

MARKETING NEWS'

DIGITAL HANDBOOK

COMPILED BY THE *MARKETING NEWS* STAFF



WIDGETS



MOBILE
APPLICATIONS



BLOGS



SOCIAL
NETWORKS



VIRAL VIDEOS



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By now, you're probably familiar with Web 2.0 tactics and terms. Heck, many digital marketing experts say we're already heading well beyond mere 2.0 status, venturing farther and farther into the Wild West of digital marketing—and yet many companies have yet to launch a significant digital marketing campaign.

For example, more than two-thirds of marketers categorize themselves as beginners when it comes to the use of social media tools—including social networks, blogs, podcasts and the like—for marketing purposes, and nearly 80% say social media are not fully integrated into their marketing strategies, according to a recent study conducted by the Old Saybrook, Conn.-based Marketing Executives Networking Group.

Moreover, although spending on online marketing is on the rise, one-fifth of marketing professionals in the

United States and United Kingdom still define their companies' Web sites as "basic" and not a central part of their marketing strategies, according to a recent survey by U.K.-based analytics provider Alterian.

But the power of digital marketing—when done right—is undeniable. "Using digital's long list of consumer touch points, starting with the Web and then expanding to mobile applications, social, gaming, viral, digital out-of-home, widgets and more ... we can build experiences that become an integral part of the brand

and add value to the consumer that was impossible to achieve with traditional paid media," says Clark Kokich, CEO of Seattle-based digital marketing agency Razorfish.

To get you up to speed, we've compiled key digital terms and outlined what they are, how they're used, how they've been used well and how they're poised for change. Consider this a digital primer, a handy reference manual, a friendly reminder that it's high time you hitch up your wagon and set out into the digital frontier. Giddy up.



DEFINITION: Blogs are Web sites where blog authors can pontificate about subjects of interest to them and host a commentary space for reader responses. Interaction between authors and readers is key, and blogs often link to other blogs with similar topics of conversation to generate community. Blogs can contain text, photos, audio and video. Entries appear in reverse chronological order.

The blogosphere—the community of blogs in existence on the Web—has grown during the last six years from being an afterthought for marketers to a key influencer and tactic. San Francisco-based Technorati, which releases an annual State of the Blogosphere report, tracked about 300,000 blogs in 2003. In 2008, the company recorded more than 112 million.

The sheer size, popularity and influence of the blogosphere—

33% of U.S. Internet users say they read blogs—has turned blogging into a powerful friend, and foe, of marketers. According to Technorati research, more than four out of five bloggers post product reviews or blog about brands they love or hate, which, on one hand, means marketers need to be paying attention and responding to the Web chatter in a positive way. On the other hand, it means marketers can harness the blogosphere's energy to help promote their products or services in the best light.

There is still plenty of room for corporate marketers to get into blogging. Less than 15% of Fortune 500 companies maintain a blog, according to PR firm Burson-Marsteller's Fortune 500 Blogging Index survey. For companies that do blog, most blogs are located within a company's Web site framework.

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Top-line tips for integrating blogging into your digital marketing plans*:

- Plan ahead: Set objectives for the blog and stick with them.
- Recruit talent: Find contributors with writing voices that reflect your goals.
- Create a schedule: Commit to posting at least once a month or more, as appropriate.
- Make posts interesting: Warmed-over press releases won't cut it; have a personality.
- Get connected: Build a following of readers by linking to other like-minded blogs and posting comments to others' blog posts.

* For a more in-depth look at blogging for business, see "A Long Slog" in the Feb. 28, 2009, issue of *Marketing News* (page 14). Also, check out *Marketing News*' own blog at www.MarketPower2.com/blog/marketingnews/

WHAT'S NEXT? ...

Have you become twitterpated with Twitter yet? Twitter, a micro-blogging/social networking service, is becoming the blog platform du jour. February numbers from the Washington, D.C.-based Pew Internet & American Life Project indicate that 11% of U.S. Internet users have used Twitter or a similar micro-blogging program. Launched in March 2006, the site allows people, and a growing number of companies, to send miniature blog posts of no more than 140 characters to message the people who choose to follow their "tweets" on an ongoing basis. Companies are putting resources toward following such posts and are opening their own Twitter accounts, often using them as another communication outlet through which customers can reach them.



