



5 Powerful Strategies for Promoting Your Online Business



PaymentOnline
YOUR GATEWAY TO E-COMMERCE

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Ready for Tomorrow's E-Commerce?

5 Powerful Strategies for Promoting your Online Business

Introduction

E-commerce is on the rise. One hundred twenty million people now shop online according to eMarketer, and the average U.S. online buyer will spend upwards of \$600 over the Internet this year – and over \$1,000 per year by 2003. The advantages of e-commerce – convenience, affordability, and selection – are driving online purchases to record levels. Giga Information Group estimates that business-to-consumer sales will exceed \$233 billion in 2004, up from \$37 billion in 2000.

That said, online businesses cannot simply sit back and wait for sales to come to them. Active and continual promotion of an online storefront is critical for success. In fact, effective promotion is often the single differentiating factor that separates an online storefront that bustles with activity (and sales) from one that languishes in anonymity.

Fortunately, *effective* promotion does not necessarily correlate with *expensive* promotional methods. True, business-to-consumer websites will spend \$5.8 billion dollars this year in promoting their online businesses, according to a report by ActivMedia Research. But consider that four of the six top-ranked online promotional methods identified in that report are either free or highly affordable for businesses to implement. In fact, the strategy that received the highest ranking – search engine registration – can be done with excellent results with absolutely no budget allocation at all.

But before you undertake a promotional campaign of any significance, take an *objective* look at your online business. If you succeed in bringing a large number of potential buyers to your online storefront, will they have enough confidence in your business to make a purchase? Does your online storefront provide you with sufficient *credibility* to convince shoppers that you are a legitimate operation capable of 'delivering the goods' – both figuratively and literally?

Effective promotion is often the single differentiating factor that separates an online storefront that bustles with activity (and sales) from one that languishes in anonymity.

Deprived of the ability to interact with you in person, online consumers are forced to rely on other methods to determine the legitimacy of your business. Unless your storefront is *professional in appearance* and *professional in functionality*, any promotional campaigns you undertake will be in vain.

Consider how your storefront measures up with regard to the following two characteristics of online businesses that tend to enhance credibility and encourage sales:

1. Your online business is professional in appearance.

Few *offline* businesspeople ever try to build their own brick-and-mortar storefront from the ground up, yet it happens every day in the world of *online* business. In an effort to save on up-front development costs, people with tremendous business savvy and product knowledge – but little or no technical expertise – attempt to build an electronic storefront using free ‘cookie-cutter’ online applications or off-the-shelf software products. While this strategy yields an occasional success story, more often it ends in prolonged development periods, frustrated business owners, and inadequate results.

Launching a *successful* online business campaign entails designing a professional storefront with all the features online shoppers have come to expect: fluid navigation, product search functionality, a visually impressive product catalog, and a secure payment processing system.

2. Your online business is professional in functionality.

Nearly 90% of U.S. shoppers use credit cards to make online purchases. As such, the ability to accept online credit card transactions in a secure, automated fashion is critical. Online businesses that employ a secure real-time credit card processing system are able to provide customers with near-instant confirmation of purchases. In the event that a credit card is declined, customers are able to go back and correct any mistakenly entered information or use a different card if necessary. For their part, online businesses are able to automate the otherwise time-consuming task of manually obtaining authorizations for each transaction.

When selecting an automated payment processing service provider for your online business, consider that payment services are typically evaluated based on three criterion – security, reliability, and speed. **PaymentOnline** can provide your online business with affordable real-time payment processing services that excel in regard to all three of these criteria. PaymentOnline can also help you obtain a merchant account with excellent rates and superior customer service.

Also, consider having an online storefront designed specifically for your business by a team of e-commerce experts with extensive web development expertise. PaymentOnline offers professional storefront development services – *integrated with automated payment processing features* - that are affordable and provide you with the polished online presence you need to succeed in the electronic marketplace. For details, visit PaymentOnline’s website at <http://www.paymentonline.com> or call 1-877-376-5884 to speak with a sales representative.

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If your online business meets the above criteria, you’re ready to mount a promotional campaign that will drive traffic to your site, boost revenues, and systematically build your customer base. Now you need to think about *how* to promote your business. Whether you’re a start-up working with a limited marketing budget or an established brick and mortar just going online, the following five promotional strategies are central to any successful e-business venture.

