spends 8% of his or her time reading newspapers, and marketers are spending 20% of their overall budget in this medium.<sup>2</sup> Ironically, newspaper circulation is down and publishers are increasingly trying to recoup this loss by gaining a larger audience online.<sup>2</sup> Many marketers haven’t taken the cue.

***“The average American spends 29% of his or her time using the Internet, yet marketers are only spending 8% of their overall budget to reach that audience. Conversely, the average American spends 8% of his or her time reading Newspapers, and marketers are spending 20% of their overall budget to reach that audience.”***

**Forrester<sup>2</sup>**



Source: Forrester Research, “Teleconference: The US Interactive Marketing Forecast 2007-2012,” January 4, 2008

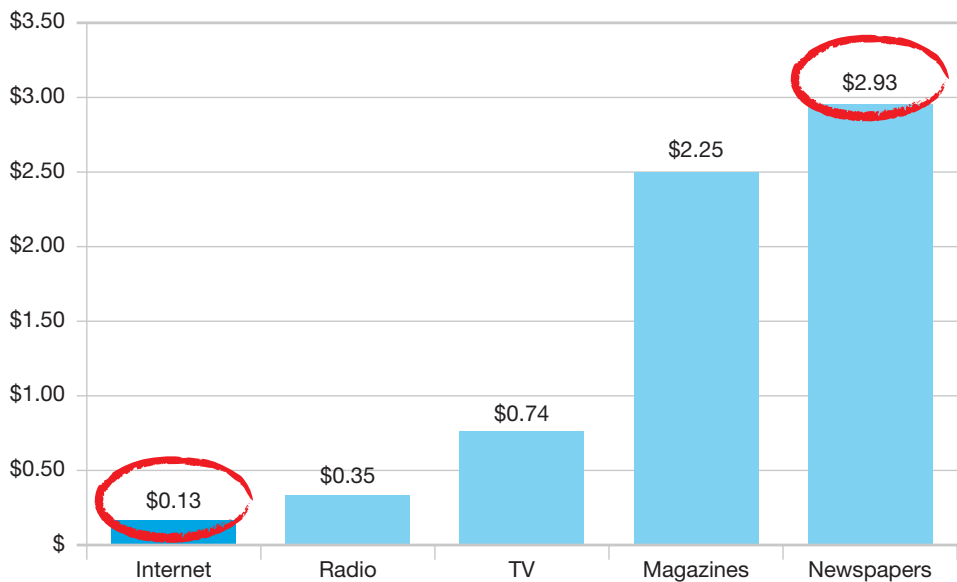
Moreover, 90% of people who CAN skip TV ads, DO,<sup>4</sup> which isn't surprising given that the average person is exposed to 3,000 advertising messages per day.<sup>4</sup> What may be surprising to hear is: only 14% of people trust advertisements.<sup>4</sup> However, research shows 93% of all B2B sourcing/purchasing begins with Search.<sup>5</sup>

It's indisputable – there are more people online, and they are spending more time online. Unlike in the past, they have control of what, where, and how they consume content. Marketers who understand this trend and capitalize on it will reap the rewards of a widely used, unsaturated, and relatively inexpensive medium.

## HOW EXPENSIVE IS YOUR MEDIA?

I asked our research team to calculate what it costs on-average to market to one individual for one unit (hour) of time in a specific medium. Not surprisingly, it is 22 times more expensive to market to one person for one hour via newspapers than it is to market to one person for one hour online.<sup>6</sup> While this equation is not perfect, it clearly demonstrates a trend and is another indicator of “The Great Marketing Opportunity.” Dollar for dollar, marketing online is more cost-effective than its traditional offline counterparts.

### COST PER REACH



219M adult Americans online x 16 hrs/wk online avg = 182B hours online  
 \$24.3B Spent on Online Marketing in 2008  
 $\$24.3B / 182B \text{ hours online} = \$0.13/hr$   
 Source: Jupiter, eMarketer, and MediaMark Research Inc.

