

A PROJECT REPORT ON

# INTERNET MARKETING

SUBMITTED BY

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## **DECLARATION**

I, Mr. **PIYANSH MANTRY** of **USHA PRAVIN GANDHI COLLEGE OF MANAGEMENT** of TYBMS [Semester V] hereby declare that I have completed my project, titled '**INTERNET MARKETING**' in the Academic Year 2009-2010. The information submitted herein is true and original to the best of my knowledge.

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Signature of Student

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## **CERTIFICATE**

I, **MR. ANNKUR P AGARWAL**, hereby certify that **Mr. PIYANSH MANTRY** of USHA PRAVIN GANDHI COLLEGE of TYBMS [Semester V] has completed his project, titled '**INTERNET MARKETING**' in the academic year 2009-2010. The information submitted herein is true and original to the best of my knowledge.

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**Signature Of The Project Guide**

**[Mr. ANNKUR P AGARWAL]**

## **ACKNOWLEDGEMENT**

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I wish to express my heartfelt gratitude to the following individuals who have played a crucial role in the research for this project. Without their active cooperation the preparation of this project could not have been completed within the specified time limit.

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Next I would like to thank my parents **MR. OMPRAKASH MANTRY** and **Mrs. SUMAN MANTRY** for their strong support and cooperation. Having co-founded an iPhone blog under the OnlyGizmos Network, I have learnt different metrics of Internet marketing and online media.

Finally I would like to thank MY CORDINATOR **MRS SHUBHANGI NARGUND** and all my friends who have helped in all possible ways in making this project presentable.

Last but not the least I would like to thank **the Almighty** for always helping me.

## **EXECUTIVE SUMMARY**

A unique platform that connects people worldwide and at the same time brings truck loads of information on almost anything you can imagine. Internet is the new age tool for marketers to optimize their businesses. There has been a huge growth in the internet usage in the last decade. For instance, India jumped from 5 million users to 81 million users in the last 9 years. There are various things that people can do on the internet. People can interact with each other, see videos, share stuff, news, research, play games, shop and a lot other activities. Internet is a new world altogether.

People make sites to find their lost love and end up connecting millions (heard of Orkut?), brand owners can listen to thousands of customers from around the globe without moving from their chair (seen Twitter?), NGO's run campaigns to motivate people to vote (Jagore.com)... these are just a few examples of internet's growing reality in today's world.

The cost effective reach and huge growth combined makes Internet marketing a great avenue for any business. The good thing about the internet marketing is that it's very dynamic. You can access everything with just a simple click sitting at your homes. It has made the whole world as one market by getting people to connect. You can market a wide range of products on the internet right from a matchstick to an aeroplane (yeah they sell on eBay). Also one key aspect people don't know is that internet not only markets physical goods or services, it also markets content in the form of blogs, forums, eBooks etc and many services (for both consumers and enterprises).

With the masses clinging on to the web, innovative companies have created businesses around it that were unheard of until the last decade. 97% of Google's revenue comes from Online Advertising. Leveraging its massive reach to the internet audience, Google serves majority of the AD banners you see while surfing the internet.

With such a huge number of users the internet has established a market of its own and therefore studying and understanding tools and techniques regarding internet marketing has become essential for marketers.

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## **1. Evolution of Marketing**

At the beginning of the 19th century, social life was mostly local. It was followed by a period in which commodities were produced on a mass scale. Consumer Marketing operated on mass marketing principles and business primarily concerned itself with how to build the best sales force. At the end of the century, there is an emerging global culture. The major driver of these changes is technology. Technological change has moved steadily back focusing on the individual. These changes shape the possibility and conduct of business. Marketing is especially tied to communication and transportation revolution. As the tools and reach of marketing increase, the job and responsibilities of marketers have evolved with them.

Kotler formalized this evolution with his book "Marketing Management." His key stages are production, sales and brand management. Each of these is strongly motivated by technological opportunities, which permit new methods and new opportunities. A fourth stage, a focus on the individual customer, is also important. As the new technology of the Internet develops, it reinforces the new marketing emphasis which in many ways is a return to business at the turn of the century.

In today's technology driven world, a new fast paced digital economy is emerging. In the near future, it wouldn't be surprising to see that there are companies that exist only inside computer networks. Most business transactions will be made electronically, directly from the producer to the consumer, bypassing the supply chain. In the digital marketing environment, the consumer becomes an integral player in the development of the product. In fact, a consumer might build the product himself from a wide array of parts provided by the company. It is e-commerce that is changing the way products and services are conceived, manufactured, promoted, priced, distributed and sold. The reason being that it is much cheaper; it allows vast coverage and helps in serving the customer better.

## 2. Growth Of Internet Usage Globally and India

According to the research report of Goldman Sachs, India has emerged as the second largest Internet market in Asia after China with 100 million users in 2005. It estimated that Indian Internet Users will increase by 130% compounded annual growth rate (CAGR) from 0.5 million users recorded at end of 1998. Also the figures of the number of Internet Service Providers (ISPs) increased by leaps and bounds and March 2006 saw 30 private international gateways. As per preliminary findings of the NASSCOM survey, the total volume of E-commerce transactions in India was about Rs.131 crore in the year 1998-99. Out of this volume, about Rs.12 crore were contributed by retail Internet or Business-to-Consumer transactions, and about Rs.119 crore were contributed by Business-to-Business transactions. The survey also revealed that E-Business transactions in India are expected to exceed to \$ 100 billion i.e. around Rs.4500 billion by end of 2008 which includes both b2b and b2c transactions. However, Business to business deals constitutes the majority of e-commerce transactions in India.

The Figure below gives us a fairer idea of the current world internet usage.

Diagram 1.1

<b>WORLD INTERNET USAGE AND POPULATION STATISTICS</b>						
<b>World Regions</b>	<b>Population (2009 Est.)</b>	<b>Internet Users Dec. 31, 2000</b>	<b>Internet Users Latest Data</b>	<b>Penetration (% Population)</b>	<b>Growth 2000-2009</b>	<b>Users % of Table</b>
<a href="#">Africa</a>	991,002,342	4,514,400	65,903,900	6.7 %	1,359.9 %	3.9 %
<a href="#">Asia</a>	3,808,070,503	114,304,000	704,213,930	18.5 %	516.1 %	42.2 %
<a href="#">Europe</a>	803,850,858	105,096,093	402,380,474	50.1 %	282.9 %	24.2 %
<a href="#">Middle East</a>	202,687,005	3,284,800	47,964,146	23.7 %	1,360.2 %	2.9 %
<a href="#">North America</a>	340,831,831	108,096,800	251,735,500	73.9 %	132.9 %	15.1 %
<a href="#">Latin America/Caribbean</a>	586,662,468	18,068,919	175,834,439	30.0 %	873.1 %	10.5 %
<a href="#">Oceania / Australia</a>	34,700,201	7,620,480	20,838,019	60.1 %	173.4 %	1.2 %
<b>WORLD TOTAL</b>	6,767,805,208	360,985,492	1,668,870,408	24.7 %	362.3 %	100.0 %

Diagram 1.2

<b>TOP 5 COUNTRIES WITH HIGHEST NUMBER OF INTERNET USERS</b>						
#	Country or Region	Population, 2009 Est	Users Latest Data	% Population (Penetration)	Growth 2000-2009	% of World Users
1	<a href="#">China</a>	1,338,612,968	338,000,000	25.3 %	1,402.2 %	20.3 %
2	<a href="#">United States</a>	307,212,123	227,636,000	74.1 %	138.7 %	13.6 %
3	<a href="#">Japan</a>	127,078,679	94,000,000	74.0 %	99.7 %	5.6 %
4	<a href="#">India</a>	1,156,897,766	81,000,000	7.0 %	1,520.0 %	4.9 %
5	<a href="#">Brazil</a>	198,739,269	67,510,400	34.0 %	1,250.2 %	4.0 %

So as the stats read internet usage has increased tremendously all over the world including India with a global growth of 362 % and India with a growth of more than 1500 %. However, the penetration of internet is still low globally as well as in India with 25 % and 7% respectively. So still there is a lot of scope in Internet usage and it will only grow more from here.

## WHAT DO PEOPLE DO ON THE INTERNET?

A unique platform that connects people worldwide and at the same time brings truck loads of information on almost anything you can imagine. Internet is the new age tool for marketers to optimize their businesses. People can interact with each other, see videos, share stuff, read news, research, play games, shop, search jobs, banking and a lot other activities. Internet is a new world altogether.

However, if we go by statistics most of the people use the internet for purposes like emailing and search information and news. However, now with the growth of internet usage among age group of 16-34 and also social media coming into the picture with sites like facebook, twitter and orkut even, social networking and IM on the internet has also grown. But people just don't stick to one task at a time, they do multi-tasking.

## Effectiveness of the Internet in Reaching Out to the Masses

The reach of Internet may not yet be as wide as that of other mass media, but given the increasing number of internet users in the world and its unique advantages it is undoubtedly the communication medium of the future. Marketers around the world have from time to time tried to reach their target audiences through various media. Scientific and technological advances have and will continue to create newer media to improve communication, and marketers will try to use the same to effectively address their audiences. Internet is one of the latest to join the list of such media inventions

### 3. Overview of the Indian Internet Users.

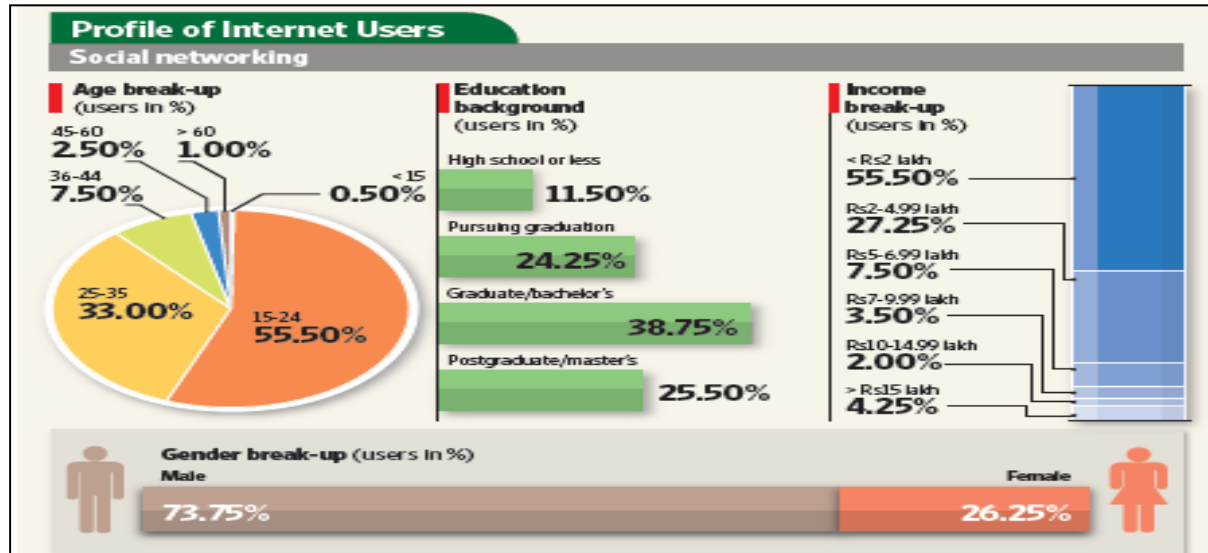


Diagram 3.1

**List of top sites**

Top social networking sites		Top e-commerce/banking sites	
Domain	Reach (in %)	Domain	Reach (in %)
Orkut.co.in	37.32	Irctc.co.in	7.85
Facebook.com	7.88	Icicibank.com	6.59
Orkut.com	7.09	Icicibank.co.in	6.10
Bharatstudent.com	6.96	Hdfcbank.com	5.96
Hi5.com	6.17	Ebay.in	4.26
Ibibo.com	5.48	Paypal.com	3.53
Tagged.com	4.08	Citibank.co.in	3.04
Wayn.com	3.00	Onlinesbi.com	2.80
Indyarocks.com	2.98	Amazon.com	2.75
Shtyle.fm	2.59	Axisbank.com	2.19
Fropper.com	2.24	Makemytrip.com	2.10
Linkedin.com	1.75		
Bigadda.com	1.70		
Myspace.com	1.58		

Diagram 3.2

With **81 million Internet users** India is at the 4th place globally in internet usage. The statistic is for Internet users and not for Internet connections. When it comes to **broadband connections** India does not feature in the top 10. Which means, the users are possibly using Internet centres or office to access the Internet.

Internet subscribers in India are 13.5 million and broadband subscribers are 5 million. US has about 73 million broadband users, which is about 15x of India's broadband users in 2008, which is less than 10% penetration of the internet population compared to the US broadband penetration of the internet users, which is 30%. An estimated 4.6 million Indian Internet users are Banking Online today. Only 37% of Indian Internet users come from Top 10 cities. 51% of users accessed dating / friendship sites. Most popular search engine is Google and major activities are social networking & IM, job search, online banking and shopping, matrimonial search, watching videos and downloading songs etc.

