

The Roles Reversed - A Crash Course in Cyber Thinking -

Probably the hardest thing to grasp for traditional marketers as far as the Internet is concerned is the whole concept of reversed initiative. On 'the net' it's no longer the advertiser or supplier who controls when and how a consumer or business customer receives a certain message. It's the customer.

In this article I hope to explain some of the concepts about the Internet that are radically different from 'old-fashioned' media. It also explains what the impact of these concepts is on the usage of your website in your communication strategy. All of this isn't rocket science, and to those of you who've already been involved in the Internet for some time it will be quite elementary. Still, for those who are relatively new to the Internet and are thinking about setting up your own website, this article might help you to avoid some traps and pitfalls that others have fallen into.

A marketer can put a commercial on TV or on the radio, a printed ad in the paper or in a magazine, or use outdoor billboards or other mass media in an attempt to reach his target audience. A marketer can use trade fairs or direct mail and telemarketing to get in touch with his customers and prospects. What do all of these methods have in common? Well, the initiative lies with the transmitter (the advertising company), not with the receiver. A well planned (mass) media campaign will eventually reach the customer, although the question remains if she will be interested and will take the time and effort to listen to or read what you are saying. She might switch channels at the start of a commercial break, she might throw your direct mail pack straight in the bin without even opening it, and she might skip your print ad without paying any attention to what the copy is saying. Throughout the 20th century people in marketing and advertising have developed ways to grab and keep the attention of the consumer. Still, the initiative has always been with the sender of the message.

Along came the Internet. An enormous network of computers offering millions and millions of websites to the information-hungry consumers. Welcome to the digital information age! There was a big difference between this new medium and the already available media like TV, radio and print though. One could turn on an Internet browser on his computer and wait patiently for something to happen, to no avail. The Internet is not a 'receiver passive' medium, it requires active navigation; you need to tell the browser where you want to go.

What does this mean for our website? Well, before you even think about building a website, you need to answer the following (simple?) questions:

- What is the target audience for your website? In other words, which people need to steer their browsers towards your homepage?
- What is the added value of your website for these people? What does it offer that they will find interesting? Does it add something to other existing ways of communication?
- How will they learn about your site and how will you stimulate them to visit the site?
- How will you stimulate visitors to return to your website frequently?

We will look into all of these questions later. First, let's take a closer look at how people use the Internet. What happens when they turn on their PC and enter the wonderful World Wide Web?

Types of Internet Usage

Roughly, there are two types of Internet usage. The first one is called 'surfing' and refers to almost playfully clicking from one site to another to see what they have to offer. Normally one starts with a specific site with a topic that interests the user, followed by clicking on the 'hyperlinks' to other websites that are offered. Surfing often is done within the boundaries of one's interests or hobbies. It is also mainly done by males in the evening hours.

The other type of Internet usage involves active searching for (rather) specific information. The consumer has a need for information and looks for the answer to one or more questions. During this active search behavior an Internet user has several tools available to find what he is looking for. Let's examine these tools.

Search Methods

First of all, he might examine the websites that he has already stored under his bookmarks. When a consumer comes across a website that he likes and deems interesting enough for a future visit, he can 'bookmark' the site and place it in his 'favorites' folder. He can jump straight back to this site whenever he wants by clicking on the appropriate bookmark.

Another way of finding information is by using portals (which the consumer might have bookmarked during a previous visit). These portals offer a wide range of links on one or more subjects. A good example is the very popular yahoo.com, which beyond its main page offers loads of sites on specific subjects and many links to websites devoted to these subjects. There are many other portals, ranging from portals on a broad range of subjects, to portals on a very specific subject. For instance, ubl.com is a portal offering all kinds of links and information on music.

A third searching method is the usage of search engines. Search engines comb the Internet and store information on their content in big databases. A consumer can type in a certain word or 'string' of words in one of those search engines, which will provide the user with a list of all websites that contain that specific string. The more common the word searched for, the longer the list and the more difficult it will be to find what you are looking for. Another slight downside of search engines is that they aren't always as up to date as they should be. There are international search engines (for instance google.com, which is growing in popularity) and national ones (e.g. ilse.nl in The Netherlands).