Search Engines

A Strategic Means of Promoting Your Online Business

Many e-merchants take it for granted that once they build an attractive online storefront, customers will somehow automatically stumble onto their site. Unfortunately, getting your website 'found' on the Internet is a bit more difficult – especially when you consider that there are literally millions of web pages out there competing for attention. Unless you develop a comprehensive website promotion plan, your storefront may find itself languishing at the end of a very quiet dead-end alley. The solution? Create an Internet 'beacon' that will position your business prominently on the web, distinguish you from your competition, and drive customers to your site.

For mid-size online businesses, nearly 70% indicate that search engines are instrumental in attracting a serious customer base.

There are numerous ways to create this beacon using both online and offline promotional techniques. Perhaps the most effective and cost-efficient strategy is simply to register your online business with the many search engines now patrolling the net. Too many e-merchants underestimate the value of search engines, or approach the registration process in a careless or desultory fashion. And many e-businesses neglect to consider ways to increase their visibility – or ranking – on search queries. This is

important – and the reason is clear: search engines are the number one source for new information on the web – and the *primary* way potential customers locate e-business. For mid-size online businesses, nearly 70% indicate that search engines are instrumental in attracting a serious customer base. Given this fact, it behooves entrepreneurs to pay very close attention to this cost-efficient, extremely powerful mode of web promotion.

The Difference between *Registration* and *Optimization*

One of the reasons some e-merchants underestimate the potential of search engines is that they fail to see the distinction between search engine *registration* and search engine *optimization*. Registration is the easy part – it entails going to a search engine site and submitting your business' URLs. Optimization, however, will garner your e-business maximum exposure on consumer web searches and situate your site before the eyes of *your* chosen target audience (and not just a random cross-section of Internet surfers).

So how does search engine optimization work? It's not as complicated as you think. All you have to do is realize that search engines analyze, or 'score', your web pages before they index them in their databases. The information *you* place on your pages determines how your page will be indexed and ranked by the engine. Optimization means *tailoring* the design and content of your page to optimize the results of search engine scoring. This will enhance your database placement and search rank (based on the data *you* encode) and ultimately improve the chances of your storefront being found by the right customers.

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So, before you register, ensure that your pages conform to standard search engine scoring protocols. This means paying attention to your page Title, your META-tag content, your keywords and key-phrases, as well as your overall document content. META-tags (e.g. 'description tags' and 'keyword tags') are pieces of invisible 'source code' that define your web identity and make it easy for the search engines to index you in the way you want to be found by customers. Go to your browser, hit 'view', and examine the 'source' code of a high-ranking commercial web site. What you should see near the top of the document is a series of text fields composed of keywords and phrases integral to that business' identity and marketing agenda.

The point is, take advantage of *all* of these fields to generate the optimum score for your page – and this means meticulously integrating your central keywords and key-phrases into everything from your page titles to your general page content. Load your title and META-tags with highly *relevant*, highly *specific* terms so your page gets indexed properly and ranked highly. For description tags, write a concise, keyword-rich summary of what you want the engine to present to customers during a search query.

What's in a word?

When it comes to search engine optimization, the answer to this rather literary question is: *everything*. Keywords and key-phrases are your indexing anchors, so utilize terms that will help your customers find you directly and efficiently. This means doing research, compiling and editing terms, and coming up with your own database of keywords to incorporate into your page. In fact, ask yourself what keywords *you* would use to find the products and services you provide. Be creative, think dynamically (some META-tags even include common misspellings to account for slap-dash customer searches). Depending on what kind of business you have - and the breadth of its corresponding terminology - it may serve you well to consider a few general nouns (concept categories, the company name, unique services and products, the names of leading competitors) and in terms that pinpoint *niche* potential (unique words, concepts, and products that *differentiate* your business). In any case, don't be too broad and remember to focus on modified nouns to create key-phrases – and then develop variations on a theme. For example, if you sell rare baseball cards, include in your keyword tag: *baseball cards*, *rare baseball cards*, *valuable baseball cards* – and then transpose those key-phrases for customers who might use the terms *trading cards*. These tactics will pinpoint your business when informed customers make informed, detailed search engine queries.

