

Practical Advice for Online Marketing in Times of Recession

Online marketing and the recession go together like peanut butter and jelly. The low, low prices and skyrocketing potential for exposure are enough to drive any board room executive into a frenzy. However, internet marketing campaigns can quickly become money-pits if those in charge understand very little about how online advertising works. The key to a successful internet strategy is to take the time to design the company website properly and set up analytic data-measuring programs that can measure the success or failure of everything done online. Over time, the winning ideas and the losing ideas will plainly present themselves. Here are some other tips on how to spend those valuable marketing dollars during a recession.

The "State of Online Advertising and Marketing" study found that business owners spent nearly 60% of their online advertising budgets on Search Engine Optimization (SEO) -- including both organic and paid. More and more companies find that simply increasing their website's traffic is not enough. They need to gain insightful analytic research that shows them where paying customers are coming from and where dissatisfied customers are going. They also need to look at ways to bring in more targeted traffic that is eager to buy. Most of the Fortune 500 companies allocate 10-20% of their online marketing budgets to conversion optimization services. Another 10-20% goes toward other online advertising methods like social networks, banner ads, pay-per-click, and affiliate marketing and viral videos.

The "2009 Tribalization of Business Survey" found that some of the top online marketing strategies during a recession include: increasing word-of-mouth (38%), improving customer loyalty (34%) and creating brand awareness (30%). Many executives feel this can be best done through the matrix of social networks. However, certain obstacles exist -- like getting people to join, return and stay engaged. To gain the best results, market plans should include partnering up with other vendors, running exciting promotions and contests, offering special perks for participating and giving community members something of value for their time. In addition to these objectives, executives are also placing some emphasis on idea generation (29%) and customer support (23%).

Loyalty programs are a popular online marketing strategy that offers excellent customer retention and return-on-investment. Research firm CIO Insight reports that nearly 75% of U.S. shoppers belong to at least one loyalty program, although these initiatives aren't functioning as well as they could. The key to making these programs work is to offer continuous incentives to spend and special perks that really make the customers feel important and valued. These days, consumers want coupons and contests, but they also want content and substance, which is where marketing newsletters come into play. To read about four successful case studies of loyalty programs, visit www.cioinsight.com/c/a/Special-Reports/Loyalty-Programs-How-4-Companies-Foster-Loyalty.

As a business leader, you may be wondering whether to do your online marketing in-house or outsource to a smaller specialized firm. While this decision is entirely a personal one, nearly 40% of businesses are putting people on full-time to plan and implement their social networking strategies. Francois Gossieaux, a senior fellow with the Society of New Communications Research, says that there are still "plenty of companies who do not realize the power of communities, and others who have not yet figured out the proper approach for leveraging communities as part of their business." He adds, "Businesses are truly becoming social again, and companies should look to leverage the collective wisdom of their employees, customers and partners in order to innovate faster, reduce costs, and bolster their bottom lines."

About the Author

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