

The Cyclic Nature of Online Marketing Tools

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As sure as spring is followed by summer and succeeded by fall, online marketing options, search, lead generation and e-mail seem to enjoy a cyclic season in vogue.

A short six years ago when Google was just a quirky, small search engine trying to compete in the world of Yahoo and MSN, and lead generation was just a concept, e-mail was the sure-fire solution for marketers who rushed in with herd-like mentality, spending large amounts of money to participate and leverage this new, cheap and effective marketing channel.

For many, the use of e-mail cost-effectively drove sales and built brand awareness. However, for the majority, e-mail did not deliver on the promise.

In 1999, there was very little sophistication in the market with regard to targeting online data, but due to the perceived low cost, targeting didn't seem important. The prevailing strategy was to send messages to a large quantity of consumers with the hope that some of the recipients would be receptive to the offer.

At the same time, Internet service providers were struggling for solutions to handle the rapidly increasing quantity of promotional, and in many cases, unwanted e-mail.

The fact is many direct marketing professionals had no experience in using e-mail to generate brand awareness and revenue. As a result, some businesses were created with the sole purpose of exploiting the "new hope." They sold direct marketers a lot of "dis"-services and e-mail started to lose its luster quickly with the marketplace.

The result of e-mail's fast rise and subsequent fall was increased opportunity for additional marketing tools and solutions such as search engine marketing and lead

generation.

Search is still growing as an option but has slowed down due to the increasing price of keywords, which prevent smaller advertisers from participating, and also due to a serious problem of click fraud. As a result, the search "season" has faded.

Lead generation has also found its season because it delivers a high volume of leads at a perceived low-risk/no risk proposition to the marketer thanks to its CPA/CPL nature. Supply and demand has now affected lead generation and marketers are finding it difficult to scale their efforts due to a lack of quality inventory to generate leads.

Additionally, with lead generation comes a large amount of low quality leads that either do not perform or are filtered because of an inability to meet the correct specifications for a qualified lead.

Just as the market was casting about for a new "it-tool," acquisition e-mail reinvented itself. E-mail now offers a unique opportunity to produce a strong, positive ROI.

The key to e-mail's rebirth is two-fold.

First, many new opt-in files have been established with critical mass to allow a marketer to reach a significant audience. Second, e-mail provides an opportunity to apply direct response methodology like no other online tool.

Many marketers are now coming to realize that e-mail, as a standalone tool or part of a multichannel marketing mix, behaves as well as every other push-based marketing solution, such as television, radio and print. At the same time, e-mail does not behave exactly like any other marketing solution in that it has its own unique advantages and disadvantages.

Much like broadcast e-mail allows a marketer to cost-effectively, repeatedly reach a broad audience, a marketer using e-mail would be negligent to not develop a multiple touch to the same audience strategy.

Like direct mail, e-mail allows the marketer to specifically target to whom it is going to market and the results are tied back to e-mail, creating a trackable and

accountable marketing channel.

Several reports have suggested that people who receive well-targeted e-mail that is relevant to them will engage. Furthermore, these messages lead to conversions. What is most unexpected is that these conversions occur both online and offline, and the conversions often do not relate to an e-mail-embedded code.

Thus, the online marketing manager should be prepared to track the results of their campaigns to conversion from multiple channels across the enterprise.

If the marketer can create trust with the e-mail list provider, it will let it better analyze the effect of its message. This it does by looking at the exact population marketed compared to the total population of conversions from all point-of-sale acquisitions across the enterprise.

Early adopters are already using this approach and finding that e-mail is successfully lowering their effective cost to acquire a new customer.

With that kind of power in hand, the capable marketer has the ability to further refine its marketing strategy by testing the value of an offer, price point, market segment, geographic segment and a multitude of other variables to resolve the best path to success for any given product or service.

Make no mistake, these options are currently available and many marketers have been successful using this new approach.

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