Lastly, it's important to do some initial research and familiarize yourself with the different ways search engines operate. Some search engines determine page ranking by user-popularity or by the number of links pointing to your site. Others sites (directories like *Yahoo!*) compile, appraise, and categorize URLs using human editors. On some engines you can even *pay* for visibility. This means purchasing keyword listings so the engine will rank you highly on relevant keyword queries. In any case, it's wise to do research on the engines you plan to submit

your URLs to – and then modify your registration and page content to increase your ranking position. For example, it's good to know which search engines support META-tags and which support 'description tags', which abandon tag criterion all together, and which review only your content text. You may even want to construct a series of 'doorway pages' customized to the idiosyncrasies of each major search engine or directory you want to use.

The point is: the Internet is not getting any smaller – or e-marketing any less complex. Online businesses need better and more effective ways to position themselves on the web. Search engine registration – and optimization – is central to any business' online marketing mix. With all the stars in the sky, it's wise to make yours a little brighter, a little sharper. Search engine optimization can help your e-storefront stand out.

The Online Newsletter

A Multidimensional Promotional Tool

"If you are searching for a powerful marketing vehicle that can, in one gesture, amass a pre-qualified customer base, sustain long-term contact with clients, and promote your products while establishing your online credibility, look no further than the online newsletter." – eCom Resource Center (www.ecomresourcecenter.com)

Increasingly, in more and more e-commerce journals, the electronic newsletter is being touted as one of the most powerful weapons in the online marketer's arsenal. Why? Because the e-newsletter can assemble large numbers of *pre-qualified* customers who have specifically *requested* you to send them information about your industry and your business. Most businesses would pay a lot to achieve that kind of marketing victory. The beauty of issuing an online newsletter is that you don't have to pay a dime.

The phenomenal popularity of the e-newsletter is part of a larger trend in e-commerce. You may have noticed that online business has recently redefined e-mail marketing. Variations on viral marketing techniques are being played out and sometimes with notable success. But sending untargeted and/or unsolicited promotional missives can have unpredictable results and may elicit unpredictable customer reactions. Moreover, your email may - or *may not* - end up on the computer monitors of your chosen demographic target.

Conversely, the e-newsletter represents a multi-dimensional promotional attack that is direct, precise, and effective. Foremost, customers subscribe to your newsletter based on a personal, professional, or consumer interest in your industry, your product line, or your service. Subscriptions are usually submitted online through your storefront or homepage as well as through other cooperating web pages, information sites, and discussion groups. Brick and click businesses can even attract subscribers 'in-store' or through their traditional offline promotional vehicles. When a potential customer subscribes to your newsletter, you already have a qualified audience – one focused in on your unique products and services.

The next dimension of the e-newsletter is its ability to lock your company's name and product line into the forefront of consumer awareness and memory. When it comes time for a subscriber to purchase a service or product, who's going to come to mind? You will – because

you have already established customer contact, you have continued to reassure the customer of your integrity, and you have demonstrated your business acuity and expertise in your field. *All of this via your company newsletter...*

...provided one thing...

Provided that your newsletter is a consistently high quality publication; and provided that it indeed represents your business as a reputable and attentive source of information.

Axiom 1: A Newsletter Should be About News

There are already too many e-publications out there that are low on content and high on pitch - and that defeats the very point of issuing a newsletter in the first place. Its goal is long term. Its point is to build up your online presence and position your business for future (as well as immediate) commercial success. Look around the net. There are numerous companies willfully taking temporary financial losses in order to establish a massive Internet presence and corner a majority of 'online consumer share' for their product lines. The strategy behind the e-newsletter is fundamentally the same - but without any financial risk. So if a newsletter is about gaining name recognition, credibility, and trust, then a newsletter should be about news.

This means that anything you send to subscribers should contain compelling industry information rather than just shameless self-promotion. Content is the key. If your newsletter looks professional, is engaging, explores fascinating industry topics, and is possibly entertaining at the same time, then you are establishing your authority and executing perfect PR. Needless to say, if you advertise your newsletter as a leading source of industry news, and then you merely blast your subscribers with explicit advertising, you're not saying much about the integrity of your business. Following through with a solid product is the better solution. Though the initial yield is intangible, the long-term profit won't be.

Axiom 2: Subtlety is the Secret

Always resist overwhelming subscribers with too much pitch. Any promotional materials should be tastefully, subtly, and strategically couched in your letter. Here, be creative and discretely tie your news items back to your products and promotions.