A final method of searching is by typing the concerned 'string' into the Internet address (the 'URL'). This works quite well when one knows the Internet address of a site that contains the desired information. It also works well if one is searching for information on a company or brand (e.g. www.nike.com or www.cocacola.com). Consumers can also decide to enter their search string in the URL in the hope of finding what they are looking for. For instance, someone looking for the current weather forecast might try www.weather.com, or somebody looking for a bike might try www.bike.com. These 'domain names' are often property of companies that offer the specific product, and typing these domains in the Internet address box of your browser will often automatically refer you to the homepage of the concerned company. For instance, www.toiletpaper.com will redirect you to the website of Proctor & Gamble.

What does all of this tell us? Well, to make sure that people who are searching for information that is offered on your website will reach it, you need to make sure that:

- your website appears high in the list of findings on search engines
- your website is featured in the most important (relevant!) portals
- you own domain names that include relevant strings and redirect the customers to your homepage or 'build' your website under the concerned domain
- you stimulate the visitors of your website to bookmark it

The latter can be done by providing a 'bookmark this site' button to the visitors (actively stimulate) or by making your website so interesting to the visitors that they will decide to bookmark it themselves (passively stimulate).

Stimulating Website Traffic

So far for active search behavior. All of this assumes that the consumer already has an existing need for information. What if you want to attract them to your website when no such need exists? There's three ways of doing this.

The first method is by providing links to your Internet site on other websites that your customers visit. These could be simple hyperlinks like those you find on portals, but could also take the form of 'banners and buttons' or 'pop-up windows'. Much has been written about banners and the effectiveness has often been questioned. Instead of going into that discussion, I will only provide an overall impression of how they work.

Banners can be considered the web's equivalent of TV commercials and printed ads. Banners normally take the form of a small colored rectangle containing a logo or name of the brand/product and/or a text that stimulates the curiosity of the viewer and incites him to click on it and visit the website that lies beyond. Banners can also be animated, in which case they look like a short 'looping' cartoon. This often helps to attract the attention of the reader, but is also often experienced as a nuisance, especially if a certain web page contains multiple animated banners. An alternative for a banner is a 'pop-up window'; these can be large or small screens that open automatically when you visit a specific website. They are normally placed on top of the active browser. The advantage of pop-up windows is that they will certainly get the attention of the readers and can contain much more text, visuals, animations and other webpage components. On the other hand, 'pop-up windows' are also far more often considered to be highly annoying by Internet users. The content of a pop-up window will have to be highly relevant for the consumer to be interested. More often than not pop-up windows will be closed even before the content is loaded.

The effectiveness of hyperlinks, banners, buttons and pop-up windows is measured in 'views' (number of people that saw the banner) and clicks (number of people that clicked on the banner). The cost efficiency can be measured by CPM (costs per thousand views) and costs per visitor. The 'science' of these measurements is highly interesting but will not be covered in this document.

The second method to pull new visitors to your website is by sending them an e-mail informing them about your site and (more importantly) about what it has to offer. There are two possible situations when sending people e-mail. Either they have given permission or they haven't. If they have given you, your company or an institution representing your company (which could be a specific website) permission to send them information on a specific subject, this is referred to as 'solicited e-mail' or 'permission marketing'. If however, you are sending e-mails without permission or consumer consent, this is called 'unsolicited e-mail' or 'Spam'. One should be very careful in sending out unsolicited e-mails since the receivers often consider them to be an invasion of their privacy, even more so than direct mail or telemarketing. Responses can be very aggressive and damaging for your brand image.

Considering all of this, why do companies use unsolicited e-mails? Well, it's an extremely cheap and quick way of advertising a product or website and therefore the cost effectiveness is often very attractive. In the USA you can get a list with 10 million e-mail addresses for as cheap as 1000 dollars! On the other hand, 'spamming' can be devastating for the image of your brand or company.

Just as with direct mail and telemarketing, direct marketing associations have set up lists with e-mail addresses of people that do not want to receive Spam. Unfortunately, lots of companies that use the spamming method cannot be bothered about those self-regulation rules.