That being said, leveraging traditional marketing is essential to overall marketing success. No doubt. In fact, Marketing Executives are similar to portfolio fund managers in that they both must appreciate and understand the right marketing mix, or a “diversified portfolio” is necessary. Whether it is media, or stocks, it still comes down to investing money. And when an investment isn’t performing, we must re-adjust based on real-time data, economic trends, and the future. Being responsive to the market enables higher yields and maximum ROI. The problem is, marketers are not adjusting their “portfolios” in real-time to take advantage of these trends. There remains a gap – “The Great Marketing Opportunity” – where some will lead and take advantage, while others will invest at a lesser pace and miss the opportunity. Marketers would be wise to re-assess their marketing portfolios to ensure they consistently achieve optimal results.

## WHY AREN'T MARKETERS TAKING ADVANTAGE OF “THE GREAT MARKETING OPPORTUNITY”?

Having worked closely with many marketers over the past 10 years – in B2B and B2C companies, in Fortune 500 and mid-market organizations, and ranging in title from Online Marketing Manager to CMO – there is a uniform list of why marketers miss “The Great Marketing Opportunity.”

### LACK OF STRATEGY

Typically, we dedicate significant time and resources to planning and launching a television campaign or other traditional media campaign; however, when it comes to many of our online initiatives, we launch without much planning at all.

Since online marketing has a relatively easy point-of-entry and enables companies to launch campaigns without significant resources – human or budgetary – many marketers fail to strategically plan, ensure they are measurable, and tie to business goals. We often hear, “it’s being handled by IT” or “tasked to an entry-level marketing employee.”

Ultimately, these rushed initiatives yield results that are not fully realized or optimized, if you will, making it difficult to justify any increase in resources dedicated to these tactics. This cycle occurs with small and large businesses alike. If we approach these efforts with strategy and purpose, and we allocate the appropriate resources behind them, they will connect online initiatives to strategic business results, increasing brand exposure not just search engine rankings. Online efforts have proven to be the most measurable and successful tactics in marketing today.

## LACK OF TRACKING

Adding to the point above – whether it's online or offline, the majority of marketing campaigns are not properly tracked. This perpetuates the status quo when it comes to marketing spend. Most offline marketing programs cannot track to the individual. More importantly, they cannot track to purchases, making it next to impossible to calculate actual ROI. The result? The effectiveness, or lack thereof, cannot be proven.

This problem isn't exclusive to offline activities. In fact, despite the fact online activity is highly measurable, the majority of companies utilizing tracking have limited and rudimentary data. This doesn't provide the insight necessary to make informed business decisions. Reports, dashboards, and KPIs are the Web 2.0 of analytics – the future is in measuring to affect business results.

Because the burden of proof typically falls on the unfamiliar approach (online), marketers are ill-equipped to make significant and real changes, even if they believe it will improve the bottom line.

## AGENCY MIND CONTROL/ ADVERSE TO CHANGE

Much of the industry's thought leadership and strategy remains with large agencies that have significant resources and infrastructure dedicated to, and strong partnerships with, large media companies. Thus they continue to recommend investing heavily in traditional advertising – they simply are not structured to recommend otherwise. In more pointed terms, agencies are incentivized to push what they're already set up to deliver, not what specialized firms can offer – and this can be to the detriment of the client.

## LOSS OF CONTROL

Marketers lose some control of messaging when launching Social Media, Search, and other online campaigns and they tend to have a hard time with this concept. For years, marketers have been trained to guard their brand, and every expression of their brand, with tenacity to ensure consistency. But, times have changed. Like it or not, users are in control, and we as marketers have to get used to it. It's not what you are saying about your products, services, or brand; it's what your customers are saying. Remember, only 14% trust advertisements<sup>4</sup>, while 78% trust recommendations.<sup>7</sup>

## **LACK OF RESOURCES = LACK OF PRIORITY**

We often hear things like, “IT can’t take on another project for 10 months” or “I don’t have the time and my Online Marketing Manager just took another job.” So, on the surface, it’s a lack of resources. But ultimately, it’s a lack of priority. Online marketing initiatives are not properly prioritized to ensure execution that leads to success.