Depending on the kind of product or service you offer, your newsletter will have somewhat differing marketing goals as well as differing degrees of direct promotion. The solution is striking a balance between providing informative news and executing any overt sales agenda. Always resist overwhelming subscribers with too much pitch. Any promotional materials should be *tastefully, subtly, and strategically* couched in your letter. Here, be creative and discretely tie your news items back to your products and promotions. You can do this by providing relevant links that respect your customer's ability to choose. Remember, the point of a newsletter is to build trust and strengthen contact with your customers - and to fortify their perception of your competence and leadership. If your product delivers excellence, your subscribers will remember you when it comes time to choose an online merchant.

Axiom 3: Quality is Key

In all probability, you're already an expert in your field. The chances are also good that you – or someone on your staff – positively loves every facet of your business. Hopefully one of you exhibits some basic writing skills. The point is, publishing a newsletter can be a fun and creative experience and there's no reason it can't approach a kind of art form. Any enthusiasm you generate in creating the newsletter will be directly transmitted to your readers. It's a sure way to guarantee your publication is dynamic, innovative, and of utmost quality.

Nevertheless, many businesses will not have the resources to ensure consistent attention to detail. Though a newsletter costs basically nothing to put out, when it comes to investing time, *do* make sure you don't skimp. A newsletter can be a double edge sword. A poorly written one - or one that is focused exclusively on pitch - does little to bolster company image. In fact, a newsletter that emulates junk mail is simply bad PR, and feeble writing *always* sends the wrong message. Stay heavy on the content, make sure the writing is strong, and by all means avoid filler.

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Next, regularity and promptness are two goals integral to a quality publication; if your newsletter shows up sporadically, unpredictably, then you might be telling subscribers that your company is erratic or that your resources are scattered. It does not matter whether you launch it daily, weekly, or bi-monthly, just make sure it's dispatched on schedule.

Finally, another dimension of the online newsletter is its various styles and formats. Some newsletters arrive unpretentiously in simple text and humbly deliver their message. Some are in simple text with links after the first or second paragraph to the full articles on your company website.

The advantage of the latter technique is that it offers pure content and news quality while re-familiarizing customers with your site layout. Also, it places them a quick link or banner click away from your storefront. Full HTML newsletters are also growing in popularity. Some of these are quite tastefully designed and display restraint in broadcasting graphics and color – a highly recommended approach as long as your clients can support HTML e-mail.

Whichever method you choose, deliver quality. Once you have an excellent product, all you have to do is welcome the niche market pounding at your door.

The New Online Media

Using Public Relations to Your Best Advantage

It's startling how intimidated many online businesspeople become when they hear words like *media*, *press release*, and *public relations*. 'Marketing' is a nicer word, a safer domain, one they're comfortable in, one that doesn't involve scary terms like 'disinformation', 'publicity stunt', and 'media-crisis management'.

Moreover, doesn't PR involve dealing with the whimsical cruelty of gate-keeping editors? With the diabolical machinations of newsrooms and newsroom 'round files'?

Well... To a *very* little degree, the answer has to be yes. But if you ignore your PR theatre you instantly paralyze one of the most effective vehicles you have for acquiring massive, positive exposure for your online business. And generally, once you learn some basic principles for strategizing PR (say, for writing and distributing press releases), the intimidation disappears. What was once a dreaded obstacle becomes an effective, cost-efficient promotional machine.

While the traditional press release is still a valuable tool, the Internet has provided new contexts for PR opportunity – and it simply takes a look around to discover the possibilities.

The fact is, most online communications paranoia is based on traditional conventions from top-down and *offline* publishing models. Today, the Internet offers a 'decentralized' forum where information can proliferate in unique and innovative ways. Online, you can sidestep traditional publishing rules and hierarchies and invent your own ways of circulating news. While the traditional press release is still a valuable tool, the Internet has provided new *contexts* for PR opportunity – and it simply takes a look around to discover the possibilities. First, there

are countless electronic journals out there, tons of e-zines, numerous industry-specific news forums, and a nearly infinite number of points where your online company can do an information interface. On the Internet, creativity is the key to reaching your audience. If you have the resources, you can even launch your own modest e-journal or newsletter. Both forums can quietly run PR while they take on industry issues and breaking news. In fact, the newsletter is fast becoming one of the overall most effective e-commerce promotional tools.

