

Marketing coming of age: Social networking sites v/s Search Engines

Dr. Yogendra Singh*
Rakesh Bhatt**
Ankur Garg***

Abstract

Cyber media revolutionized the way the marketing world functioned. It revamped the structural elements of advertising and helped the publicity seeking commodities find a new platform. Today online -advertising has managed to reach out to a very powerful section of its target audience which includes youth as well. Everybody comprehends the fact really well that today the youth is not only well introduced to the internet but it has also been incorporated as a part of their everyday life. The Internet has brought media to a global audience. Internet marketing ties together creative and technical aspects of the Internet, including: design, development, advertising, and sales

Taking a cue from the history of advertising an attempt has been made to understanding its relevance from the Indian market's point of view. But before that it is also imperative to understand that what are the various types of online advertisement and this report includes that as well.

Online advertising spending increased as the hype around the web spread, and grew in intensity. Advertising sponsorship and revenues are forecasted to grow, alongside the realization of the potential in online advertng. We tried to find out the costing of online advertising and various costing techniques which enable a brand to get maximum exposure in within budget.

1. Introduction

Internet marketing, also referred to as i-marketing, web-marketing, online-marketing, Search Engine Marketing (SEM) or e-Marketing, is the marketing of products or services over the Internet.

The Internet has brought media to a global audience. The interactive nature of Internet marketing in terms of providing instant response and eliciting responses is a unique quality of the medium. Internet marketing is sometimes considered to have a broader scope because it not only refers to the Internet, e-mail, and wireless media, but it includes management of digital customer data and electronic customer relationship management (ECRM) systems.

2. Online Marketing (History)

Advertising is any paid form of non-personal communication about an organization, product service or idea by an identified sponsor. Advertising was originally established in print media, such as newspapers and magazines, and followed onto the television and radio broadcast scene. However, focus has started to shift away from the traditional print and broadcast media, and towards the growing online advertising industry. These changes have been driven by advances in technology, and developments

*Department of Management Studies, JSS Academy of Technical Education, Noida.

**Department of Management Studies, JSS Academy of Technical Education, Noida.

***Department of Management Studies, JSS Academy of Technical Education, Noida.

have led to the dramatic growth of communication through internet. The online advertising industry is growing and developing at a rapid rate. Since 1994 when online advertising originated, the industry has faced many obstacles. Ad Age's interactive section provides a fascinating chronicle of the beginnings of online advertising. After the dot com crash in 2001, online advertising's success diminished, but has since re-established itself and is now a thriving \$8.4 billion dollar industry. (Kridler, 2004) The use of online advertising as an advertising medium is increasing in popularity at a fast pace. It is projected that the online advertising industry will to grow three times faster than advertising in any other medium. (Kridler, 2004).

Businesses are beginning to evaluate the advantages and disadvantages of advertising online. Businesses are recognizing that by advertising online, their message is communicated in a fast and efficient way, while not only interacting with customers, but establishing a one-to-one dialogue. (Adams, 2003) Online Advertising's potential as a low cost channel for doing business directly with customers is viewed as a major advantage of advertising online. Many companies recognize the advantages of communicating via the internet and are developing Web strategies and hiring interactive agencies specifically to develop their websites and make them part of their integrated marketing communications program. (Blech & Belch, 2001).

Search engine marketing, or SEM, is a form of Internet marketing that seeks to promote websites by increasing their visibility in search engine result pages (SERPs) through the use of search engine optimization, paid placement, contextual advertising, and paid inclusion. Usage of the term "search engine marketing" has been inconsistent. The trade association Search Engine Marketing Professional Organization (SEMPO) includes search engine optimization (SEO), and SEO is also included in the industry definitions of SEM by Forrester Research, e Marketer, Search Engine Watch, and industry expert Danny Sullivan. However, the New York Times restricts the definition to 'the practice of buying paid search listings'.

As the number of sites on the Web increased in the mid-to-late 90s, search engines started appearing to help people find information quickly. Search engines developed business models to finance their services, such as pay per click programs offered

by Open Text in 1996 and then Goto.com in 1998. Goto.com later changed its name to Overture in 2001, and was purchased by Yahoo! in 2003, and now offers paid search opportunities for advertisers through Yahoo! Search Marketing. Google also began to offer advertisements on search results pages in 2000 through the Google AdWords program.

