

Internet Marketing Basics

Making Money Online

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Who Controls the Conversation?

Before you can get anything out of this report, you have to make an important change in your thinking. **You don't control your message.**

The Internet has changed everything about marketing in a very short period of time. Customers now have all the power.

With older methods of advertising like billboards, newspaper, or radio, you were seeking the customer. Today, he's seeking you. With older media, your business was the best source of information about your business.

Today, especially in a down economy, customers are going to look on Internet for what other people are saying about you before they spend a cent or take the time to contact you.

Before the Internet, if a customer had a bad experience with you he would tell a few of his friends. Today, he'll go online and post a bad review in a forum, telling thousands of people why they shouldn't buy from you. Your customers control your reputation and your brand.

It's not as bad as it sounds.

If you recognize that there are conversations about you going on right now, you can influence them. You're in business because you can solve a problem better than everyone else. You can show people that. But first you have to join the conversation.

What Does “Joining The Conversation” Have To Do With Internet Marketing?

The conversation *is* marketing.

The Internet, from its earliest concept to today, is about communication. It is the most dynamic communication tool ever invented. The secret to effective Internet marketing isn't getting your name in front of millions and millions of people (although it does), it's building a relationship with an incredibly wide customer base.

It's the difference between allowing customers to talk behind your back and hosting the conversation. You get input. You get feedback. And best of all, because you've included them, you get extremely loyal customers.

This report highlights the four most effective, proven tools for getting new customers, building a relationship with them, and monetizing that relationship in a mutually beneficial way.

Those tools are:

- E-mail
- Blogging
- Search Engine Optimization (SEO)
- Pay Per Click (PPC)

You've heard these terms. But how do they help you influence the 'Conversation?'

E-Mail

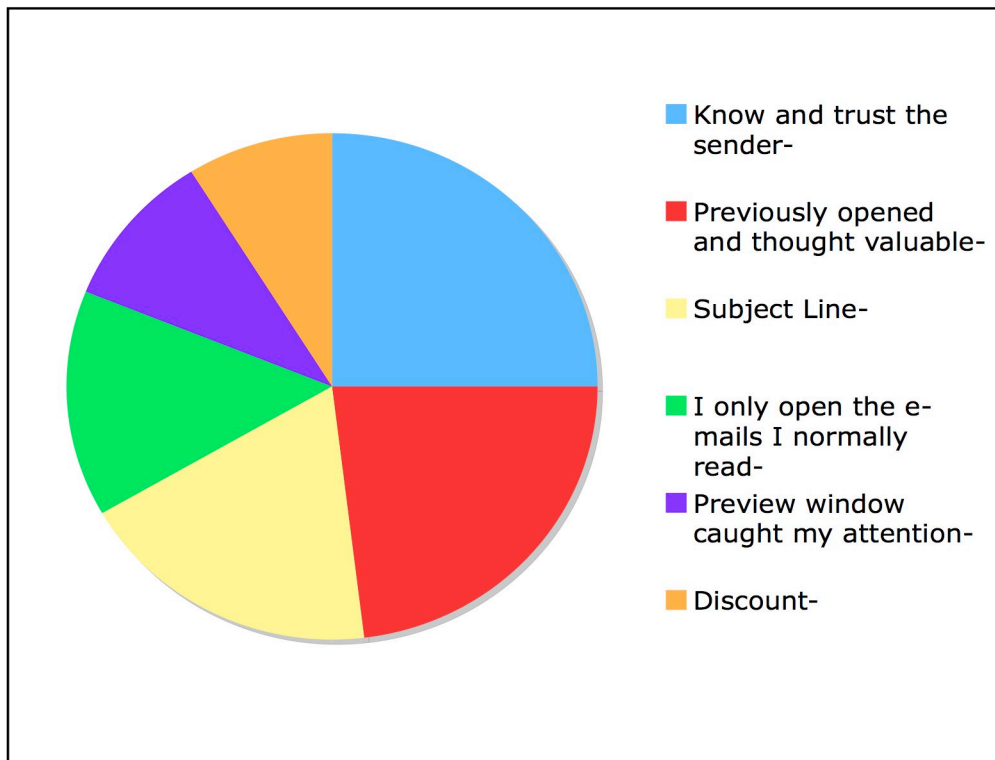
Picture your e-mail inbox. How many messages did you get today? How many did you open? How many did you read word-for-word?

