

## ONLINE ADVERTISING METHODS

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### ABSTRACT

This paper reviews the online advertising process, methods which the small enterprises could use to stay competitive and to survive in world economic crises. Internet marketing gives small businesses the opportunity to reach customers worldwide.

The new Internet capabilities could increase the interests of the clients and to expand the opportunities for reaching new partners, clients and bigger market. The online advertising strategies, methods, forms and channels are successful way to increase the company's brand recognition.

**Key words:** online advertising methods, strategies, forms, small and medium enterprises, advertising process,

### ABSTRACT

**Key words:** рекламани методи в интернет, онлайн рекламни стратегии и формати, малък и среден бизнес

### INTRODUCTION

The fast growing development of the World Wide Web has created the new e-economy, e-banking, e-marketing – a whole new virtual life. We are part of an information society where one can find all the information they need just by one click on the Internet.

Marketers have to be aware of the new e-marketing strategies, methods, and ways of 'grabbing' a visitor's attention. The Internet is an appropriate way for presentation of a small business. Small and Medium Enterprises are companies which have restricted resources and frequently have difficulties in obtaining capital or credit, particularly from the start-up phase. Therefore it is absolutely necessary to be well

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presented online. The negative impact of the world economic crises makes online advertising policies a viable way of going through the crises.

Online advertising is a form of promotion that uses the Internet and World Wide Web to express the purpose of delivering marketing messages to attract customers. Examples of online advertising include contextual ads which appear on search engine results pages, banner ads, in text ads, Rich Media Ads, Social network advertising, online classified advertising, advertising networks and e-mail marketing, including e-mail spam.

Bulgaria has a high penetration of Internet access and Telecommunications services. According to ECTA report<sup>2</sup> of October 2009 Bulgaria leads the EU in broadband penetration growth with an annual growth rate of over 228% (fig 1).

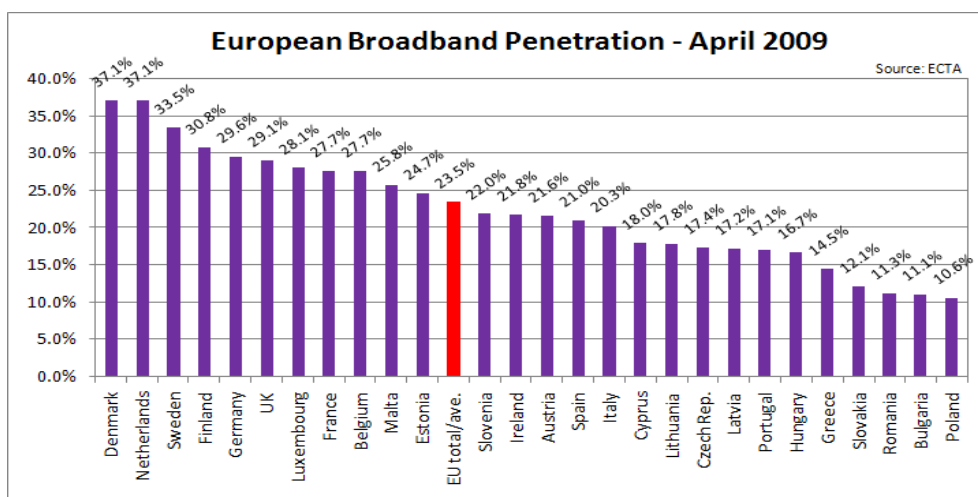


Fig1. European Broadband Penetration – April 2009

That is the fastest growing sector in the Bulgaria's economy. This means that Bulgarians are getting used to the Internet (its services, forms, information, way of communication etc.) Therefore the number of Bulgarian companies' websites is fast growing. Every year, the marketing budgets on online advertising are increased. For example, for 2007 companies spent nearly 19 000 lv on Internet advertising and for 2008 they spent more than 32 000 lv which is more than 75% growth. For 2009 the forecast has failed. Despite the expected growth, companies have spent only 33 000 lv., which happened to be 4 % growth.<sup>3</sup> This result was due to the growing impact of the world economic crises in Bulgaria at the end of 2008 year. Unfortunately, e-marketing mix budgets show that on average only 2.7 % of the marketing budgets has been spent on Internet advertising.

By 2008, Bulgarian Internet market was divided between some media groups and advertising agencies. Some of them were:

1. Investor.BG
2. Netinfo

<http://www.ectaportal.com/en/2>

<sup>3</sup> Ad –market , what's happened ? , Piero 97 , March 2010, [http://www.arabulgaria.org/wp-content/uploads/2010/03/2009\\_AD\\_market-what\\_happens\\_Last.pdf](http://www.arabulgaria.org/wp-content/uploads/2010/03/2009_AD_market-what_happens_Last.pdf),

3. Dir.bg
4. Web Ground
5. Web Media
6. Darik Web
7. Economedia
8. Mail.bg
9. MSKey Group
10. One Click Media
11. Net Entertainment Group
12. Media Group 24
13. Az Media
14. My Media
15. Digital Media Group
16. Rezon Media
17. Atol Media
18. Sanoma Bliask and etc.