## **WHAT SHOULD MARKETERS DO?**

Focus on the four pillars of online marketing. Before you jump head-first into changing title tags, blogging about your new product, or for Pete’s sake, building a Facebook or Myspace page, you need to create a strong foundation. You don’t want to fall victim to pitfall #1 above. To build a foundation, you’ll need to approach this like any other marketing initiative – ensure you have the resources in place and then start planning. First, build a business case. Without it there is no real reason for anyone to listen. Then start the process of educating internal constituents to get the buy-in you’ll need to get the right people for the job and succeed. You’ll need to have the internal resources in place to execute as needed, and you’ll likely need to look at finding an outside resource with the specific expertise necessary to guide you through the process and minimize risk while maximizing return.

Once you’ve set this foundation, you can move into the four pillars of online marketing. Where and how you choose to focus your resources and energy will depend greatly on your business objectives.

## **#1 - DRIVE TRAFFIC TO YOUR SITE WITH SEARCH ENGINE MARKETING**

### **START WITH PAID SEARCH**

Paid search can quickly and cost-effectively drive traffic to your site. When run well, it can produce ROI and detailed tracking within weeks. Far too often, clients think they can handle this in-house, but “handling” something and managing a campaign for maximum ROI are two entirely different things. A team of seasoned experts should be able to look at your current PPC campaign data and deliver a significant increase in ROI using advanced tactics like “mirror matching” which can produce big savings and big returns.

Why is PPC such an important part of the marketing pie?

- Conversion rates for paid search have increased every year for the last 3 years: 4.19% in 2006, 4.42% in 2007, 4.61% in 2008.<sup>8</sup>
- In a recent survey from MarketingSherpa, Search Marketers were asked to rank the following marketing tactics in terms of ROI: SEO, Public Relations, Print Advertising, PPC, Online Advertising (Banners, etc), House E-mail Marketing, and Direct Marketing. The results were impressive for PPC, which came in third behind SEO and E-mail respectively. In total, 14% of respondents rated PPC as their “Strongest Tactic” with 42% reporting “Good ROI.”<sup>9</sup>

## NEXT, ORGANIC SEARCH ENGINE OPTIMIZATION (SEO)

Now that you have your PPC campaign up and humming, you need to augment it with a robust SEO effort. The true power of search is in the strategic combination of PPC and SEO; however, if you had to break it out individually, **it's my assertion you would find SEO to have the single largest potential for ROI.** SEO can impact rankings (branding), traffic (market share), and conversions (sales). What CMO wouldn't want that? Real winners in the online space win first, and win big, with SEO.

If you're going to build and execute a superior SEO strategy, it is highly recommended you form a team of experts, including: a strategist, an on-page expert, an off-page expert, a site-wide expert, and a Social Media Optimization expert. This combination of expertise provides the breadth of knowledge necessary to develop a plan with an in-depth understanding of the current landscape, as well as an educated perspective on where it's evolving.