Chances are the answers to those questions are: a lot, most of them, and not many.

So what makes people open some e-mails and not others?

The following are the results of the Returnpath.net Annual Holiday Email Consumer Survey from January 2007:

Why Customers Open E-mail



The two most important factors that determine if an e-mail is even read depend entirely on the previous relationship that the recipient has with the sender. But before I get into techniques of building a relationship, it's important to understand why you should be using e-mail marketing in the first place.

Why E-Mail?

E-mail is the quickest and easiest way to sell anything. If an e-mail campaign is well planned and written, your customers will look forward to hearing from you and be glad to give you, not your competitor, their business.

Warning: A **poorly planned** or poorly written campaign will actually do the opposite- it can drive customers away. The most common is for a business to rent or buy an e-mail list or try to **sell too hard**.

When customers give you their e-mail addresses, they're asking you to contact them. This is a tremendous opportunity. It's an invitation into the conversation. They're saying they trust you and, as we saw in the pie-chart above, it's the senders they trust whose e-mail they open.

When you're invited into an e-mail box you have the ability to sell without making people feel like they're getting sold. It's every businessman's dream.

E-mail List Building Strategies

There are three great methods for building a targeted and effective e-mail list; a list that is not only responsive to your message but looks forward to hearing from you.

The first two are Pay Per Click (PPC) and Content marketing. I won't go into them right now since they're both covered more extensively a little later on (see the Pay Per Click and Search Engine Optimization sections for more).

The third method is the "lure and hook" method, which is the most effective of the three at building a relationship with your customer base.

In fact, both PPC and Content Marketing are extensions of the "lure and hook" method.

I hate the name "lure and hook" because it implies that you're treating your customers like a dumb fish. That's not the plan at all. What you're really doing is proving that you're better than your word.

In a nutshell, here's the strategy behind the "lure and hook."

The "lure" is an offer. It can be as simple as "get \$5 off your next purchase," or as involved as "A Free 5-week course on Knitting." It all depends on the market and what they're looking for.

If the offer is attractive enough, people will be willing to exchange their e-mail addresses to get it.

That's enough to get an e-mail address, but it's not enough to begin a relationship.

To really set the hook, the smart business will include a second, unadvertised offer in the welcome e-mail. The second offer is the proverbial hook. It proves to the customer that you're as good as, or better than your word. Over-delivering is the foundation of a good business customer relationship.

E-mailing More Than A Sales Pitch

To deepen the relationship with your customer, every e-mail you send should have something of value. That value could be as simple as an entertaining or inspiring story, or as much as a how-to list.

No matter what you choose to include, it has to be more than a blatant sales pitch. Give the receiver something small for free. It's the only way to make sure that every e-mail you send is opened and read.

But there's a trick. If you give out too much in your e-mails, there will be no reason to buy from you. If you don't give anything, there's no reason to open it.

Your customers are thirsty for something. The goal of your email should be to give the reader a sip to prove you have the drink. Just don't forget to charge for the rest of the bottle.

Blogging

To blog or not to blog?

A blog, short for web-log, is a web page made up of short updates arranged in reverse chronological order.

Five or six years ago it seemed like blog was the four-letter word of the Internet. It was only for bored students telling other bored students what they were doing. But blogging is no longer just a simple personal publishing platform. It's not about what Johnny Q. did or saw over his lunch break on Thursday. Today, blogging is a regularly practiced and established business technique.

It's almost impossible to keep track of the number of blogs in existence today. Most blogs that are started are abandoned within 6 months of their creation. According to an April 2007, Technorati report called, "State of the blogosphere," there were more than 112.8 million blogs in existence.

Why compete in a field like that?

Because blogging is a simple and free way to interact with your customers and deepen the relationship.

Businesses use blogs in different ways. Some use blogs to post news updates about their company. Some use them to tell the world about the great thing they're doing today. Both of those companies are wrong.

I hate to say wrong when it comes to blogging since there are so many effective ways to use them, but there is one golden rule that every company should remember.

It's Not About You.

Never. No matter how much you care about yourself or how wonderful your business is, customers don't. The only thing a customer will ever care about is what you can do for *them*.