Nowadays, ad agencies are an ever growing number. Many new agencies have been created. Also, there have been some freelancers offering their services. Ad agencies, freelancers and media groups are all part of the advertising process.

## 1 ADVERTISING PROCESS.

Online advertising is an essential part of the company's online marketing strategy. The online advertising process is **direct**, and **indirect**. The **direct** online advertising process (fig 2) means that the company will create and publish their own advertising form to another website (a banner, ad words, multi-media tools or etc. - a link to a corporate website). The **indirect** online advertising (fig 3) means that the advertiser will use an advertising agency's services for the process of creating and publishing the materials.

Fig.2. Direct advertising process



Fig.3. Indirect advertising process



Small Enterprises and Businesses have small marketing budgets especially at their start-up phase. Therefore online advertising as a part of company's marketing

mix is very important to small businesses, because it is more cost effective than traditional advertising forms (Tv, Radio, newspapers, etc).

The online strategy has to be very well managed and organized. It depends on the website goals, its design, content and functionality, the online advertising campaigns, advertising forms and the results.

Generally, the first step is to create and publish a company's website which can inform the clients about the company's services and production. Website is not a simple online business card. It is a way to attract visitors using the web vision of the company. The design (graphics, animations, multi-media), the content (information about company's mission, vision, products; services, prices, news, team and etc.), the functions (navigation, menu bar, so on) are very important for the first time visitors. The process of creating an appropriate website could be generally separated in 5 main stages:

- Defining the **website goals** (informing, selling products, entertaining, a gate to another website, etc. )
- Creating the website **design, content, navigations**
- **Publishing** the company's website (choosing an Internet address (url) - host and domain name)
- **Search engine optimization (SEO)** is the process of improving the volume or quality of traffic to a web site or a web page (such as a corporate website) from search engines via "natural" or un-paid ("organic" or "algorithmic") search results as opposed to other forms of search engine marketing (SEM) which may deal with paid inclusion. The SEO theory is that the earlier (or higher) a site appears in the search results list, the more visitors it will receive from the search engine. <sup>4</sup> Therefore the company's website has to be registered in the Google, Yahoo, MSM, Altavista and other search engines, and it has to be connected with people-metrix software such as Gemius, Nielsen Online, Tyxo.bg or other analytics programs that would improved a site's conversion rate.
- **E-marketing** (strategy, channels, forms, methods, traffic and sales results) - connecting website to another websites by text links, banner exchange or other ad tools.

## 2 ONLINE ADVERTISING METHODS

**Online Advertising** is often most successful when utilizing visuals. This can mean anything from colorful banner ads to a full-blown flash presentation. The key to successful online advertising is to grab attention without being overly intrusive. Current popular methods of online advertising include:

**2,1 COMPANY'S WEBSITE** – it gives information about company's products and services. That is the main online advertising tool. Nowadays, every firm could have a corporate blog where customers have a direct

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<sup>4</sup> [http://en.wikipedia.org/wiki/Search\\_engine\\_optimization](http://en.wikipedia.org/wiki/Search_engine_optimization)

connection to employees and where every customer could put some questions to ask.

**KEYWORD ADS** – that is the easiest and cheapest way to target business ad buys. Buying keyword advertising with Google lets company to target customers before the ad even displays, making it a great option for companies without extensive advertising resources.

**E-NEWSLETTER ADS** is another inexpensive but effective way of reaching targeted customers. There are thousands of e-newsletters published every week on almost every subject imaginable. The company has to try to find at least five different e-newsletters that cover topics that tie in with its products or services. This is useful for niche e-marketing. An ad in a newsletter of this type would be seen exclusively by target customers.

**BANNER ADS:** Banner ad online advertising is one of the first advertising methods used on the internet. Banner ads are also easy to create.

**FLOATING ADS.** This form of online advertising is seen as intrusive by some people. Floating ads appear to float or move across a user's screen while viewing a web page. They can be distracting.

**INTERSTITIAL ADS.** This is a relatively new form of online advertising which has grown in popularity due to Flash and other similar programs. Interstitial ads are like television commercials on your PC. They usually appear before a main page loads or they are placed in some other spot on a web page.