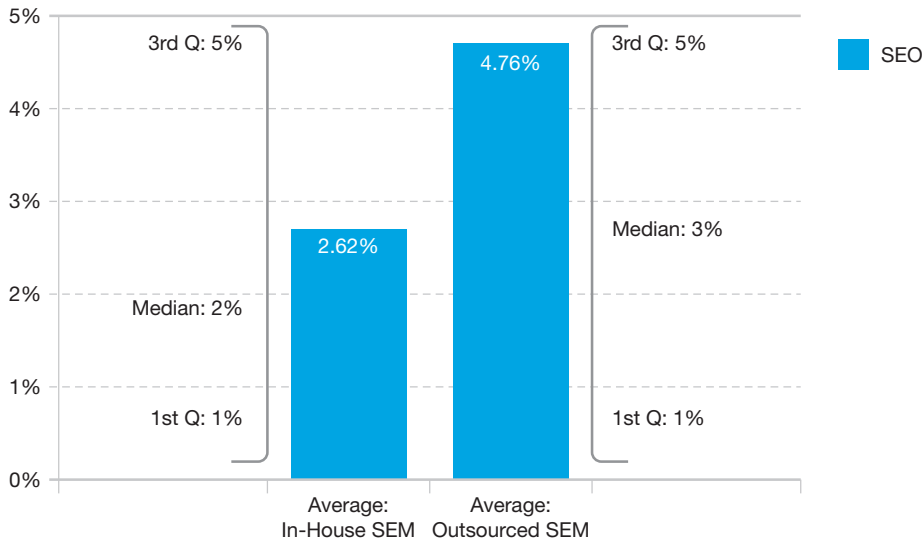
The quality of your SEO team is directly related to the quality of your results. MarketingSherpa recently reported (*Search Marketing Benchmark Guide 2009*) that while internal SEO teams gain a 38% lift in SEO traffic on average, outsourced SEO nets an average jump of 110%.<sup>9</sup>

***“The one, undeniable truth of search marketing is that across all major engines, organic results (those that show up in natural “free” listings) are better noticed, read, and clicked on than the paid listings. The search world has known this for more than five years.”***

***MarketingSherpa<sup>8</sup>***

Additionally, as seen in the chart below titled “In-House vs. Outsourced Conversion Rates,” outsourced SEO yields much higher conversions than in-house—4.76% and 2.62% respectively.<sup>8</sup> Using these numbers, the charts to the right illustrate that if you drive more traffic, and convert more of that traffic, you will see a significant increase in sales.

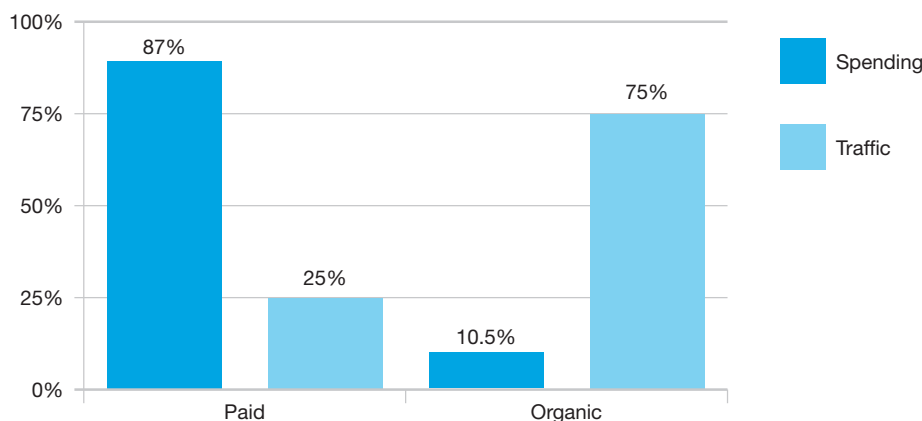
### IN-HOUSE VS. OUTSOURCED CONVERSION RATES



Source: MarketingSherpa Search Marketing Benchmark Guide 2008

And yet, when you look at the marketing spend being allocated to SEO versus PPC, the numbers don't make a lot of sense. Paid search captures 87% of all search spending and drives 25% of search traffic, while organic SEO gets 10.5% of the budget and drives 75+% of search traffic.<sup>8</sup> Put in different terms, organic traffic provides 3X the amount of traffic, but gets 9X less marketing dollars.