By positioning yourself as an expert (through e-journals and newsletters), you also leverage your communications platform by becoming a source of industry expertise. Many e-zines and newsletters solicit articles and, in exchange, offer bylines where you can promote your company. Building relationships with these kinds of online publishing entities (big or small) can lead to increasingly direct forms of promotion. Meanwhile, you represent your business as a source of credible information and gain name recognition with potential customers. You can also become a media resource by getting on to professional media reference lists for your industry or niche. Every time you are consulted or provide a quote, you leave a contact trace back to your corporate personality.

So, the solution here is to upgrade your perspective on public relations for emergent e-commerce contexts. Relearn your media; revise your style and focus of PR distribution. The rules of offline print and broadcast models cannot be generalized to the world of streaming video or hyper-linked HTML newsletters. Gravity is different in cyberspace. The key is to be creative and find ways to use e-commerce innovations to your best communications advantage.

The Press Release: How to Avoid Both Digital and Analog Round Files

Adapting your public relations to a digital framework does not mean that you ignore the *analog* world. Traditional communications outlets cannot be ignored – and there are endless roads to positive PR *beyond* your computer monitor that follow more traditional guidelines.

If there is an industry trade show, for example, with media attention involved, ask yourself how you can optimize your presence and make an impact. Ask yourself what you can do for your community and see if there is a newsworthy way you can make a positive difference there. If you receive an industry award, ask yourself how can push this achievement into a public relations victory.

Whether you distribute it to e-zines or daily newspapers, a press release provides the perfect opportunity to reinforce your company presence and represent your business savvy – all while updating company developments and promoting new products. And because a press release is directed to a chosen media source, it generates exposure not only to a new audience, but a highly distilled demographic.

In answering any of these questions, creativity should be your common denominator. And a press release should be an integral part of the mix. Why? Because a press release does more than inform the public of company news - it helps you establish a position on the web, helps you nail down your unique identity, and it will build industry profile. Whether you distribute it to e-zines or daily newspapers, a press release provides the perfect opportunity to reinforce your company presence and represent your business savvy – all while updating company developments and promoting new products. And because a press release is directed to a chosen media source, it generates exposure not only to a new audience, but a *highly* distilled demographic. When crafted carefully - and issued tactically - a press release can mark a major PR victory for your e-business.

Indeed, tactics are critical. In many cases your press release will probably join an ocean of competing press releases. Together, they will surge into the office of a news service. The key is to survive the dreaded *round file* screening process. That means understanding how a newsroom functions - and how a newsletter should be crafted.

The first order of business is to identify (or create) legitimate company news. Is there an impending product launch? Are you selling a new service, a hard-to-find product, or novel information? Have you recently pioneered a new industry innovation, received an award, or established a partnership? What are the details of your community involvement or charity events? How will you differentiate yourself at that trade show? All of these items are potentially newsworthy. But that does not guarantee you will go to press.

In many cases your press release will probably join an ocean of competing press releases. Together, they will surge into the office of a news service. The key is to survive the dreaded round file screening process.

That's because a press release needs to grab attention - then hold interest. Just like a company newsletter, a press release should ease off on the pitch in favor of legitimate information. Blatant self-promotion is rarely mistaken for important or interesting news. Here, think about strategically intertwining company news and promotions with industry developments, with external trends and breaking local, national or international news - or tie your press release to a recently published survey, poll, or statistical report. A human interest story, a current marketing or fashion trend, a heated debate or industry controversy - these are all vehicles on which you can piggy-back your company presence, business acuity, and product promotions. The point is, make sure that your press release is newsworthy and engaging. And by all means, never overinundate a news service with drivel, or you may jeopardize your serious, future news items.

For standard press releases, write your article in journalist style and follow guidelines. That means putting the prime information (who, where, what, and when) into the lead paragraph. Adopting an objective, authoritative tone is important, as is avoiding industry jargon - especially anything esoteric sounding. Do research on standard formatting, learn how to write powerful headlines and intriguing lead paragraphs - and always remember to close the release with a short corporate summary. Here, provide details about your company history, your achievements, and your product lines. Prominent in your first body paragraph, it's also wise to embed a URL to your company - and make sure you provide contact information and e-mail addresses. Finally, keep it brief: one to two pages is the standard.

Once your press release is perfect, you can think about targeting pertinent news services, offline publications, and online sites. Then find ways to get your news item to the correct department, into the right hands. If possible, try to establish contact with an editor, perhaps by contributing your own articles and editorials. And as you issue press releases, don't forget to create your own online newsroom on your website where you can post new articles and provide an archive for old. This way you keep a running PR presence on your site and allow new customers to review your business achievements.