DEFINITION: E-mail marketing is a form of direct marketing by which marketers send messages to consumers via electronic mail. Often, e-mail marketing messages are meant to improve CRM, foster customer loyalty or inform customers of a promotion.

According to a recent study by the Direct Marketing Association, \$600 million was spent on commercial e-mail last year and the average ROI for the year's e-mail marketing was \$45.06 for every dollar spent. That

return is down from \$48.34 in 2007 and the DMA predicts it will drop to \$43.52 this year, but e-mail remains one of the most cost-effective marketing tactics. Internet marketing, for example, generated a return of \$19.94 per dollar spent in 2008, down from \$20.60 in 2007, and marketers spent \$24.1 billion on non-e-mail Internet marketing last year.

Consumers spend more than one-quarter of their e-mail time on permission-based e-mail—companies' e-mail that consumers have

opted to receive—while they dedicate 43% of their time to e-mail from friends and family, and only 19% of their time to work-related e-mail, according to a recent study conducted by Merkel Inc., a Columbia, Md.-based database marketing firm, and Harris Interactive.

WHAT'S NEXT? ❖❖❖

In this faltering economy, e-mail marketing has risen to the fore once again in many marketers' digital strategies. However, while many consumers still prefer to receive marketing communications via e-mail, a recent study by the Participatory Marketing Network found that Generation Y consumers' e-mailing habits might soon change the e-mail marketing landscape. Only 28% think the e-mails they get from companies are relevant. Meanwhile, 62% would like to communicate with retailers directly about their favorite products in order to get the best prices, and 44% would subscribe to an e-mail service that lumps together multiple offers that they'd consider relevant.

Tips to help craft and deliver your e-mail message:

- Spend time on your subject line: A short and enticing subject line will greatly improve your open and click-through rates. Test your subject line's effectiveness before sending your e-mail to ensure that your message won't be discarded as spam.
- Consider your content: From the opening line to the unsubscribe option, make sure your e-mail's copy is professional, pristine and engaging.
- Give recipients a reason to read on: Put all pertinent content "above the fold"—a newspaper term that, in computer speak, refers to the amount of screen space an e-mail recipient will see without scrolling down the page.
- Design matters: Use HTML, as HTML e-mails often have higher response rates, but don't neglect creating a text version of your e-mail for those consumers who prefer to read their e-mail in that format. Limit the number of images in your e-mail to one or two so that the e-mail doesn't become too large or unwieldy to be easily received and read.
- Establish—and stick to—your own frequency guidelines: Your e-mails' content can help determine how often you should be sending messages. But as a rule of thumb, remember that too-frequent marketing e-mails intended to foster loyalty or engender goodwill can have the opposite effect.
- Make your message relevant: Don't blanket your customer base with cookie-cutter messages. Mine your customer database to determine which marketing message to send to which customers—and when.
- Practice good list hygiene: Remove undeliverable e-mail addresses from your lists. When customers unsubscribe from receiving your company's e-mails, remove their addresses within 10 business days, per federal CAN-SPAM* regulations.

* Please visit the Federal Trade Commission's Web site, www.ftc.gov, for more information on the CAN-SPAM Act.



DEFINITION: An online social network is a Web-based meeting place for friends, family, co-workers and peers. It's a service that allows users to construct a profile and connect with other users for purposes that range from getting acquainted, to keeping in touch, to building a work-related network.

For marketing purposes, social networking sites can be used to market to micro-segments of consumers, build brand awareness, establish a forum for ongoing dialogue with customers and conduct marketing research. Marketers can create branded applications and widgets on social networks that consumers can add to their own networking profiles—thus leveraging the power of peer-to-peer recommendations.

Facebook, the leading social network, attracts nearly 69 million

monthly unique visitors. Runner-up MySpace attracts nearly 59 million monthly unique visitors, according to Boston-based Web analytics firm Compete Inc. Professional networking site LinkedIn ranks fifth, with more than 11 million monthly unique visitors.

Social networking and blogging have surpassed e-mailing in popularity. Globally, more than two-thirds of Internet users visit social networks and blogs, according to recent research from Nielsen Online; three in 10 Internet users visit Facebook monthly.

