

Develop an e-marketing plan

Introduction

E-marketing means using digital technologies to help sell your goods or services. These technologies are a valuable complement to traditional marketing methods whatever the size of your company or your business model.

The basics of marketing remain the same - creating a strategy to deliver the right messages to the right people. What has changed is the number of options you have. Though businesses will continue to make use of traditional marketing methods, such as advertising, direct mail and PR, e-marketing adds a whole new element to the marketing mix. Many businesses are producing great results with e-marketing and its flexible and cost-effective nature makes it particularly suitable for small and medium-sized businesses.

This guide will describe how to develop an e-marketing plan and provide guidance on implementing that plan and monitoring its effectiveness.

The benefits of e-marketing

E-marketing gives businesses of any size access to the mass market at an affordable price and, unlike TV or print advertising, it allows truly personalised marketing. Specific benefits of e-marketing include the following:

- **Global reach** - a website can reach anyone in the world who has Internet access. This allows you to find new markets and compete globally for only a small investment.
- **Lower cost** - a properly planned and effectively targeted e-marketing campaign can reach the right customers at a much lower cost than traditional marketing methods.
- **Trackable, measurable results** - marketing by email or banner advertising makes it easier to establish how effective your campaign has been. You can obtain detailed information about customers' responses to your advertising.
- **24-hour marketing** - with a website your customers can find out about your products even if your office is closed.
- **Personalisation** - if your customer database is linked to your website, then whenever someone visits the site, you can greet them with targeted offers. The more they buy from you, the more you can refine your customer profile and market effectively to them.
- **One-to-one marketing** - e-marketing lets you reach people who want to know about your products and services instantly. For example, many people take mobile phones and PDAs wherever they go. Combine this with the personalised aspect of e-marketing, and you can create very powerful and targeted campaigns.
- **More interesting campaigns** - e-marketing lets you create interactive campaigns using music, graphics and videos. You could send your customers a game or a quiz – whatever you think will interest them.
- **Better conversion rate** - if you have a website, then your customers are only ever a few clicks away from completing a purchase. Unlike other media which require people to get up and make a phone call, post a letter or go to a shop, e-marketing is seamless.

Together, all of these aspects of e-marketing have the potential to add up to more sales.

Stages in developing your e-marketing plan

It is important to recognise that planning for e-marketing does not mean starting from scratch. Any online e-communication must be consistent with the overall marketing goals and current marketing efforts of your business.

The main components of an e-marketing plan will typically include the following stages:

- **Identify your target audience** - if you identify multiple targets, rank them in order of importance so that you can allocate resources accordingly. Profile each target group and understand their requirements and expectations so that you can pitch your costs and benefits at the correct level.
- **Set your objectives** - possible objectives could include awareness raising (of your business or disseminating information about your products or services), focusing on sales (building Internet sales of a product or increasing the frequency of sales from regular customers), or internal efficiency (decreasing marketing costs, reducing order-taking and fulfilment costs, or improving customer retention rates).
- **Decide upon the marketing mix** - you should choose a mix of e-marketing activities that will help you achieve your objectives and fit with any existing traditional marketing activities you already have planned. For an outline of the range of e-marketing options, see our guide on [generate business from your e-marketing plan](#).
- **Agree a budget** - careful budgeting allows you to prevent costs spiralling out of control. By identifying the returns you expect to make from your investment in e-marketing activities you can compare these with the costs in order to develop a cost/benefit analysis.
- **Action planning** - identify the tactics for implementing the selected e-marketing activities. The plan should also cover other non-Internet marketing activities that are being undertaken.
- **Measure your success** - build in feedback mechanisms and regular reviews to enable you to assess the success of your e-marketing activities, particularly as e-commerce is such a dynamic and fast-changing area.

The importance of brand and image

The brand and image of a business are vital to its success. Strong brands can generate customer trust, which is particularly important in e-commerce where there are often concerns over privacy and security.

There are several branding options. You could use an existing brand name for the new venture, create a new Internet brand name or co-brand with another business. Closely linked to these decisions is the choice of domain name for your website.

