COURSE BOOK

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Online Marketing

DLBMSM01-01

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Learning Objectives

Introduction 11



This **Online Marketing** course provides an overview of the most important marketing activities and channels on the internet. During the course, students will learn about the different forms of online marketing, how they differ from each other, and how they can be combined into cross-media campaigns. The aim is for students to be able to assess the opportunities and risks of the individual channels for a company, so that they can develop effective campaigns for speciﬁc intended audiences.

Alongside strategy and planning, legal aspects also play a role in online marketing, as does performance evaluation with the help of web analytics and key performance indicators (KPIs) to validate the effect of measures taken. An outlook on current trends, particularly marketing for mobile devices, provides an impression of the rapid technical change that is heavily influencing this area of marketing.

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Unit 1

Online Marketing Basics

STUDY GOALS

After completing this unit, students will know ...

... what online marketing means exactly.

... how online marketing differs from other forms of marketing.

... how users communicate on the internet.

... how value creation functions on the internet.

... which business models are found on the internet.

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1. Online Marketing Basics

Case Study

Mrs. Hess looks after her three children at home. They are gradually getting old enough for her to devote more time to her hobby: making beaded jewelry. Maybe she could sell it on the internet and make some money? In the office next door, three students are returning from a start-up weekend with a revolutionary business idea. They want to build an online platform where private individuals can rent cars from other private individuals – the world’s largest car rental company. While these are two completely different approaches, both Mrs. Hess and the students can reach their intended audiences through online marketing. After all, a good product or service alone will not bring success if no one knows about it.

Shitstorm In a shitstorm, a person or company is overwhelmed with an avalanche of negative criticism.

Four Ps The four Ps are considered to be the elements that fine-tune a successful marketing mix:

product, price,

promotion, and place.

Online marketing offers the opportunity to reach a wide audience with a single click while also addressing each user individually. Thanks to advancing technology, online marketing is now a broad field comprising diverse measures that—if used incorrectly—can also fizzle out ineffectively or, in the worst case, generate a **shitstorm**. The art of online marketing is understanding the measures and using them in a targeted manner in order to reach the right intended audience, at the right time, via the right channel, with the right content.

* 1. Development and Concept of Online Marketing

The internet gradually moved into private households in the 1990s, opening up an entirely new field of commercialization and advertising for companies. Nevertheless, the technology initially limited marketing options to the forms of banners, emails, and public relations work. Authors first attempted to put the online marketing phenomenon into words in the early 2000s, using terms such as *internet marketing*, *online advertising*,and *web marketing*. Some distinguished online marketing from traditional forms of marketing by means of technical requirements such as an internet connection, while others emphasized interactive communication as its key characteristic. Initially, online marketing was simply regarded as another channel in the marketing mix, being planned and deployed according to the **four Ps.** However, business models such as eBay and Amazon, increasingly emerged: they could only be found on the internet, and therefore also invested their entire marketing budget in online measures. As a result, the importance of the traditional marketing mix diminished, while new forms of online marketing took shape on the internet (Lammenett 2019, p. 34ff.).

Online Marketing Basics

More than Just Another Channel

Nearly 50 million people had access to the internet by 2010—in Germany alone (Van Eimeren/Frees 2010, p. 348): the reach of the new medium had nearly caught up with television (ibid., p. 345). By that time, it was clear that online marketing was not just one new channel among many. Rather, this form of marketing was generating a growing number of facets that were difficult to distinguish from one another. During the 2000s, social media networks such as Facebook (2004) and Twitter (2006) took off and soon introduced opportunities for social media marketing (Kroker 2018). YouTube was no longer just a place for amateur ﬁlmmakers to distribute their content, as companies and **inﬂuencers** increasingly discovered the video portal as an advertising platform. With the introduction of the iPhone (2007), access to multimedia via touchscreen and a permanent connection to the World Wide Web soon became part of everyday life—mobile marketing was born.

Ultimately, each company must examine and decide for itself whether the use of online marketing is relevant and meaningful for its own products and services. For example, a modern pizza delivery service should appear on Google Maps, make its menu available on Facebook, and accept orders via WhatsApp. The steel construction company next door is more likely to rely on a serious website, appealing job ads on XING and LinkedIn, and a visual campaign on Instagram to attract apprentices. Ultimately, all these measures fall under **online marketing** because this marketing takes place within online media (Onlinemarketing.de 2020). Indeed, the transition is ﬂuid: a user can access a website, a video, or Facebook from a smartphone just as easily as from their desktop—even if this measure was not intended as mobile marketing. Existing attempts to define and differentiate online marketing are regularly shaken up by rapid technological change.

Interaction with the Intended Audience

On the internet, users get in touch with each other, learn about specific topics, and use various online services. Initially, this overall communication occurs independent of a company. But if a company wants to reach its intended audience via online marketing, then it must become part of this communication. Therefore, every company should ask itself the question: what is my intended audience talking about? In contrast to television or newspapers, internet users can have their say, exchange ideas, and interact directly with the sender. Many companies neglect this possibility and place their content online as one-way communication, without noting users’ reactions, let alone interacting with them. At the same time, online marketing offers a significant advantage over traditional forms of marketing: its effect can be measured. With the help of web analytics, every visit, every click, and every scroll is tracked and evaluated, meaning that the effect of measures can be reviewed directly (Kreutzer 2019, p. 3ff.).

Inﬂuencer

Internet users with a strong presence, wide reach, and a correspondingly large influence are considered inﬂuencers.

Online Marketing

All marketing measures that take place on the internet fall under the term *online marketing*.

Web Analytics Web analytics is used to collect and analyze data from visitors to a website.

In the early days of the internet, companies’ primary goal was to be present in the online world and direct as many users as possible to their own website. This is where the desired interaction was initiated: with users picking up the phone, writing an email, or buying a product in their online store. Now, the various intended audiences exchange information on different online platforms, e.g., in forums, via social networks or via messenger services such as WhatsApp or Telegram. Users operate in their own small online world, which means that if companies want to reach users, they must become part of this world—through appropriate online marketing. A company’s website as an online business card is increasingly moving into the background because companies must now be active on the same channels as their intended audience and present themselves there. For example, Edeka uploaded a video to YouTube at Christmas about a grandfather feigning his death—with more than 66 million views (EDEKA 2015) —or Berlin’s public transport company promoted itself as a World Cultural Heritage Site. These measures pursue one goal: to get the intended audience talking about the sender.

Sub-Types of Online Marketing

Online marketing makes use of various channels, platforms, and measures that can be roughly divided into different categories. The individual categories are continually changing, with new ones being added and some being re-defined. Sub-types of online marketing are listed in the following, but this is by no means a complete summary:

* afﬁliate and search engine marketing,
* display advertising and email marketing,
* social media and inﬂuencer marketing,
* content marketing and storytelling,
* viral marketing and word-of-mouth marketing,
* native advertising and mobile marketing,
* real-time bidding and programmatic advertising, and
* online PR.