Male online users increased in absolute numbers but dipped from 72% (2004-05) to 68% (2005-06) .Women numbers increased from 28% in 2004-05 to 32% in 2005-06 [12.32 million]. The estimate for the male female ratio in the next 2 years is that it will be closer to the 60:40.

According to industry estimates, there will be 80 million (already crossed that figure) Internet users in India by 2010 and 100 million by 2012. Mobile Internet Browsing is said expected to grow to 400 million (a figure that I strongly doubt) as 3G is set to come up in the next year and mobile usage.

**Source: MAIT & Economic Times**

## Current Media usage habits of the Indian audiences

TV, print and cinema have penetrated the most in India. Internet in the media terms has made an impact and shown its true calibre but it's still not taken as a serious medium of Marketing in India.

Does that mean that Internet is not an effective tool for reaching out to people? Or is it likely to work very well under certain conditions?

To understand this better, let us compare Internet and other traditional media, first from the customer's point of view. Current media options serve two broad benefits to the customer:

1. Information
2. Entertainment

The reach or popularity of any media is related to:

1. The extent of benefits perceived to be delivered
2. The cost of acquisition of the media itself

In short, the reach is related to the net value perceived by the customer about that particular medium.

On the basis of the above clarification, Internet appears to have a comparatively higher cost of acquisition. However, Internet has brought with it a very high degree of control to the media user. Not only are there a plethora of sites catering to every imaginable need, there is also a high degree of flexibility in what the user is able to do. All of this makes Internet a highly interactive media but also an inexpensive one.

If the internet is treated and used exactly like any other medium, it is unlikely to yield major benefits to the marketer. Its effectiveness is dependent not only on the target audience one is talking to, but also largely on the ability of the marketer to make use of the real advantages of the Net like interactivity, flexibility, ability to monitor and the like.

Next, one can also evaluate Internet as a media from the marketers' point of view by way of a similar classification. If evaluation as per the above classification is done, the Internet does not appear as advantageous as the other option either in terms of reach or in terms of reach or cost-effectiveness. But Internet has various other advantages over the traditional media which cannot be neglected. These stem mainly from the ability of this medium to allow a far more focused targeting as compared to other media. To quickly summarize the advantages of the Internet as seen from the point of view of the user as well as the marketer:

**To the user:**

- Internet gives more control in choosing content. It offers customization of the content, the way the user wants to view it. It offers a variety of options for information and entertainment. It offers a wide range to choose from for the user.
- It offers tremendous convenience to the user not only in delivery of information, but also in allowing him to transact — often in a seamless manner.
- The best example of giving control of content is the My Yahoo!! service offered by the Internet giant, Yahoo Inc. It gives the user the choice of content for various topics ranging from news to stock options to entertainment to sports and just about everything.

**To the marketer:**

- The Internet offers several options to a marketer trying to target a particular community
- It serves not only as a channel of information, but also of product distribution
- Whatever, happens on the internet, stays there forever. Unlike other forms of media where it fades away.
- It offers a highly interactive medium that sometimes (e.g. chats, forums, VoIP) is almost equal to one-to-one interaction with the audience.
- It offers a higher level of identification of the user to the marketer.

- It allows the marketer to actually link his spends to action, and pay only on action
- This action could be a click on the banner or even product purchased or just a banner impression or per 1000 impressions. In this ability Internet is, in fact, unlike any other media.
- Given the payment options and high interactivity, the Internet offers a medium for high level of experimentation at a low cost.

## **4. Understanding the Internet Customers**

Now to be able to use the seven P's effectively in order to achieve the predefined goals of any organization it is imperative to understand the customers. Customization will only be truly effective if we understand our customers and their true needs.

Before adapting marketing practices to the Internet, the marketer needs to understand the characteristics of the online customers. The Net users can be classified into five categories depending upon their intention of using the Internet.

The five categories of users are:

- **Directed Information Seekers:** They require specific, timely and relevant information about the products and services being offered.
- **Undirected Information Seekers:** These users require something interesting and useful. Something that can give them an edge, advantage, insight or even a pleasant surprise.
- **Bargain Hunters:** They are of two kinds. One who look for free items on the internet and other who are seeking better deals, higher discounts etc.
- **Entertainment Seekers:** they see the Web as an entertainment medium of vast breath and potential and want to explore the medium before the mass gets there.
- **Directed Buyers:** They want to buy something - now. They are sure what they require and just log on to the Web to purchase the item.

## 5. 7 P's of Marketing on the Internet

The four P's - Product, Price, Place and Promotion have long been associated with marketing, but things have changed on the Internet. So along with a change in the nature of the four P's there are three new P's which are relevant to the internet marketer.

1. **The Product** on the Internet usually changes form online, and the user experiences it electronically, in the form of text, images and multimedia. Physical goods are usually presented in the form of a detailed online catalogue that the customer can browse through. Technology allows the user to virtually touch and feel the product on the Internet - rotate it, zoom in or zoom out and even visualize the product in different configurations and combination. The example of the above can be seen at dell.com where the company offers the user to virtually feel every aspect of their product before they go into a buy decision. *Content* and *software* are two avatars of digitized products that can be even distributed over the Internet. Infact Information is one of the biggest product on the internet as people search and read a lot of news and information on the internet. On the Internet, E-marketing will be based more on the product qualities rather than on the price. Every company will be able to bring down the cost of its products and hence competition will not be on price. It will rather be on the uniqueness of the product. To be able to attract the customers and retain them, the company will have to provide nouvelle and distinct products that forces the net users to purchase and come back for more.
2. **The Price** has been drastically changed over the Internet. It lets the buyer decides the price. Also it gives the buyers information about multiple sellers selling the same product. It leads to best possible deal for the buyers in terms of price. A website named cleartrip.com is extremely popular as its compares the price of many airlines and offers the least price to the buyer. The very famous bazee.com now known as eBay. in follows the same principles and it is one of the biggest online shopping websites in the world. Pricing is dynamic over the Internet.

3. **The Place** revolves around setting up of a marketing channel to reach the customer. Internet serves as a direct marketing channel that allows the producer to reach the customer directly. The elimination of the intermediate channel allows the producer to pass the reduced distribution cost to the customer in the form of discounts. For example, Dell Computers used this strategy very effectively and hence they have been able to reduce their prices of their laptops drastically and reaped huge profits.
4. **Promotion** is extremely necessary to entice the customer to its website, as there are currently more than 18 billion web pages. Promoting a website includes both online and offline strategies. Online strategies include search engine optimization, banner ads, multiple points of entry, social media marketing, strategic partnership and affiliate marketing. Presently, the cyberspace is already cluttered with thousands of sites probably selling similar products. For the customers to know of the Company's existence and to garner information on the kind of products or services that the company is offering, promotion has to be carried out. There can be traded links or banner advertisements for the same. Also the traditional mediums like print, outdoor advertising and television can be used to spread awareness. Email campaigns and spamming the Chat rooms on almost every server has been exploited to the maximum for the cause of promoting their website.
5. **Presentation** The presentation of the online business/ website needs to have an easy to use navigation and a pleasant and neat look. The look and the feel of the web site should be based on corporate logos and standards. About 80% of the people read only 20% of the web page. Therefore, the web page should not be cluttered with a lot of information. Also, simple but powerful navigational aids on all web pages like search engines make it easy for customer to find their way around. The principle of K.I.S.S (Keep it simple stupid) is the most important factor that has to be considered while presenting the online business
6. **Processes** Customer supports needs to be integrated into the online web site. A sales service that will be able to answer the questions of their customers fast and in a reliable manner is necessary. To further enhance after sales service, customers must be able to find out about their order status after the sale has been made. For e.g. FedEx ([www.fedex.com](http://www.fedex.com)), the overnight Courier Company allows its customers to keep track

of the parcel and they are well informed about the present whereabouts of their package. Similar variants have been used by the Govt of India for its Speed post and Registered Ad services where you can keep a track of your post by entering the code that has been issued to you.

7. **Personalization** Using the latest software from Broad-Vision and others, it is possible to customize the entire web site for every single user, without any additional costs. The mass customization allows the company to create web pages products and services that suit the requirement of the user. A customized web page does not only include the preferred layout of the customer but also a pre selection of goods the customer may be interested in. For e.g. Yahoo! ([www.yahoo.co.in](http://www.yahoo.co.in)) entered the Indian cyberspace and started its personalized services. A registered user of Yahoo can now personalize the front page with all the information he needs. He can read the news of the world, add a tax calculator, see the weather forecasts of his city and listen to his favourite songs and all this simultaneously.

## 6. INTERNET MARKETING & ITS TOOLS:

Internet marketing, also referred to as I-marketing, web marketing, online marketing, or e-Marketing, is the marketing of products, or, services over the Internet. The Internet has brought media to a global audience. The interactive nature of Internet marketing, both, in terms of providing instant response and eliciting responses, is a unique quality of the medium. Internet marketing is sometimes considered to have a broader scope because it not only refers to, such as, the Internet, e-mail, and wireless media, but also it includes management of digital customer data and electronic customer relationship management (ECRM) systems.

There are various tools/modes to internet marketing. However, choosing the right one is very important. Each of them has its own advantages and disadvantages. Choosing modes mainly depends upon the kind of product you have and your target audience. Below are list and an extensive analysis on the various tools of internet marketing:

- SEO
- Social Media Marketing
- E-mail Marketing
- Affiliate Marketing
- Banner Advertising/ Ads
- Rich Media Marketing
- B2B Web Portals

## **SEARCH ENGINE OPTIMIZATION (SEO)**

### WHAT ARE SEARCH ENGINES?

A web search engine is a tool designed to search for information on the World Wide Web. The search results are usually presented in a list and are commonly called hits. The information may consist of web pages, images, information and other types of files. Some search engines also mine data available in databases or open directories. Unlike Web directories, which are maintained by human editors, search engines operate algorithmically or are a mixture of algorithmic and human input.

### FACTS ABOUT SEARCH ENGINES

- 84.8% of Internet users utilize search engines to find web sites.\*GVU Users Survey
- 71% of all Internet surfers reach web sites through Search Engines.\*Nielson Media
- Research has proven that 93% of global consumers use search engines to find and access websites. \*Forrester Research
- 85% of qualified Internet traffic is driven through search engines, however 75% of search engines users never scroll past the 4th page of results \*Georgia Institute of Technology: Seventh WWW User Survey
- 55% of all Internet sales result from buyers finding the sellers website through search engines.
- Search Engine Marketing was ranked as the #1 website promotional method used by e-Commerce sites. \*ActivMedia Research
- 73% of global chief executives (CEOs, CIO's, etc.), say that they prefer to find out about new products online. \*Research.net

According to Hitbox, Google's worldwide popularity peaked at 82.7% in December, 2008. However, July 2009 rankings showed Google (78.4%) losing traffic to Baidu

(8.87%), and Microsoft's Bing (3.17%). The market share of Yahoo! Search (7.16%) and AOL (0.6%) were also declining

So as we can see from the above facts, a major chunk of internet users use the search engines for any kind of work on the internet. Therefore, channelizing traffic through Search Engines and therefore SEO is an important tool for Internet Marketing.

## 1. How Search Engines Work

The first basic truth you need to learn about SEO is that search engines are not humans. While this might be obvious for everybody, the differences between how humans and search engines view web pages aren't. Unlike humans, search engines are text-driven. Although technology advances rapidly, search engines are far from intelligent creatures that can see the beauty of a cool design or listen to the sounds and movement in movies. Instead, search engines crawl the Web, looking at particular site items (mainly text) to get an idea what a site is about. Search engines perform several activities in order to deliver search results – *crawling*, *indexing*, *processing*, *calculating relevancy*, and *retrieving*.

First, search engines **crawl** the Web to see what is there. This task is performed by a piece of software, called a *crawler* or a *spider* (or Googlebot, as is the case with Google). Spiders follow links from one page to another and index everything they find on their way. Having in mind the number of pages on the Web (over 20 billion), it is impossible for a spider to visit a site daily just to see if a new page has appeared or if an existing page has been modified. Sometimes crawlers will not visit your site for a month or two, so during this time your SEO efforts will not be rewarded. But there is nothing you can do about it, so just keep quiet.

What you can do is to check what a crawler sees from your site. As already mentioned, crawlers are not humans and they do not see images, Flash movies, JavaScript, frames, password-protected pages and directories, so if you have tons of these on your site, you'd better run the **Spider Simulator** below to see if these goodies are viewable by the spider. If they are not viewable, they will not be spidered, not indexed, not processed, etc. - in a word they will be non-existent for search engines.

After a page is crawled, the next step is to **index** its content. The indexed page is stored in a giant database, from where it can later be retrieved. Essentially, the process of indexing is identifying the words and expressions that best describe the page and assigning the page to particular keywords. For a human it will not be possible to process such amounts of information but generally search engines deal just fine with this task. Sometimes they might not get the meaning of a page right but if you help them by optimizing it, it will be easier for them to classify your pages correctly and for you – to get higher rankings.

When a search request comes, the search engine **processes** it – i.e. it compares the search string in the search request with the indexed pages in the database. Since it is likely that more than one pages (practically it is millions of pages) contains the search string, the search engine starts **calculating the relevancy** of each of the pages in its index to the search string.

