

Current Shifts in Online vs Traditional Marketing Budgets

Direct's 2005 Online Marketing Survey

Survey respondents mainly corporate or general managers at B2B & B2C companies, using e-commerce, median revenue was \$16 million.

www.directmag.com

Source: Direct Marketing Magazine's Annual Online Marketing Survey

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Marketing Budget Shift Overview

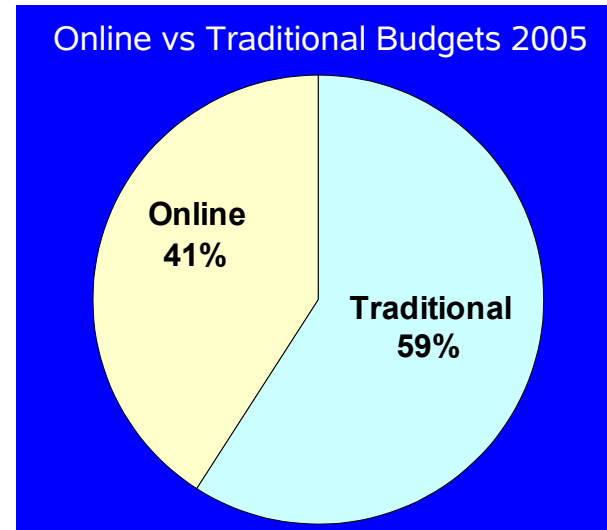
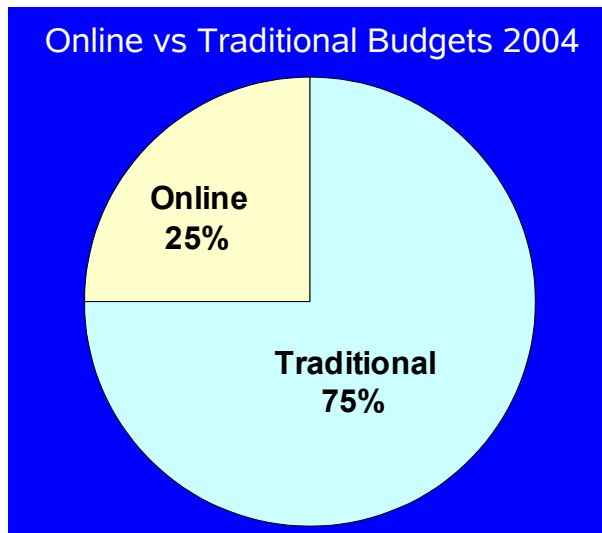
- Driven by profitable online sales
- Web site leads & sales are viewed more profitable vs other media
- Consumer companies have seen the most increase
- Email list rentals are flat, due to spam

Source: Direct Marketing Magazine's Annual Online Marketing Survey

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Online vs Traditional Marketing Overview

- Marketing budgets are shifting
- 41% allocated to online channels in 2005
- 25% allocated to online channels in 2004



Source: Direct Marketing Magazine's Annual Online Marketing Survey

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Online Expenditures

- Search Marketing
- Analytics of Web Behavior and Stats
- Web Site Customization Programs
- Online Marketing Staff

Source: Direct Marketing Magazine's Annual Online Marketing Survey

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2005 Online Expenditure Results

- Online sales account for 25% total revenue
- Up from 20% in 2004
- Online orders have been as profitable or more than offline sales

Source: Direct Marketing Magazine's Annual Online Marketing Survey

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2005 Web Site Strategies

- Using Search Marketing for search rankings
- Customized site tailored to the visitor
- Capturing data and analyzing
- Online functions followed up offline, to build brand loyalty (newsletters) and lead generation (direct mail)

Source: Direct Marketing Magazine's Annual Online Marketing Survey

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Web Site Evaluation Tips

- Evaluate overall search marketing efforts (SEO, PPC, Email Campaigns, Affiliate Programs, Banner Ads).
- Where is traffic coming from?
- Is the site optimized for natural returns?
- Are the high volume entry pages user friendly?
- Does the site capture visitor information for future marketing?

SEO

Search Engine Optimization (SEO) is the process of increasing the amount of visitors to a web site by ranking high in the search results of a search engine.

The higher a web site ranks in the results of a search, the greater the chance of the site has to be visited by a user.

SEO Important Benefits

2005 User Behavior Survey Reveals. . .

Search is a text based medium, results are read like a newspaper, skipping ads, focusing on content (organic listings).

“Rank” and “Page Position” are still the two most important factors to searchers.

66.3% of searchers will click on organic listings before a sponsored link.

Source: WebProNews, March 2005.

<http://www.webpronews.com/insiderreports/searchinsider/wpn-49-20050301RankAndPagePositionStillRule.html>

SEO Growth in the Marketing Budget

- SEM: Approx. 25% of the marketing budget of companies surveyed. SEM includes SEO, PPC, Email Campaigns, Banner Ads.
- SEO: \$462 million spent in 2004 on SEO (approx. 5-10% of SEM Budget). This is expected to increase in 2005.
- Companies view SEO as a high priority, an important part of SEM. Larger companies are recognizing the long term value.

Source: SEMPO Report: "The State of Search Engine Marketing 2004,"

Why SEO is Essential in the Marketing Budget

- SEO is a targeted compliment to the marketing mix.
- SEO builds user loyalty.
- SEO offers a local focus.
- SEO enhances branding.
- SEO needs to implemented now (algorithm factors)

3 Basic SEO Elements Implement & Test

- Evaluate Title Tags, keep under 70 characters, test and track changes. (Competitors & OKS)
- Utilize meaningful phrase targets in Meta Tags (Description & Keyword)
- Focus on “Context”, not just “Content” and make fresh changes to key target pages every few weeks.

SEO Tactics for 2005

- Make SEO pages functional for the user.
- Focus on the context of pages, not just content.
- Implement SEO tactics on a steady basis.
- Target backlinks from sites with related context.
- Copywriting is a key element, unique content.
- Server speed is important (fast page loading)

Summary

- Online marketing is shifting dollars from traditional marketing
- Web sites are building brand, generating leads and solid online sales
- Web sites are being customized to visitors needs
- SEO has an important role as part of the Marketing Mix (Research and Results).
- An Integrated Market Plan yields maximum results.
- The Web offers focus of Direct Mail plus interaction of Multimedia.

More Information

Fast Facts and Organic SEO:

<http://www.webpronews.com/insiderreports/searchinsider/wpn-49-20050722StatsFactsandOrganicSEO.html>

State of Search Marketing Report - 2004

<http://www.sempo.org/research/sem-trends-2004.php>

SearchEngineWatch.com

<http://searchenginewatch.com>

Google New Archive

<http://www.webmasterworld.com/forum3/>

Overture Keyword Selector Tool (free)

<http://searchmarketing.yahoo.com/rc/srch/>