

ONLINE MARKETING RESEARCH

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Before the Internet, you had to spend a lot of time and money to find out if people would buy your product.

Traditional Methods Require Traditional Investment

You didn't want to learn your product was not quite what people wanted after you had gone to the expense of developing it. So you had to survey people on the street, run telemarketing campaigns or hold focus group discussions. But now, with the help of the Internet, you can understand how people think when they search for your product.

Understanding without the Expense

Imagine typing in a few keywords and finding out how many people are searching for those keywords. You could quickly get an accurate idea of how popular your product would be. If you knew there were 11 searches for "diesel radio control boat" in the major search engines every month then you would also know that people are trying to find information about them. So they probably want to buy them.

Now imagine this place could look up a thesaurus and give you hundreds of variations on your keywords and tell you how many people are searching for each variation.

You could easily understand exactly what people think of when they search for your type of product. You might discover that while there are 11 searches for "diesel radio control boat", there are also 184 searches for "gas rc boat". Do you still want to sell diesel radio control boats?

Carve Out Your Competition

What if there are already 15 websites selling diesel radio control boats and only 3 websites selling gas radio control boats? You would know that demand is high and competition is low for "gas rc boat". So carve out your niche market in gas radio control boats and suddenly you are no longer competing with the diesel, sail or electric radio control boat markets.

And now that you are focussed on gas radio control boats, your message is not diluted by diesel, sail or electric radio control boats. It's much easier to become known as the first place to look for gas rc boats.

Vote The Name You Know...

Tacky political campaigns aside, now you know the words your prospects think of when they look for your products. So if you can, use them in the name of your product.

When you choose between 10 products and the name of one of them contains the words you're thinking of, which product would you look at first?

How to Start An Internet Business For Free

So you've had a great idea. But you'll have to put in some serious work to turn the idea into a product. What if your effort is wasted ? How do you know anyone will buy it ?

Step 1 - Understand what your prospects are searching for

Step 2 - Discover who your customers are and what they really want

Step 3 - Prove it: did people buy your product?

The Internet makes this kind of research a piece of cake - if you know where to find the tools.

Step 1 - Understand what your prospects are searching for...

There's a tool called Word tracker that lets you type in a few keywords and find out how many people are searching for those keywords. You get an accurate idea of how popular your potential product will be.

It also tells you how many web sites are found for each keyword, so you can see exactly how much competition you will have.

Word tracker is the most mind bogglingly useful internet marketing research tool I've ever seen. It helps you understand the exact words people think of before they buy. And that means you can show them just what they want to see.

Step 2 - Discover who your customers are and what they really want...

You know people are searching for your product. But how do you reach them ? Do they want exactly what you are planning to build ? Do you need to tweak your product slightly ?

If people want to buy your product then they're probably talking about it in the newsgroups. Hop on to groups.google.com and search for the keywords you identified in step 1.

Look for people asking for advice on where they can find certain products. Pay attention to the details - that's how you'll find out if your product needs adjusting.

Remember that this is a small representation of your target market. For every person posting questions in newsgroups about products they can't find, there could be:

- 10 people searching newsgroups for answers to those questions
- 100 people searching the Internet for that product
- 1000 people looking for that product off the Internet.

If you get thousands of results you'll need to filter out the useless discussions. Try things like:

- add "wanted", "can't find" or "looking for" to your search
- read through the rubbish until you figure out how to exclude it.

If you don't get enough results there are three possibilities:

1. you have not found the right search keywords - keep looking!
2. people who would buy your product don't use newsgroups (ask yourself if you think your potential customers are internet users)
3. nobody wants to buy your product.

Step 3 - Prove it: did people buy your product?

You can use the Internet to sell products without owning a web site. You've probably heard of Internet auctions. They're not just for selling second hand goods. If your product will sell, it will sell in an online auction. You can evaluate the demand for your product, and get a good idea of

what people are willing to pay. All you need is a product that can be delivered by mail (preferably anywhere in the world). Go ahead now, list your product on www.ebay.com.

Create a Bidding Frenzy and Sell More Product Through the Giant Online Auction Sites

What's all the hype about online auctions? Why are we hearing so much about them? Are they really profitable? And *how can you get involved?*

Online auctions have effectively created a giant virtual marketplace where people can gather to buy, sell, trade, and check out the goods of the day; they're enormously popular, high-traffic venues where start-ups and auctioneers alike can begin selling product almost immediately, with...