There are various algorithms to calculate relevancy. Each of these algorithms has different relative weights for common factors like keyword density, links, or metatags. That is why different search engines give different search results pages for the same search string. The last step in search engines' activity is **retrieving** the results. Basically, it is nothing more than simply displaying them in the browser – i.e. the endless pages of search results that are sorted from the most relevant to the least relevant sites.

## **2. Differences between the Major Search Engines**

Although the basic principle of operation of all search engines is the same, the minor differences between them lead to major changes in results relevancy. For different search engines different factors are important. There were times, when SEO experts joked that the algorithms of Yahoo! are intentionally made just the opposite of those of Google. While this might have a grain of truth, it is a matter a fact that the major search engines like different stuff and if you plan to conquer more than one of them, you need to optimize carefully.

There are many examples of the differences between search engines. For instance, for Yahoo! and MSN, on-page keyword factors are of primary importance, while for Google links are very, very important. Also, for Google sites are like wine – the older,

the better, while Yahoo! generally has no expressed preference towards sites and domains with tradition (i.e. older ones). Thus you might need more time till your site gets mature to be admitted to the top in Google, than in Yahoo

However, it is a known fact that all major search engines, like Yahoo!, Google, MSN, etc. periodically change their algorithms and if you want to keep at the top, you also need to adapt your pages to the latest changes. This is one reason (the other is your competitors) to devote permanent efforts to SEO, if you'd like to be at the top.

### WHAT IS SEO?

Search Engine Optimization is the tools and techniques used to increase your traffic on your websites through search engines. Search Engine Optimization (SEO) is often considered the more technical part of Web marketing. This is true because SEO does help in the promotion of sites and at the same time it requires some technical knowledge – at least familiarity with basic HTML. SEO is sometimes also called SEO copywriting because most of the techniques that are used to promote sites in search engines deal with text. Generally, SEO can be defined as the activity of optimizing Web pages or whole sites in order to make them more search engine-friendly, thus getting higher positions in search results.

One of the basic truths in SEO is that even if you do all the things that are necessary to do, this does not automatically guarantee you top ratings but if you neglect basic rules, this certainly will not go unnoticed. Also, if you set realistic goals – i.e. to get into the top 30 results in Google for a particular keyword, rather than be the number one for 10 keywords in 5 search engines, you will feel happier and more satisfied with your results.

Although SEO helps to increase the traffic to one's site, SEO is not advertising. Of course, you can be included in paid search results for given keywords but basically the idea behind the SEO techniques is to get top placement because your site is relevant to a particular search term, not because you pay.

SEO can be a 30-minute job or a permanent activity. Sometimes it is enough to do some generic SEO in order to get high in search engines – for instance, if you are a leader for rare keywords, then you do not have a lot to do in order to get decent placement. But in most cases, if you really want to be at the top, you need to pay special attention to SEO and devote significant amounts of time and effort to it. Even if you plan to do some basic SEO, it is essential that you understand how search engines work and which items are most important in SEO.

Search engines are one of the primary ways that Internet users find web sites. That's why a web site with good search engine listings may see a dramatic increase in traffic. Everyone wants those good listings. Unfortunately, many web sites appear poorly in search engine rankings or may not be listed at all because they fail to consider how search engines work.

In particular, submitting to search engines is only part of the challenge of getting good search engine positioning. It's also important to prepare a web site through "search engine optimization". Search engine optimization means ensuring that your web pages are accessible to search engines and focused in ways that help improve the chances they will be found. However, Search Engines are pre-dominantly for getting information or news rather than physical products. Therefore SEO is more beneficial to news related sites like blogs or even shopping sites. I do not mean that they are less important to other products as SEO is important for each and every kind of product because of its usage.

## TIPS TO GOOD SEARCH ENGINE OPTIMIZATION

### **Remember that there are no shortcuts**

Expect to do some hard work, especially when it comes to the content of your site. You will also need patience. Results do not come overnight. If you're working on improving the search engine positioning of a site you should know this.

### **Choose The Right Keyword:**

Decide the keywords you are going to include in your website as they are the ones that will get you traffic. Use some keyword suggestion tool and also check some other sites related to your site theme. It will help you determine the keywords. Write the keywords for each page. Use these keywords according to the nature of the content and use not more than 15 keywords in a page. Check the keywords density, with keyword density analyzer. You can make use of Google adwords to compare keywords and analyse how many people search them.

### **Keyword Phrase:**

Set your goal and determine a keyword phrase, you want to promote for top engine ranking. Now write this phrase at least three times exactly and at least two times closely to that phrase e.g. search engine ranking tips 3 times and search engine ranking 2 times. If you are a new SEO, you should choose some keyword phrase with medium or low search volume because the high volume phrases have a lot of competition and it will take you time to get ranking.

### **BackLinks:**

Try and get your site relevant backlinks placed on dissimilar/ popular website. Backlinks can be paid or might come naturally from other well-known sites. BackLinks help you gain rank on Search Engines like Google and thus brings you more traffic. However, you have to be careful while getting paid backlinks as search engines are now smart enough and understand if you get backlinks suddenly on irrelevant topics. So make sure backlinks to your site are relevant and don't they are

over a period of time and not too many in a short time. This might decrease your rank as well as the site who sells the backlinks.

## **Write good content**

This is probably the single most important thing you need to do if you want to be found on the web. Even if your site is technically perfect for search engine robots, it won't do you any good unless you also fill it with good/ relevant content. Search Engines also keeps a track of how many visitors came to your site, the time they spend, bounce-rate etc.

Good content means the text that is factually and grammatically correct, though that is not necessarily a must for all kinds of sites. Whatever your site is about, the content needs to be unique and/or specific enough to appeal to people. Do not copy content from other sites as search engine can figure it out. Good content brings return visitors. Return visitors who like your content will eventually link to your site, and having lots of inbound links is great for search engine rankings, especially if those links are from highly ranked sites.

## **Update your content Regularly**

Closely related to good content is fresh content. By adding new content regularly, you give visitors a reason to come back. Search engine robots will also visit your site more often once they notice that you update regularly, which means that any new content you add will be indexed quicker. Make some free hosting pages and blogs on your website URLs. Keep in mind that your sites must be updated to get top search engine ranking. Web sites get search engine quality as they become older. You can study the Google Analytics stats to analyze your work.

Creating quality content is rarely the responsibility of the web designer. Often, the client wants to write their own copy, which is fine if they're good at it and keep adding new content.

## **Use search engine friendly URLs**

Avoid dynamically generated URLs that use a query string to let the server know which data to fetch from a database. Search engine robots may have difficulties with this kind of URL – they may stop at the question mark and not even look at the query string.

Use search engine friendly, human readable URLs instead. This will help both your ranking and your users. There can be tremendous change in search engine results from just changing the URL scheme of a site.

## **Use high quality mark-ups**

Accessibility is also very important. Making your site more accessible to vision impaired humans will also help search engine robots find their way around it. Remember, Google is blind, so even if you don't care about blind people using your site (which you should), you'll still want it to be accessible. This means that you should use real headings, paragraphs, and lists, and avoid using anything that may interfere with search engine spiders.

Flash and JavaScript are fine, as long as they aren't required to navigate your site and to access vital information. Don't hide your content inside Flash files or behind funky JavaScript navigation. Browse your site in Lynx, and with graphics, CSS, JavaScript, and Flash off. If that gives you problems, it is likely to cause problems for search engine spiders.

## **Don't try to fool the search engines**

Don't use cloaking, link farms, keyword stuffing, alt text spamming or other dubious methods. They may work for a short span of time, but you risk being penalised or even banned from search engines.

Search engines want their results to be accurate, and they don't like it when people try to trick them.

## **Avoid using frames**

While it is possible to provide workarounds that allow search engine robots to crawl frame based sites, frames will still cause problems for the people who find your site through search engines.

When somebody follows the link from a search result listing to a frame based site, they will land on an orphaned document, outside of its parent frameset. This is very likely to cause confusion, since in many cases vital parts of the site, like navigational links, will be absent.

## **Use Translations:**

Translations are basically used to convert the language for the user to read. This helps increasing the pages on your site as well as increases the traffic through search engines.

Some search engines use the contents of the Meta description element to describe your site in their search result listings, so if possible, make its contents unique and descriptive for every document.

## **Loading Time & Compatibility:**

Make Sure your Site is compatible on all browsers and loads quickly.

## **PROS AND CONS OF SEO**

### **Pros:**

- Search engine optimization does not necessarily require financial investments, other than the salary of the labour involved in the optimization process. Search engine optimization can be done either in-house or it can be outsourced to a specialized company.
- Search engine optimization may be the most cost-efficient marketing method for some companies and increase sales tremendously.
- Based on several different researches by GVU, Forrester Research and Pew Internet & American Life Project it can be estimated that the percentage of web users that rely on search engines is between 50 and 85 ( GVU Center 1998).
- Will bring high amount of easily estimated traffic per day as 3. Potential customers can find their way easily to your web-sites
- High search engine rankings have a positive effect on branding (Interactive Advertising Bureau 2004).

### **Cons:**

- It may take weeks, months or even years for a web site to obtain good organic ranking. This fact makes it nearly impossible to execute quick marketing campaigns with search engine optimization.
- A company may put a lot of effort and money into search engine optimization, but receive no return, because there is no guaranteed method to get to the top of the natural results. Therefore, search engine optimization is not as reliable as some other marketing methods.
- It is hard to determine the value of high organic ranking, prior to putting in the effort and money. The estimated traffic from a particular term may be much lower than initially expected, thus lowering the value of the term. It should be noted that it might also be much higher.
- Maintaining a stable position at the top of the natural SERPs (search engine ranking positions) is not guaranteed. A web site may rank number one in the organic results of a search engine on one day and disappear from the SERPs completely the next day.

## **E-mail Marketing**

Ethical methods of gathering e-mail addresses are through on-line registration built into your corporate Web sites, or requests for information forms that request submission to your opt-in lists.

An alternative is to purchase lists of customer e-mail addresses indexed by special interests from a private company such as 'Postmaster Direct' or even use PC softwares for mass e-mailing. It is a form of direct marketing which uses electronic mail as a means of communicating commercial or fundraising messages to an audience. In its broadest sense, every e-mail sent to a potential or current customer could be considered e-mail marketing. However, the term is usually used to refer to:

- Sending e-mails with the purpose of enhancing the relationship of a merchant with its current or old customers and to encourage customer loyalty and repeat business.
- Sending e-mails with the purpose of acquiring new customers or convincing old customers to buy something immediately.
- Adding advertisements in e-mails sent by other companies to their customers.

### **Advantages**

1. Compared to other media investments such as direct mail or printed newsletters, it is less expensive.
2. Return on investment has proven to be high when done properly.
3. It is instant and quick as opposed to a mailed advertisement; an e-mail arrives in a few seconds or minutes.
4. It lets the advertiser "push" the message to its audience, as opposed to a website that waits for customers to come in.

5. It is easy to track. An advertiser can track users via web bugs, bounce messages, unsubscribes, read-receipts, click-through, etc. These can be used to measure open rates, positive or negative responses, correlate sales with marketing.
6. Advertisers can reach substantial numbers of e-mail subscribers who have opted in (consented) to receive e-mail communications on subjects of interest to them
7. When most people switch on their computer the first thing they do is check their e-mail.

## Disadvantages

- Many companies use e-mail marketing to communicate with existing customers, but many other companies send unsolicited bulk e-mail, also known as spam.

Illicit e-mail marketing antedates legitimate e-mail marketing, since on the early Internet (see Arpanet) it was not permitted to use the medium for commercial purposes. As a result, marketers attempting to establish themselves as legitimate businesses in e-mail marketing have had an uphill battle, hampered also by criminal spam operations billing themselves as legitimate.

- It is frequently difficult for observers to distinguish between legitimate and spam e-mail marketing.
- The sheer volume of spam e-mail has led some users to mistake legitimate commercial e-mail (for instance, a mailing list to which the user subscribed) for spam — especially when the two have a similar appearance, as when messages include HTML and flashy graphics.

Due to the volume of spam e-mail on the Internet, spam filters are essential to most users. Some marketers report that legitimate commercial e-mails frequently get caught by filters, and hidden; however, it is somewhat less common for e-mail users to complain that spam filters block legitimate mail.

Online customers are becoming increasingly selective about their relationships, the brands they trust, and what they consider relevant. While most marketers are aware of privacy issues and the risks of Spam, there is still need for improvement. Email marketing campaign management is still fairly unsophisticated even at the largest of organizations. They are more beneficial for business dealing with physical goods and services like manufacturers, traders etc.

## **Affiliate Marketing:**

Affiliate Marketing enables you to increase online sales by promoting your products and services through a network of Affiliate sites on a payment-by-results basis.

It also provides the opportunity to generate additional revenue by exploiting your site's own content to promote the products and services of other online Merchants.

A Merchant recruits content sites to partner with them as Affiliates in exchange for commissions. A common third party provider such as Commission Junction can be used.

The Merchant provides their advertising banners and links to their Affiliates and assigns a commission for each click-through to their site, subscription to their service, or purchase of their products that is generated from those links.