Personally I receive about 3 Spam e-mails a day and it drives me up the wall. In an attempt to fight back I have used the SpamCop website to report the abuse to the concerned Internet providers. As far as I'm concerned, unsolicited e-mail is one of the major obstacles of gaining the trust of the consumer in the Internet and on-line commerce.

The third and probably most effective method to create awareness and stimulate site visits is by using existing 'old economy' media. First of all, you can use your existing communications to your customers to make them aware of the existence of your homepage. You can put the address on your packaging, on your brochures and catalogues, your stationary and in your e-mails to customers, on your business cards, in your newsletters and mention it in your printed advertising and radio and TV commercials. You can even take this one step further and create specific advertising for your website: commercials or printed ads that pursue the goal of creating site traffic. During recent years the mass media have been cramped with adverts for so-called dot.com companies like bol.com, letsbuyit.nl and ibazaar.nl (all Dutch examples); all meant to create awareness and stimulate usage (= website visits). You've guessed it: the exact same purpose that these media have traditionally been used for. As a matter of fact, the rise of website promotion through traditional media has even been called the rescue of the advertising and media branch.

What does this tell us? Before you put your website on the Internet you have to have a very clear plan as to how you will get people to visit your website. If not, you will end up with a (expensive) website just sitting there and getting out of date while nobody visits it.

Who is your target group?

We've spent some time now on examining how customers should find your website. But an even more important question is: what will they find there and is it relevant for them? This is the key success factor for your website. You might develop a perfect strategy to get people to visit your homepage but it is all a waste of effort and money – let alone your customer's precious time – if one of the following mistakes occurs:

- You have attracted the wrong audience or your website is irrelevant.
- You've got the right audience, but your website does not add any (lasting) value.

We will look into these two issues now. First, we'll examine the target group issue.

When you start thinking about developing a website you will have to make certain choices. As a company, there are many parties you work with who could be addressed through the Internet. For instance:

- your direct customers
- your end-users (who, depending on your product and market situation might be your direct customers)
- your shareholders & investors
- your suppliers
- your employees
- your potential employees
- the community (outside world) in general (e.g. using your website as a PR tool)

As you can imagine, each group has its own interests and information needs. Your shareholders will be interested in financial facts and figures, while your potential employees want to know about the vacancies in your company and what you have to offer compared to other employers.

Your direct customers might be interested in your inventory on a certain product while your end-users just want to know what products you offer and why they should use your products instead of those of your competitors.

Looking at this list, you might very well come to the conclusion that you need several different websites, or a website with different sections for different target groups. If you run a company that markets products under a brand name that differs from your company's name, you might well decide to create a corporate website for your suppliers, shareholders and current & potential employees, while your direct customers and end-users get a site that focuses on your brand and products instead of your company. Compare, for instance, Proctor & Gamble's website (www.pg.com) to their website for Pampers (www.pampers.com).

Of course, you can create your very own network among your websites by interlinking them.

As mentioned, you will have to make choices when creating your website. This does not mean that you will have to pick one (or a couple) of the mentioned target groups and leave it at that. No, it's basically about priorities. You can eventually offer all of these groups something on the Net, but you have to start somewhere. Ask yourself two simple questions:

- who will benefit most from your website?
- from serving which group does your company benefit most?

The first question is basically about offering something the concerned group does not yet have; in other words, the added value mentioned above. We'll look into that topic in the next chapter. Nevertheless, you do have to take it into account when setting your priorities.

The second question concerns the gains your company can attain from offering a website to one of these groups. If your company is short on labor and cannot handle the current work, it would be a bad idea to create a website for customers and prospects that generates even more work. A website that attracts and hooks job hunters would probably be a better (short-term) bet (combined with the right media strategy of course). If you are further up the supply chain and are not very familiar with your end-user market but can offer both high convenience to your direct customers and substantial cost savings for yourself by providing a customer Extranet, that might well be the right choice. It's a combination of these two answers that will help you determine which target group gets priority.