Using existing brand names

Using an existing brand name can make sense if the brand is well known and has a strong reputation. However, you risk jeopardising your brand's good name if your new venture is not successful.

Creating a new brand

If you want to create a new e-commerce brand then a good name is extremely important. Some factors to consider when selecting a new brand name are that it should:

- suggest something about the product

- be short and memorable
- be easy to spell
- translate well into other languages
- have an available domain name

Co-branding

Co-branding occurs when two businesses put their brand name on the same product. This practice is quite common on the Internet and has proved to be a good way to build brand recognition.

Domain names

Whatever e-commerce brand name you decide upon, it is essential that the Internet domain name is available to support this. A strong domain name can be a great help in enabling customers to find your site. For more information on choosing a domain name, see our guide to [website hosting options](#).

If the domain name you'd like has already been taken you could offer to buy the domain name from the registered user. If this is not possible and you feel that the registration appears to be an infringement of your trademark then you should seek formal legal advice. You can [read about domain name dispute resolution at the Nominet website](#) or [find out about domain name dispute resolution policies at the Internet Corporation for Assigned Names and Numbers \(ICANN\) website](#).

As of 7 December 2005, it will be possible for businesses based in the EU to register for .eu domain names. [Find out about .eu domain names on the EURid website](#).

Building relationships with your customers

A website provides an ongoing point of contact with your customers and can be a useful way of collecting information about them for e-marketing purposes and for building successful relationships with them.

Answering common queries

Answering the common queries customers ask on your website - perhaps in the form of FAQs (Frequently Asked Questions) - demonstrates you're ready to help. It may also save you time and money by reducing the number of basic phone queries.

Provide an email facility for queries and customer feedback - but ensure someone checks them regularly. Respond to queries promptly and let people know their comments are appreciated. This process can be automated. Provide full contact details, particularly phone numbers, for people in need of an immediate answer or they may look elsewhere.

Asking visitors to register

Many businesses ask first-time visitors to their site to register. This can be useful for gathering **statistics** and **email addresses** for direct mailings.

But asking people to register straight away may put them off. Make sure they've got far enough into your site to want to find out more. Tell them how they can benefit from registering, such as by accessing special content. And ask for the minimum details possible.

If you intend to collect personal data, there are a number of legal requirements. See the page in this guide on the [legal considerations in e-marketing](#).

Customer relationship management

Many businesses invest in a customer relationship management (CRM) system to improve their customer services. The CRM system brings information like customer data, sales patterns, marketing data and future trends together with the aim of identifying new sales opportunities, delivering improved customer service, or offering personalised services and deals.

In addition to improving sales and profitability, the CRM system is very effective in handling customer complaints and can have a tremendous effect on your reputation. For more information on types of solutions and key implementation issues, see our guide on [how to manage your customer database](#).

Getting the technology right

If you are planning to use email as an integral part of your e-marketing plan then you need to make sure the technology you choose is right not only for the message but for your customers. The set-up and performance of people's computers varies tremendously. Some office computers don't have soundcards, which means music or video files won't be any use.

Firewalls, which protect networks, are also common these days. Often these will limit the size or type of file that customers can receive. One solution to these problems is to host large files on your website and simply send an email with a link.

Another important consideration is the connection speed. Do most of your customers access email at work with a fast connection or do they use a modem at home? If it's the latter, then large attachments or images will make the email frustratingly slow to download.

Finally, there's an issue of compatibility. Different programmes will display email differently. An email with images or an HTML component could look messy on a different set-up, or even cause the programme to crash.

The solution is to profile your customers and understand what the best format for them is. Some may like e-marketing with whistles and bells, others might just like a plain text email.

Data privacy

Technology gives you the opportunity to collect lots of information on your customers. This doesn't mean you should use it carelessly though. It is very important to ensure that any data you collect about your customers is handled carefully, and in line with the principles of the Data Protection Act. You must also keep it up to date and not needlessly reveal information about customers.

Implementing e-marketing

There are three stages to implementing an e-marketing campaign.