- No overhead or upfront costs
- No sales staff or distributors
- No web site of your own
- No initial investment (you'll pay between 2% and 5% of your final sale price to the auction site)

In this massive marketplace that will generate an estimated \$48.5 billion in sales by 2006 (Forrester Research), the auction site that rules the game is eBay. According to the Neilson Ratings, eBay is among the **top ten most-trafficked** of all sites on the Internet -- and with three million items listed in 3,000 categories and 1.5 billion page views per month, this is not hard to believe.

eBay leads the online auction industry with over 60% market share, while its closest competitor, Yahoo! Auctions, is only half its size, and Amazon.com Auctions follows at a distant third.

The amount of traffic that these sites attract make online auctions an ideal place to capitalize on readily available, widespread exposure. However, I must warn you -- the competition is fierce in popular categories, and your product can easily get lost among the hundreds of listings.

So whether you're selling a knick-knack or two or becoming a full-time baseball card dealer, there are a number of things you **MUST** do to harness the volumes of traffic heading your way and **generate the highest profits possible**. That's why I've created an eight-step game plan for selling products through online auctions to help you make the most of this potentially valuable marketing medium...

Step #1: Select Your Site

First of all, you have to think about which online auction site you want to use. eBay is the obvious choice because of its reputation and the amount of traffic it receives.

But different auction sites tend to cater to different markets. For example, eBay has 25,000 laptops for sale but almost no birdfeeders, while Amazon has 750 birdfeeders but only a handful of laptops. Amazon has the reputation of being a bit less user-friendly, but if you're selling a birdfeeder-related product, you may find an established market here. On the other hand, you may have better luck selling your item on an auction site that has less direct competition -- your best bet is to test both.

To determine which site is best for your product, check out the top three or four in your field -- look at specialized auction sites as well as the big ones. There are hundreds of specialized online auctions that cover the spectrum from antique books to business liquidations.

Check out item quantities and bid lists to see how much demand there is for your product. While you're there, you might even want to try bidding on a few items to get a feel for the process and the competition involved. (But don't ever bid on an item that you don't plan to buy!)

Step #2: Pick Your Products

Are you going to sell unique, one-of-a-kind products item by item? Or do you have a product you can sell in quantity? Is there a demand for your product? (This is less of an issue for one-of-a-kind items.) What kind of profit margin do you expect to be making? (This can determine whether or not you'll have to sell in quantity.)

In the world of online auctions, niche markets are responsible for 43% of total sales. Not bad, hey? But don't disregard the remaining 57% generalist market share! Bottom line: you can make money with both.

Collectibles are the best-selling items at auction sites, with computer hardware and event tickets in second place, and toys and books hovering around third. But while popular items may be easy for you to sell, you could also make a killing on a unique item with a high profit margin. People are making money hand over fist from specialty items like cigars and lobster -- that are shipped by mail!

"Fad items" are where you can really cash in quickly. Remember the Beanie Baby phenomenon? People went nuts and bid literally thousands of dollars on them! It would be difficult to build a web site and try to generate traffic around a fad item -- by the time you were done, the fad might already be old news! But auction sites give you an **instant audience at a low cost**, so if you spot a trend, you can hop on the wagon as quickly as possible.

Step #3: Look at Listing Options

The next thing you need to think about is HOW you'll sell your product. Auction sites typically offer a variety of listing options for you to choose from, including:

- **Regular Listings:** A regular listing is just that -- you pick your category and your product gets listed in it. While this is the most common (and really the least effective) way to list your product, *you should definitely start with this option*. You'll want to see how your product does before you decide to spend money on featured listings.

- **Reserve Price Auctions:** If you place a "reserved price" on your item, it means that you have specified the amount at which it should sell. This is done to prevent "auction sniping," which happens when bidders lay low until the very last moment, then grab your item without starting a bidding competition. Reserved Price Auctions can be to your benefit, but they may discourage bidders who are looking for the best deal.
- **Dutch Auctions:** Also known as "English Auctions," these are one of the best ways for people selling in quantity to place their products, because you can list multiple identical items at once in each auction. However, on eBay you must have a "feedback rating" (see Step #6) of 50+ and you must have been registered for more than 60 days before you can choose this option.
- **Featured Items:** In most of the larger auction sites, you can get your item rotated through the site's homepage as well as listed in the "featured items" section for about \$20. For about \$15, you can have your item appear in your category's "featured items" section, or simply at the top of the list. You can also have your photos displayed in a gallery for only about 25 cents, or featured as a large photo at the top of a gallery for about \$20.