### SPEND VS. TRAFFIC GENERATED



Source: MarketingSherpa Search Marketing Benchmark Guide 2008

IN-HOUSE	
Traffic Pre-SEO	250,000
SEO Increase	38%
Increase Traffic	95,000
Total Traffic	345,000
Conversion Rate	2.60%
Conversions	8,970
Average Product Sale	\$500
<b>Total Sales</b>	<b>\$4,485,000</b>

Source: BusinessOnLine

OUTSOURCE	
Traffic Pre-SEO	250,000
SEO Increase	110%
Increase Traffic	275,000
Total Traffic	525,000
Conversion Rate	4.80%
Conversions	24,990
Average Product Sale	\$500
<b>Total Sales</b>	<b>\$8,270,000</b>
<b>% Increase in Sales</b>	<b>196%</b>

Source: BusinessOnLine

The data definitely justifies taking a closer look at how to properly allocate your marketing budget to maximize SEO in your mix. Most sites are not well optimized, which means they are missing the opportunity.

## **DON'T FORGET ABOUT INTERNATIONAL SEO**

Obviously, this isn't for everyone. The focus you place on international SEO will depend greatly on your specific business, but it's worth noting that while much of the U.S. market is struggling, countries like China are experiencing significant growth in terms of both Internet usage and search.

- According to *Internet World Stats*, China's Internet usage grew 1,222.4% from 2000 to 2008.<sup>10</sup>
- The China Online Shopping Survey 2008 released by CNNIC (China Internet Network Information Center), revealed that the total online shopping value in China reached CNY16.2 billion (2.3 billion U.S. dollars) in the first half of 2008.<sup>11</sup>
- CNNIC calls China a "Rising Internet Power", given that by the end of June 2008 the amount of netizens in China had reached 253 million, surpassing the United States to be the first place in the world.<sup>12</sup>
- From the same period last year, the number of Chinese netizens has increased by 91 million, marking the biggest increase in the number of netizens in history, with a growth rate of 56.2%.<sup>12</sup>
- The report also indicates that the number of broadband users in China has reached 214 million, which also tops the world.<sup>12</sup>
- By July 2008, the number of .cn domain names had exceeded .de, the country-code Top Level Domain (ccTLD) for Germany. With 12.18 million, the .cn domain is the largest ccTLD in the world.<sup>12</sup>

And, as you see in the chart below, it's not just China that's growing at a phenomenal rate. The rest of the world is outpacing North America as well.

WORLD INTERNET USAGE AND POPULATION STATISTICS						
World Regions	Population (2008 Est.)	Internet Users Dec/31, 2000	Internet Usage, Latest Data	% Population (Penetration)	Usage % of World	Usage Growth 2000-2008
Africa	955,206,348	4,514,400	51,065,630	5.30%	3.50%	1031.20%
Asia		114,304,000	578,538,257	15.30%	39.50%	406.10%
Europe	800,401,065	105,096,093	384,633,765	48.10%	26.30%	266.00%
Middle East	197,090,443	3,284,800	41,939,200	21.30%	2.90%	1176.80%
North America	337,167,248	108,096,800	248,241,969	73.60%	17.00%	129.60%
Latin America/ Caribbean	576,091,673	18,068,919	139,009,209	24.10%	9.50%	669.30%
Oceania/Australia	33,981,562	7,620,480	20,204,331	59.50%	1.40%	165.10%
WORLD TOTAL		360,985,492	1,463,632,361	21.90%	100.00%	305.50%

NOTES: (1) Internet Usage and World Population Statistics are for June 30, 2008. (2) CLICK on each world region name for detailed regional usage information. (3) Demographic (Population) numbers are based on data from the US Census Bureau. (4) Internet usage information comes from data published by Nielsen//NetRatings, by the International Telecommunications Union, by local NIC, and other reliable sources. (5) For definitions, disclaimer, and navigation help, please refer to the Site Surfing Guide, now in ten languages. (6) Information in this site may be cited, giving the due credit to [www.internetworldstats.com](http://www.internetworldstats.com). Copyright © 2001 - 2008, Miniwatts Marketing Group. All rights reserved worldwide.