But that's also the great opportunity of a business blog. It offers a one of a kind platform to tell customers what you can do for them *today*.

Unlike e-mail, which is sent from you to your customers, your customers come to you for your blog. It's completely un-intrusive. If you send e-mail to your list everyday, your unsubscribe rate will be about as high, or higher than your subscription rate. Or worse, they'll just start marking your e-mails as spam (which damages your reputation).

When customers come to your blog, they're able to see in very short clips, on their own time, what you're offering them today.

It's part of that concept of conversation. Blogging is talking *to your customers* instead of about yourself. It's offering interesting and relevant conversation topics to your customers. Some customers will talk back and further the conversation, some will just listen. Both are engaged.

The blog post doesn't always have to be a sales pitch or a discount. It can also be a useful piece of information or a helpful hint.

As long as you're providing value, they'll keep coming back for it. This builds up your credibility. Credibility builds trust. Trust builds revenue.

Warning: Don't start a blog without a full consideration of the time and effort it takes to maintain it. If you're not willing to update your blog regularly (I recommend at least twice a week), your customers will stop coming.

There's a very successful website owner who sells window blinds. In the top left corner of his website he always included a short, relevant message. For a full year, he updated that message frequently and kept it seasonally relevant.

Then he got busy. His sales were doing great and he got distracted by the everyday tasks of running a business.

One day, seemingly out of the blue, his sales started to slack off. Not just by one or two percent, but by fifteen then twenty percent.

He couldn't figure out where all his customers had gone.

Needless to say, he redoubled his efforts and put a lot more effort into his website upkeep. He changed the short message on his homepage, offered special discounts and started e-mailing his customers.

Within a week his sales numbers were back where they started.

A little later on he asked some of his best customers why he had temporarily lost their business.

“Well the little guy on your homepage was still talking about Valentine’s Day,” one customer said. “I didn’t think you were there.”

The same lesson holds true for a blog. If you’re always “there” your customers will keep coming. If you suddenly disappear, so will they.

Search Engine Optimization (SEO)

SEO is one of the most misunderstood and neglected aspects of a successful website.

Special Note: In this explanation, I'm going to talk a lot about Google. I do this because Google is the largest and most used Search Engine but the general principals apply to Yahoo and MSN Live as well. As a rule of thumb: if it works for Google, it works for everyone.

A website thrives on traffic. It's like the life-blood of any online enterprise. The more people that visit your website, the more chances you have to make money.

You've heard about Google rankings. You may have even heard some people promising to get you a top ranking on Google. Never listen to those people. Don't just take my word for it, Google says so themselves in their terms of service.

However, good SEO works can improve your page-rank and most likely land on the front page for several of your high-value keywords.

If you didn't understand any of that, don't panic. Just read a little further. If you have a solid understanding of what page rank is, you can skip down to "Site Architecture."

Page Rank

When you go to Google and type your query into the search bar, you're entering keywords. Google makes money by delivering the most relevant and helpful search results back to you.

These are called "organic results." They're the results that best matched the keywords you entered.

There are also "paid results," which are results that companies have paid to show up when someone enters specific keywords (more about paid results in the section on PPC). Paid results are known as Google ads and they show up along the right side of the page.

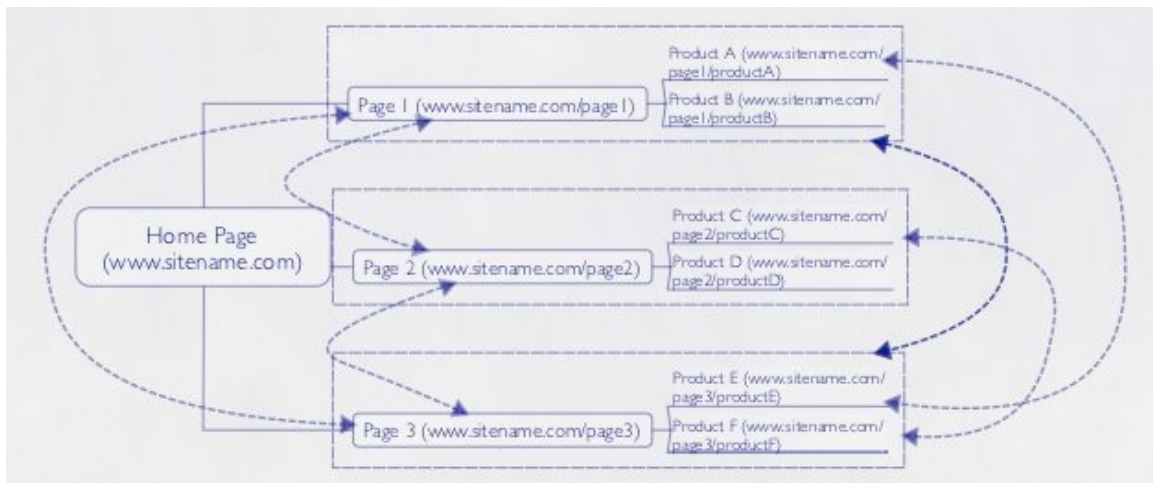
The result at the top of the "organic search results" list has a page rank of 1. The result below has a page rank of 2 and so on.