When setting your priorities, you also need to ask yourself if the Internet is the correct medium to achieve your goals. This brings us back to the way the Internet differs from mass media. If you want to reach a lot of people in a very short time with a specific compact message or if you want to create quick awareness for your product or company, mass media is without a doubt the better choice. If you can take your time, need to elaborate more on the topic or want some interaction with your target group, the Internet might well be worth a try. When setting your priorities, take your time thinking about the right tools.

eMistakes

Okay, so now you've pondered on how to lure people to your website and which people that need to be. Now we come to the most important question of all: what will they find when they get there? Will it be like an interesting one-night stand? Fun, but not exciting enough to repeat. Will it be like a disappointing first date, the one you've looked forward to but didn't quite turn out to be what you expected. Or will this be the start of a long and lasting relationship? It's up to you.

The big question is: how does your website add value for the visitors? What does your site have to offer that's not out there yet in some form or another? How does it make your customer's lives better and easier?

All of the mistakes that have been made on the Internet in the past couple of years can be categorized into two groups. Those of the dot-com companies and those of already existing companies that have started using the Internet as an additional communication and/or distribution channel.

The biggest mistake of the dot-com companies - companies that have begun their business on the Internet, funded by big investors that had been grabbed by the Internet hype of the late nineties – was the lack of a good business plan. Most of them didn't have a real strategy on how to make money with their websites. Consumers had gotten used to getting everything for free on the web, so why pay? Also, many dot-coms that were selling through the net had underestimated the costs and hassle of getting the products to their customers.

Being completely new in the market, they had to spend big bucks to get noticed. This is one of the things we discussed earlier; if you want to get people to your website, they have to know it exists and have to know where to find it. And believe me, it's darn hard getting noticed when you're new and only exist in the cyberworld. So these companies started spending loads of money on advertising to create awareness and website traffic.

It probably doesn't take a genius to figure out that high spending combined with low income is going to result in big trouble. Thus the dot-coms shakeout. Just visit www.fuckedcompany.com for some great examples.

On to the 'old economy' companies. They had it easy, right? They already had awareness, so all they needed to do is knock a site into shape and watch it take off. Well, not quite. The two mistakes they made were that they considered their website to be just another mass media tool and that their website didn't have anything substantial to offer. Result? After spending a lot of money on consultants and web designers, nobody came. These companies had failed to grasp the concept of 'reversed initiative'. Still, using their other existing communication tools and their good name, creating some traffic would be not that difficult. What happened? Some curious people came to see what was there. They never came back. Why not? Because most of the time what they found was an electronic brochure. Not only didn't that add anything to the existing informational brochures about the concerned company and its products, what they also forgot was that existing customers surely have something better to do than reading your brochures.

The Role of the Internet

The first thing you need to understand is what the role of the Internet should be for your company. In his book *'Strategic Database Marketing'* Arthur Hughes summarized the role of the Internet as follows: the Internet should be used to

- save costs, and
- build relationships

How can the Internet save costs? In several ways. First of all, communication through the Internet is extremely cheap. All of the things you can do in a newsletter or a direct mail pack can also be done via e-mail and your website. And you know what? You can do things on your website that you could never do through printed communication; you can use multimedia (sound & moving images) and you can create interactivity.

Another way to save costs is by moving your order processing to the Internet. In his book, Hughes describes an interesting case in which Intel moved their order intake from fax and phone to the Internet. By doing so they brought down the order processing costs from \$27 to less than \$2 and the time to get the order to the factory from 2 days to less than 2 minutes!

Another way to save costs is by moving some of your customer service to the Internet. Instead of having your customers call a toll free number and having one of your customer service reps look up information for them, you can let them do it themselves on your website. And guess what? Most customers like it better that way! An excellent example is Federal Express' on-line package tracking service; 24 hours a day, 7 days a week their customers can check the Internet to see where their package is.

Hughes calls this 'letting them come behind the counter': having the customer check the availability of products, having them place their own orders and letting them check the status of their orders and deliveries.

All of the above ways of saving costs through the Internet have another advantage: customers like it! Therefore it helps build a relationship between you and your customers. What's more, the Internet is the best direct marketing instrument ever invented. Once you get permission to approach the customer via e-mail and your website, there probably is no way that's more effective and efficient to create and maintain a two-way dialogue with them. I could fill page after page on this subject, but let's save that for some other time.

How does your website add value?