And social networks aren't just for the young: The fastest-growing U.S. demographic segment on Facebook is women age 55 and over, according to Inside Facebook, an independent blog that tracks Facebook and the Facebook platform for marketers and developers.

Tips

Think beyond the banner ad. Many savvy marketers now use social networks less as advertising vehicles and more as communication vehicles through which to foster brand loyalty or generate word of mouth.

And consider the medium. Successful marketing campaigns on social networks understand that the operable word is "social." Create a campaign—or host a contest—that gets social networkers talking and interacting with your brand.

WHAT'S NEXT? ❖❖❖

As with many marketing tactics, ROI is the hot topic in the social media marketing space. Now that marketers are getting a handle on the power of social networks, they're trying to build consensus on how to measure—and monetize—their success. Stay tuned.

- Last year, **BMW** ran a much-lauded digital marketing campaign to promote the BMW 1-Series, a model targeted at younger drivers. The campaign included a contest on Facebook that invited Facebook users to create their own drawings of a BMW 1-Series car on a Graffiti Wall application page. BMW promoted the contest through ads placed on Facebook. More than 10,000 people created artistic renderings based on the silhouette that BMW posted, according to reports, and more than 600,000 votes were cast to help determine the winner. Participants also shared their work online with fellow social networkers—thus generating awareness for BMW's brand.
- In January, **Burger King** ran a promotion on Facebook called the "Whopper Sacrifice," encouraging Facebook users to "sacrifice"—or de-friend—10 Facebook friends in order to get a coupon for a free Whopper. Through Burger King's application, those friends were informed that they'd been sacrificed in exchange for a burger. Clever, attention-grabbing, WOM-generating stunt? Certainly. But Facebook nipped it in the bud, citing Facebook's own policy against alerting friends of their removal from another user's friend list. Although Burger King disabled the application after a week, the promotional app attracted more than 82,000 users and garnered numerous media mentions. To capitalize on the buzz, the saucy burger chain posted this message on WhopperSacrifice.com: "Whopper Sacrifice has been sacrificed. In the end, your love for the Whopper sandwich proved to be stronger than 233,906 friendships."



PODCASTS

DEFINITION: Podcasts can be either audio or video files that consumers download to their computers or portable digital media players and then view or listen to at their convenience. The term is derived from blending the words iPod and broadcast. The first podcasts were developed for Apple's iPod player. Some people now refer to the term as short for "personal on-demand broadcast" to disassociate it from the Apple device that gave it its name.

The marketing challenge:

With so many podcasts available, the challenge for marketers today is to cut through the rapidly expanding podcast clutter, says Rob Gonda, director of digital strategy for Sapient, a Boston-based interactive business consulting firm. He predicts podcasts will become more interactive, including links for consumers to move from podcasts to purchasing products shown or mentioned in the podcasts. He also expects more companies to do contextual advertising in podcasts—making sure their ads pop up in podcasts that relate, in some way, to the products and services they sell.

WHAT'S NEXT? ...

By 2013, 37.6 million Americans will be downloading podcasts on a monthly basis, compared with 17.4 million in 2008, according to a report from New York-based eMarketer. The largest segment of podcast downloaders comprises users between the ages of 18 and 29, reports the Pew Internet & American Life Project. Roughly 19% of all Internet users have downloaded a podcast, the Pew project reported in August 2008.



SEARCH ENGINE OPTIMIZATION

DEFINITION: SEO is the process of developing marketing and technical plans to ensure effective use of online search engines as a marketing tool. On the technical side, SEO ensures that a Web site can be indexed properly by the major search engines by keywords, content and links. For marketing, SEO refers to the process of targeting specific keywords where the site should “win” in searches. This can be done by modifying a Web site to score well in the algorithms that search engines use to determine rank or by purchasing placement with individual keywords.

Get Good SEO:

There are several steps in good SEO: First, marketers need to find out which search keywords customers use when navigating to a site. This way, content can be optimized for those words. Use every opportunity to connect your text and multimedia content, such as images, videos and podcasts, by tagging them with relevant keyword phrases. Next, take a look at your site’s structure. Answer the following questions:

- Are the page titles clear?
- Is your content properly branded to reflect your business, product or service?
- Is your content clean, link-friendly and up-to-date?