Industry Break up of online marketing verticals 2009-10 (market size INR 3250 million)

Break up of market by Verticals



Here, online advertising can broadly be classified into types firstly on social networking sites and secondly on search engines. Diagram shown below can be used as a process to go online advertising on social networking sites. Following are the steps can be followed:

3. Paid Advertising



Step 1: Design Your Ad

Designing an advertisement is a tedious task because firstly we have to analyse different constituents of demographic factors like location, educational background, age, gender, workplace, language etc about the target customers which we want to target with.

Step 2: Targeting

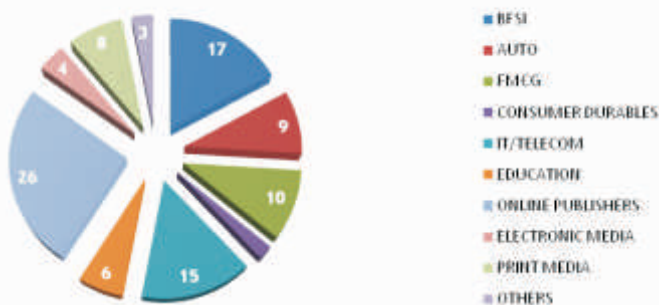
Target your exact audience with demographic and psychographic filters about real people. By default, Facebook targets all users 18 and older in the default location. However, you are encouraged to modify this to reach the most appropriate people for your ad. Be sure to reference the approximate reach figure for an estimate of the number of people who match your criteria.

Step 3: Campaigns and Pricing

Name your campaign but keep in mind ads in the same campaign share a daily budget and schedule. Now that you've set

Industry Break up of online marketing verticals 2008-09 (market size INR 3250 million)

Break up of market by Verticals



up your campaign, set your daily budget and your schedule. How much do you want to spend per day? The minimum budget is US \$1.00 a day. Now schedule your ad. Decide whether you want to pay for clicks or pay for views. Finally, you'll want to confirm the maximum you are willing to pay per click or per 1000 impressions depending on your payment method. The suggested bid range shows you what other advertisers are currently bidding to reach people in your target. For best results, you should bid at least as much as the minimum suggested bid.

Step 4: Review Your Ad

The final step of the ad creation process is to review your ad. Check the targeting, budget, and ad itself for errors. You can go back to change any of the details by clicking "Change Ad". Once you've reviewed your ad, enter your credit card information and click "Place Order". All ads go through a quality review prior to being shown. Ads are reviewed to ensure that they meet their content guidelines.

4. Search Engine Marketing

Before a search engine can tell you where a file or document is, it must be found. To find information on the hundreds of millions of Web pages that exist, a search engine employs special software robots, called spiders, to build lists of the words found on Web sites. When a spider is building its lists, the process is called Web crawling. In order to build and maintain a useful list of words, a search engine's spiders have to look at a lot of pages.

Search engines Market share

1. Paid Inclusion

Paid inclusion is a search engine marketing product where the search engine company charges fees related to inclusion of websites in their search index. (Also known as sponsored listings) Paid inclusion products are provided by most search engine companies, the most notable exception being Google.

Paid inclusion programs mean that, in exchange for a payment, a search engine will guarantee to list pages from a web site. These programs typically do not guarantee that the pages will rank well for particular queries, however. Whether a page ranks well still depends on the search engine's underlying relevancy algorithms

The fee structure is both a filter against superfluous submissions and a revenue generator. Typically, the fee covers an annual subscription for one webpage, which will automatically be catalogued on a regular basis. Each search engine is different. Some sites allow only paid inclusion, although these have had little success.

2. Contextual Advertising

Contextual advertising is a form of targeted advertising for advertisements appearing on websites or other media. The advertisements themselves are selected and served by automated systems based on the content displayed to the user.

Contextual advertising system scans the text of a website for keywords and returns advertisements to the webpage based on what the user is viewing. The advertisements may be displayed on the webpage or as pop-up ads. For example, if the user is

viewing a website pertaining to sports and that website uses contextual advertising, the user may see advertisements for sports-related companies, such as sports shoes or ticket sellers. Contextual advertising is also used by search engines to display advertisements on their search results pages based on the keywords in the user's query also known as sponsored links

3. Search Engine Optimization

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 blog) 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 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. SEO may target different kinds of search, including image search, local search, video search and industry-specific vertical search engines. This gives a web site web presence.

As an Internet marketing strategy, SEO considers how search engines work and what people search for. Optimizing a website primarily involves editing its content and HTML and associated coding to both increase its relevance to specific keywords and to remove barriers to the indexing activities of search engines.