From Banner Swapping to Affiliate Programs

Barter and Exchange in Cyberspace

In the relatively young universe of e-commerce, online marketing strategy has been forced to adapt to novel conditions and demanding circumstances. Innovation has been the key, and in a little over a decade, numerous marketing tools have been pioneered on the net or extrapolated from brick and mortar practice. The list of new promotional innovations is long – and among the most prominent and popular vehicles has been the Banner Ad Campaign and its various incarnations. From 'banner swapping' to 'banner exchange' to complex 'affiliate networks', the use of the banner to attract and steer online traffic has evolved as quickly as the Internet itself.

Despite the fact that recent research has questioned the efficacy of these sometimes very expensive promotional techniques, banner advertising will continue to be a force on the net. Depending on your marketing resources, there are many strategies to choose from, and even the most cost-efficient methods can yield powerful results.

Banner Swapping

Banner swapping is the most cost-efficient variation on the banner theme. In the pioneer days of e-commerce, banner swapping marked one of the first grass roots efforts to drive traffic between two or more online businesses. Though far more complicated banner ad strategies have evolved, banner swapping can still be a smart path to take, especially if you are working within a circle of independent, non-competing niche markets. The interesting thing about banner swapping is that it harks back to the days of pre-capital barter and trade. That's to say, the only 'price' you pay is the space on your page you give up to house a banner.

Though far more complicated banner ad strategies have evolved, banner swapping can still be a smart path to take, especially if you are working within a circle of independent, non-competing niche markets. The interesting thing about banner swapping is that it harks back to the days of pre-capital barter and trade. That's to say, the only 'price' you pay is the space on your page you give up to house a banner.

The logic of banner swapping is simple and still underlies the most convoluted and costly banner ad campaigns and affiliate network practices. The logic? Spark a marketing synergism between online businesses. The method? Simply locate online businesses that cater to a similar, but non-competing target audience and trade banner space on your site for strategic banner space on theirs. For example, if I sell running shoes and you sell sports socks, we can swap banners and mutually increase traffic between our sites. The advantage is that the traffic will, in all probability, be pre-qualified and there is very little peril of jeopardizing market share.

Still, there are two risks involved: the first is the possibility of polluting your site with another company's banners and, in doing so, compromising the impact of your own storefront design. The second risk is trading space with struggling or poorly run online businesses that send little or no traffic your way. In both

scenarios, exercising a little caution and good sense should solve the problems (and running statistical software that monitors your site's banner traffic isn't a bad idea either).

Ultimately, when it comes to banner swapping, acute research of all involved partnerships is central to an effective, mutually beneficial program.

Banner Exchange

Banner exchange is a more organized version of the previous technique and involves using a third party to coordinate and implement the actual banner exchange. The principles are the same, but in this case you sign up with a banner exchange company that takes your banners and places them on other non-competing, but generally industry-relevant sites. Interestingly, you don't do the actual programming. The company does it for you by remotely transmitting a banner ad to a block of HTML code you provide on your page. The same procedure is carried out when your banner is advertised throughout the exchange network.

In most cases, you have direct control over which ads end up on your pages – or at the very least you can dictate the basic parameters of ad content. Similarly, you get to choose the type of sites and industry categories where you want your banner to show up. Again, if I sell running shoes, I can choose a 'clothing' or 'sports' rubric, or perhaps a category as narrow as 'footwear'. My banner will periodically appear on the web pages of online storefronts catering to these markets.

Banner exchange gives you less control in choosing where your banners end up, but the advantage is that your partnering network will be much, much larger. The click-rates are unpredictable and there are no guarantees. Still, most banner exchange companies provide free statistical analyses of banner traffic. The issue comes down to whether you want to sacrifice space on your site or not.

Buying Banner Space

Recent statistics and reports indicate that banner advertising is less effectual than once believed. Still, buying banner space on industry-relevant sites, directories and portal pages is still a very popular method of storefront promotion. When it comes to *purchasing* banner space in this uncertain arena, it pays to intensely research the most effective locations to place your ad. Just like any other banner placement strategy, you need to tactically situate your banner on sites that cater to your unique industry or directly *supplement* the service or product you provide.