Evaluate the marketing options

Marketing option can:

- Email is great for building relationships and keeping your customers up-to-date with offers, and is less intrusive than telephone marketing. However, growing concerns about spam mean you need to make sure you adhere to government regulations. For more information, see the page in this guide on legal considerations in e-marketing.
- SMS - almost everyone has a mobile, so marketing via text messaging is a viable option. However, the personal relationships people have with their phones means marketing needs to be carefully considered.
- Websites - a hugely flexible option to meet any marketing need. However, with so many other websites, you need a strategy for getting yours noticed and used.

Plan the rollout phase

- Look at training implications, especially of building and running a website and think about the costs involved.
- Decide which staff will require training and allow time for them to adjust to the new system.
- Do you need to review your customer contacts database? Before beginning a new marketing campaign it can be a good time to reorganise your data.
- If you're building a website, how are you going to promote it? Will you submit it to search engines? Is it worth paying an agency to boost your rating? It might be wise to start with a soft launch - perhaps just to existing customers to see how the website beds down before you begin to give it stronger marketing support.

Implement e-marketing

- Roll out any necessary training.
- Encourage staff involvement and feedback. This will help to smooth implementation, as staff buy-in can make or break a technology project.
- Consider setting up a cross-departmental taskforce to manage the implementation process - it will help with staff buy-in and ensure that implementation works business-wide.
- Continually review your practices against e-marketing regulations.

Monitoring the effectiveness of your e-marketing campaign

Unless you can find out why people visit your website, you won't know which marketing campaigns have been successful or where to spend more money.

Tracking and site analysis tools

A number of suppliers sell tracking tools that can tell you where visitors come from, what they do while on your site and where they go when they leave.

If you search the Internet you might come across a free trial - but bear in mind that you'll need a large amount of data for the results to be significant.

You - or whoever has access to the server hosting your website - will also be able to access a log file - a recorded history of all requests for pages on your site. It includes details of the page requested, the time and source of the request.

The problem with monitoring a log file is that it grows so quickly that you need software to glean anything useful from it. A website analysis tool is a piece of software that you can use to measure the usage patterns of your site. It does this using statistics such as the total number of visitors, the number of new and returning visitors, which search engines they are finding the site through, and which parts of the site they are making particular use of.

Some website analysis tools, such as Analog, are available free from the web. Other popular packages include Wusage and WebTrends.

User surveys

The only other way of checking how visitors reach you and whether you're providing what they want is to ask them.

Ideally, you need to know how they found the site, whether it is their first visit and why they're visiting. Pop-up surveys (new pages containing surveys that open in separate windows) are a good way of gathering this type of information - but users may simply ignore them, particularly if you ask too many questions.

Legal considerations in e-marketing

You need to be aware that there are a number of regulations that relate specifically to e-marketing. You need to keep abreast of developments in this area to ensure that you are complying with the various rules.

Email and SMS marketing - the new rules

In December 2003, new rules came into force covering marketing e-mails and SMS messages to individuals.

The Privacy and Electronic Communications Regulations introduced an opt-in consent procedure for commercial emails - which means you can only target people who have agreed to be contacted. This is a change from previous rules, which required only that customers be given the opportunity to opt out.

To save having to contact all your existing customers to get consent, the rules apply only to new customers. You can continue marketing to your current customers provided they can opt-out of future messages and the messages cover similar products and services.

The other main point is that you must clearly mark your emails with your contact details and include a valid return email address.

Using cookies

Cookies are small pieces of software that websites store on users' computers. They have a very wide variety of uses, but an important one is to track the movements of visitors to websites, counting clicks, establishing how people arrived at the site and how they navigate around it. In short, cookies can be a very useful marketing tool.

Under the new Privacy and Electronic Communications Regulations, businesses have to inform their customers that they use cookies, and provide an opt-out facility for those who do not wish to accept them. In practice this will mean providing the user with a "privacy" or "cookies" statement that explains how they are being used and how they can be switched off.

The Interactive Advertising Bureau (IAB) has set up a specialist team to develop a practical approach to the rules on cookies. For further advice, [read an overview of e-communications on the DTI website](#).