We've talked about what *you* need to do to get people to your website and what your website can mean to *you*. Now it's time to step into the shoes of your customer. What would *they* want from your website? The things you have in mind for your website, are they really things your customers need? Do they add value to the way you do business with them? Do they replace existing business processes in a way that's more convenient for your customers? The answers differ for each company. You will have to do some thorough thinking on this subject yourself. Maybe it would be a good idea to verify some of your ideas with some of your customers before you go and invest any money in the development of your website. Whatever you do, be realistic and try to think the way your customers do. Think about the reversed roles: it's your customer that will decide if your website is worth his while, and how often and when he will visit it.

Making them come back

Now, let's assume that you have succeeded in building an interesting website and have succeeded in drawing the right target group to your site. You're now facing another problem. How do you make sure that they will continue to come back? The most important thing here is lasting added value. This means that you have to provide some functionality on your website with continuing usefulness for your customer (e.g. the mentioned FedEx tracking system) or frequently changing interesting content (e.g. an interesting on-line newsletter or integration of your website in your campaigns and promotions). Some companies have tried creating an affinity website around their products; instead of focussing on the product, they focussed on the need of the consumer and the ways and situations in which their products are used. Some have been quite successful in doing so.

Depending on what your website has to offer, stimulating recurring visits might be difficult or not. If, for instance, you integrate the order intake process in your website and your customers start using it, the recurring visits take place almost automatically. The moment they place an order is also an excellent opportunity to communicate with them on other topics.

If your website is mainly used as a communication tool, it's slightly more difficult to make them come back. Still, it's not the most difficult obstacle to overcome either.

As mentioned earlier, the problem with getting people to visit your website is that the initiative lies with the customer. So how do you let your customers know that you have something new to offer on your website? It's quite simple: you tell them about it. The trick is to get people to register when they visit your website for the first time.

When you sell products through your website you can easily get the personal details (including e-mail address) of the buyer. But if you only use your Internet page as a communication tool, there are other methods you could use. It could be as simple as just asking them to leave their e-mail address, so you can send them an e-mail as soon as you update your site. If they found your site interesting enough on their first visit, they might well decide to do so. You can easily compare the number of registrations and visits to your website to see if this tactic works.

Perhaps your customers need some incentive to register. The first thing you have to do is convince them that you respect their privacy and will not disclose their personal information. This will increase trust and lower initial reluctance to hand over personal data. If this still isn't enough, you might offer the customer an exclusive 'gift' when he registers. This might range from a premium or coupon sent by mail to exclusive access to certain parts of your website. When you succeed in getting your customers to register you can do marvelous things with the gathered data. For now, however, we will focus on how it can be used to get people back to your website.

With the e-mail addresses you've collected you can set up a mailing list. Whenever you update your site you simply send a message to the people on your list to inform them and invite them to come to the site (always include a hyperlink!). Just make sure that the update is substantial and interesting enough. 'Hello, we've added our new logo to the website' will not do. If you bury your customers in trivial e-mails they'll want to get off the list very soon.

Once your mailing lists starts to take off you can also begin using it as a supplement or addition to your other direct marketing campaigns. Instead of sending out expensive mail packs, you put your offer on your website and draw your customers in via e-mail. There are lots of other things you can do by integrating your website in your communication mix, but I'll save that for another article.

Before we say goodbye

This brings us to the end of this article. I hope you found it useful for your own purposes. Before we say goodbye I would like to summarize the points I've tried to make above.

Before you build your website, work out a strategy that answers the following questions:

- what is the target group for your website?
- what added value will your website offer to this target group?
- how will your company make money or save costs with your website?
- how will you attract people to your site?
- how will you stimulate repeat visits to your site?

If you have read the article carefully, you probably already know how to answer some of these questions in your specific situation.

I would be interested to hear how you've put these learnings to practice. Feel free to contact me with any questions or remarks at edsander@home.nl*

*** About the author**

Ed Sander studied marketing at Hogeschool Eindhoven. After 3 years of work in logistics and customer service he joined The Iams Company for 4 years as database marketer. Ed is currently working as Customer Relationship Marketing Manager with Georgia Pacific in the Netherlands, where he is responsible for Internet and database marketing strategies. Ed has been active on the Internet since 1995. He is an editor for the popular website www.dprp.vuurwerk.nl and maintains several mailing lists.