In this case, buying space puts more of your marketing budget at stake - and banner ad techniques are increasingly complex. Using major directories and search portals can eat up a lot of marketing resources, but it's also an effective way to reach a defined audience. Here, you can purchase targeted, pay-per-click advertising based on industry categories, or pay to align your banner placement with relevant keywords during search queries. Depending on whose site you're on – and which keywords you choose to trigger your banner's placement – this mode of promotion can get expensive fast.

A more cost-efficient and perhaps more effective way of buying banner space is to work directly with targeted, demographically focused industry sites and organizations. If you research these sites and get customer traffic profiles, you can place a banner ad directly at an intersection of *industry-specific* web activity. And if you're going to be paying for space, make sure that the site or business hosting your banner is running statistical software that monitors the efficacy of your banner campaign.

Affiliate Programs

An affiliate program is a coordinated network of online businesses whose collective goal is to create a massive marketing synergism. The strategy was conceived as a way to steer a targeted audience from one non-competing commercial web site to another – via link or banner – and to *reward* the referring agent for helping establish the customer connection. Unlike banner exchange, you have precise control over where your banner is placed. Moreover, you are not required to sacrifice space on your own page. That's because an affiliate program is based on paying another affiliate site for generating leads. It works like this:

An affiliate program is a coordinated network of online businesses whose collective goal is to create a massive marketing synergism. The strategy was conceived as a way to steer a targeted audience from one non-competing commercial web site to another – via link or banner – and to reward the referring agent for helping establish the customer connection.

You encourage other online business owners or website operators to place a link on their site to your online storefront. When a visitor clicks on a link, goes to your site and makes a purchase, you pay the referring partner a commission. Another less common method of compensating affiliate partners is a pay-per-click model where you pay a fixed amount for each referred visit to your site - regardless of whether a purchase is made.

In building an affiliate program, there are a number of strategic issues to consider. Obviously not all of your affiliates are going to drive the same volume of traffic to your site. When identifying prime candidates to approach regarding your program, look at where they rank on search engines and try to determine what kind of web presence and domain clout they hold. Also make sure the target audiences of your affiliates line up demographically with your audience. Finally, encourage your affiliates to place your links and banners in locations that will maximize meaningful traffic. If links are not tuned accurately you won't be generating enough - or at least enough of the right kind - of customers.

When implemented correctly, all of the above techniques for marketing your website can be very effective. Each has advantages and disadvantages relative to your resources and industry attributes. For example, affiliate programs demand more research and maintenance than banner exchanges, but the yield is generally higher and more reliable. Buying banner space can get you quick name recognition and a flood of traffic – but it may hit your pocketbook hard. Ultimately, tailor a banner program that conforms to your marketing dynamic and business agenda – and *research* deep and wide where your banners will best welcome the highest quantity of pre-qualified customers.

Marketing The Difference

The Role of Customer Service in Tomorrow's Internet

During the last five years, e-commerce has grown up. Heightened professionalism and a sharper business savvy has streamlined the web and inaugurated an era of intense competition and daring innovation. This is the new stage of Internet commerce - where *differentiating* your business from your competition and establishing brand *loyalty* have become the top priorities of online business campaigns. There's a lot more at stake today than a few years ago; and e-business has become more complex. Standing out from the crowd, getting customers to your site, and showing them why selecting your product or service is *the better choice* has become the dominant feature of online marketing strategy. And that's why businesses will dedicate approximately \$13 billion dollars this year alone to promoting their web sites.

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Still, with all this sound and fury being made to attract customer attention, and with all this increased competition and corporate jockeying for online position, it's ironic that one fundamental chapter of Business 101 has been consistently neglected on the web. And with more and more online storefronts looking alike, this issue may turn out to be the single most important factor in differentiating your e-business from your competitor's. It's customer service.

While e-commerce may have spent the last five years maturing, developing online customer service policy remained largely ignored during this period – even by the most inventive entrepreneurs. The fact is, the one recurring customer complaint lodged against e-commerce in general is that it's the *customer* who has

been largely ignored. Perhaps it's the novelty of the Internet, its vastness, or its relatively impersonal structure - but whatever the cause, almost a quarter of all online shoppers express 'extreme dissatisfaction' with current customer care. Worse, nearly *all* complain of experiencing differing degrees of alienation or anonymity when dealing with their online merchants.