Affiliates place the tracking code for these ads and links on their Web sites. This allows clickthrough's to be tracked online and commissions to be calculated. If a product or service is purchased, the customer pays the Merchant directly and the Affiliate is paid a commission for that transaction. The dating giant adultfriendfinder.com has used this strategy to the maximum and has earned millions of dollars by proper implementation of this strategy.

### **Pros and cons**

Merchants favour affiliate marketing because in most cases it uses a "pay for performance" model, meaning that the merchant does not incur a marketing expense unless results are accrued (excluding any initial setup cost). Some businesses owe much of their success to this marketing technique, a notable example being Amazon.com. Unlike display advertising, however, affiliate marketing is not easily scalable.

## **PROS:**

**To the Merchant.** Affiliate marketing offers the merchant a wider place to sell their product and services. More websites will naturally provide you more customers and will create more sales. This is particularly true if the sites that you have chosen are in their niche marketing.

The only thing that's left for the merchant to do is to look for affiliate sites where your merchandise is a good fit and where your target customers usually visit. Another advantage that a merchant can get from affiliate marketing is that they can gain more and more customers without spending valuable time in searching out for them. The banner ads on your affiliate website might draw interest and drive the visitor to click on your website. Also, different consumers coming from various websites can provide the merchant a good idea regarding consumer trends and demands.

**To the Affiliate Marketer.** This kind of business has proved to be an easy way to create additional income for their website. The marketing banners that they stuffed under content help in making their site look good. And these banners may create instant sales wherein, they can get a commission.

Above all, the affiliate can have extra income from his or her website without investing something in making his own product and without worrying about customer support, book keeping, and ecommerce. Here in affiliate marketing, the merchant handles it all. The affiliate just needs to promote and resell the product.

**To the Customers:** The benefit that a customer could get out of affiliate marketing is obvious they get an answer to their problem that they may not have found without the help of the affiliate's website. That's if, and only if the merchandise or service gives what it says it will.

However, just like any other businesses, this one also involves shady and even illegal practices

## **CONS:**

**To the Advertisers/Merchants:** The merchant may suffer from high commission costs as well as costly set up and maintenance fees that are usually caused by lots of affiliate facilitators. And sometimes the affiliates engage in false advertising and misleading the customer in order to get commission. This means that some affiliates sometimes make claims and promises regarding the product and services which are completely wrong or they extremely exaggerate it. When this happen, the merchant usually suffers complaints and they definitely lose potential consumer.

**To the Publisher/Affiliates:** Sometimes unscrupulous and dishonest merchants just close down programs without informing the affiliates. And worse, they leave without paying commissions. There are also some merchants who attract new affiliates by promising high commissions then after a week or two, they dramatically drop those commission rates. Aside from that, when hijackers interfere, affiliates typically don't get just commission, it goes to the hijacker instead.

Moreover, the shady and illegal practices involved in this kind of business include false advertising, unlawful use of trade names, logos, or other branding, spamming and hijacking.

In spite of those disadvantages, affiliate marketing is still considered as one of the best ways to market your product and make money online. However it does require a lot of hard-work and you need to be ethical and legal if you want to go far in Affiliate Marketing.

**E-zines** (Online magazines): These publications are focused on specific topics and may be a way to reach a target audience interested in that subject. Some companies have gathered the e-mail addresses of potential customers and used these lists to send out product information specific to client interests. However, these are usually for big companies like multinationals

Seven good reasons to establish an E-Zine

1. Establishes Trust
2. Brings Visitors Back
3. Establishes You as an Expert
4. Keeps Current & Potential Customers Up to Date on New Products & Services
5. Builds Relationships
6. Allows You to Build an Opt-In Email Marketing List
7. Keeps Your Website Fresh in Visitors' Minds

## **Banner Advertising**

Banner advertising can play an extremely important role within your website strategy. One can use banner advertising as a means of promoting its own products and services, raising awareness, or as a way of generating revenue by selling advertising space on your own website.

**Purchasing Advertising:** There are currently two widely recognized methods of purchasing banner advertising. The rates for these are usually quoted on a cost per thousand basis or (CPM). The rates you pay can vary tremendously as there is currently no standard price model - so be prepared to negotiate!

- **Pay-Per-Impression:** This method of purchasing banner advertising is based on a charge for the number of times someone sees your banner. There are no guarantees as to how many visitors will come to your site as a result of seeing your banner; you are simply paying for the number of times your banner is displayed. Websites that offer such programs include [paypopup.com](http://paypopup.com) and [adclicksor.com](http://adclicksor.com)
- **Pay-Per-Visitor:** This method of purchasing banner advertising is based on a charge for the number of times someone visits your site as a result of clicking on your banner. This is a better method of purchasing banner advertising as you are only paying for results, although expect to pay a premium.
- **Pay-Per-Click:** The revenue model of the Internet giant [google.com](http://google.com) has its very own service which offers certain share of the profit that it makes by the click-through that a website generates from its adsense codes. The revenue model is known as Google adsense and almost every successful website uses this model to make profits. The Google adsense ads can be seen on websites like Times of India, [Moneycontrol.com](http://Moneycontrol.com), [ManagementParadise.com](http://ManagementParadise.com) and a lot many other reputed websites. Google earns more than y 90% of its revenues from ads. There are many other ad agencies like Adbrite and Yahoo Ads.
- **Branding.** While CTR and cost per sale relate to direct marketing objectives, another way of looking at banner ads is as "branding" tools. They create brand awareness, and a brand image in the viewer's mind, whether or not the viewer clicks on the ad. Branding is very difficult to measure, but can be very powerful.
- **Monthly** Marketer also offers a monthly deal to the site that has its ad and ad shows up on a particular spot on every page of the site. Clicking the banner would redirect you to the site/product of the marketer.

The average click through ratio on banners is just under 1%-2%, although with a well planned and executed advertising campaign using effective banners you can increase this to as much as 15%, but be prepared to work at it.

It is a good idea to have a number of different banner ideas so that you can carry out small test marketing campaigns with each one until you find those that work best.

There are a number of key issues that must be considered when designing a successful banner:

- It must have an attention-grabbing headline.
- It must be simple and get your point across.
- It must invoke action (i.e.: "Click here")
- It must download quickly.
- It must be placed effectively on a web site, Location, Location, Location

Any campaign is limited by the amount of advertising you can do depending on the size of your budget. Therefore it is important that you target your market carefully so as to maximize advertising spend on effective banner campaigns.

**Rich Media Advertising:** Looking for ways to make online advertising more compelling, and hopefully thereby more acceptable, marketers have increasingly been turning to streaming advertising.

In effect another kind of rich media advertising, streaming advertising comes in two basic forms.

First, it can either be part of a streaming audio or video program on the web. With many people now listening to web radio or watching web broadcasts, this makes perfect sense. After all, everyone is accustomed to getting commercials on their TV or car radio.

The other channel for streaming advertising is essentially an infomercial. Consumers can download a streaming clip for a product or service from a marketer's website.

Two new studies recently released suggest that the streaming advertising market is going to boom now and in the years to come. The giant ad selling company mediaturf uses this method for providing content to advertisers.

## **Sales Promotion**

Employing methods to stimulate sales through immediate or delayed incentives to the customer. If the incentive is attractive, the price: value ratio is adjusted favourably enough to affect a sale. This strategy should integrate with the overall marketing mix to balance extra sales with long-term profit motives. Examples of sales promotion strategies are:

- **Sampling** - offering product samples, electronically.
- **Bonus offers** - offering additional goods or services when making single purchases (e.g. buy-one-get-one-free).
- **Limited time offers** - attracting visitors to return to a Web site.
- **Games with prizes:** Useful to keep people coming back to Web sites.
- **Cross-product sampling:** When a customer makes a purchase they have an opportunity to try out another company's product/service. Also, the customer may have the opportunity to try out more than one company's product/service while testing another. Useful for complementary products/services.
- **Feature pricing:** providing special pricing to those that order electronically.
- **Cross-promotions with other companies' products/services** - Buy a company's product/service and get a coupon for another company's product/service.

**Publicity:** The goal of publicity is to have others talk about the small business or its products. It can be inexpensive or even free and it may have the potential to generate far more in sales than even a well executed advertising plan. For e.g. promoting mobile handsets by way of issuing press releases on big technology sites like Engadget.

**Promotional Publications:** Facilitate customer education, with the intention of building corporate image and even brand awareness, the small business may sponsor and/or publish its own electronic magazine on the Web, e-mail, etc. These are useful in fields where the customer needs information to develop sufficient knowledge for movement through the first three stages of the sales process of awareness, interest, and desire. Although time consuming, they replace or complement the print versions of newsletters/corporate magazines/flyers.

**Subscriptions:** Business marketers may use their Web sites to encourage visitors to subscribe to receive regular email messages from the company. These messages are called digests or newsletters, and are a clever way for marketers to push new product and updates news to willing customers.

**Controlled-access Web pages:** Clever business marketers may use their Web site to attract new customers.

They might publish a Web page that allows customers to download a free trial version of a software application that expires after a time if not paid for. Or, customers might receive an e-mail message inviting them to visit a private Web page on the company's intranet, and giving them a password. The company, as a way of encouraging a sale, offers customers who visit the page a prize or enticement of some sort.

**Public Forums:** These are often community-based or interest-based sites that allow visitors to communicate with one another. An opportunity for small businesses to reach to their intended target group via these forums is by posting messages or by sponsoring such a forum. E-mail based forums appeal to a wider audience due to the greater use of this application over Web-based forums. Web based forums are advantageous for their superior display of advertising images/messages

**Resellers:** Some sites will remarket other companies' products as intermediaries. The companies that host these sites may have invested significant resources in making them attractive to the target audience a small business is interested in attracted. By piggybacking on another company's efforts, cost-efficiencies may be realized by engaging in a reselling arrangement.

**E-mail Links:** Visitors to a site should have the opportunity to correspond with the host of that site, especially if out of the telephone area or time zone. E-mail links may be strategically placed throughout the site to elicit response from visitors for at various points. These are also useful for feedback on site maintenance problems.

**On-line Surveys:** Information may be collected on the visitors to a Web site through registration forms, on-line surveys, or through tracking of areas of site they visit. These websites also offer referrals wherein if you refer someone to their site and the person becomes a member then you are paid commission on that.

**Virtual Malls:** Web based sites that allow companies to post their products or services for sale long with other companies. These may be product specific, may be arranged by complementary products, or may have products that are not related except by their companies' desire to attract a similar target audience.

**Measurement:** The Internet has the unique ability to provide marketers with detailed information about the success of their Web marketing programs. Companies can track visitors to their site and collect information about them from their “cookies,” then process this information using Web site analysis software.

Cookies are a type of digital identification, which is read every time the user connects to a public Web site. The Web site can collect some very basic information about the user (e-mail address, time of day the site was accessed, which pages were visited) and use it to create visitor profiles. Visitors can then be identified as “old” or “new” when they visit the site.

Cookies are an essential part of many companies' business strategies. The information collected from them is used to measure site visitors, develop user profiles, and target advertising — in much the same way that television allows advertisers to target their message to a certain demographic.

# **SOCIAL MEDIA MARKETING (SMM)**

## **WHAT IS SOCIAL MEDIA?**

**Social media** are media designed to be disseminated through social interaction, created using highly accessible and scalable publishing techniques. Social media supports the human need for social interaction, using Internet- and web-based technologies to transform broadcast media monologues (one to many) into social media dialogues (many to many). It supports the democratization of knowledge and information, transforming people from content consumers into content producers. Businesses also refer to social media as user-generated content (UGC) or consumer-generated media (CGM).

Social Media are online technologies and practices that people use to share opinions, insights, experiences, and perspectives with each other. Social media are distinct from industrial media, such as newspapers, television, and film. While social media are relatively inexpensive and accessible tools that enable anyone (even private individuals) to publish or access information, industrial media generally require significant resources to publish information.

One characteristic shared by both social media and industrial media is the capability to reach small or large audiences; for example, either a blog post or a television show may reach zero people or millions of people. The properties that help describe the differences between social media and industrial media depend on the study. Some of these properties are:

- **Reach** - Both industrial and social media technologies provide scale and enable anyone to reach a global audience.
- **Accessibility** - The means of production for industrial media are typically owned privately or by government; social media tools are generally available to anyone at little or no cost.
- **Usability** - Industrial media production typically requires specialized skills and training. Most social media do not, or in some cases reinvent skills, so anyone can operate the means of production.

- Recency - The time lag between communications produced by industrial media can be long (days, weeks, or even months) compared to social media (which can be capable of virtually instantaneous responses; only the participants determine any delay in response). As industrial media are currently adopting social media tools, this feature may well not be distinctive anymore in some time.
- Permanence - Industrial media, once created, cannot be altered (once a magazine article is printed and distributed changes cannot be made to that same article) whereas social media can be altered almost instantaneously by comments or editing.

Primarily, social media depend on interactions between people as the discussion and integration of words to build shared-meaning, using technology as a conduit. Social media has been touted as presenting a fresh direction for marketing by allowing companies to talk with consumers, as opposed to talking at them.

Social media utilities create opportunities for the use of both inductive and deductive logic by their users. Claims or warrants are quickly transitioned into generalizations due to the manner in which shared statements are posted and viewed by all. The speed of communication, breadth, and depth, and ability to see how the words build a case solicits the use of rhetoric. Social media are not finite: there are not a set number of pages or hours. The audience can participate in social media by adding comments, instant messaging or even editing the stories themselves.