5. Methods of Search engine optimization

Getting indexed

The leading search engines, such as Google, Bing and Yahoo!, use crawlers to find pages for their algorithmic search results. Pages that are linked from other search engine indexed pages do not need to be submitted because they are found automatically. Some search engines, notably Yahoo!, operate a paid submission service that guarantee crawling for either a set fee or cost per click. Such programs usually guarantee inclusion in the database, but do not guarantee specific ranking within the search results. [dead link] Two major directories, the Yahoo Directory and the Open Directory Project both require manual submission and human editorial review. Google offers Google Webmaster Tools, for which an XML Sitemap feed can be created and submitted for free to ensure that all pages are found, especially pages that aren't discoverable by automatically following links.

There are 7 most common methods used by the websites for the ads running on their sites

- Cost Per Lead (CPL)
- Cost per engagement
- Pay Per Click (PPC)
- Cost Per Thousand (CPT)
- Cost Per Action (CPA)
- Cost per Impression
- Pay for placement (P4P)

Cost per thousand

Cost per thousand (CPT), is a commonly used measurement in advertising. It is used in marketing as a benchmark to calculate the relative cost of an advertising campaign or an ad message in a given medium. Rather than an absolute cost, CPM estimates the cost per 1000 views of the ad

CPM, as per the formulae

$$\text{CPM} = \frac{\text{Total cost of the ad}}{\text{Total audience}} \times 1000$$

An example of computing the CPM:
 Let total cost for running the ad is \$15,000.
 The total audience is 2,400,000 people.
 Therefore:- $\text{CPM} = \frac{\$15,000}{(2,400,000/1000)}$
 $= \$6.25$

It means that to show a advertisement on net to a database of 2400000 people, it would cost \$6.25 per one thousand(1000) persons.

Pay per click (PPC)

Pay Per Click (PPC) is an internet advertising model used on websites, in which advertisers pay their host only when their ad is clicked. With search engines, advertisers typically bid on keyword phrases relevant to their target market content sites commonly charge a fixed price per click rather than use a bidding system.

Cost per click (CPC) is the amount of money an advertiser pays search engines and other Internet publishers for a single click on its advertisement that brings one visitor to its website.

Websites that utilize PPC ads will display an advertisement when a keyword query matches an advertiser's keyword list, or when a content site displays relevant content. Such advertisements are called sponsored links or sponsored ads, and appear adjacent to or above organic results on search engine results pages, or anywhere a web developer chooses on a content site.

Although many PPC providers exist, Google AdWords, Yahoo! Search Marketing, and Microsoft ad center are the three largest network operators, and all three operate under a bid-based model. Cost per click (CPC) varies depending on the search engine and the level of competition for a particular keyword.

The PPC advertising model is open to abuse through click fraud, although Google and others have implemented automated systems to guard against abusive clicks by competitors or corrupt web developers.

Cost per lead (CPL)

Cost Per Lead or CPL is an online advertising pricing model, where the advertiser pays for an explicit sign-up from an interested consumer interested in the advertiser offer.

CPL defines how much revenue a publisher receives when it creates a lead for an advertiser. For example, the publisher may place an ad for an investment site on its website. If a user clicks on the advertisement link, it is directed to the advertiser's website where it can sign up for an investment account. If it chooses to sign up, a lead has been created and the publisher is paid a certain amount based on the CPL.

CPL advertising is also commonly called online lead generation.

Cost per Thousand (CPT)

In a CPT (Cost-per-Thousand) pricing model, advertisers are forced to pay for wasted impressions. CPC (Cost-per-Click) pricing models, commonly found on search engines, compel

advertisers to pay for clicks from people that might never sign up on the advertiser landing page. In complete contrast, advertisers can pay only for qualified sign-ups using CPL pricing models.

Cost Per Engagement

Cost Per Engagement model means advertising impressions are free and advertisers pay only when a user engages with their ad unit. Engagement is defined as a user interacting with an ad in any number of ways, including playing a game, taking a poll, rolling over an ad unit for a specified amount of time or taking a product tour.

Cost Per Engagement brings a measure of performance to online advertising. Ads are served for free, and advertisers pay only when a user engages with their brand content. The approach has given advertisers a choice between quantity and quality

This is somehow same as costs per lead (CPL)

This technique may be applied to ad formats including video and rich media, for example, in web banners as invitations to view longer-form branded content such as videos, games or other interactive experiences such as widgets. An ad unit offering Cost Per Engagement appears like standard display ads with a few seconds of preview video. Users mouse over the ads to display a Flash window that shows the full clip without forcing users to leave the page.