It's not just emerging markets seeing a shift. Regions like Europe are experiencing a surge in Internet search and overall usage as well, and Internet advertising is gaining an impressive share of total advertising spend. According to the International Herald Tribune, about 20% of British ad spending goes to the Internet, which is more than double the worldwide average.<sup>13</sup> Britain's online ad revenue is almost as high as Germany, France, and Italy combined.<sup>13</sup> Econsultancy, UK's leading online publisher of best practice internet marketing reports, expects UK expenditure on search engine marketing – including organic and paid search – to increase to \$4.35 billion in 2008.<sup>14</sup>

Moreover, in 2008, the European Interactive Advertising Association (EIAA) conducted a study and found that more than 8 in 10 advertisers have increased spending on Internet marketing.<sup>15</sup> Internet spending in Europe is expected to increase by 16% in 2009 and 17% in 2010.<sup>15</sup>

The IAB (Interactive Advertising Bureau) predicts that if both U.S. and EU online markets continue to grow at their current rates, European online ad spending will surpass that of the U.S. by 2010.<sup>16</sup> Russia has the fastest growing Internet audience in Europe with 17.5 million visitors, up 27% from June 2007 to June 2008.<sup>17</sup>

Even with the undeniable potential to produce significant, quantifiable, results nationally and internationally, it is clear that SEO and paid search remain under-leveraged. If you're to take advantage of the "great opportunity" this simply cannot continue.

## **#2 - IMPROVE SITE USERS' EXPERIENCE AND INCREASE CONVERSIONS.**

Give your users what they want, when they want it, and how they want it. What marketers, and more importantly executives, need to understand is that whether we like it or not users are now in control. They have become accustomed to this sense of control and support brands that recognize and embrace this dynamic. Simply said, if we don't give them what they want, we as marketers lose.

Thus, taking a user-first approach will ultimately help you achieve all your online business goals by increasing your critical website metrics – visitors, repeat visits, satisfied customers, brand engagement, conversions, and sales. According to Nielsen survey, spending 10% of your development budget on usability should improve your conversion rate by 83%.<sup>18</sup> And, in most cases, it's far less expensive to use 10% of your development budget on enhancing usability than it is to double your advertising budget.<sup>18</sup>

Working with clients from all business segments and of all sizes, there is a remarkable consistency to the usability issues we see. The following represent the top five website issues:

1. Failure to include a search box
2. Failure to Include related links or calls to actions at the bottom of destination pages
3. Failure to include a call-to-action for your marketing slideshow or product showcase
4. Failure to use correct form controls to minimize mistakes
5. Failure to categorize information into smaller parts

***"According to Nielsen survey, spending 10% of your development budget on usability should improve your conversion rate by 83%."***  
**Nielsen<sup>18</sup>**

We apply these simple, but all-too-often overlooked strategies to our clients' sites and consistently see amazing results. For example, we recently completed a user-experience overhaul for one of our clients, ACE Fitness, and saw immediate traction that drove real business results:

+ **482%** in conversions coming from search

+ **43%** in website conversions overall

+ **37%** in return visitors

+ **10%** in purchase price per order

- **20%** in abandonment rate

It is often thought, to increase our sales 2X we need to increase our traffic 2X. While driving traffic is a key component to increasing sales, it is critical, and often easier, to apply usability best-practices to your site to significantly increase your conversion rate (ie. Sales). If you focus on the user first, you can leverage the traffic you are driving to your site (and the spend required to get them there), and harness the potential of your web presence to optimize your marketing spend.

### **#3 – PARTICIPATE IN SOCIAL MEDIA AND ENGAGE WITH YOUR CUSTOMERS. HAVE A REAL CONVERSATION WITH CUSTOMERS.**

**Social Media is all the rage.** Everyone knows they should participate, but jumping in is daunting – we simply don't know where to start. So, here's step #1; start small, be realistic, and make your first goal to listen. Yes, listen; not market, not push a new message, not convert, but listen. Your customers are talking about you right now, whether you're participating or not. Think of it as a global focus group and there are amazing things you can learn and apply to your business if you simply listen.