Social media can take many different forms, including Internet forums, weblogs, social blogs, wikis, podcasts, pictures, video, rating and bookmarking. Technologies include: blogs, picture-sharing, vlogs, wall-postings, email, instant messaging, music-sharing, crowd-sourcing, and voice over IP, to name a few. Many of these social media services can be integrated via social network aggregation platforms like Mybloglog and Plaxo. Below are some examples of Social Media site on the internet.

## List Of Blogs:

### **Communication**

- Blogs: Blogger, LiveJournal, Open Diary, TypePad, WordPress, Vox, ExpressionEngine, Xanga
- Micro-blogging / Presence applications: Twitter, Plurk, Tumblr, Jaiku, fmylife
- Social networking: Bebo, Facebook, LinkedIn, MySpace, Orkut, Skyrock, Hi5, Ning, Elgg
- Social network aggregation: NutshellMail, FriendFeed
- Events: Upcoming, Eventful, Meetup.com

### **Collaboration**

- Wikis: Wikipedia, PBwiki, wetpaint
- Social bookmarking (or social tagging)[3]: Delicious, StumbleUpon, Google Reader, CiteULike
- Social news: Digg, Mixx, Reddit, NowPublic
- Opinion sites: epinions, Yelp

### **Multimedia**

- Photo sharing: Flickr, Zoomr, Photobucket, SmugMug, Picasa
- Video sharing: YouTube, Vimeo, sevenload
- Livecasting: Ustream.tv, Justin.tv, Stickam
- Audio and Music Sharing: imeem, The Hype Machine, Last.fm, ccMixer

### **Reviews and Opinions**

- Product Reviews: epinions.com, MouthShut.com
- Community Q&A: Yahoo! Answers, WikiAnswers, Askville, Google Answers

### **Entertainment**

- Media & Entertainment Platforms: Cisco Eos
- Virtual worlds: Second Life, The Sims Online, Forterra
- Game sharing: Miniclip, Kongregate

## **WHY SOCIAL MEDIA MARKETING IS GAINING IMPORTANCE? SOME INTERESTING FACTS**

1. By 2010 Gen Y will outnumber Baby Boomers....98% of them have joined a social network
2. Social Media has overtaken porn as the #1 activity on the Web
3. 1 out of 8 couples married in the U.S. last year met via social media
4. Years to Reach 50 million Users: Radio (38 Years), TV (13 Years), Internet (4 Years), iPod (3 Years)...Facebook added 100 million users in less than 9 month.
5. If Facebook were a country it would be the world's 4th largest between the United States and Indonesia
6. 2009 US Department of Education study revealed that on average, online students out performed those receiving face-to-face instruction
7. 1 in 6 higher education students are enrolled in online curriculum
8. 80 % of companies using LinkedIn as a primary tool to find employees....80%
9. 80% of Twitter usage is on mobile devices...people update anywhere, anytime...imagine what that means for bad customer experiences?
10. The #2 largest search engine in the world is YouTube
11. There are over 200,000,000 Blogs
12. Because of the speed in which social media enables communication, word of mouth now becomes world of mouth
13. 25% of search results for the World's Top 20 largest brands are links to user-generated content
14. 34% of bloggers post opinions about products & brands
15. People care more about how their social graph ranks products and services than how Google ranks them
16. 78% of consumers trust peer recommendations
17. Only 14% people trust advertisements
18. Only 18% of traditional TV campaigns generate a positive ROI
19. 25% of Americans in the past month said they watched a short video...on their phone
20. According to Jeff Bezos 70% of book sales on Amazon are for the Kindle when available
21. 24 of the 25 largest newspapers are experiencing record declines in circulation because we no longer search for the news, the news finds us.
22. More than 1.5 million pieces of content (web links, news stories, blog posts, notes, photos, etc.) are shared on Facebook...daily.

Traditional Means of Advertising such as print, television, radio and Online Advertising brings the product in the eyes of the customer, but brands still heavily rely on word of mouth and personal recommendations in their favour. This cannot be just achieved by putting banners and or ads on online and offline properties, instead brands today need to engage in a two way conversation with their potential customers at the same time keeping a watch / listening on how their brands are being discussed online. Social Media undoubtedly plays an important PR role and concepts such as ORM's ( Online Reputation Management). Social Media gains added importance given the fact that print media is on a decline and eventually the digital medium will take over completely. Even the newspapers in US are now being delivered via digital format to e-book readers like the Amazon Kindle. Some of the Indian Companies that embrace social media are as follows.

### Brands who have embraced social media are

- Bajaj Auto
- Fast Track / Titan
- Samsung India
- ShoppersStop
- Kamasutra
- Cadbury's
- Tata Docomo
- ClearTrip
- ICICI Bank
- MTV

## SOCIAL MEDIA MARKETING AND OPTIMIZATION:

### WHAT IS IT?

Social media marketing is a term that describes the act of using social networks, online communities, blogs, wikis or any other collaborative Internet form of media for marketing, sales, public relations and customer service. Common social media marketing tools include Twitter, blogs, LinkedIn, Facebook, Flickr and YouTube.

In the context of Internet marketing, social media refers to a collective group of web properties whose content is primarily published by users, not direct employees of the property (e.g. the vast majority of video on YouTube is published by non-YouTube employees).

### Let's look at some of the real SMM success stories:

- **Increasing the revenue:** Dell made US\$ 1 million using Twitter.
- **Multiplying sales:** MASI bicycles doubled sales in two years using blogging and podcasting to reach out.
- **Building up the relevant community:** American Express multiplied its user base 80 times in 11 months using Social Network.
- **Customer service:** How a COMCAST executive contacted a customer who tweeted about a bad experience in 20 minutes sitting in different corners of the globe.

## **Tips on Running a Successful Campaign**

### **Two way conversations**

You must listen and respond to your customers. This is not like setting up a poll on your site. Having conversations which flow in both directions help you understand the concerns of your customers, why they exist and what you can do to fix them.

### **The personal touch**

Automated responses and standard letters are a great way to sabotage your SMM campaign. social media is about equal conversations and recommendation. Just think, would you rather purchase a new camera from a friend who recommends it or an automated newsletter?

### **Transparency**

Be transparent, be honest. There are many compelling ways to raising awareness for your company. Having hidden agendas or stretching the truth will simply backfire.

### **Be a part of the community**

Acknowledge others in the community which offer value to your business. Take some time to really be a part of the community and share useful knowledge. Personality goes a long way. It's a bit like making friends; you have give a little to receive. You never know, you may build useful networks that extend offline. If you begin your campaign pushing only your content and disregarding the community, you will be dead on arrival.

A successful Social Media campaign can prove to be one of the key catalysts in growth for a small to medium sized business. It can increase brand exposure and PR for a fraction of traditional advertising costs and effort, as well as provide large scale market research and product refinement ideas

## **Benefits of a Social Media Marketing:**

### **More online conversations about your brand**

A successful Social Media Marketing campaign leads to a lot more talk about your brand online. When your message works with your users, they will spread your message more effectively than tradition methods.

### **Quick turnaround**

Hitting a front page of major social video, news and bookmark sites will send you huge amounts traffic and almost instantly. This doesn't mean the traffic will equate to conversions, but it should generate momentum in the right direction.

### **Low costs**

A comprehensive SMM strategy may provide a partial or full replacement of traditional advertising and marketing at a fraction of the costs.

### **Impact on search engine rankings**

SMM campaigns bring you large amounts of backlinks that benefit your ranking in search engines.

### **Compatible with traditional Marketing**

No one says you have to approach and embrace SMM full on. SMM campaigns can be run along side traditional marketing and advertising.

### **The power of recommendation**

Would you rather buy from a faceless company or from a company that people recommend? We know that initiators and influencers play an important role the buying process and you can reach these people with SMM.

## **Sidestepping ad blindness**

Traditional online advertising methods, such as, banner ads are seeing drops in the level of their effectiveness. As ad blindness increases, social media marketing has the potential to send visitors to your website without traditional advertising methods.

## **Things to consider**

Social Media Marketing can be unpredictable if sufficient planning has not been made. Consider the following points for any SMM campaign.

### **Target audience**

Having a general idea of what your customers want is not enough for effective SMM. You should define in detail who your target audience is, what is it that they want, and how you offer content of value that is most relevant for their needs.

Once you identify your target audience, you will be able to focus on what they have in common and crafting a strategy to draw in more of the same people.

### **Length of campaign**

Although you may see traffic relatively quickly, it is important to note that a for real success in SMM, you must think and plan long term. It may be more damaging to abruptly end conversations with your customers than to never start one in the first place. Know your time scale objectives and work towards them.

### **Strength of product**

Consider that your products or service will be exposed to a huge amount of potential customers almost instant; Are you confident in the strength of your product? It is imperative to understand that you will be under scrutiny and having a product or service which just isn't strong enough can have very negative side effects. If your product or services do not perform well, then maybe you need to re-evaluate your target and or the viability or appeal of your product.

## **Time constraints**

Obviously, with any small business, time is an important factor. Depending on what your product or service is you may find it more efficient to allocate a larger portion of time on a few targeted sites rather than spreading yourself too thinly across multiple sites.

## **A definition of success**

You must set short term, medium term and long term targets for you campaigns. Without clear goals and objectives, your campaigns will fail.

## SOCIAL MEDIA MARKETING FOR SMALL BUSINESSES

There is no denying that Social Media websites have made huge strides on the web. The immense number of people who participate in social media websites has led to increased investment in the growing field of social media marketing. As we see a rapidly growing number of small businesses include social media ideas and strategies in their goals, we will look at exactly what a social media marketing campaign means and where the benefits are for small business owners.

If you've not been living under a rock for the past couple of years, you've probably heard about sites, such as, Facebook, Myspace and Youtube. It seems that many small businesses have embraced these sites and have diligently filled out their profile pages and waited (and waited and waited) for a rush of traffic and new business to arrive. Despite what you may hear, there is no "silver bullet". If you want to attract new visitors to your site then you have to actually participate and become involved in a community.

There are also social news websites, such as, Digg and StumbleUpon that have the potential to send up to 40k unique visitors to your website in a short space of time as well as a good number of backlinks if you manage to reach the front page. If you don't get your story to the front page, then you are unlikely to see much more than a handful of visitors.

Social Media Marketing (SMM) is the practice of creating compelling content from a marketing angle. SMM general happens off your website, and the best example of it is

on Social News and Bookmark sites. Social media marketing can help to grow a website very quickly under the right conditions.

## **Social Media**

### **Pros**

- It takes less time for the campaign to act on customer.  
Can be targeted to the particular customer individually.
- Real customers can directly interact with the management or developer team.  
Allow users immediately share the service to other people creating a chain effect
- You can build brand loyalty through blogs and other content generation and get connected to the customers.
- You can learn more about the needs of the customer and implement them in your product.

### **Cons**

- A dedicated team needs to be assigned for continuous presence in the media.  
Continuous relevant content generation is required
- There is a delay between the creation of the relationship with the customers and the actual ROI.
- There is high risk of getting involved in the negative criticism of the customers.  
Less number of indicators developed for tracking the success of the campaign.

However, Social Media Marketing (SMM) has more pros than cons and today is a very important mode of marketing on the internet. It proves to be more beneficial to big multinational companies for building brand image.

## **B2B WEB PORTALS:**

B2B is "business to business", B2B Website Portal is one emarket place for suppliers, manufacturers, factory sellers, wholesalers, exporters to post trade leads to find importers, buyers and buying leads. It is also one online directory for buyers and importers to find suppliers for their products.

In a word, B2B Website Portal is one marketplace for ecommerce users to Internet Marketing & E-commerce Promotion Online for their products and service.

B2B Website Portal is most popular with countries with huge number of manufacturers to export, especially in Asian countries, like China, India, and South-Korea who have a big manufacturing sectors. One of the most important and largest B2B Website Portal is Alibaba in China; it is one comprehensive and household b2b in the world.

In Asia, the B2B website portals are most successful; they act as one of the most effective method of Internet Marketing & E-commerce Promotion Online for manufacturers and ecommerce sellers to promote their large amount of products. Just for this demand or business opportunity, there comes some famous B2B trade website portal through the world, like alibaba, ec21, tradekey, ecplaza and so on.

All those websites are comprehensive and include a wide range of product categories and industry sectors, almost related to every industry. They are meaningful to global trade, or rather to manufacturers, suppliers, exporters, wholesaler, buyers, and importers. Above all, they are preferred by small and medium companies (SMEs) begin their e-commerce solution and website marketing.

B2B Website Portal benefits supplier and purchaser, exporters and importers, sellers and buyers.

For global buyers, they could find their ideal suppliers and manufacturers and post their buying trade leads or threads in these B2B sites, because there are so many suppliers available to global buyers in these ecommerce market. Meanwhile the suppliers are site's member or user, they use every convenient internet marketing tool

or ecommerce promotion online tools to publicize their business supply and demand for partnership negotiation further with buyers.