Promoting 'Proactive Customer Care'

As e-commerce matures, online shoppers are becoming more and more demanding. And as expectations rise, so does the urgency for major, immediate improvements in customer care policy. Online customer frustration stems from many sources, and the feeling of being neglected or ignored is just one of them. Sometimes it boils down to a basic disregard for customer needs (like poor storefront navigation) or a lack of important information (no reassuring security/privacy policies or explanations of shipping timeframe, procedure, or price). Often, online shoppers are shown vague or incomplete FAQ schematics that lead to dead ends - or they are promised e-mail contact with service reps that never materialize. Obscure return policies have remained a big cause of frustration, as well as delivery timetables that are not maintained. Worse, when something goes wrong, many online storefronts offer no channels for further information or needed help. The customer feels abandoned. Even established brick and clicks have failed to integrate their very attentive *offline* customer care programs with their online services, which has come back to haunt them by creating an increased burden on their offline customer service departments and an inconsistency in executing solid care across the board.

One fact that should be memorized is that a dissatisfied customer with a legitimate gripe – and an email account – can be a serious threat to any online business, big or small. Moreover, on an increasingly competitive Internet, securing long-term, repeat customers is becoming an integral part of online business planning. And strong customer service platforms are turning out to be one of the measures *dividing* successful e-enterprises from those that fail.

Take a look around the Internet. More and more frequently, savvy online businesses are positioning themselves on the web not in terms of market share, but in terms of 'customer share'. This means that building strong customer loyalty and forming for-life customer relationships is now *the* top priority. To this end, intensive online customer-care strategies are being launched, with services directed toward guaranteeing customer satisfaction and long-term partnerships.

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The point is, smart online businesses are not only establishing comprehensive customer care platforms, but *proactively promoting* them on their home pages. That's because customers are hungry for information. Customers want to know the procedures underlying a transaction, the guarantees you offer, the details of security and privacy policies. They not only want to know how shipping can save them money, but if you can instantly tell them where their product is in the delivery process. Moreover, if something goes wrong, or a product needs to be returned, customers want to know,

before making a purchase, the details of your customer care policy. By assuaging fears and providing customers with all necessary information, you can use your customer care platform as a *promotional* tool. That's because 90% of online shoppers view superior customer service as an important feature when *choosing* an online merchant. Then, by having a solid customer service program in place, you can satisfy customers and bring them back time and again.

Know thy Customers: Anticipating Customer Needs and Building Community

'Proactive' means planning and predicting. Finding out who your customers are and what they require, and implementing a customer service plan that can meet all their needs is essential. However, customer service may take many forms in today's expanding e-commerce universe. It may begin with providing clear and reasonable return policies or fast and reliable delivery. A quick response time to customer inquiries and support requests - via e-mail or telephone - is also central to a customer-service platform. Ensuring satisfaction may include implementing a live customer-care telephone service, or at least providing a human face to online troubleshooting and support functions. FAQ or troubleshooting diagrams should be interactive and comprehensive – and should never lead to a dead end without offering an alternative channel to knowledgeable service representatives. If you manage your customer service via email, use email auto-responders that can guarantee a follow-up response within hours. Every added detail or nuance counts.

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Another facet of online customer-care involves creating a sense of community between you and your customers. Here, the strategy is: be interactive. Open a dialogue. *Proactive* customer service does not simply involve answering questions or responding to concerns. It means that you use every tool and opportunity to build a bridge to both potential and past customers. Use email and private mailing lists to stay in touch with your client base; make informal follow-ups on purchases and ensure satisfaction by inquiring how the shopping experience went; ask for suggestions about products and ways to streamline service; offer newsletter subscriptions detailing new products and promotions. Most importantly, solicit advice from your customers and involve them in company decision-making. In this way, customer loyalty is gained and maintained by giving customers a sense of ownership in forming company policy and vision.

Like other innovations on the Internet, proactive customer service is, in large part, all about creativity and imagination. Then once you develop a responsive, human program, actively promote your customer-care package. Show shoppers how you can guarantee increased convenience, outstanding customer support, and sincere customer service follow-up before a worry can even form in their minds.

About PaymentOnline

Established in 1997 and located in Seattle, Washington, PaymentOnline develops, markets, and supports robust e-commerce payment processing systems and end-to-end e-commerce solutions. PaymentOnline's proprietary Internet payment gateways enable businesses to process online payments securely, rapidly, and reliably. PaymentOnline also offers flexible, customized e-commerce solutions that allow businesses to establish and manage an electronic storefront.