Google uses a world-class and very secret algorithm for determining page rank. They have never released the exact formula, but we do know it relies heavily on three main elements:

1. Site Architecture
2. Content
3. Hyperlinks

Site Architecture

The term “Site Architecture” refers to the internal navigation of your web pages. That means Google looks at how easy it is to get around your site. How well do the internal links on your site work and do they always point to relevant content? The following is an example of a very simple site navigation format:



It looks a bit complicated but it's actually very simple to setup. It's just one of Google's tests to make sure that your website is usable and will be beneficial to your customers. Each of the arrows represents a link to another relevant page within your site.

For example, the arrow that protrudes the furthest to the right represents a link from the page of product A to the page of product E. An example of the text of that link would be, “If you find Product A useful, give Product E a try.”

Think of good site architecture in terms of the flow of the customer conversation. Your goal is to keep the customer as engaged as possible for as long as possible.

Every page on your website is a subject in your conversation. How smoothly do you flow from one subject to the next? If you were having a conversation with your plumber about a leak in your sink and he interrupted you to talk about your toilet it would be disconcerting.

You'd get confused and you'd start thinking about getting a new plumber who was able to focus on what you needed.

On the other hand, after your plumber was done fixing your sink, it would be professional of him to ask if you were having any other problems. You remember that your toilet has been clogging a lot recently and ask him if he can do anything about it.

The customer should have control over the flow of the conversation and good site architecture is how you give it to him.

Content

Content is king on websites. It's why Google lists your site at all.

Google's algorithm has a way of determining what content will be the most relevant for the search term entered. We know that part of that algorithm involves keywords.

Keywords were once the only thing that mattered. You could just saturate your content with the keywords you wanted to rank for and you'd appear on the front page of Google, even if your content was barely readable.

But Google caught up. Today your content has to contain keywords and be well written to get a ranking. Search Engines don't want you to saturate your content with keywords anymore and they'll demote you in the page rankings if you try it.

For example, you won't rank well if your content looks like this for the keyword phrase "Gold bracelets."

Looking for Gold Bracelets? We have a wide selection of gold bracelets. The best gold bracelets anywhere. Men's gold bracelets. Women's gold bracelets. Children's gold bracelets. If you need gold bracelets, we have gold bracelets.

Chances are, you've seen a sales page like that. But you didn't get to it from the front page of Google, which is what the company was hoping for when they misguidedly posted it.

To rank on the front page of Google, your content has to be helpful and relevant to humans, not search engines. When the search engines see that you're obviously trying to manipulate them, they treat you like a spammer.

If your website has too many pages with "gold bracelet" text, you risk being dropped entirely from the search engine's database.

However, you do need to include some keywords to let Google (and your visitors) know what the web page is about. They're particularly important in the headlines and subheads within your content. As a guideline, if a human visitor can figure out quickly what the page is about, so can a search engine. So always write for people, never for Google.

Good, relevant, and useful content, with a sprinkle of the right keywords will help your page rank well, not because the search engines are so terrific at reading them, but because they'll attract links.

Hyperlinks

A hyperlink, commonly referred to simply as a link, is a block of text or a button that can be clicked on to take the user to a different page on the web. In some ways, it's like an online referral.

A referral can happen off line or online. Obviously, an off line referral is good. It means that people are talking about your business and giving it their vote of confidence.