For global suppliers, they could advertise and promote their company and products by join those B2B website as member. Of course, in order to gain advantages of internet marketing and mass exposure of their products in search engine through b2b sites high pagerank, they could join as premium member to acquire more privileges of top list in website search results or search engine. By doing so, they could maximize inquiries from global buyers and importers, meanwhile, drive a huge number of traffic to their e-commerce website to expand sales.

In addition to comprehensive B2B trade website, there are a large number of professional b2b website portal for Internet Marketing & E-commerce Promotion Online specialized in single industry, such as jewellery sector, fashion industry, craft sector, arts & crafts, handicraft.

They are meaningful to global trade, or rather to manufacturers, suppliers, exporters, wholesaler, buyers, and importers. Above all, they are preferred by small and medium companies (SMEs) begin their e-commerce solution and website marketing. B2B Website Portal benefits supplier and purchaser, exporters and importers, sellers and buyers.

B2B and e commerce portals have helped the sellers reach their targeted buyers. Internet has made the world a global village wherein sellers and buyers meet over the net from across the globe. Substantial growth of B2B portals all over the World augments the Global sales through cross border inquiries

‘The number of paying members in our marketplaces continued to grow significantly. As of June 30, 2009, we had 531,471 paying members, representing a 44.4 percent increase from the second quarter of 2008 and a 10.4 percent increases Profit attributable to equity owners increased by 340% to RMB968 million from the first quarter of 2009.’

Alibaba.com

## **HOW TO THEY FUNCTION?**

There are more than 10,000 web b2b portals on the internet and they are growing in number year by year. There are a few big players like Alibaba, Tradekey etc but you cannot completely ignore the smaller b2b portals. These portals have a lot of traffic which comes directly to the site and search for sellers or buyers. There are even web portals that specialize in a type of business or sector like textile, fashion, jewellery etc. Infact there are also B2B web portals for domestic businesses in countries and classification is also done according to countries. For eg madeinchina, indiamart etc.

B2B portals on the web have two types of registration. One is paid and the other one is free. The free one allows you to register your company's name and details with the site and paid members get additional services where there are marketing efforts being put up to promote their site on search engines as well as they get top listings if searched on their site. Small and Medium Size businesses view Web B2B portals as a nice way to market their product on the internet and compete with big players in their field with a comparatively lower cost.

However, except the big players like Alibaba and Tradekey, other web portals rely heavily on traffic from search engines. However, there are sites that get popular within their country OR type of business/sector which gets relevant traffic.

For global suppliers, they could advertise and promote their company and products by join those B2B website as member. Of course, in order to gain advantages of Internet marketing and mass exposure of their products in search engine through b2b sites high page rank, they could join as Free, Classic, Silver or Platinum member to acquire more privileges and Benefits... By doing so, they could maximize inquiries from global buyers and importers, meanwhile, drive a huge number of traffic to their e-commerce website to expand sales.

## **ADVANTAGES & DISADVANTAGES OF WEB B2B PORTALS**

### **Advantages:**

- Great for Small and Medium Sized businesses
- Saves Cost
- Substitute to Banner Ads
- Alternative to owning and maintainance of a website
- Relevant Clients and People come to your site
- Direct Queries from Clients
- Saves Time
- Boosts Sales

### **Disadvantages:**

- Can be expensive
- Limited scope of products ( Manufacturers, Traders , Dealers
- Highly competitive

## 7. E-COMMERCE AND ONLINE SHOPPING

Ever imagined buying your next Car online? Or selling your old, unwanted music system to someone sitting 1500kms away? Or doing a price comparison from dealers all over India before buying a cell phone? If not, welcome to new era of *retailing*.

In today's competitive world one thing that has become scarce in our lives is - 'TIME'. Time has become the most important commodity for working as well as non-working segment of our society. In this age of growing popularity of shopping malls due to time and resources constraint, sometimes it becomes difficult to physically go out. Shopping is inevitable for everyone whether we like it or not, as shopping is done right from basic commodities to luxury goods. Hence the new concept that enables us to do shopping at a click of a mouse is '**Online shopping**'.

Online shopping can be defined as - The process of viewing, buying/selling and ordering of goods or services done through electronic medium for instance a website, also the mode of payment is done through electronic means with credit card or an established credit account is known as online shopping.

Nielsen has published new statistics on the overall online shopping trends - Over 875 Million Consumers Have Shopped Online - the Number of Internet Shoppers Up 40% in Two Years (World)

Among Internet users with Internet access using it shop, the highest percentage shopping online is found in:

- South Korea (99%)
- UK (97%)
- Germany (97%)
- Japan (97%)
- US (94%)

The most popular and purchased items are:

- Books (41% purchased in the past three months)
- Clothing/Accessories/Shoes (36%)
- Videos / DVDs / Games (24%)
- Airline Tickets (24%)
- Electronic Equipment (23%)

Some of the examples of online shopping portal are eBay.in, amazon.com, indiatimes.com, shopping.rediff.com, etc. The reason of increasing popularity of online shopping is because it is time saving and easy to use.

Online Retailing or Shopping as we may refer it to be a relatively new concept in India. However Online Shopping has been prevalent in India since over 5 years now. With time it has grown significantly, banking upon the increasing penetration of the Internet.

## Why things sell online:

I asked this question to many people in the industry and they seemed very confident with regards to the growth of the online market. No matter how many shopping malls come up, no matter how much the retail sector booms the online market has its one space! There will always be people who will love the comfort of their office doing price comparison online, there will always be people who will search Google before buying anything, there will always be things which people won't find in the local markets and there will always be things which will be cheaper online!!

The upcoming generation is of Gadgets and Circuits. Online shopping has its own taste. People find it interesting looking for bargains online and bidding in auctions.

*“Our buyers find online sale and offers as interesting as a normal sale at a shopping mall. We have promotions for Rakshabandhan, Diwali, Christmas and almost all occasions” – says Suresh Talekar of Rediff Shopping. (via OnlyGizmos.com)*

People love the comfort of their PC. Internet is addictive, and the only platform which integrates your banking system, shopping, communication & mail. Thus creating an arena where people feel empowered. Buying things online has its own advantages.

*“For starters I would support the idea of online shopping as it opens a window to enormous items at the comfort of your room which u can choose for without your mom or wife nagging you (an exercise best saved). I would also recommend doing all buying by COD methods. My experience with credit card was also satisfactory.”*  
*Sumit, Online Buyer - Comment from mouthshut.com*

People today order digital products from abroad, ordering them over the internet. People in Mumbai can buy handicrafts directly from Jaipur & Diamonds from Surat sitting at their home. It brings the whole world under a virtual market which caters everything one expects to buy.

*“I have known eBay for a while and as a student in US, I used to sell my unwanted stuff to generate more pocket money.”*

*-Priyanka Chopra, Actress*

## **Sell and Buy almost everything:**

People can virtually buy anything sitting in front of the computer online. From Consumer Durables to Apparels everything sells online. People also sell their private jets, cars, apartments and even rent their house online. Online shopping channel brings thousands of products at one place, more than any other shopping mall or local market can facilitate.

Apples iTunes service has sold over 1 billion online. eBay-Motors has sold over a million cars online in the US. The same trend is coming to India with a boom of online shopping sites.

Through on-line shopping people can not only buy products, but they can also buy policies, shares, bond etc. One can also apply for loans on-line. Rise in online transaction of products and services are proving to be a boon to the country. Shopping on-line has more advantages as compared to that of old shopping tradition. The products available on-line are more cheap. One can do shopping any time. People can compare prices and product quality without spending too much of their valuable time. Thus online shopping in India has become very beneficial.

In India Fabmall.com (now Indiaplaza.com) provided groceries in selected areas. They provide soft drinks, consumables and even chocolates at doorstep on Cash on Delivery basis, way back in 2005.

## **Growth of ecommerce in India:**

Growth of Internet Usage has already been explained to in the stats above. This growth of Internet Usage has undoubtedly boosted e-commerce all over the world and India too. Electronic commerce or e-commerce which means buying and selling of products or services over Internet or other electronic or computer networks has dramatically grown in India since the spread of Internet. Though e-commerce in India is at a very nascent stage compared to western world, if you compare it with the last year it has grown over a large extent. Bikky Khosla, CEO of India's largest business-to-business (B2B) portal Tradeindia which is maintained and promoted by Infocom Network Ltd, recently made a statement that e-commerce transactions in India is growing at a rate of 30-40% and is expected to reach \$100 billion figure soon.

Deeper penetration of Internet has broken various barriers and brought geographically diverse markets on a common platform. E-trading not only helps cut down costs in terms of manpower and time involved in transaction in the export-import business, but is environment friendly too.

Credit cards transactions, Railway and Airlines have played a vital role in e-commerce transactions in India. In near future, e-commerce is going to play a major role in multimedia, entertainment and fashion industry. Gucci Co. an Italian iconic fashion and leather goods label is eager to make its hold in India after growing strong in China.

Along with e-commerce mobile-commerce is also spreading among India users, specially in the banking sector.

### **A Study reveals the following:**

- e-Commerce transactions crossed the Rs.2300 crore milestone in 2006-07, a jump of around 300 percent from the 2004-05 figure of Rs.570 crore
- The average number of online transactions has increased from 4.4 lakhs in 2004-05 to around 7.95 lakhs per month in 2005-06, a growth of a healthy 80 percent and expected to increase by 12 times by end of 2010.
- Online transactions crossed \$100billion in the year 2008-09
- Besides individuals, even businesses have been quick to embrace the Internet. Most organizations, including large and SME companies have a Web presence
- SMEs in fact, have found the Internet a viable platform for establishing their brand at lowered infrastructure and marketing costs.

*Source: HindustanTimes.com*

India's Tier II towns and cities are experiencing an increase in their online retailing activity and increased transactional values.

Placing the issue in perspective, Gautam Thakar, Country Manager of eBay said in a NASCOM seminar that consumers were trading goods worth almost three crore rupees every day, across the globe. "Following the burst of innovation in e-Commerce during the 1995-2000 phase and the subsequent dot com bust, we are now experiencing renewed momentum in the online business world," Mr. Thakar added.

At the end of the day, there is a growing realization that the opportunities presented by e-Commerce are big and will get bigger. Provided applications of mass usage are developed and made available, e-Commerce can truly take off in India. The country's citizens needed easier access to the Net, navigation and ease-of-use, factors that are critical for the quick adoption of e-Commerce. Convenient and secure modes of payment are a must, as is the need to explore other facets of e-Commerce such as mobile commerce. With the growth of e-commerce the IT laws in India also needs a much needed upgrade.

## **Online Shopping is a Mail Order Business**

Mail order is a term which describes the buying of goods or services by mail delivery. The buyer places an order for the desired products with the merchant through some remote method such as through a telephone call. Then, the products are delivered to the customer. The products are typically delivered directly to an address supplied by the customer, such as a home address, but occasionally the orders are delivered to a nearby retail location for the customer to pick up. Some merchants also allow the goods to be shipped directly to a third party consumer, which is an effective way to send a gift to an out-of-town recipient.

The payment is executed by various payment methods offered by the site. One of the most popular formats of online sales is the Auction format. The advanced tools and technology available in case of an online site gives mail-order purchase a distinctive boost.

## **Shipping of Goods Purchased**

The most common mode of shipping goods locally is by Courier. Cash on delivery and Cheque on delivery are also a few modes offered in collaboration with some courier or via hand delivery. In case of sellers selling internationally India Post is said to be more economical whereas while bringing goods from abroad USPS is majorly used. DHL Global Mail and FedEx are also preferred by few sellers. Another concept in any Mail-Order-Business is insurance during transit. On sites like eBay the seller can actually give an option to the buyer to insure the goods for loss in transit. As the product is shipped by courier or post chances of loss/theft is always present. However, at times the seller reduces the price of the goods and claims profit by hiking the shipping charges.

## How Online Shopping works



Diagram

## Payment Modes

- Debit and Credit Cards
- Cheque/ Demand Drafts
- E-Cheque
- Cash on Delivery
- Online Money Transfer
- Mobile Payment
- Direct Deposit
- Paypal

## Strengths of the business model

Almost all shopping websites have an *auctions* section.

- **No time constraints.** Bids can be placed at any time (24/7). Items are listed for a number of days (usually between 1 and 10, at the discretion of the seller), giving purchasers time to search, decide, and bid. This convenience increases the number of bidders.
- **No geographical constraints.** Sellers and bidders can participate from anywhere that has internet access. This makes them more accessible and reduces the cost of "attending" an auction. This increases the number of listed items (i.e.: number of sellers) and the number of bids for each item (i.e.: number of bidders). The items do not need to be shipped to a central location, reducing costs, and reducing the seller's minimum acceptable price.
- **Intensity of social interactions.** The social interactions involved in the bidding process are very similar to gambling. The bidders wait in anticipation hoping they will "win". Much like gambling addiction, many bidders bid primarily to "play the game" rather than to obtain products or services. This creates a highly loyal customer segment for online selling sites.
- **Large number of bidders.** One can cater to unlimited customers at a time in an online store. As compared to limited foot space at a retail store.
- **Large number of sellers.** Because of the large number of bidders, the potential for a relatively high price, reduced selling costs, and ease of access, there are a large number of sellers.