After you have listened to your audience (current and potential clients), you can properly engage with them and begin a real conversation. Be transparent and honest in your conversations, because that's what your audience expects. All too often companies try to dominate the conversation and push an agenda, but that approach simply doesn't work with Social Media. Don't get me wrong, you should absolutely use this medium to enhance your brand and business objectives, but you need to do it in an honest way – your audience will appreciate it and respond positively to it.

Upon building credibility and opening a real dialogue, you can begin to reap the bigger benefits of social media – motivating others, your “mavens”, to do the heavy lifting for you. See, after you have climbed the mighty hill of Social Media by listening, participating, identifying your mavens, and giving them the tools to become your brand evangelists, you can sit back and guide the boulder downhill. You’ll still need to listen and participate, but once you’ve established yourself in the space it begins to fuel itself.

## Need more proof on the power of this medium?

The following are a few stats to consider:

- Facebook is the 4th most-trafficked website in the world<sup>19</sup>
- Facebook has 132 million unique visitors and a growth rate of 153%<sup>20</sup>
- MySpace has more than 110 million monthly active users<sup>21</sup>
- 34% post opinions about products & brands on their blog<sup>22</sup>
- 36% think more positively about companies that have blogs<sup>22</sup>
- 32% trust bloggers opinions on products & services<sup>22</sup>
- By 2010 Millennials/Gen Y-ers will outnumber Baby Boomers<sup>23</sup>
- Millennials spend around 16 hours/week online<sup>23</sup>
- 96% of millennials have joined a social network<sup>23</sup>
- Millennials have an average of 53% online friends (and they don’t care about an ad, they care what their friends think)<sup>23</sup>

Because Social Media is difficult for most marketers to get their hands around, seeing how others have leveraged this medium to drive quantifiable business results tends to help. Below are a few such campaigns that are worth reviewing.

**Young & Free Alberta by Common Wealth Credit Union.** A credit union in Alberta started a campaign to generate more young customers. They conducted a contest to find a young spokesperson, who then used a blog, YouTube, and Facebook to connect with other young people in Alberta. Result: 2 million impressions, 2,300 new accounts, and \$4 million Canadian in new deposits.<sup>24</sup>

**Hershey's Bliss House Party by House Party.** Hershey's created a campaign to introduce a new line of little chocolates. Pitch: sign up for a party, get bags of the chocolates, share the product. Those who participated got to do a party blog or upload photos or videos. Result: They energized 10,000 parties, reached 129,000 people, and say their campaign was seen by 7 million people. This is an overwhelmingly positive response. Most people hadn't seen the product before, but after the parties, most said they really like it.<sup>24</sup>

**Nerd Network by National Instruments.** This highly active community of 110,000 people who use National Instruments' LabView software was leveraged to answer 46% of all support questions. This is no ordinary forum – it also includes areas to generate new product ideas, a champions program for LabView experts, and even an area for mentoring high school students.<sup>24</sup>

**Borderless Workplace by Accenture.** Accenture is a huge company with thousands of consultants. With its new sharing applications, 100,000 of its 180,000 employees use its "People" Facebook-like app, 60,000 every month. The application logged 3,450 questions from these staffers and 4,157 responses in the last quarter. There are 577 pages in its knowledge-sharing wiki. Over 100 clients using the company's extranet pages to keep up on projects and status.<sup>24</sup>

Remember, Social Media is about creating a conversation, listening, and – if done properly – motivating. It shouldn't be viewed as just another media vehicle or another means to push PR. It's a beast all on its own and will need continuous focus and attention. Social Media can create brand awareness and affinity like no other medium.