WHAT’S NEXT? ❖❖❖

Mobile SEO. Despite erroneous yearly predictions (*Marketing News* included) that mobile Web browsing will take center stage, adoption has been slow ... but it is growing. The iPhone’s burgeoning popularity and the availability of 3G networks means that marketers soon will be trying to tie their online SEO tactics to mobile browsing and create a buying loop for consumers. Stamford, Conn.-based Gartner Inc. forecasts that mobile advertising revenue will surpass \$12.8 billion by the end of 2011, up from \$1.7 billion in 2007. U.K.-based Bango (www.bango.com) already offers a mobile analytics platform that helps marketers track their mobile marketing performance.

Additional Resources:

www.WebsiteGrader.com: A free tool that helps marketers see how their SEO measures up

www.SEOchat.com/seo-tools: A clearinghouse of SEO tools that can help marketers select keywords, optimize site links and measure overall Web site SEO performance

www.google.com/analytics: The leading search site’s free SEO analytics platform can help you choose or refine your keywords and delivers performance reports

Search Engine Optimization and Marketing Training Series: A two-day **AMA**-sponsored event on optimizing your digital marketing performance will be held April 21-22 in Washington, D.C. Visit www.MarketPower.com for more information.



MOBILE APPLICATIONS

DEFINITION: Apps is geek-speak shorthand for applications. Mobile apps refer to programs that can be loaded onto mobile devices such as iPhones, smart phones and hand-held computers. Apps allow users to do everything from play video games to book airline tickets to find local restaurants.

Apps began appearing in the 1980s with the arrival of the first hand-helds, but they entered the techie mainstream in March 2008 when Apple announced its app store as part of its wildly popular iTunes site. The app store, which opened for business in July 2008 with 500 available apps, offers apps for Apple’s iPhone and iPod touch devices. More than 20,000 applications were available from Apple as of February. More than 500 million were downloaded by consumers from last March through this February, a figure that has more than a few marketers salivating at the marketing possibilities. Creating an app can cost in the \$100,000 range.

Hot Marketing Apps

- Kraft Foods offers the iFood Assistant, which launched in November 2008 and costs 99 cents to download. It offers consumers a recipe of the day, lists of ingredients, prep time for various meals, cooking instructions from Kraft test-kitchen staff and even directions to the nearest store to buy the needed Kraft products. Consumers who use the app can register at KraftFoods.com to save recipes and build shopping lists. Kraft collects data on which recipes are most popular with consumers and which

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MOBILE APPLICATIONS CONTINUED

ingredients are used most often. The app also includes ads for Kraft products.

- Coca-Cola offers a number of free apps, including a tech version of Spin the Bottle and The Magic Coke Bottle, a variation on the fortune-telling Magic Eight Ball.
- Nike offers the Nike Training Club, which lets users create their own workout plans after watching videos on NikeWomen.com. Users set up a workout schedule and get points for doing certain pre-determined tasks.
- *American Idol's* app gives users exclusive looks at videos of contestants, lets them predict who will be eliminated each week and provides contestant trivia.
- Target offers the Target Gift Finder that allows users to shop for gifts by the recipient's gender, age and personality.

WHAT'S NEXT? ...

Apps for mobile devices using Windows mobile, Blackberry and Google's Android mobile operating system will try to capture Apple's current title as king of mobile apps. With more apps coming, marketers will need to increase apps' utility to stay top of mind with their target markets, predicts Steve Rubel, senior vice president and director of insights for Edelman Digital, a division of Chicago-based public relations firm Edelman. "The bar is high [for apps] to be innovative and useful. You've got to provide a high-value offering," Rubel says.



DEFINITION: A widget is a small application that provides live updates to a Web site, Web page or desktop. Widgets permit users to customize the information they want to receive on an ongoing basis, such as current weather, traffic or stock reports. There are two main types of widgets: desktop widgets, which exist on the computer desktop, and Web widgets, which are applications that appear on Web sites, blogs or social media sites. Widgets also can run on Web-enabled mobile devices like iPhones.