- **Network economies.** The large number of bidders will encourage more sellers, which, in turn, will encourage more bidders, which will encourage more sellers, etc., in a virtual spiral. The more the spiral operates, the larger the system becomes, and the more valuable the business model becomes for all participants.
- **Captures consumers' surplus.** Auctions are a form of first degree price discrimination. As such, they attempt to convert part of the consumers' surplus (defined as the area above the market price line but below the firm's demand curve) into producers' surplus. On-line auctions are efficient enough forms of price discrimination that they are able to do this.

### **The Disadvantages of Shopping Online**

- The inability to physically check out the items you are purchasing.
- Losing the power to negotiate the price and payment terms that may exist in local stores.
- Items ordered online are sometimes on backorder but the consumer is not always informed until weeks after the purchase is made.
- Not always knowing if a site is a legitimate and safe site to shop. So he can be cheated.
- Having to pay for shipping costs that far exceed the true shipping rate.
- Returns, exchanges and after sales service can sometimes be difficult because of the lack of face to face negotiations.
- Restocking and shipping costs are often charged on returns made online.

## **DON'T SHOP ONLINE IF**

- The offer provided sounds to be too good to be believed.
- The site that demands personal information before stating the offer which they would provide.
- Proposal of providing loan on the condition that you have to send certain amount of money to avail that loan.
- Providing a deal of giving valuable gift even on a low cost purchase.
- The online shopping website which offers investment proposals.

## 8. E-ticketing:

An electronic ticket or e-ticket is used to represent the purchase of a seat on a passenger airline, railways, movies, hotels etc online through a website. Airline ticket has rapidly replaced the old multi-layered paper tickets from close to 0% to 100% in about 10 years and became mandatory for IATA members. E-tickets are also available for some entertainment venues like movies, plays etc.

Once a reservation is made, an e-ticket exists only as a digital record in the computers. Customers usually print out a copy of their receipt which contains the record locator or reservation number and the e-ticket number.

According to critical acclaim, Mr. Joel R. Goheen is recognized as the Inventor of Electronic Ticketing in the Airline Industry, an industry where global electronic ticket sales (the industry standard) accounts for over \$400 Billion (US) a year (2007). See Patents for Electronic Ticketing Inventions in the Airline Industry. Electronic tickets have also been introduced and are successful in road, urban or rail public transport as well.

### **Growth Of E-Ticketing in India:**

Today, e-ticketing in India is becoming the preferred mechanism for booking tickets be it air tickets, railways or movies. Some of the statistics below speak volumes about the growth of e-ticketing in transportation in India.

- The online passenger reservation site of Indian Railway Catering and Tourism Corporation Ltd's (IRCTC) sales from the Internet booking of train tickets in a single month (August 2007) totted up to a staggering 12,90,608 tickets generating revenues of Rs 110 crores.
- Direct online ticketing now accounts for 40 percent of the tickets sold at most airlines. Air Deccan does an average of Rs 30 million worth of transactions per day.
- 43,020 people book tickets online every day with IRCTC generating an income of Rs 3.6 crores daily in August Its observed that 15 percent of ticket sales are through e-ticketing and it will double this number by end 2008.
- Direct online ticketing now accounts for 40 percent of tickets sold at most airlines

- E-ticket penetration grew from a measly 10 percent in 2005 to 65 percent in 2006. Months
- In August and September 2007, 6.3 lakh e-tickets worth Rs 56.63 crores were booked using credit cards while 3.76 lakhs e-tickets worth Rs 28.5 crores were booked through debit cards and Net banking.

Also there has been a considerable growth of e-ticketing in other industries like movies. Some interesting statistics related to online movie ticket booking in India: Online movie ticket bookings doubled in the first 6 months of 2007 from 4-5% to 10% of total revenue for theatre chains and are currently accounts for more than 15% on an average. Mumbai and Delhi account for 58% of purchases of Movie Tickets Online as they have the highest density of Multiplexes followed by Bangalore (9%), Hyderabad (7%), Chennai (6%), Kolkata (5%), and Ahmedabad (2%). With more and more multiplex infrastructure being groomed across the country, this latent demand will have to be met by Multiplex owners.

These are exciting times for Indian e-ticketing. Sales are robust and large corporations and enterprises are pulling out all the stops in their attempts to grow online sales. Online ticketing has caught on with high acceptance in the Indian market. There are many vendors who are trying to capture this space and large corporations are firmly behind online ticketing. Each month more and more passengers are booking their tickets through the Internet indicating that the popularity of online reservations is still in the growth phase.

## 9. BLOGGING AS A BUSINESS

Blogging is seen as a personal diary, where individuals share their views and express their opinions about almost everything under the sky. A typical blog combines text, images, and links to other blogs, Web pages, and other media related to its topic. The ability for readers to leave comments in an interactive Blogs range from the personal to the political, and can focus on one narrow subject or a whole range of subjects. Many blogs focus on a **particular** topic, such as web design, home staging, sports, or mobile technology.

However with the increase in internet penetration and the shift from print media to digital medium the opportunity of blogging as a business has emerged. Information has turned into a big product on the internet as people read news, reviews, research etc on the internet. While we have seen many successful bloggers in the west who rely on their website earnings fulltime, increasing number of Indians are taking the plunge and emerging as pro bloggers.

Blogging for commercial purpose is not a conventional business idea, but almost all leading publication today have an online version. The shift to online medium certainly projects an existing audience to consume the content. This has opened the opportunity for many commercial bloggers to come up.

Internationally top blogs such as engadget, techcrunch, lifehacker etc are big businesses running into millions of dollars of trade every year. Many of these are owned by Silicon Valley cos, like the Weblogs Inc of AOL. The basic difference between a conventional news site and a blog is that a blogger expresses his personal opinions about the subject, whereas the journalist reports on news with “QUOTES” from experts as the opinion part.

Many free blogging platforms like Google’s Blogger and WordPress.com allows users to create and maintain blogs at no cost. However commercial blogs are generally self hosted with a custom installation using a domain name. A domain name, hosting account (server space) and a blogging software installation (generally open source and free).

Making a successful blog is more than just setting it up and publishing good content. A blog requires appropriate marketing to get visitors. This can be by search engine

optimization, social media marketing or other channels mentioned above. However, as a fact 50-80% of the traffic mainly comes from Search Engines.

### SOME INTERSETING FACTS ABOUT BLOGGING

- A new blog is created somewhere in the world every half a second. That goes on to prove how popular blogging is on the Internet.
- Blogs have influence. Surveys suggest that lot of Internet users prefer reading reviews published on blogs before making a purchase.
- You don't need to spend a single penny to publish a blog. All you need is a computer and an Internet connection. You may even write blogs from a mobile phone.
- You can put advertising on your blogs and make some decent income. There are people who have quit their regular jobs to become full-time bloggers. Infact there are a few blogs who earn in millions.
- You don't need to know English to write a blog. There are free tools available to help you publish blogs in any Indian language including Hindi, Urdu, Punjabi, Bangla, Tamil, etc.
- If you like clicking pictures with your digital camera, you can join the growing community of photo bloggers in the world who display pictures on their blogs.
- 44% of all bloggers are parents, 70% have college degrees, two-thirds are male and 50% of them lie in the 18-34 age group.
- 89% of companies surveyed think blogs will gain importance in the next five years.
- Technorati is currently tracking over 112.8 million blogs.
- Over 120,000 blogs are created every day.
- There are over 1.4 million new blog posts every day.
- 184 million WW have started a blog | 26.4 US
- 346 million WW read blogs | 60.3 US
- 77% of active Internet users read blogs
- 22 of the 100 most popular websites in the world are blogs.

## Steps to setup a blog

### **Choosing your niche**

Before you create a blog, it is important to decide on the theme or subject area your blog will cover. It mainly depends on your field of interests, knowledge and writing skills.

### **Defining Your Audience**

After deciding your niche you should ask yourself who is your target audience. Is it only for your blog is just to keep in touch with family and friends OR you want to target a specific audience for e.g. tech-savvy people, health conscious. Your target audience mainly depends on your niche.

### **Choose the name of your blog:**

There's no limit to what you can name your blog. Some blogs have names that relate to their subject matter - Cute Overload, Treehugger, PassiveAggressiveNotes.com. Some blogs have completely nonsensical names that are just plain catchy - Boing Boing, Small Dead Animals, The Coming. Whatever you decide, keep in mind that a blog's name should ideally be memorable, short, easy to spell and relevant to your subject. There are domain name registrars like Directi.com that let you register and buy available names. Some common domain extensions are .com, .org, .in, .co.in etc which are chosen according to the country you want to target. However, if you don't want to buy domain name you can also keep it on your web hosts name. For e.g., [www.nameofyourblog.wordpress.com](http://www.nameofyourblog.wordpress.com). However, It's suggested to have an own domain name if you are looking to monetize your blog.

### **Deciding on the blog host:**

If you are creating your first blog or don't have a great deal of technical expertise, than a hosted blog service is the way to go. However you can also choose to make your own customized website through professionals.

A hosted blog service essentially "hosts" your blog at their domain. They make creating a blog easy by providing well-designed templates, a web address and rich text

editors that allow you to create posts without any special technical knowledge. With a hosted blog service, you can have a blog up and running in less than ten minutes. Some of the most popular hosted blogging platforms include WordPress.com, Blogger, Typepad and Vox.

Which service you choose will depend on the purpose of your blog, your budget and your technical abilities. Also deciding on the blog host is a crucial factor as there are some blogs who are more compatible with search engines...like Google is with Wordpress.

### **Deciding the Server Host**

After deciding on the blog host you need to buy a server for hosting the site on the internet. One would need to upgrade the server capacity depending on the traffic. However decent international server packages are available for as low as \$4 a month (Rs 200pm).

### **Install Widgets & tools for tracking:**

After you are done with setting up the web hosts and server, you need to register your site ad Google analytics OR statcounter to keep a track of the visits and analyse from where are the visits coming from. These are necessary to keep a track of your visits.

### **COMPONENTS OF BLOG:**

The Header:

A blog's header is the equivalent of a newspaper's masthead. It contains the blog's name rendered as text or as text combined with a banner image.

The Sidebar:

A sidebar runs along one or both sides of your posts. A sidebar might contain any number of items including a short bio, a blog roll (a list of blogs that you enjoy reading), a search box, ads and an RSS button. RSS stands for "really simple syndication." Adding an RSS link to your site allows people to "subscribe" to your site - updating them whenever you've posted something new.

The Posts:

Posts make up the body of your blog. Posts can include text, images, video and even streaming audio. Most blog posts also include a way for readers to comment on the post. However, good content is a must for all blogs.

### **Monetizing the Blog:**

This is where all the effort put into creating a commercial blog is encashed. Typically blogs on the internet are monetized by advertisements. While not every small and big blog can directly negotiate with 1000's of advertisers, there are online advertising agencies / networks that make this process easy. Some of the popular networks that let publishers get relevant ads on their site are Google AdSense, Chitika, Kontera etc.

Advertisements on a blog can be either graphical banner or link units. Each of these carries a message from the advertiser just like any other hoarding on the road side looks. The only difference being is that clicking these banners takes the user to the advertiser's website / promotional page.

Blog owners (publishers) are paid either on the basis of number of clicks received on Ads or number (CPC) of Ad impressions received (CPM).

## 10. Challenges in Internet Marketing

### **Competition:**

Internet provides a very limited entry barrier to get started with. Hence there is a lot of competition out there already and it's only going to get more competitive. So as a marketer you need to choose the right medium to market your product on the basis of the product features. Also you need to have a sound marketing strategy and have a plan on how to market your product as your competitors are doing it. You cannot rely completely on branch of Internet Marketing and need to frame a marketing plan taking a combination of two or three mediums. For e.g. for big companies who are looking for Branding, Social Media and SEO are better, For manufacturing companies Ads, Email and b2b portals are better.

### **Internet Speeds and Penetration:**

Though Internet has reached billions of users, the penetration is still low. It still has to catch up with the other forms like TV, Radio etc which have a wider reach and more importantly for many brands the internet audience might not be the right consumers or internet being the wrong place to approach the customer.

The internet speeds in lesser developed countries are quite low upto (128kbps-1 mbps) compared to other countries which have speed of around 16 mbps regularly. Also technology like 3G and Wimax for high speed internet are only available in developed countries like the US and UK. Speed is required as today sites require higher speeds for browsing, download videos, songs, files etc

### **Reliability / Trust & Safety:**

As a customer sometimes feels cheated and irritated by those ads as they often mis-directed So as a marketer you should be conscious of the fact that you should post relevant ads and do not make false promises to get ad-clicks.

Also there is an increase in number of frauds in banking transactions, shopping done by people which leaves a feeling of mistrust amongst buyers. There is no proper mechanism or legal structure to track such frauds and penalize them as they can be from any country.

## **Too technical**

Things can get real technical on the internet marketing and it's difficult for the normal marketer to understand all the terms and stuff on internet marketing. Therefore, he has to hire an internet marketing expert who does all the work for him. However, there is a lack of such individuals and there are false promises made by people who call themselves a SEO expert Or a SMM expert. It's very hard for an average marketer to filter good internet practices and judge the quality of an digital marketing agency. So again the marketer/brand can get cheated.