Cost Per Impression

Cost per impression, often abbreviated to CPI or CPM for Cost per thousand impressions, is a phrase often used in online advertising and marketing related to web traffic. It is used for measuring the worth and cost of a specific e-marketing campaign. This technique is applied with web banners, text links, e-mail spam, and opt-in e-mail advertising.

An online advertisement impression is a single appearance of an advertisement on a web page. Each time an advertisement loads onto a user's screen, the ad server may count that loading as one impression.

However, the ad server may be programmed to exclude from the count certain non qualifying activity such as

- A reload,
- Internal user actions and
- Other events that the advertiser and ad serving company agreed to not to count.

For online advertising, the numbers of views can be a lot more precise. When a user requests a web page, the originating server creates a log entry. Also, a third party tracker can be placed in the web page to verify how many accesses that page had.

Pay for placement (P4P)

Pay for placement, or P4P, is an Internet advertising model in which advertisements appear along with relevant search results from a Web search engine. Under this model, advertisers bid for the right to present an advertisement with specific search terms (i.e., keywords) in an open auction. When one of these keywords is entered into the search engine, the results of the auction on that

keyword are presented, with higher ranking bids appearing more prominently on the page.

- The information stored with the data
- The method by which the information is indexed

In the simplest case, a search engine could just store the word and the URL where it was found. In reality, this would make for an engine of limited use. In other words, there would be no way of building the ranking list that tries to present the most useful pages at the top of the list of search results.

To make for more useful results, most search engines store more than just the word and URL. An engine might store the number of times that the word appears on a page. The engine might assign a weight to each entry, with increasing values assigned to words as they appear near the top of the document, in sub-headings, in links, in the meta tags or in the title of the page. Each commercial search engine has a different formula for assigning weight to the words in its index. This is one of the reasons that a search for the same word on different search engines will produce different lists, with the pages presented in different orders.

Regardless of the precise combination of additional pieces of information stored by a search engine, the data will be encoded to save storage space. As a result, a great deal of information can be stored in a very compact form. After the information is compacted, it's ready for indexing.

An index has a single purpose: It allows information to be found as quickly as possible. In English, there are some letters that begin many words, while others begin fewer. You'll find, for example, that the "M" section of the dictionary is much thicker than the "X" section. This inequity means that finding a word beginning with a very "popular" letter could take much longer than finding a word that begins with a less popular one. Hashing evens out the difference, and reduces the average time it takes to find an entry. It also separates the index from the actual entry. The hash table contains the hashed number along with a pointer to the actual data, which can be sorted in whichever way allows it to be stored most efficiently. The combination of efficient indexing and effective storage makes it possible to get results quickly, even when the user creates a complicated search.

6. Benefits of advertising on social Networking Sites

There once was a time when social media sites were considered to be just for teenagers or those looking for love. However, that has just changed in recent years. It has become a huge asset to advertisers, especially when they are looking to reach to a niche audience. Social networking sites allows advertisers to geo-target ads and key in on users via specific keywords in their profile.

Some sites like Facebook allow advertisers to do geo-targeting by country, state/province, and city. This allows the advertiser to limit or expand their message to their target audience based on geo-target settings that the advertiser can set. These sites are not limited to the United States. This keeps advertisers from being locked in to one area or location.

Advantages of Paid Inclusion

Rapid inclusion and rapid re-indexing. Paid inclusion means that your website or blog will be indexed quickly and added to search results in a very short time after you have paid the fee.

Disadvantages

The cost for a ten page website would range from \$170 to \$600, and you have to also pay each engine their annual fee.

The limited reach of paid inclusions. Of course, there's no guarantee you'll get any traffic at all, with paid inclusion. You are essentially buying additional listings that you might not ordinarily receive. In doing so, just as with a lottery, you may have more chances of coming up than normal for various search terms. If this happens, you may find that you get plenty of quality traffic for less expense than through paid placement programs.

7. Conclusion

The above paper is an effort to understand the utility of new age marketing tools made available to the marketers. No single method of marketing in this age of technological literacy is sufficient to provide the desired results. Firms need to follow strategy of marketing on both on social networking sites and search engines for optimum results.

8. References

1. www.Wikipedia.org
2. www.google.com
3. www.facebook.com
4. www.smo.org
5. www.scibd.com
6. www.micromoments.com
7. www.googleads.com
8. www.ticsworks.com
9. www.Globeads.com
10. www.leadinad.com
11. www.impliedbydesign.com/.../the-advantages-of-internet-advertising-vs-traditional-advertising.html
12. www.advertisingcrossing.com/.../The-Advantages-of-Online-Advertising/