But no matter how often people talk about you off line, Google doesn't care. What catches Google's attention is when people talk about you online. The way they measure the amount of people or websites that refer you is by tracking links pointing to your website.

The more people you have pointing to your website, the more credibility you have in the eyes of the search engine.

Of course, not all links are created equal. If a big website or blogger who has already established credibility and gets good traffic posts a link to your site, Google views this as a good referral. However, there are also negligible referrals.

There are some people on the Internet that will offer to “get you front page results” or “instant traffic.” They’ll charge you \$25 to \$100+. Then they’ll take your money and spam links to your site all over the Internet with misleading text. They use things called “link banks,” which are web pages that consist only of outgoing links.

Misleading never works. It will never get you good results with Google, and although you’ll probably see a significant boost in your traffic you won’t see much of a difference at all in your sales.

In fact, in the long run, it will hurt your business’ reputation.

You don’t need a million people to come to your site everyday. What you do need is high-value traffic. If you could get a million people that all trust you and want what you’re selling that would be great. But if a million people land on your homepage, realize that it’s not what was promised by the spammers, then leave, you’ve wasted your money and tarnished your reputation.

Now just to ease your mind, Google does try to play fair. You don’t have control over who posts links to your site. If someone spams your link everywhere or puts you in a link-bank, Google won’t penalize you. They just won’t count it as a good referral.

So how do you get good referrals? Content, content, content. If someone else notices that your site is particularly helpful, or answers a question that their visitors have, they'll refer them to you.

If you build enough solid, helpful content, and use other smart marketing strategies, the links will come.

Remember, the rule of reciprocity applies here. If you want people to be generous to you, you should be generous to others first.

Your site is not the end of the road for all consumers. There are other, non-competing sites out there that will have helpful advice and/or products that your customers will also appreciate.

Don't hesitate to send business their way. The Internet is a place that facilitates great connections. If you refer extra business to them, they'll refer extra business to you and you both prosper. Better yet, at the end of the day, Google likes you both a little better.

Remember, Google makes money by helping people find what they need. If your site can answer a consumer's question directly and then offer more assistance to related question, Google has more incentive to rank you higher. It's a win-win-win situation.

Pay Per Click Advertising (PPC)

In 1704 the first advertisement ran in a newsletter (source: adage.com).

In 1867, the first known billboard was rented (source: Outdoor Advertising Association of America). In the early 1920's radio advertising began and in 1941, the first TV commercial ran before a Phillies- Dodgers baseball game (Source: Global Political Campaigning, by Fritz Plasser).

In 2002, Google started Adwords, their pay per click advertising service.

News ads, billboards, radio, and Television advertising have been working for a long time. But are they still working? How many newspapers have gone bankrupt recently because they can't keep advertisers? How many billboards do you see along the side of the road that say, "Advertise Here?" How many radio and TV commercials do you hear that describe the benefits of advertising with them?

It costs money to place those ads and they wouldn't be there if they were half as effective advertising models as they claimed to be. Those media aren't working anymore- at least not the way they once did.

Measuring a response from traditional advertising is tough. For most small businesses it's too expensive and for those that can afford it, the results still have a large margin of error.

There's a famous quote by John Wanamaker. He said, "Half the money I spend on advertising is wasted; the trouble is I don't know which half."

That sums up perfectly the problem with traditional advertising. It's impossible to tell what's working and what isn't. The only way to really know that your advertising isn't working is by going out of business... if that's your situation, your ads didn't work.

But if you use an online PPC campaign, you know exactly how many people saw your ad, you know how they responded to it, and you know whether or not they bought from you.

It's an amazing advantage for a business owner.

What is a PPC ad and what is Google Adwords?

When you do a search on any of the major search engines, you get a list of organic results and a list of paid advertisers (see the SEO section on Page Rank for a description).

The organic results are free but the paid results are the revenue generator for the search engine. It's how they make money. It's called Pay Per Click (PPC) advertising because you're only charged when someone clicks on your link.

But PPC ads don't only appear on search results pages. Anyone can join the Google AdSense program and have relevant ads appear on their websites. That means if you opt in to the content program, when any of the keywords you're targeting appear in their content, your ad will appear close by.

For example, if the owner of a website about raising children puts Google ads on her pages about choosing baby formula, and you're running a Google ad for your baby formula newsletter, your ad will appear on her website.