You also have the choice of listing for 3, 5, 7, or 10 days -- and, of course, you always have the option to re-list at the end of this time. The standard option is a 7-day listing with an automatic re-listing for a specified period of time.

Step #4: Choose Your Category

Explore the product categories on the various auction sites to broaden your perspective of what goes where -- you definitely want to be specific, but you don't want to limit yourself. While you are doing this, check out the competition in different categories and have a look at how much bidding is going on.

The very best way to decide which category your product should be listed under is to do a search on similar and related products, determine which ones sell best, and see which categories they are in. You will usually be able to pick one main category and one sub-category -- use this

method for both. Check to see how easily your product can be found using the site's search tools before you settle on a category.

Whatever you do, do NOT try to gain more exposure by placing your product in unrelated categories. Your online auction site will probably close your account if you do.

Step #5: Create Your Ad

Once you've decided how and where to list your product, you need to turn your attention toward selling it... And that means you need excellent advertising!

Think about your target market -- who's going to buy your product, and, perhaps more importantly, *why*. You need to **grab their attention and motivate them to buy from you**.

How? Well, first you need a very good title. It's really important that you're specific: instead of saying "Doll" in your title, say "Two-foot-tall dancing Elvis doll." Don't assume that your bidders will understand you -- make everything as clear as possible for them.

And make it as exciting as possible. You'll probably have to pay a bit more for special formatting like bolding or highlighting (one to two dollars), but these can be a good way to grab the attention of potential buyers. Use exciting and convincing words that draw the buyer to your item: "Unique two-foot-tall dancing Elvis doll -- Collector's Edition."

The same techniques apply to your product description. Expand as much as possible on your product -- obviously, there's only so much you can say about a baseball bat, but what if it's an original 1915 Louisville Slugger used by Babe Ruth himself in warm up? Try to create a story around your product, even if it's just how amazing you personally think it is (in which case you will have to come across as likeable and convincing yourself!). Include specific motivations for buying your product: "Be like Babe Ruth!" or "Impress your friends with your dancing Elvis!"

Think about other ways you can **motivate your bidders** -- can you provide money-back guarantees, free shipping, or bonus products? Tell them what you have to offer!

And don't forget about photos! People don't want to buy what they can't see... and on average, they'll pay at least 10% more for an item that is accompanied by a photo.

Step #6: Establish Trust

The best way to establish yourself as a trustworthy, reliable seller in an online auction is by having a good feedback rating. A feedback rating is a listing of customer comments, rated as positive (+1), neutral (0), or negative (-1).

If you are not trustworthy, your feedback rating will warn other buyers to stay away from you. If you have a positive rating, you can increase your sales by as much as 7-9% (and this number will steadily increase as the feedback rating system catches on).

Ask for feedback from your buyers whenever possible -- most auction sites make it easy for buyers to rate and offer comments on your service. Not only do you want to build a positive rating; you also want to show a large number of responses in order to establish yourself as an experienced seller. Don't worry, though -- people don't usually shy away from newbies.

To ensure that you get a good feedback rating, make sure you always:

- List shipping costs (or additional costs) up front
- Deliver your product right away
- Deliver EXACTLY what you've advertised
- Answer buyers' questions immediately

... And always, *always* follow up with great customer service.

Step #7: Get Exposure

You've put all this time and effort into creating a great ad for the auction site, so use it to your advantage! Draw more traffic to your own web site by posting banners or links to your site on your ad. (Be careful, however, that you aren't using the ad primarily as a means of redirecting traffic -- this is called a "signpost" and will get you kicked off the auction site.)

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Unfortunately, while eBay *will* allow you to link directly from your ad to other items that you are selling on eBay, you can no longer post links to your homepage on your ad. However, you can still link to your site from your eBay "About Me" page -- so be sure to take advantage of this option!

And get that ad out there! There's no reason why you can't use the same ad to promote your product elsewhere, via e-mail or by posting it on someone else's site or in their newsletter -- you can include a link to the URL that your auction site will create for you. The more exposure you get, the better.

Most important is that you keep a list of all your buyers and e-mail them "thanks for purchasing" messages, new offers, complementary product information, or newsletters on a regular basis. Your best customers are your repeat customers -- they will be responsible for 80% of your sales! Once you get your name out there, you'll do nothing but profit by keeping it out there.

Step #8: Test!