## **#4 – MEASURE IT. MEASURE IT. MEASURE IT.**

Find out what works, find out what doesn't work, and make business decisions based on real data. Why do some companies succeed in building successful analytics practices while others struggle? It's easy to assume it's the size of the budget and that the best technology wins the race, but we've found that's not always the case. Instead, it's about processes and goals. Companies who are leveraging analytics successfully have established sophisticated business strategies and processes in order to define clear goals or KPIs. By measuring, they can effectively make marketing decisions that affect business results – the top and bottom line. In addition, they have the right infrastructures with flexible and reliable technologies to meet the continuously evolving needs of the business.

That said, making investments in business processes and technology isn't enough. It is not until businesses start using data to continuously take action on current initiatives that they can successfully increase ROI. The key is to continuously look for areas of opportunity and to optimize marketing efforts based on hard data.

Metrics are the foundation of every successful analytics program. However, there is some ambiguity around what makes a specific metric a key performance indicator (KPI). Simply put, KPIs are metrics that help organizations measure progress towards business goals. Only a handful of metrics truly qualify as KPIs. If you are unclear about how to select specific KPIs for your business, consider applying the following questions as your guide:

- How well am I doing?
- How can I do better?
- What am I doing poorly?
- What will I do better?
- Where is the opportunity?

Once KPIs have been defined, the next critical step is to set up effective dashboards to serve as their delivery vehicle. A dashboard is an easily digestible snapshot of your key findings. When done correctly, it will reduce report overload and provide reporting consistency, which establishes confidence in the numbers and encourages adoption across the organization. Effective dashboards group similar KPIs together for a specific audience so you can compare performance against benchmark metrics and make business decisions. Ultimately, the perfect dashboard will help you put the right data in front of the right audience at the right time with minimal effort in order to focus on driving action.

I would like to caution you that analytics isn't just about data, numbers, and trends; analytics is about answering important business questions. What are my business goals? How can I enhance the effectiveness of my marketing programs? How can I better cater to my visitors and customers?

This can't happen overnight. But ultimately, by aligning analytics with your business goals, picking relevant metrics and creating a corporate culture that demands business decisions based on data, you will be able to continuously optimize your marketing spend and reap the rewards in significantly improved (and quantifiable) ROI.

***“It is not until businesses start using data to continuously take action on current initiatives that they can successfully increase ROI. The key is to continuously look for areas of opportunity and to optimize marketing efforts based on hard data.”***

***BusinessOnLine***

## CONCLUSION:

Henry David Thoreau once said, “The mass of men lead lives of quiet desperation.” I say, “Marketers are following the masses and will soon be desperate.” It will be the marketers that *don't* follow the masses, the ones who recognize emerging data and trends and act on it, who will emerge as leaders and will capitalize on this “Great Marketing Opportunity”.

## ABOUT THE AUTHOR:



Thad Kahlow is the Managing Partner at BusinessOnLine. He is responsible for the entrepreneurial leadership of all BusinessOnLine operations where his energy and vision have helped propel the company into the online marketing spotlight. Under his direction, BusinessOnLine has become one of the nation's leading online marketing agencies, successfully launching hundreds of solutions for clients including Cisco,

Caterpillar, Chevron, Sony, NEC, Sybase, and Hasbro, to name a few. Over the years online marketing has evolved, and Thad has fueled the expansion of BusinessOnLine's service offerings to match and address the resulting challenges that online marketers face. Since joining BOL in 1999, Thad has successfully established Search Marketing (SEO and PPC), Social Media, User-Experience, and Analytics competencies at BOL.

With more than a ten years of experience in the online marketing industry, extensive knowledge in the disciplines of web strategy, online marketing strategy, web development, search engine marketing, and website usability, Thad is considered an authority on online marketing. He has presented at numerous industry and executive conferences, including the DMA, HTMA, AMT and the Online Marketing Summit; is published and quoted extensively in leading trade and business publications, including iMedia, BtoB Online, Clickz; and helped craft a SEO training program through SEMPO.

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