Whenever someone clicks on your link, Google charges your account the same amount it would for your ad running on their search results page but gives a portion of that money to the website owner.

It's another way to spread your name across the Internet.

There are a few ways to use Google ads but I'll only address two of them here.

1. Direct Sale
2. List Building

Direct Sale

Clicking on a direct sale PPC ad will take the customer right to the sales page. This can be effective if the offer is just too good for anyone to resist. If you're selling a 50" Flatscreen TV for \$100, a direct sale PPC ad might be the best way to go.

But, if you're running an ad that looks too good to be true, most people will think it is too good to be true. If you plan on connecting a PPC to a sales page, it better be a terrific sales page that establishes a lot of credibility very quickly.

The exception is if you already have a very well established business with a credible name. For example Best Buy could run the \$100 TV ad with great success. But almost no one is going to give money immediately to someone they just heard of... especially if they heard about them from paid Internet advertisement.

That's why the most successful PPC campaigns are aimed at establishing a relationship with new customers. The easiest way to establish that relationship is using a good list building technique.

List Building

"The money is in the list." It's almost become an Internet Marketing cliché. If you're not building a distribution list of some sort, you're giving up a huge opportunity to make money.

A good PPC campaign is the fastest way to build a large list and get your name and product or service in front of a lot of people. You can look at the section on E-mail back on page 4 if you want to review why you should build an e-mail list.

The easiest way to build an e-mail list by PPC is to offer the customer something for free. Does that sound counterintuitive? It's not.

Your goal is to build a trusting relationship with your customer.

Picture this. You're at a party where you don't know anyone. A man walks up to you with a big smile on his face and extends his hand.

“Hi,” he says as you shake. “Would you be interested in refinancing your home?”

Chances are you’re going to politely say no, you don’t need to refinance (even if you do) and walk away.

Now picture this. At the same party a different man walks up to you and holds out his hand. You take it skeptically. You’ve just had a bad experience with a man like this.

But the next words out of his mouth are different.

“What’s your name?” he asks. You tell him.

“It’s nice to meet you,” he says. “What do you do?”

You end up talking to him for a few minutes and then realize you don’t know what he does.

“Me? I’m an author,” he says. “Would you like a free copy of my book?”

“Sure,” you say. Where’s the harm? It’s a free book.

So you take the book and enjoy the rest of the party. A few days later, you’re sitting around your house with nothing to do and you remember the book. So you pick it up and read it. It’s good. Entertaining and helpful.

A few weeks later you're in the bookstore and you see his name on another book. You liked the last one so you pick up this one and read the intro. It looks like it's just as good so you buy it.

"I met the author," you tell the woman at the counter.

If that book is good, there's a good chance that you're going to buy the rest of the books by the man you once met at a party ... and you'll tell your friends.

And all of this great marketing is simple conversation.

For the cost of just one book, that author sold dozens.

The same is true for a good PPC campaign. You pay a small fee to give an interested person something for free. It could be a coupon or a free report, or even just an offer for free shipping.

In return you get their e-mail address.

They're giving you permission to mail them your newsletter or special offer... essentially they're giving you permission to market to them. All because you gained their trust by giving them something for free.

But there's a limit on how much you should spend to get each of those e-mail addresses. Consider the lifetime value of each customer.

If you're selling a \$5 ebook, and it's the only product you have, you're only making money if you spend less than \$5 for each name you get. That's

not a very good ROI and in this case a PPC campaign isn't the best solution for you.

But if you have 6 information products that you sell for \$100 each, and your sales average out to 2 sales per name on your list, you can confidently spend \$100 to get every name and you're still making a very healthy profit.

So while PPC is the most expensive of the topics covered, it also has the widest reach and the fastest ROI. While it won't work for every business, it's a technique worth investigating.

Conclusion

The Internet is the most effective communication tool ever created. It facilitates millions of conversations that can be easily located and immediately joined. Effectively harnessing that conversation is not only the best, most measurable way to market your business, it also gives your customers the control they expect and demand.

A quick review of the top benefits of each of the four methods:

- Well written e-mails can strengthen the relationship with your customers
- Blogging will prove to your customers that you're really "there."
- Search Engine Optimization will help you get free, trusting traffic.
- And a good PPC campaign will give your business the boost and exposure you need to take your business to a new high.