You should always be testing and tweaking your auction listings -- even if they're really good, you may discover that one or two simple changes dramatically increase your sales! Start by doing regular listings on two or three different auction sites, and, changing only one element at a time, test the following:

- **Ad copy & photos:** Tweak your copy continually until it is the most compelling, most descriptive it can be. Test the ad a few times with changes and track the responses you get.
- **Pricing:** If you're not on eBay, try raising your reserved price or initial bidding price just a little. You can get away with this on other sites because there will be less bidding competition driving up your final price. You will almost always get a higher price by staying in until the very end, allowing the last-minute bidders to fight it out, so you should never pull out of your auction early. You could also try N/R listings (No Reserved Price), which may attract enough interest to start a bidding war.

You'll have to get a feel for what prices will attract the most bidders to your products. Sometimes starting high can increase the perceived value of your product; other times starting low will attract more bidders and drive up the final price as a result. It really depends on your product, your market, and your understanding of both. Remember that buyers in online auctions are generally looking for low prices and good deals.

- **Timing:** Your ad will get the most attention the first day it is posted and a few hours before the auction ends; weekend afternoons are the busiest overall. But think about your target market -- if you are marketing to housewives, you'll get the best response on weekday mornings; working families will respond in the evenings. Experiment to see which times work best for your product.
- **Different products:** Once you've got the system down, you might as well branch out! Try different products and don't be afraid to get creative -- whatever you come up with, there is bound to be something more bizarre that is selling in large quantities online!

Once you've settled on the combination that works best, try out different auctioning options (Featured if your sales warrant it; Dutch if you have multiple products) to see which will sell more product at higher winning bids.

eBay reports that as many as 70% of the items listed for auction on their site result in winning bids (i.e., sales), so if you are below or close to this percentage, keep working on it -- with these tips under your belt, you can do much better!

Final Thoughts

Your ability to set prices that attract bidders, write compelling ads, choose the best categories that draw the most potential bidders, and ensure that your auction closes with the highest profit margin will have a dramatic impact on your success in the competitive arena of online auctions. Whether you're looking to:

- Cash in on a fad
- Start an Internet business without a web site
- Harness the traffic these sites get as another profit channel for your existing web site, or
- Get rid of some extra stock quickly

... you need to pay careful attention to the strategies I've highlighted in this article if you want to guarantee that your listing doesn't get lost in the crowd.

If you don't have a product to sell, but have specialized knowledge of a particular market or industry, then you may even want to consider becoming an auction regular who monitors products in your field, looking for exceptional deals that give you opportunities to buy low and resell at higher prices. Of course, there are risks involved in doing this sort of thing, so it's not recommended unless you have an excellent command of both your industry AND Internet marketing.

Because no matter WHAT you're selling, and despite all the "hype" you've probably seen about how easy it is to "cash in" with Internet auctions, the fact is, this is a business like any other! You need to educate yourself and test the waters carefully before diving in if you plan to be successful. People DO make millions through online auctions... so it's not unreasonable to think you can profit, too. Just proceed with caution! And market smart!

EXECUTIVE SUMMARY — Compared to historic advertising methods, online marketing invites advertisers to attempt a sharply increased quantity of partnerships. Online relationships reduce the transaction costs of buying ad placements. In many advertising marketplaces, standardized contracts let an advertiser accept a proposed placement with a single click, and ad networks widely sell bundles of hundreds or thousands of placements. Meanwhile, many advertisers find they can get valuable leads and favorable pricing from the Internet's myriad small sites. These numerous relationships entail costs, too, such as selecting, compensating, and supervising the sites, making sure each site is suitable to show the advertiser's offer, and making sure sites in fact deliver the promised benefits. Advertisers thus turn to specialists and outside firms to handle important aspects of advertising-buying. In this paper, the authors evaluate

advertisers' chosen management structures by measuring the relative prevalence of advertising fraud targeting advertisers engaged in online "affiliate marketing," a performance-based compensation system increasingly common in online ad campaigns. Specifically, the authors identify the vulnerabilities best addressed by outsourcing marketing management to external specialists, versus the problems better overseen by keeping management decisions in-house. They find outside advisors most effective at enforcing clear rules, but in-house staff excel at preventing practices viewed as "borderline" under industry norms. While the results apply most directly to advertisers considering the management structure of their online marketing programs, the analysis also speaks to broader concerns of outsourcing and the boundary of the firm.

Reference : google and different books on online marketing.