## **Requires Hard Work, Effort and Time (Maintenance)**

No matter if you hire an expert or do internet marketing on your own you need to put a lot of time and hard-work on it. It also requires a lot of maintenance and supervision as there are constant changes and upgradations being done by search engines and social media platforms. So you need to aware and updated about all the happening and changes in the technical fields to be successful.

No matter how much effort you put into Internet Marketing, there is no proper successful formula and no guarantee that you will succeed in marketing your product or increase sales through internet marketing. Without proper knowledge and guidance one can end up burning up loads of cash in this medium.

## 11. Traditional Marketing V/s Internet Marketing

Marketing over the years more so recently has started being used interchangeably with advertising. Now since the explosion of the internet; advertising paradigms have been constantly changing.

The first Web advertisement was placed on the Hot Wired web site in October 1994. AT&T, MCI, Sprint, Volvo, Club Med, ZIMA were the first to try it out and the Internet advertising has come a long way since then. Here, I would attempt to compare Internet Marketing with our good old traditional marketing.

1. **Internet Marketing is More Measureable** – Branding is important and traditional marketing does have benefits when it comes to branding. However, marketers today are smarter and more sophisticated. They see the value of measuring results and brand awareness is more difficult to measure than real visitors to your website and real conversions. Marketers want to make sure every penny is spent wisely. Internet marketing allows you to see exactly what you are paying for. Traditional marketing takes a little more trust that the impact of your efforts is helping your bottom line. With Internet marketing you can see real facts and every detail that leads to reaching your goals and determine your ROI.
2. **Internet Marketing Makes Strategic Decisions Based on Facts** – Internet marketing can make decisions based on detailed analytics. You can have the smartest and most talented traditional agency with great ideas and plenty of experience, but they will have a difficult time showing real data that leads to achieving your goals. They will also build out a campaign and not be able to adjust it on the fly based on the public's response. The best way to really know how effective your marketing approach is to see exactly what the audience is responding positively to. Internet marketing allows you to study every detail about your audience in real time. You can study data from every phase in your conversion funnel that includes: how people found your website; what they do once they are on your site; and what led to your conversions. You can make adjustments to your campaign at any point to increase the effectiveness of your campaign.

3. **Internet Marketing Is Better at Reaching Your Target Audience** – Traditional marketing is known for its reach to a mass audience. There are ways that traditional marketing can target certain demographics depending on a television channel or show, radio station genre or industry magazine. However, traditional marketing will never be able to target as precisely as Internet marketing. With Internet marketing you can target even the smallest audience based on a variety of things. Internet marketing also does a great job of targeting your advertising spend so that you know all of your money is being spent in the most effective way.
4. **Internet Marketing is a Constant Source** – When you hear or see a television or radio ad it is there one minute and then it is gone. If you catch an ad in passing and you missed some information you cannot go back and review it. Print is a little better for this but newspapers and magazines do get thrown out after a week or month. Internet marketing provides you a permanent address online that people can visit anytime they want. Even if someone does not know about your company they can do searches based on what you offer and find you in the search engines.
5. **Internet Marketing Provides Better Word-of-Mouth** – Word-of-mouth is still the most effective marketing for producing conversions. Social Media is an aspect of Internet marketing that allows people to build a community and let others spread positive feedback about your product or service. When you develop evangelists for your company, with Social Media Marketing, your message will be spread quickly because more people are speaking for you. People will normally trust word-of-mouth much more than traditional ads that tries to convince you about the benefits of a product or service.
6. **Internet Marketing Can Increase Conversions More** – No matter what your goal, Internet marketing can increase your conversions month after month. The reason Internet marketing is more effective at delivering conversions is that you can study every detail of what is working and what might not be working. It takes the guessing game out of it. You can continue to place more emphasis on the tactics that are working and eliminate anything that is not effective. Internet marketing also provides an environment where you can safely test new ideas so that you are always pushing to improve your campaign's performance. Traditional marketing develops a campaign and then hopes that it will work. This makes it difficult for traditional agencies to test new ideas or even look into all of the details to determine the effectiveness of a campaign.

7. **Internet Marketing is more trackable** – Online marketing makes tracking easy. You can keep tabs on where your visitors come from, store relevant information about their spending, their behaviours, and their demographics. All of this better enables your company to make the most of Internet marketing as you are afforded an easy way to learn more about your existing and potential clients. More importantly, you'll very quickly get a clear picture of what works for your company online.

But every coin has two sides and Internet Marketing also has its disadvantages compared to Traditional Marketing.

### **Disadvantages:**

#### **Difficulty in Attracting Customers**

Small business may not have the resources to pay for paid directory inclusion, pay per click inclusions and often have to rely solely on search engine optimisation or word of mouth to drive traffic to their sites. With millions of businesses selling the same product and services, competing with more established businesses can be frustrating and costly venture for small business.

On the other hand, larger companies can offer promotions, pay for directory inclusions, implement pay per click campaigns as well as employ the “who is who” in internet marketing to develop campaigns that generate traffic and leads. Therefore traditional marketing seems better here as it definitely gives your product visibility and attracts more customers compared to internet marketing

#### **Difficulty in Evaluating Legitimacy of Transaction**

Another notable disadvantage of doing promoting businesses online is that it may be difficult for the businesspersons and consumers to thoroughly evaluate the legitimacy of a transaction. Small businesses are particularly vulnerable to thieves using stolen credit cards and stolen information to do online transaction.

With Internet credit card and identity fraud on the rise, small businesses are forced to finance costly security measures to reduce their vulnerability to fraudulent transactions.

### **Salespersons and Customers are Isolated**

Another disadvantage of promotion via the Internet is that the customers and businesspersons are isolated. There is little personal contact between customer and salesperson prior to and after the sales is closed. Thus, the prospect for repeat sales may thus be diminished. Entrepreneurs are therefore compelled to adopt marketing strategies to drive online users back to their site.

### **Internet Marketing can get too Technical**

Internet Marketing requires a lot of knowledge and technical knowhow or else you can be fooled by your consultant you have hired. Also it requires a lot of time and the results are not instant. However, it is much easier to understand traditional marketing for a layman.

However, Internet Marketing when comparing to Traditional Marketing it appears that the advantages of Internet promotion far exceed the disadvantages. You can adjust your campaign much easier to produce the best results. Analytics are the core reason why more people are switching from traditional marketing to Internet marketing. You can track real facts for every element of your campaign. This will show you exactly what you are getting for your money. With adequate knowledge, entrepreneur can benefit significantly from Internet promotion, especially small business owners. Also there is a huge dependability on the type of product you have to choose the medium.

More and more, the growth and outreach of the Internet's, its ease and accessibility for customers is becoming inevitable. Small business would therefore be well advised to start their web advertising function in order to improve their competitiveness online.

## Summary:

<b>Internet Marketing :</b>	<b>Traditional Marketing:</b>
Targeted Marketing	Non- Targeted Marketing
Economical and fast way to promote product.	Expensive and takes more time to promote product.
Cost-Effective for promoting product globally	Expensive and time consuming process for traditional marketing.
Your product or service is 24 X 7 advertising	That is not possible in traditional marketing.
Effective mode of tracking investment	Effective mode of tracking investment is not possible.

## 12. FUTURE OF INTERNET MARKETING

As the Internet continues to grow, the future of online marketing is a much discussed subject. There is no doubt that the future of online marketing looks very bright. As more people join up with digital revolution, e-commerce continues to grow. Still, one can't help but acknowledge the fact that Internet users are becoming more sophisticated, particularly as a younger generation moves into adulthood.

Internet is growing much faster than ever before, the more and more user generated content is flooding the internet. The Internet is changing the way we do business — the way we market, sell, service, distribute, communicate, and work. Businesses are already beginning to communicate with customers, distributors, suppliers, shareholders, and employees in a way that is truly one-to-one and real-time. “Personalized” web sites are delivering tailored messages to an infinite number of target markets. These sites can change based on the user's buying and surfing habits, past usage of the site, demographics, relationship to the company, and a multitude of other attributes which could be collected from the users online or culled from corporate legacy databases. The Internet has also become the most economical distribution system of information available.

Web sites that run into the millions of dollars to build and maintain, and massive data warehouses about consumers that are networked together across companies and continents. Imagine, personal (software) agents will surf the Web in our place, and thus Web sites of future will be designed more for our agents than for us. And privacy will be a thing of the past: web sites will know your buying patterns, your interests, your salary, your level of education, even your credit record.

However, The Internet is not just a “tool” for business. It's not just another form of media. The Internet is becoming OUR LIVES.

But the Internet is becoming a self-contained environment for business. And it's not going away (if ever) for many generations to come.

Making money online has been a hidden gem of sorts for the past few years. Many people thought about making money online as only the type of media stories I

mentioned earlier – the instant millionaires and billionaires generated from stock options, buyouts, and IPOs.

But that's all changing quickly. The media and the world in general, are catching wind of the fact that millions of people are making money online. Heck, all they have to do is read the details of Google's earnings reports and pay attention to the section on their AdSense program. Google is already paying out BILLIONS of dollars to web site owners.

And as more and more people generate an income from the Internet, more and more people find out about it. When people fill-out mortgage applications or other paperwork to explain where their income comes from... In general conversations at parties, a day job, or even at the local Starbucks... As people ask, "So what do you do?" more and more people will answer... "I have an Internet business."

The revolution will begin to grow at a faster and faster pace. The 'secret' is getting out and getting out fast... There's no better method for generating income (or has there been in history up until this point) than to make money from the Internet – truly while you sleep, even while on vacation where you can still check your email and run your business from anywhere.

And that too for a very low start-up cost, no technical training, and zero qualifications. So in a very short amount of time there are going to be thousands of marketers all fighting to purchase and/or generate the same targeted traffic to their web sites. They will all be going after the same keywords (even long tail variation Internet marketers by and large are utilized for selling and marketing to, a predominantly western audience. Today's web sites, mailing lists, payment processing systems, and overall way of doing business have evolved around the needs and wants of target markets in the western world. And any experienced marketer knows it can be difficult. Despite popular notions that you can start an Internet business and watch the money roll-in, the reality is that there is a lot of competition from other webmasters, regardless of the market or type of products you promote.

Looking ahead, have you considered the impact of even more competition - lots more? In Asia, in particular China and India, large, well-educated populations, a lower cost of living with much-improved standards, and more widely available Internet access may combine in the near future to create a lot more Internet marketers. Many are well-

versed in technical aspects of the Internet, including programming and site development. In fact, if you've ever used any of the various freelance sites to outsource technical projects, you've seen that many of the bidders are from Asia.

With populations of one billion people and more in those two countries alone, the current generation is certainly well-attuned to the Internet, and being avid surfers, are no doubt aware of the commercial opportunities and worldwide reach available only on the net. It's likely only a matter of time before they begin marketing to western audiences themselves.

Whether through affiliate marketing, or by developing new products to sell on their own behalf, the prospect of increased competition for current Internet marketers is very real and likely very near. The biggest hurdles will be language and market understanding. After all, it's difficult enough to write effective sales letters in ones native language, even if addressed to a market and culture you understand. Over time, even those barriers will fall - face it, just as programming can be outsourced, so can marketing and language assistance.

The potential competition can sound ominous. And depending on your outlook, it can be. For every new product that pays affiliate commissions, there soon could be lots more marketers trying to promote it to the same audience. And for every new product of your own you develop, similar products with more features and selling for a lower price could appear. That already happens now to an extent. What will it be like with even more marketers and developers competing?

But change can also be good news. You as an individual marketer can either complain about the unfairness of it all, or you can choose to adapt your business to the inevitable and prosper. As new marketers, and surfers in general, from China, India, and elsewhere come online, they will also create entirely new markets to sell to, markets that weren't there just a short time ago. After all, as marketers they will need the same types of products and services that western marketers need. And as surfers and eventual online buyers, their consumers will want not only western, but also regional and cultural goods, just as online shoppers in the western world do now. Of course, marketers in those regions will also compete in their local markets, as well as western ones.

However, I believe that in the future there will be more developments and Social Media Marketing will be one of the biggest platforms for marketers. Though I believe that SEO will remain as the number one tool for marketing on the internet, ads, email-marketing will slowly start to diminish. However, this all depends on how are the legal constraints

The emerging modals of online marketing now are PPC, Contextual ads, in-text ads, etc. People working in online marketing are trying hard to find new techniques of marketing their product, since more users have become more intelligent in using internet than before so it has become very hard to show ads on website, because most users will find it easy to differentiate between ads and content. Search engine optimization is one revolutionary modal of online marketing, while you optimize your site for search engines and the free traffic you get is just too hard to ignore. However I also believe that Social Media Marketing will be as important as SEO because of its growing trend.

Lots of fraud are too taking place in online marketing and many copyright violations are being done so , the future of online marketing depends on how future legal procedure handles it and since there is very les chance of doing fraud in SEO so it difficult that any legal issue will threaten it.

## Conclusion

On the whole, I feel internet marketing definitely has huge potential and in the coming years it will be of great importance due to the growing number of users. However, you cannot ignore the fact that traditional marketing is here to stay for some more time. It would take a while for the new media to sink in and penetrate into the vast sphere of traditional marketing. The need of the hour is to educate business owners about the growing importance of Internet Marketing.

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