**POP-UNDER ADVERTISING.** This is one of the newest and most controversial forms of online advertising. Unlike pop-up ads, pop-under ads are sneakier and less intrusive. They do not steal the attention away from the main web page as pop-up ads can do. Instead, a window will open up in the background with the ad in it and will be instantly minimized so that the user can continue to look at the original web page only to find the ad later. The attractiveness of pop-under advertising has to do with its relatively cheap cost. At around \$5 per thousand impressions, it is an attractive alternative to other forms of online advertising.

Advances in technology also mean advances in online advertising. More businesses have started taking advantage of **Streaming Video** when it comes to their online advertising. Pretty soon, advertisements on your computer screen may look no different than those during the commercial breaks.

**SPONSORSHIP ADS.** This has become popular with the increase in professional bloggers. It seems the initial size was 125 pixel square, but now more sites are starting to provide alternative formats. These ads are typically considered fine and acceptable. In fact, these are probably the best paying ads and also allow several select sponsors to display a strong relationship with a blog or Web site.

**SNAPSHOTS.** These ads are newer and typically come packaged with a preview of the link that is moused over. [TechCrunch](#) and [Mashable](#) currently run this form of advertising. SnapShots combine a site preview plus contextual or image advertising where the publisher gets paid a CPC when a user clicks the ads and not the link.

It is an interesting method - on the one hand, the idea of providing a preview of the site before you head there is a good thing. On the flip side, if a customer is intending to go to x site, see an ad for y site and go to y instead, the publisher makes a few cents but the intended linkee gets nothing.

**KONTERA AND VIBRANTMEDIA INLINE TEXT ADS** : Many blog publishers think these ads are the worst ad forms. These ads show up as links within content and are always distinguishable by link color and/or double underline. The ad provider determines which words become links, not the writer. This alleviates the concept of writing content just to get a good round of inline text links. When these ads first hit the market, they paid very well – partially due to users possibly being confused.

**E-MAIL MARKETING** has been a staple for consumer marketers since the mid-90s. A few years later, B2B marketers discovered its value, and email campaigns have become an important tool for businesses in all stages and industries.

Email marketing enables company to cost-effectively communicate with its market in a way that is immediate and relevant. With email, a firm can:

- Nurture leads
- Build brand awareness
- Obtain prospects
- Build customer loyalty
- Generate sales

Small businesses can launch a campaign and measure its results fairly quickly, making email a great option for time-sensitive programs. It is easy and inexpensive to test different aspects of a firm's campaign on a segment of an e-mail listing, so it can hone the company's idea and offer to generate the best possible results. This marketing tool can reach a wide audience with email, but that does not mean enterprises should. It is most effective when marketers really target in order to speak to specific needs. Apparently, that is a one-to-one communication – personalized, relevant, timely – not a blast.

**Example** : If a small company's owner wants to increase its brand's recognition and the budget for online marketing is three - four times lower than the traditional marketing budget than he has to prepare an online marketing campaign by himself. Manager could create a website advertising program and to direct customers to his business in Internet. First step is to create and publish a website. But just creating and maintaining a website alone is not sufficient to keep a competitive edge in the continually fluctuating economy. The top five online advertising forms that small business owner can use especially in conditions of economic crises, where are:

- Using Email Marketing

This direct marketing approach works particularly well for a small business whose customer base is somewhat established. Weekly or bi-weekly news and promotions can be sent to a large group and may not be automatically rejected as

“spam”. For example, a real estate agent may choose to send a newsletter in the form of a monthly email. Or new customers who shop at a local boutique can be added to the email list and sent special promotional materials.

- Marketing through a Blog

Another effective marketing tool involves keeping an active corporate blog. By placing information in an optimized search engine format, both new customers and existing clients will find the website and look for news. This inexpensive method of marketing only requires the time to add new information and photos on a regular (weekly or daily) basis.

- Display Search Engine Ads

Several popular search engine providers offer methods to place ads on a variety of websites. Normally the business owner only pays for the advertising when someone clicks on the box. This method may draw new customers to a business. For example, an out of town visitor looking for a restaurant may see the ad in Internet and to go there. A small business owner controls the advertising budget by choosing how many ads to place and monitoring their effectiveness.

- Create Online Press Releases

Many people use the Internet to receive news and information on a daily basis. This tool is appropriate for branding. By creating an interesting and appropriate story and releasing it through a free press release website, the reader develops company name recognition. For instance,

- Distribute Promotional Materials

The Internet provides a means for small business owners to distribute marketing materials and promotional items. Everyone is looking for a bargain these days and a free token or coupon that brings a customer to the shop is well worth the expense. The materials are printed online or requested through a form. One of the most effective of the top 5 online advertising forms that small business owners use gives the Internet visitor a useful item with a company name attached.

## **CONCLUSION**

The small business could use all of these online advertising methods to improve its brand recognition, to use smaller budget on advertising strategies and to reach many customers worldwide. These are attractive and cheap methods for going through the crises.

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