Widgets have seen a surge in popularity along with the growth of online social networks, most of which allow third-party widgets to be displayed on user pages. U.S. companies were projected to spend \$40 million on creating, promoting and distributing widgets in 2008, up from \$15 million in 2007, according to New York-based eMarketer.

Marketers are quickly learning how to apply widgets to their digital strategies.

- In 2008, Pizza Hut launched a desktop widget called the Pizza Hut Shortcut, which allows consumers with pizza hunger pangs to view the latest menu and order for delivery directly from their desktops.
- Procter & Gamble's Pampers diaper brand taps into expectant mothers' excitement with its pregnancy calendar Web widget for download to a Moms-to-be Web site or social networking page. It features a countdown clock to delivery and provides information about exactly what is happening during every stage of gestation.
- In the United Kingdom, the Barclaycard OnePulse widget combines current news and sports headlines from the BBC with Barclaycard's latest offers for Londoners.
- Stateside, the U.S. Centers for Disease Control and Prevention launched a peanut recall Web widget that feeds the latest product recall information from the recent salmonella scare among peanut products.

Tips:

A wealth of online resources exists that can help marketers (and consumers) build Web widgets to display preferences on Web and social network pages like MySpace and Facebook. Check out these sites:

Widgetbox.com

Dapper.net

Feedzilla.com

Sprout.com

WHAT'S NEXT? ...

Recent research from Dallas-based market research firm Parks Associates says the next frontier for widgets may just be on your TV screen. Consumers are beginning to demand more customizable options from their cable providers and list having widget basics, like stock quotes and weather reports, as highly desirable.



DEFINITION: A viral video is a video posted online that is then passed along from person to person. It's called "viral" because the number of people exposed to the video mimics the process of passing a virus from one person to another. For marketing purposes, a company creates and posts a video online with the hopes that consumers will share it with one another and, by doing so, will pass along a marketing message, generate buzz about a brand or be prompted to visit the company's Web site.

Viral videos are all about leveraging consumers' connectivity to pass along a marketing message. It's a peer-driven method of communication, which means that marketers have to create a video that's interesting, educational, wacky, funny or creative enough for consumers to be inspired to share it with their friends.

Many marketers are using viral videos to great advantage:

- In 2007, Diet Dr. Pepper tapped a self-made YouTube star to help promote its new cherry-chocolate flavor. The soft drink maker piggy-backed on the success of Tay Zonday (aka Adam Bahner), who had made it big on YouTube singing his own song, *Chocolate Rain*, by hiring the young grad student to appear in a jazzed-up, blinged-out video remake of the song called *Cherry Chocolate Rain*, complete with rappers and scantily clad dancers. Within weeks, the fun, flashy branded remake attracted more than a million hits.
- Blendtec, the Orem, Utah-based maker of a kitchen appliance normally reserved for smoothies and salad dressings, has made a huge splash online with its "Will it

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VIRAL VIDEOS CONTINUED

Blend?" viral video series, which showcases the company's blenders with great effect. The series features Blendtec CEO Tom Dickson attempting—and most often succeeding—to blend objects ranging from a sleeve of golf balls, to a million-volt stun gun, to a pair of skis in a regulation-size kitchen blender. Check it out at WillItBlend.com*.

Beyond YouTube

YouTube.com certainly leads the pack in video-sharing Web sites, but others such as Megavideo.com, Video.Yahoo.com and Metacafe.com—which recently hosted a “remake video contest” for a Jim Beam ad—also attract millions of visitors. Many social networks also allow users to upload videos to their pages.

Peruse the Web to see which videos are most popular and follow their lead: short and snappy videos, great content, and clear titles and keyword tags to make the videos easy to find.

*Several definitions courtesy of the marketing dictionary available on the **American Marketing Association's** Web site, MarketingPower.com*

WHAT'S NEXT? ...

Expect more companies to try their hands at creating viral videos as part of both their digital and word-of-mouth marketing strategies. Cambridge, Mass.-based Forrester Research predicts that marketing spending on viral videos will grow 72% to \$7.1 billion by 2012.

* For more information on what it takes to be a viral video marketing star, please see “I Tube, YouTube” in the March 30, 2009, issue of *Marketing News* (page 8). **m**